

2017 FULL-YEAR RESULTS



7 March 2018



2017 FULL-YEAR RESULTS



Introduction

Peter Tom CBE

Executive Chairman

Financial review

Rob Wood

Group Finance Director

Group & operational review

Pat Ward

Group Chief Executive

Q & A

PETER TOM CBE Executive Chairman



2017: A YEAR OF SOLID PROGRESS



- One of the most productive years in our history
- A year of continued growth
- High levels of organic investment
- Further acquisitions completed
- Asset swap with Tarmac announced
- Encouraging progress on safety

ROB WOOD

Group Finance Director



2017 FINANCIAL HIGHLIGHTS



Revenue

£652.4m

2016: £454.7m +43%

Underlying EBIT*

£80.4m

2016: £59.6m +35%

Underlying EBIT margin*

12.3%

2016: 13.1%

Profit before taxation

£71.2m

2016: £46.8m +52%

Underlying basic EPS*

4.14p

2016: 3.49p +19%

Net debt

£109.8m

2016: £159.3m -31%

*Underlying results are stated before acquisition-related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangibles and related tax items.

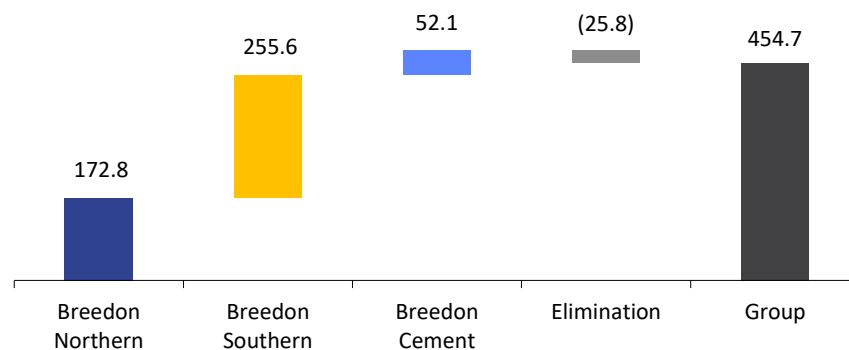
2017 INCOME STATEMENT



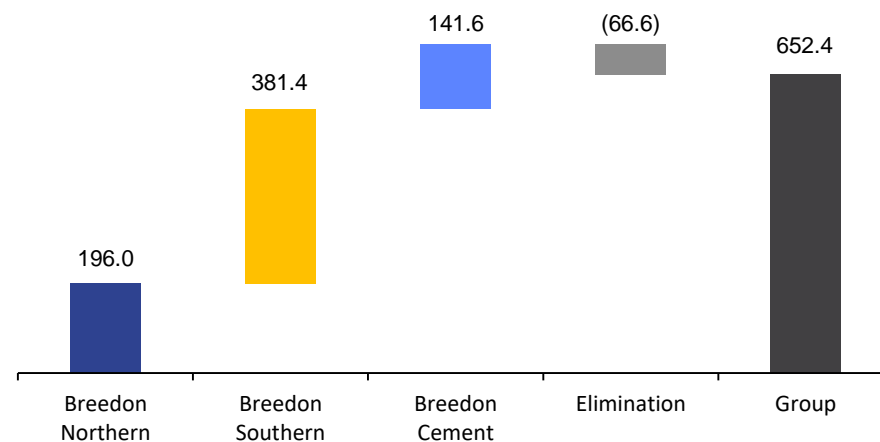
	2016 £ million	2017 £ million	Variance %
Revenue	454.7	652.4	+43%
Underlying EBITDA	83.7	117.0	+40%
Depletion & depreciation	(25.5)	(39.3)	
Underlying operating profit	58.2	77.7	+34%
Share of associate and joint ventures	1.4	2.7	
Underlying EBIT	59.6	80.4	+35%
Interest	(4.5)	(6.4)	
Non-underlying items	(8.3)	(2.8)	
Profit before tax	46.8	71.2	+52%
Taxation	(10.0)	(14.2)	
Profit for the year	36.8	57.0	+55%
Underlying basic earnings per share	3.49p	4.14p	+19%

2017 DIVISIONAL PERFORMANCE

2016 revenue £ million*



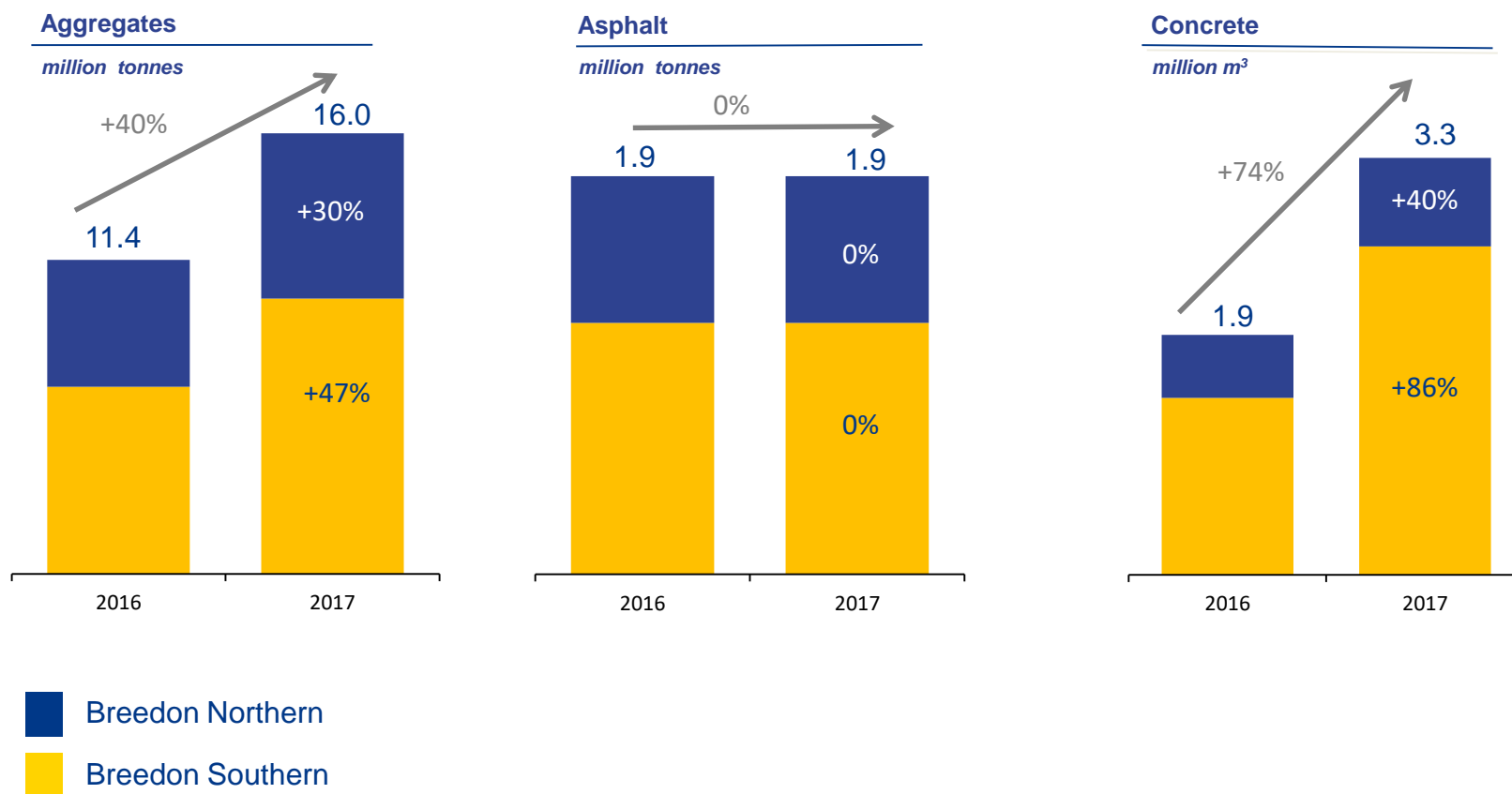
2017 revenue £ million



	2016*	2017	Variance	2016*	2017	Variance
	£ million	£ million		Underlying EBIT margin	Underlying EBIT margin	
Underlying EBIT						
Breedon Northern	19.9	20.4	+3%	11.5%	10.4%	-1.1ppt
Breedon Southern	38.1	44.1	+16%	14.9%	11.6%	-3.3ppt
Breedon Cement	11.0	25.8	+135%	21.1%	18.2%	-2.9ppt
Head Office	(10.8)	(12.6)				
Share of associate and joint ventures	1.4	2.7				
Underlying EBIT	59.6	80.4	+35%	13.1%	12.3%	-0.8ppt

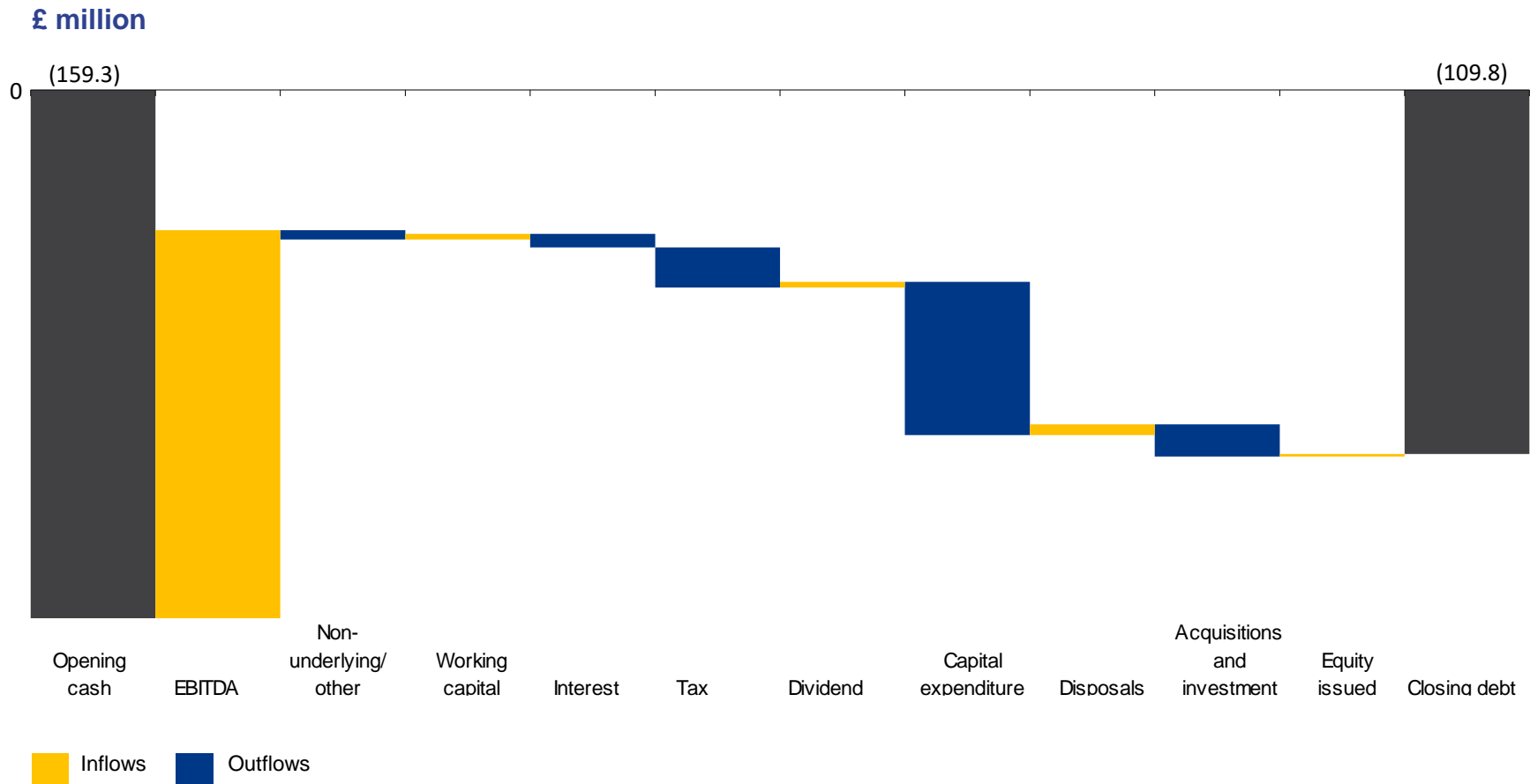
* Allocation between divisions has been restated to reflect the change to divisional structure during 2017.

2017 PRODUCT VOLUMES



NOTE: In accordance with the Cement Market Data Order 2016, cement volumes are not disclosed.

2017 NET DEBT MOVEMENT



PAT WARD Group Chief Executive



2017: A MIXED MARKET PICTURE



- UK GDP up 1.7%
- Construction output up 3.0%
 - housing +5.7%
 - infrastructure +4.1%
 - commercial +3.0%
 - industrial -3.6%
- Aggregates, asphalt & cementitious volumes broadly maintained
- Readymix volumes marginally down
- Significant regional variations

Sources: ONS, CPA, MPA.

2017: A STRENGTHENED GROWTH PLATFORM



- Improved performances from all three divisions
- Strong organic earnings growth, supplemented by acquisitions
- Acquisitions fully integrated, with synergies fully realised
- Significant investment in minerals, capacity and operational improvements
- Increased internalisation of aggregates and cement
- New greenfield quarry opened
- Two bolt-on acquisitions completed
- Planned acquisition of Tarmac quarry & asphalt assets announced
- Further 25% reduction in Employee Lost Time Injury Frequency Rate

2017: A STRENGTHENED GROWTH PLATFORM



Breedon Northern

- Solid performance in competitive market
- Integration of Hope and Sherburn completed
- New quarry opened at Low Harperley
- Regional management strengthened

Breedon Southern

- Good performance in challenging markets
- Pro Mini Mix and Humberside Aggregates acquired and integrated
- New reserves secured
- New divisional chief executive appointed

Hope Cement

- Strong trading performance
- Logistics and service functions streamlined
- Major investment programme completed
- Plant reliability at 97%

2018: GROUP OUTLOOK



- Breedon is appreciably stronger and strategically well positioned
- 2018 will be challenging in some areas of the construction market
- Encouraging medium-term outlook for UK infrastructure and housing
- Benefits of significant capital investment through 2018 and beyond
- Completion of planned acquisition of Tarmac assets pending
- Other acquisitions in the pipeline
- Increasing focus on training and development, skills enhancement and employee engagement
- Further reduction in Employee Lost Time Injuries targeted

2017 FULL-YEAR RESULTS



Q&A

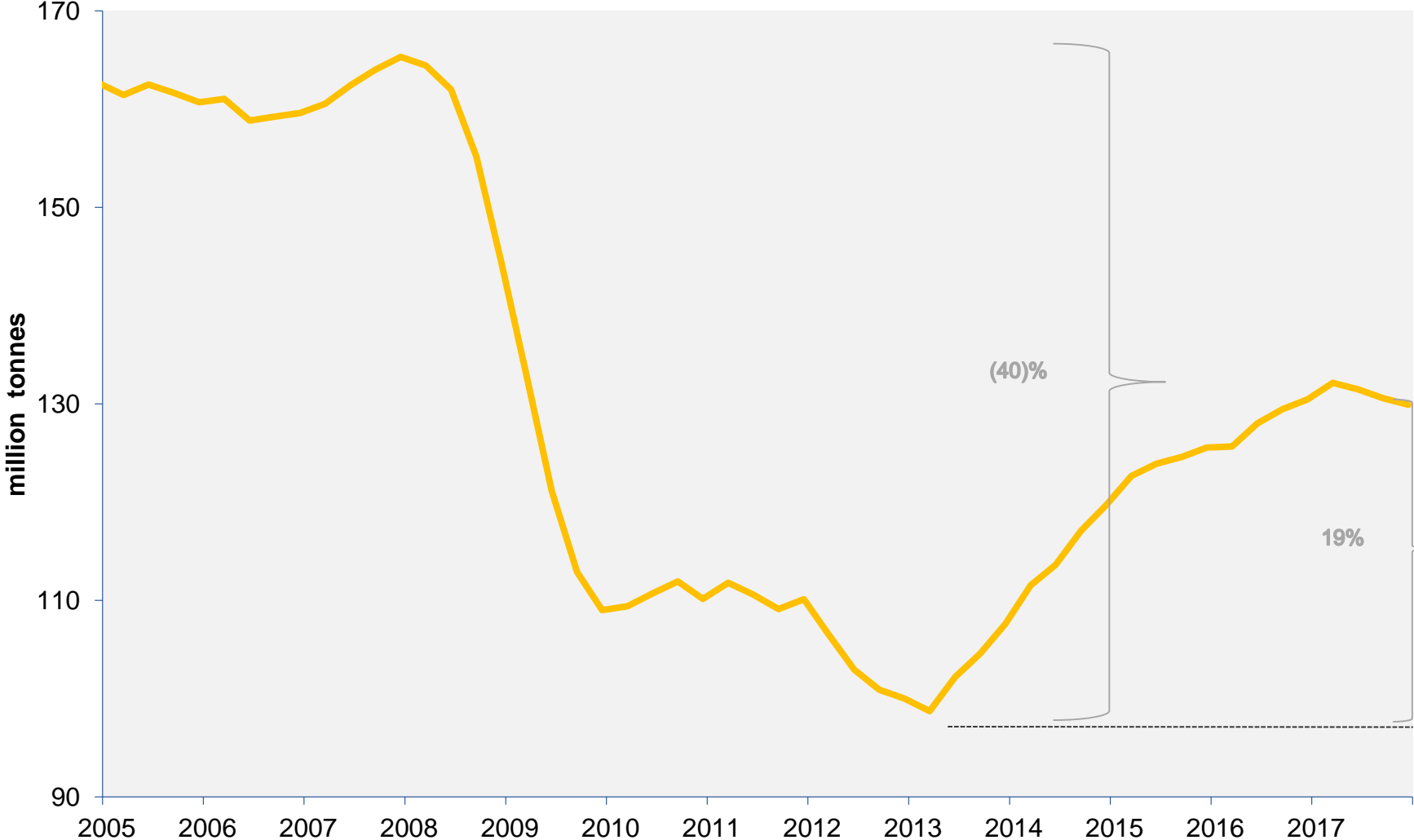


APPENDICES

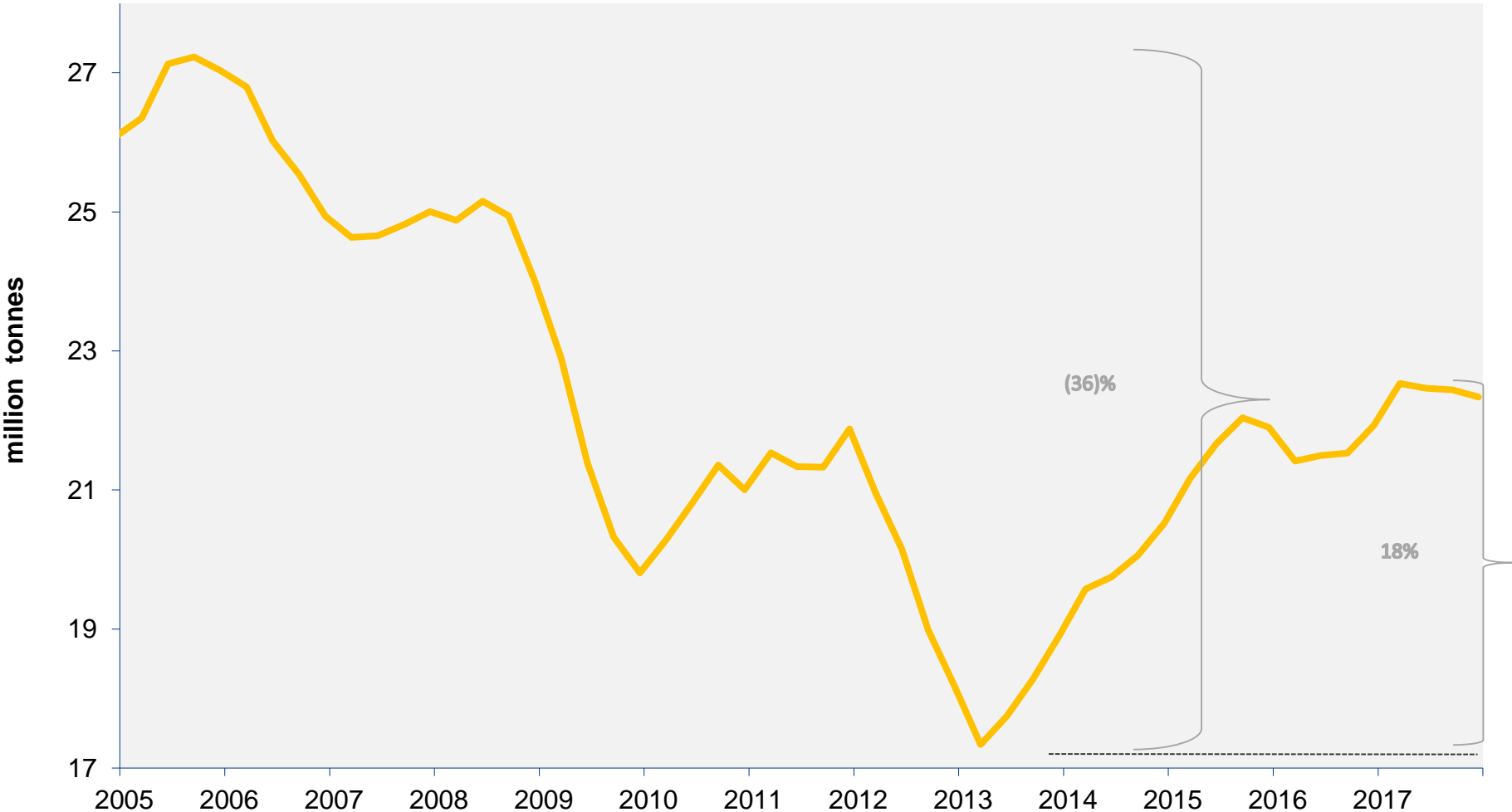
MPA volumes



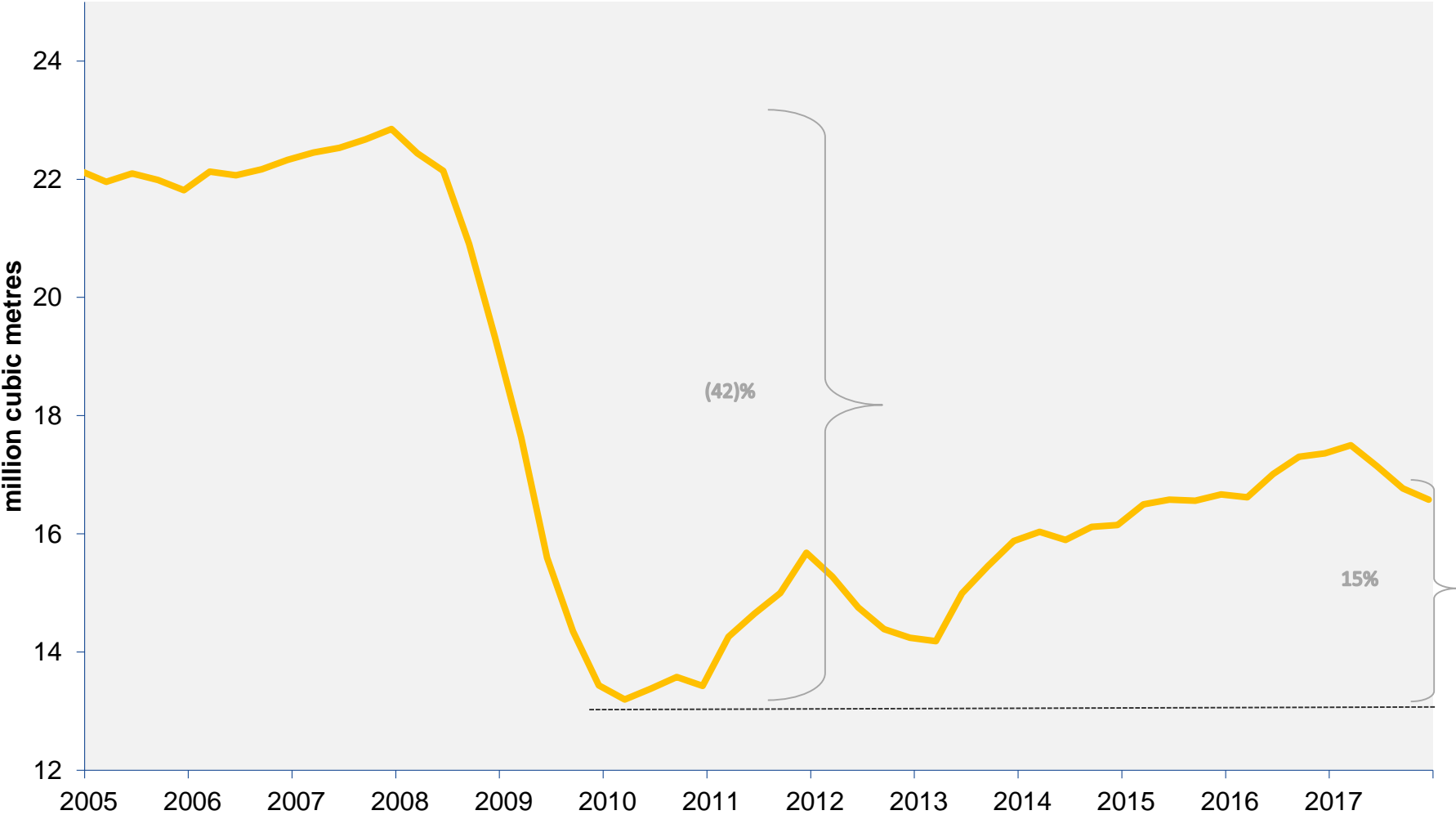
MPA AGGREGATES VOLUMES – MAT



MPA ASPHALT VOLUMES – MAT



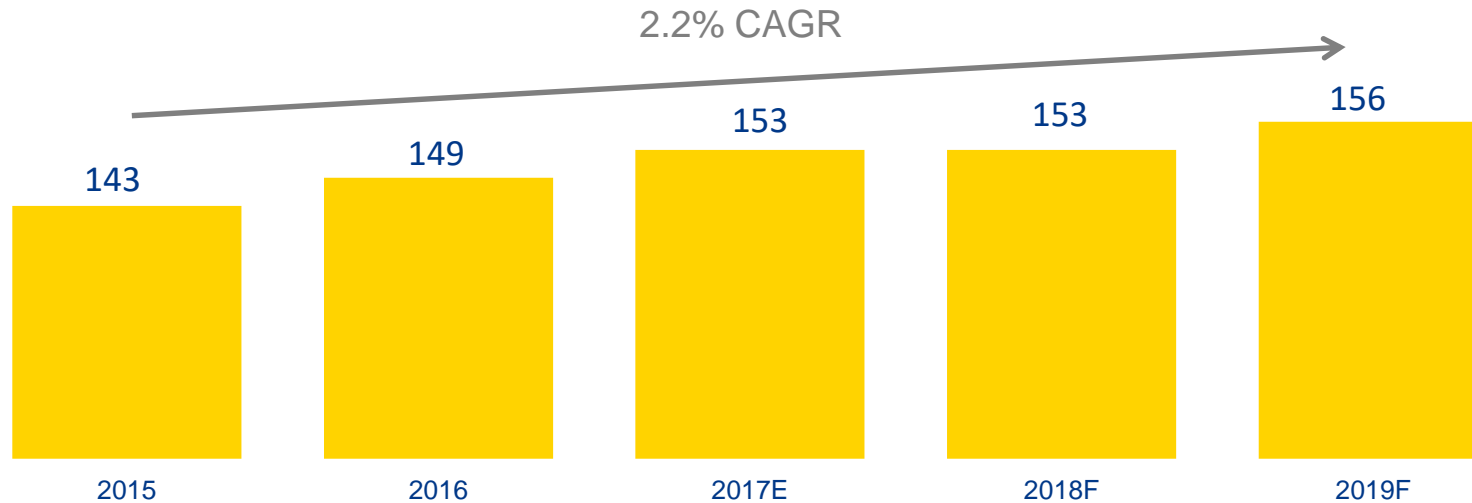
MPA READY-MIXED CONCRETE VOLUMES – MAT



FORECAST CONSTRUCTION OUTPUT



UK CONSTRUCTION OUTPUT 2015 – 2019 (£BN)



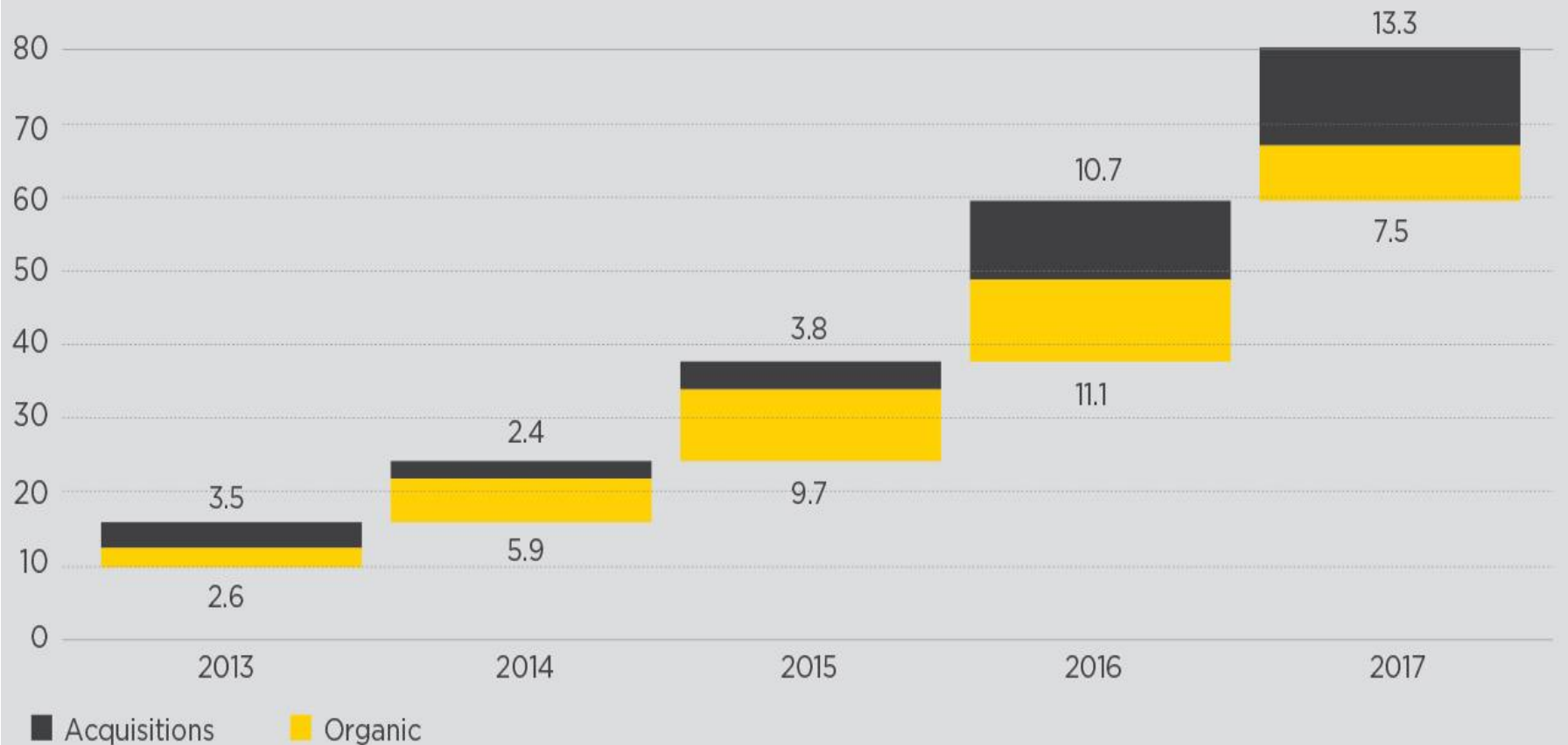
Source: Construction Products Association.

BREEDON'S TRACK RECORD



PROFITABLE GROWTH THROUGH TARGETED ACQUISITIONS AND STRONG ORGANIC DEVELOPMENT

Underlying EBIT components 2013 - 2017 (£m)

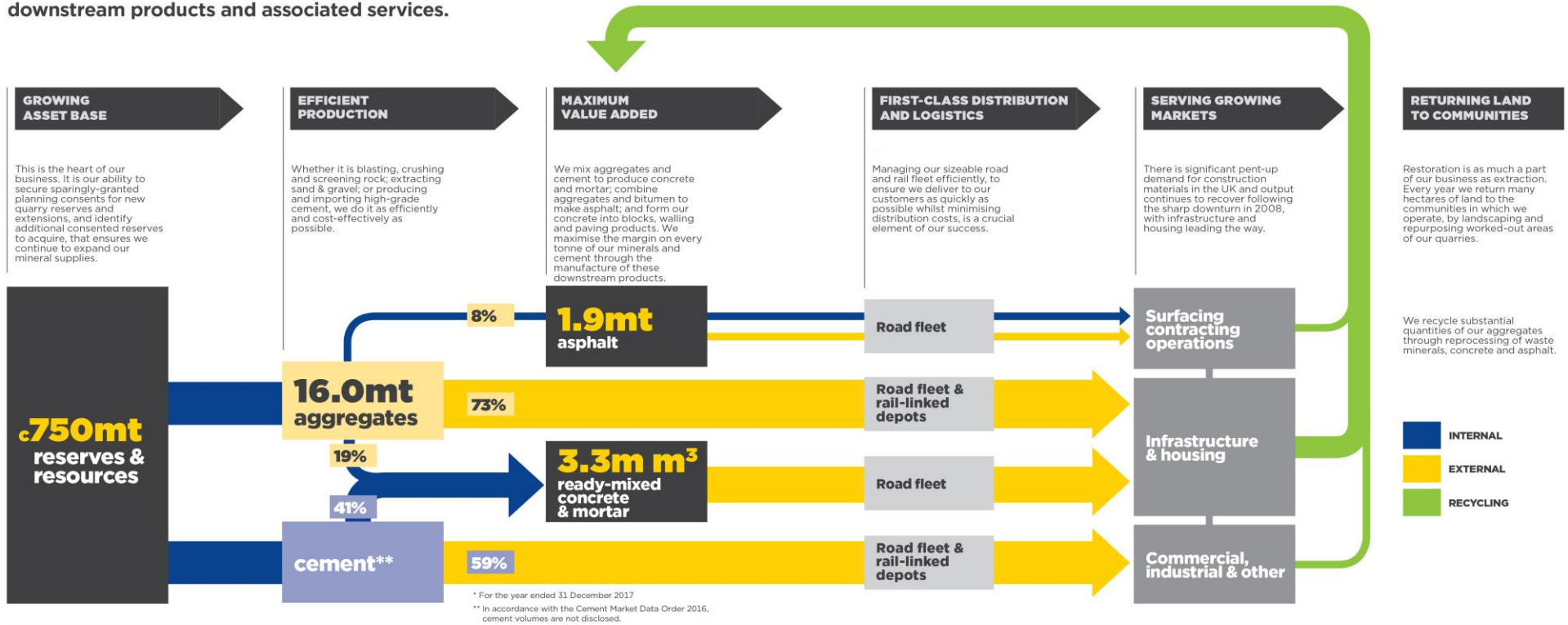


BREEDON'S BUSINESS MODEL



Our objective is to extract maximum value from every tonne of aggregates we quarry and every tonne of cement we produce, through the efficient manufacture and sale of a full range of downstream products and associated services.

We have a vertically-integrated business, which ensures a high level of self-sufficiency; from the extraction and processing of minerals; through the manufacture of cement, ready-mixed concrete, concrete blocks and asphalt; to nationwide distribution and regional surfacing contracting.



UNDERPINNED BY EIGHT 'GOLDEN RULES'

We operate our business with an uncompromising commitment to the safety of our colleagues and according to eight simple 'Golden Rules' which we believe give us our strong competitive advantage.

1. STAY LOCAL

Easy to do business with at every site

2. STAY NIMBLE

Maximise opportunities in our markets and develop new ones

3. DEVOLVE RESPONSIBILITY

Allow decision-making by regional teams

4. SQUEEZE OUR ASSETS

Maximise return from every tonne of material

5. ELIMINATE UNDERPERFORMANCE

If a unit is not performing, fix it

6. KEEP CENTRAL OVERHEAD TO A MINIMUM

Maintain a flat structure

7. DON'T PAY RENT

Wherever possible, locate our offices in our quarries

8. DELIVER VALUE FROM ACQUISITIONS

Always enhance our earnings

This presentation may contain statements related to our and our subsidiaries' future business and financial performance, and future events or developments involving Breedon that are not purely historical and which may constitute forward-looking statements. These statements may be identified by words such as “expect”, “look forward to”, “anticipate”, “intend”, “plan”, “believe”, “seek”, “estimate”, “will”, “project”, or variations of such words and similar expressions. Such statements are based on the current expectations and beliefs of, and certain assumptions made by, and information currently available to, Breedon management, and are therefore subject to certain risks and uncertainties. A variety of factors, many of which are beyond Breedon's control, affect our operations, performance, business strategy, and results and could cause the actual results, performance or achievements of Breedon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends. Forward-looking statements should be evaluated in the context of these factors.