

12 December 2022

(EPIC: SRC / Market: AIM / Sector: Construction Materials)

SIGMAROC PLC

('SigmaRoc', the 'Group' or the 'Company')

Trading update

2022 earnings ahead of market expectations

SigmaRoc (AIM: SRC), the quarried materials group, is pleased to provide the following update in relation to trading to 30 November 2022 and expectations for the year ending 31 December 2022:

Highlights

- Revenues to 30 November 2022 of £498m, up 20% year-on-year on a like-for-like basis;
- Demand conditions have evolved broadly as expected across market segments, with the Group benefitting from its broad end market and geographic diversification;
- Cost pressures managed through dynamic pricing, savings initiatives and performance improvement programmes;
- FY22 underlying EPS expected to be c.10% ahead of the market's expectations¹;
- FY23 outlook remains unchanged;
- Active pipeline of acquisition and investment opportunities with potential to significantly develop the Group.

Trading summary

For the 11-month period ended 30 November 2022, the Group recorded revenues of £498m, representing a 20% like-for-like increase over the same period in 2021.

Volumes trends for the period from July into December across the Group's markets have been, overall, consistent with those set out in the Q3 trading update on 20 October 2022. Our industrial mineral markets have continued to be resilient, with infrastructure demand remaining above historical levels. While there has been some softening in UK lower end housing and RMI demand, the Group has relatively low exposure to these markets and this has been more than offset by the strong performance of the industrial and infrastructure segments.

Cost management has remained a key focus area for the businesses. Q4 has seen some localised softening in electricity prices, which the Group has capitalised on by maximising production. More recent pressure in energy prices continues to be managed through dynamic pricing and hedging. Wider inflationary cost pressures have been further mitigated by both performance improvement programmes and cost saving initiatives.

FY 2022 Outturn

As a result of the delivery on cost saving and performance improvement programmes, resilient trading and development initiatives, the Group expects to report revenue and EBITDA for the year to 31 December 2022 ahead of consensus estimates, with Underlying EPS expected to be c.10% ahead of expectations¹.

The Group intends to publish its results for the year ended 31 December 2022 at the end of March 2023, followed by its ESG report in April 2023.

Outlook for FY 2023

Visibility into 2023 remains challenging given continued uncertainty around the global economy. Our current expectation is for demand in both the industrial and infrastructure markets to maintain current

trends into the early part of 2023, albeit we anticipate some customers will take the opportunity to bring forward seasonal maintenance stops, to coincide with anticipated higher energy prices and the holiday period.

The Group continues to implement highly effective performance improvement programmes, in each of its platforms, which have enhanced throughput and utilisation, improved commercial terms, increased materials reserves, and extended and de-bottle necked capacity. The initiatives which we announced in October 2022 which are expected to realise EBITDA benefits of £5m this year and deliver significant further scope for performance enhancement in 2023 and beyond, are progressing well. The success of these initiatives gives us confidence in our ability to mitigate further inflationary cost pressures.

Notwithstanding the challenging market conditions in the short term, the Board remains very confident in the Group's long term prospects, supported by its proven business model, and the diversification provided by its European and multi-product footprint.

Aqualung update

In November 2022, the Group announced its partnership with Aqualung, and its intention to materially accelerate carbon capture roll-out across its lime kiln network. The Group is pleased to report the first Aqualung carbon capture facility is presently on route to Scandinavia for installation in Q1 2023. A further video is being released to give additional information on the technology and the chosen implementation programme.

https://www.youtube.com/watch?v=4FwVMLgwVOg&ab_channel=SigmaRoc

Videos with further information in relation to our Aqualung partnership can be found here:

<https://www.brrmedia.co.uk/broadcasts-embed/636ba004aad758108bbd9181/event/?popup=true>

<https://www.brrmedia.co.uk/broadcasts-embed/636e71c9ce306e2e48f6bb56/?popup=true>

Further development of the Group's footprint

The Group remains as active as ever in the development of its footprint, targeting further value enhancing ideas, both organic and inorganic. Within this pipeline there is the potential to deliver attractive returns, enhance earnings and also decrease leverage. One of the Group's core strengths is its proven ability to drive strategic improvement irrespective of market conditions and the Company expects to update shareholders on progress early in the new year.

Max Vermorken, CEO of SigmaRoc, commented:

"Nothing easy is worth doing and 2022 wasn't easy. Well done to our nearly 1,860 staff. While it is likely that 2023 will present further unforeseen challenges, the agility of our business model and the diverse footprint of the Group will help us confront them as they arise. Naturally we keep a keen eye on ideas and projects which will help drive further growth."

Information on the Company is available on its website, www.sigmaroc.com.

¹Average of Analyst consensus estimates anticipate revenue of £512m, underlying EBITDA of £97.3m and underlying EPS of 7p.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, which forms part of United Kingdom domestic law by virtue of the European (Withdrawal) Act 2018.

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