

LIME

FOR

LIFE



Annual Results 2023

SIGMAROC

Agenda

- Overview – Max Vermorken
- Operational Review – Max Vermorken
- Financial Review – Garth Palmer
- Strategy – Max Vermorken
- Outlook - Max Vermorken
- Q&A

SRC FY23 Results

Overview

Financial and strategic highlights

FINANCIAL

- **Strong performance** with revenue, EBITDA and EPS all ahead of consensus
- **Volumes managed** in challenging markets with 4% LFL drop
- **Further progress against mid-term targets** with 20% EBITDA margin
- **Robust underlying free cash flow** while investing in growth
- **De-gearing on track** with year end net debt / EBITDA below 1.6x
- **Non-core divestments generated £8m** with more to come

STRATEGIC

- **Completion of 7-year journey** to market leading position in lime and limestone across North Europe
- **Transformational acquisition** of CRH lime and industrial limestone assets
- **£32m invested in six businesses** (acquired on 4x), delivering £10m LTM EBITDA; £2m EBITDA post-acquisition growth
- **Innovation continues** with Aqualung CO₂ capture, biofuel substitution and low carbon products (Greenbloc / Mevo)
- **Reduction in CO₂ and energy intensity**

2023 year-on-year underlying results

REVENUE

£580m

Improved by
8%

EBITDA

£117m

Improved by
15%

EPS

8.12p

Improved by
1%

EBITDA MARGIN

>20%

Improved by
120bps

LEVERAGE

1.57x

Improved by
19%

ROIC

11%

Improved by
50bps

ESG: Building a better business

EMISSIONS INTENSITY

29%

Reduction since 2021
baseline

ENERGY INTENSITY

12%

YoY intensity
reduction

INJURY FREQUENCY

31%

YoY reduction
in SHIFR

ALTERNATIVE POWER

71%

Across the
Group

ALTERNATIVE FUELS

100%

Biofuel success
in kiln

SAFETY AUDITS

172

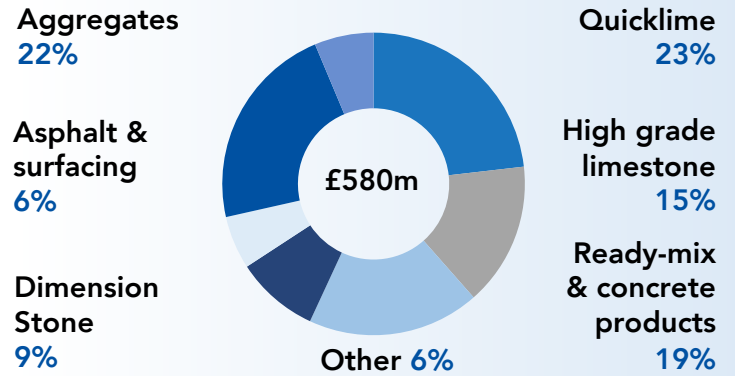
Site audits
conducted

SRC FY23 Results

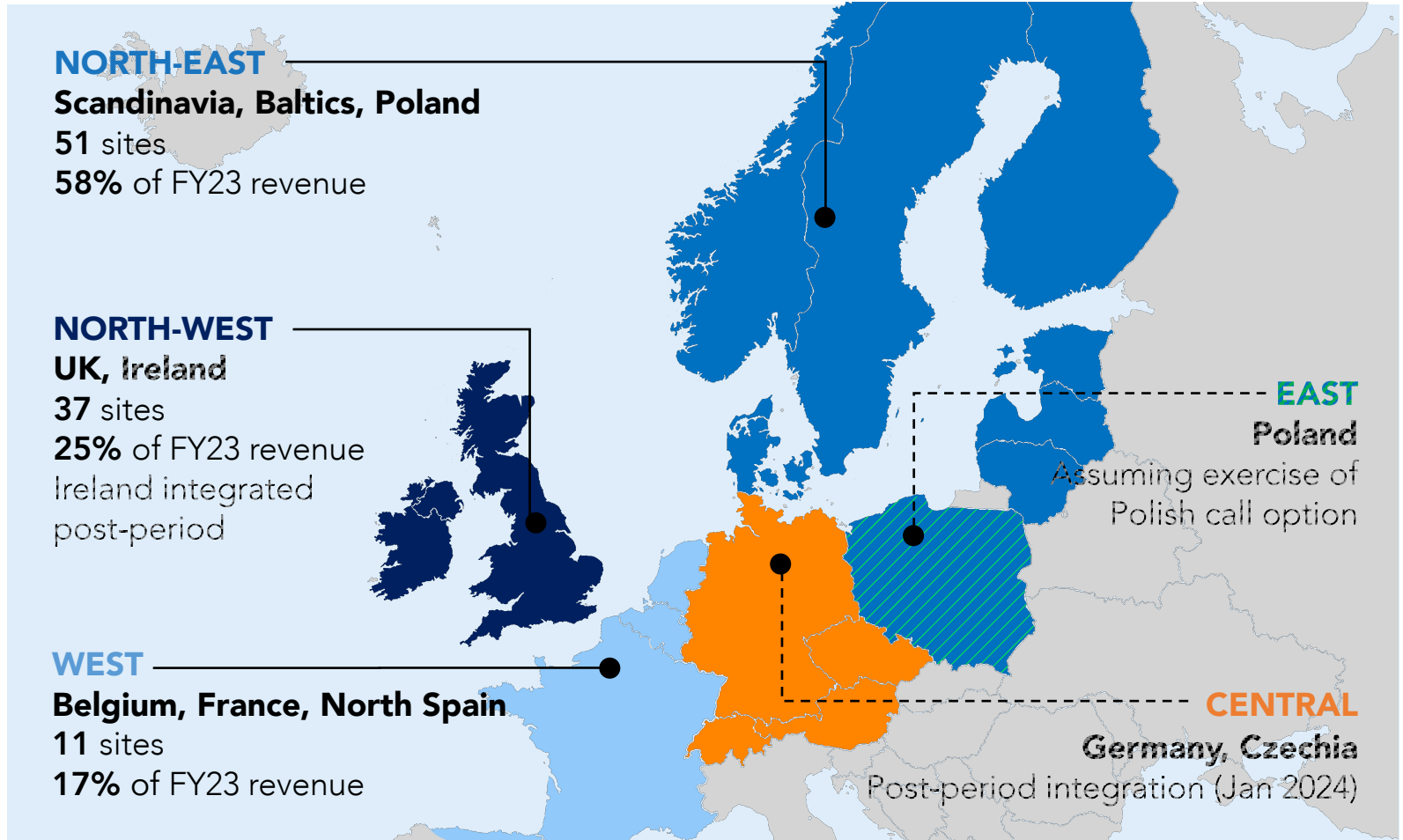
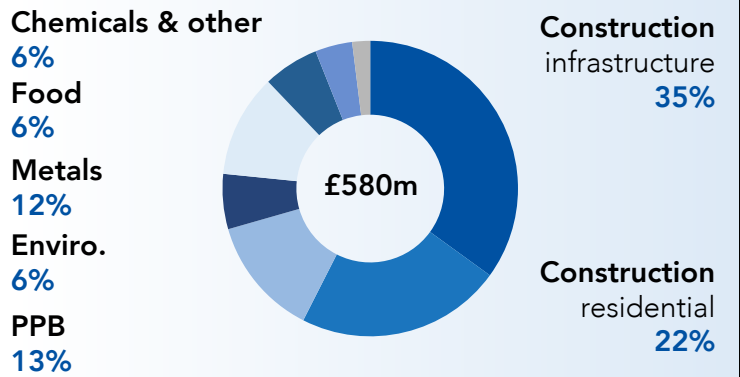
Operational review

Three regions become five

FY23 revenue by product



FY23 revenue by end market



North West: Operating performance

PRECAST PRODUCTS

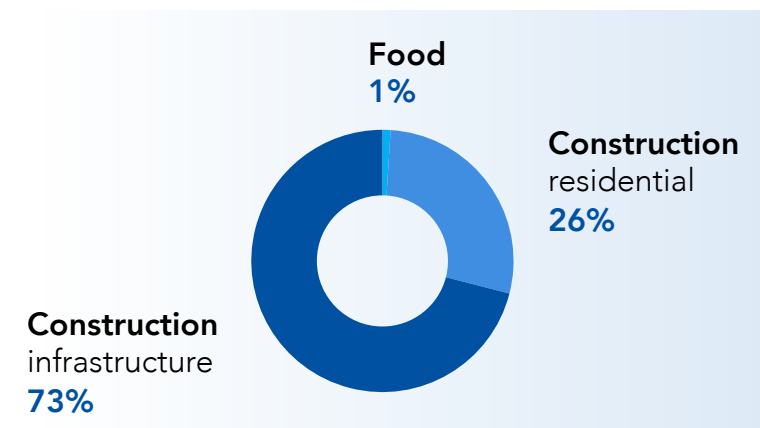
- Softer demand than prior year in residential segment with commercial and operational initiatives securing good overall result.
- Strong infrastructure demand ensured PPG overall was ahead of prior year

ENGLAND & WALES

- JQG: Slight slowdown but margin preserved through cost efficiencies
- Harries
 - Positive year: SWTRA contracts and cost efficiencies following investment in plant
 - New asphalt plant construction underway

Highlights	FY23	% change
Revenue	£142.3m	+2%
EBITDA	£31.6m	+5%
EBITDA margin	22.2%	+70 bps

Revenue split by end market



Positive results despite construction headwinds

West: Operating performance

DIMENSION STONE

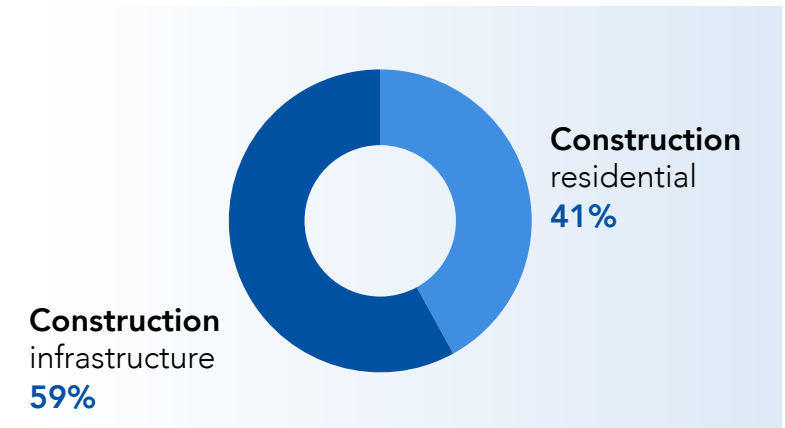
- Slight softness in construction led to volume contraction...
- ...but favourable pricing policy, lower energy costs and tight cost control drove EBITDA ahead of forecast

BENELUX

- Slow aggregates market as a result of weaker residential construction
- Excellent performance in concrete delivering ahead of forecast
- Acquisition of 4 concrete plants in Northern France contributing from Q4

Highlights	FY23	% change
Revenue	€113.8m	+11%
EBITDA	€27.8m	+28%
EBITDA margin	24.4%	+320 bps

Revenue split by end market



Improved profitability through effective pricing and cost control

North East: Operating performance

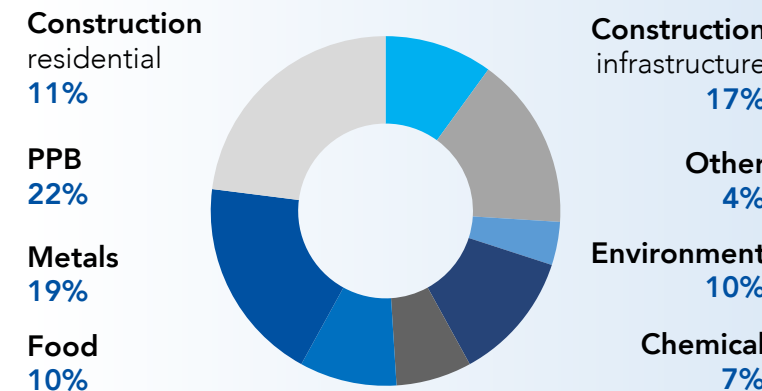
NORDKALK

- Strong year driven by infrastructure and industrial demand offsetting residential softness and H1 PP&B destocking
- Margin recovery in quicklime supported by industrial demand
- Weaker construction volumes across Nordics, particularly cement
- High-grade limestone acquisitions¹ in Finland and Sweden integrated and performing well
- Management restructure generated £3m saving

¹ Juuan Dolomiittikalkki Oy (Finland) and Björka Mineral AB (Sweden)

Highlights	FY23	% change
Revenue	€390.4m	+7%
EBITDA	€83.8m	+16%
EBITDA margin	21.5%	+170 bps

Revenue split by end market



Infrastructure and industrial demand drive EBITDA improvement

SRC FY23 Results

Financials

2023 year-on-year underlying results

REVENUE

£580m

Improved by
2% LFL

EBITDA

£117m

Improved by
10% LFL

EPS

8.12p

Improved by
1%

Notes

- Revenue up on marginally reduced volume due to favourable pricing
- EPS improvement despite 60% increase in interest cost and February fundraise / associated acquisitions not contributing for full year
- Reduced gearing in spite of growth and significant capex extending quarry life
- FCF impacted by working capital absorption to support growth and higher net interest payments

VOLUMES

19.9mt

Reduced
4% LFL

LEVERAGE

1.57x

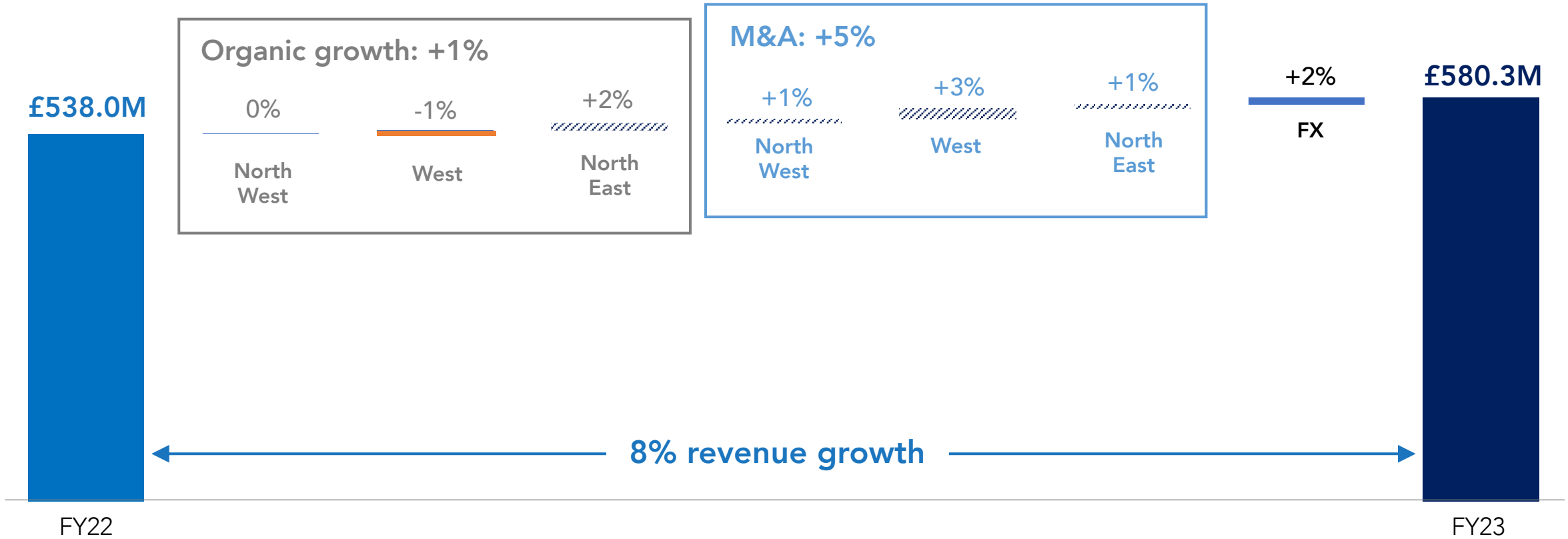
Reduced
19%

FCF CONVERSION

40%

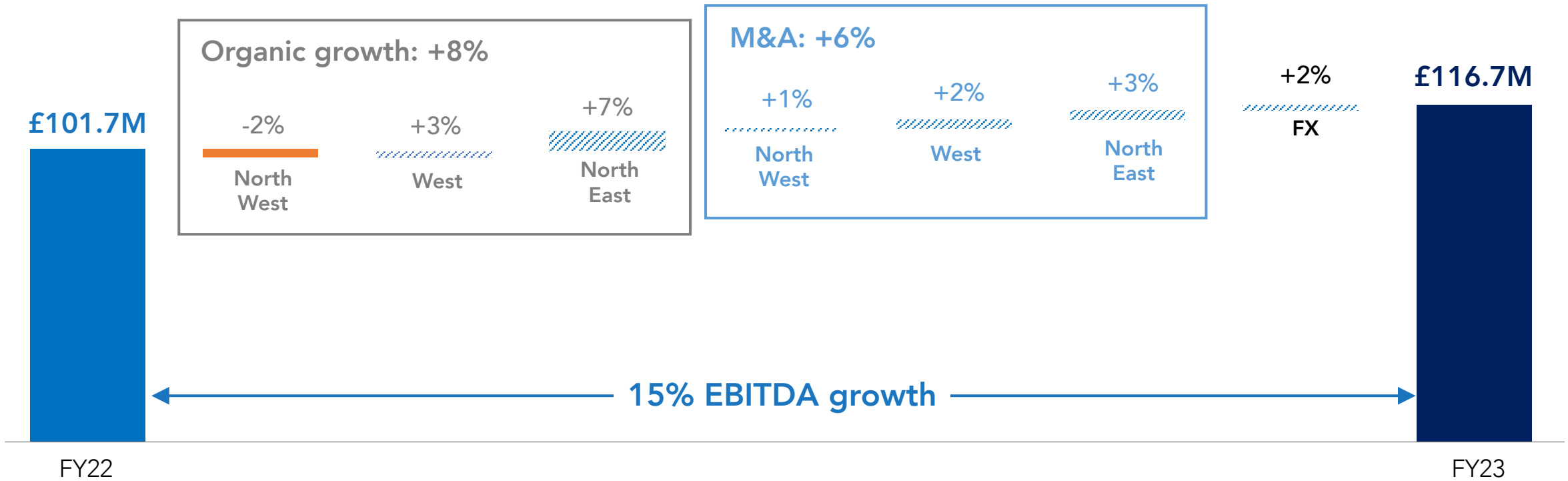
Reduced
13%

Revenue bridge



Solid organic performance and bolt-on acquisitions drive growth

EBITDA bridge

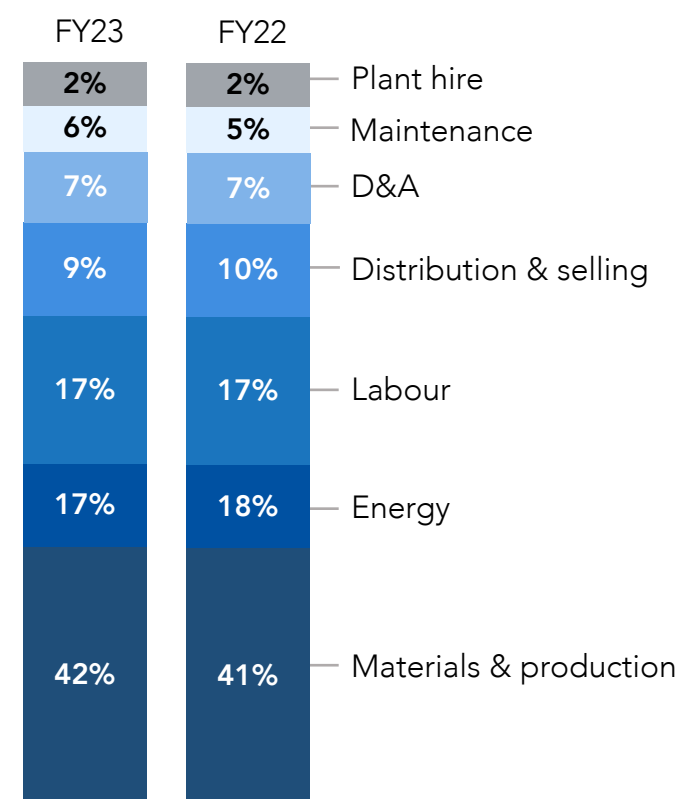


EBITDA improvement through good operational control and acquisitions

Income statement

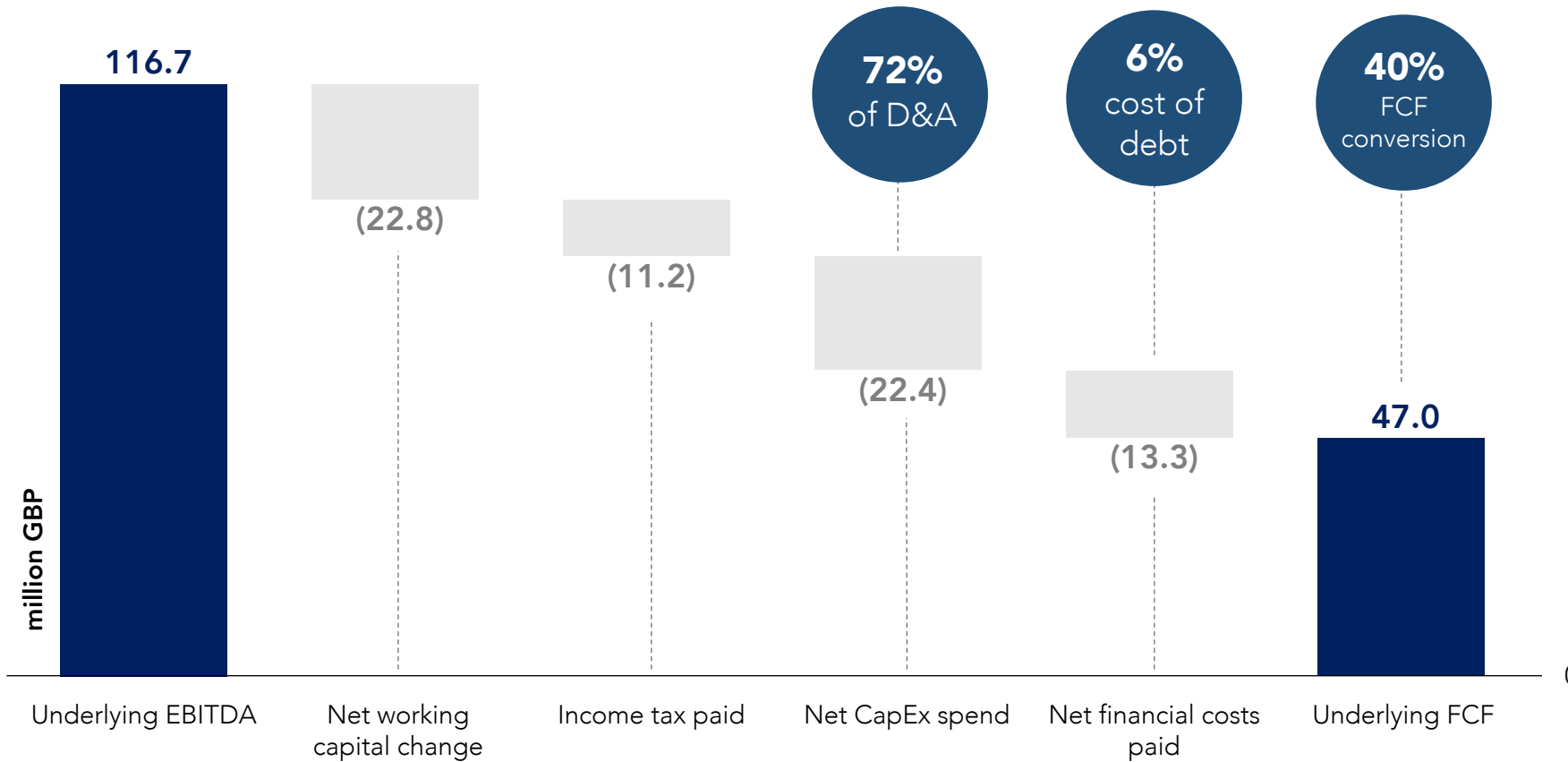
	Year ended 31 Dec 2023 £'M	Year ended 31 Dec 2022 £'M
CONTINUED OPERATIONS		
REVENUE	580	538
COST OF SALES	(441)	(422)
GROSS PROFIT	139	116
ADMINISTRATIVE EXPENSES	(55)	(46)
UNDERLYING PROFIT FROM OPERATIONS	84	70
NET FINANCE (EXPENSE)/INCOME	(14)	(9)
OTHER NET (LOSSES)/GAINS	2	2
TAX EXPENSE	(12)	(9)
UNDERLYING PROFIT	59	54
UNDERLYING PROFIT ATTRIBUTABLE TO OWNERS	56	51
UNDERLYING EPS (pence)	8.12	8.03

Cost of sales % of revenue



Disciplined cost control with 70% variable

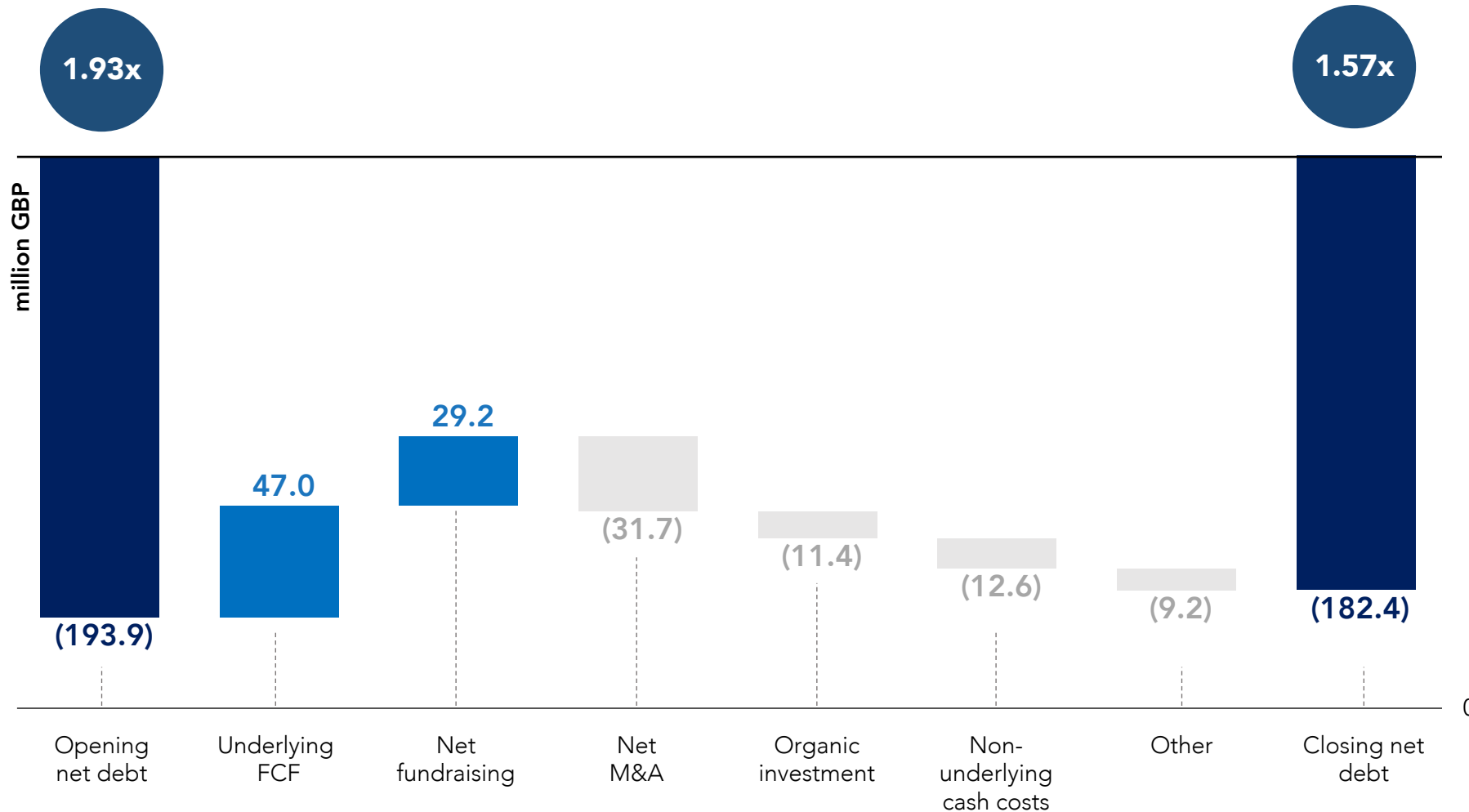
Robust underlying free cash flow while investing in growth



Notes

- Net working capital absorption to support growth includes adjustment for c.£20m of M&A related payables accrued at year-end
- Net CapEx includes £6m divestments and excludes £9m growth investments and £5m life of mine extensions
- Net finance costs paid increased by £4m YoY

Reduced leverage during a year of significant growth investment



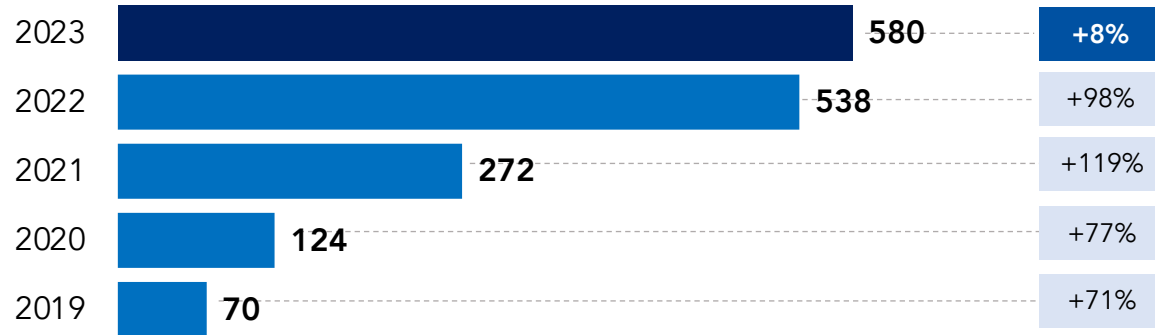
Notes

- Net M&A includes £2m divestment and £3m asset purchase for Betons
- Organic investment includes asphalt plant, biofuel conversions, carbon capture, wash plant and resource extensions at CDH and Ronez
- Other includes dividends to NCI, minority investments, derivatives, working capital purchase price adjustments and forex on borrowings

Consistent growth across COVID and inflationary period

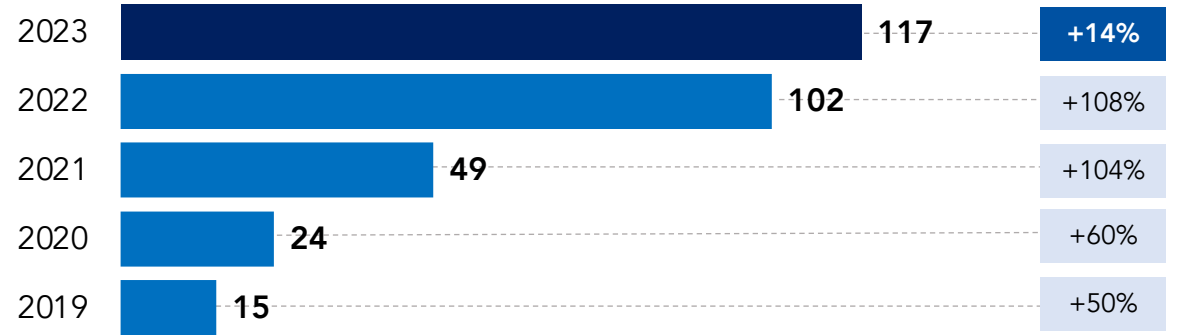
REVENUE

(million GBP)



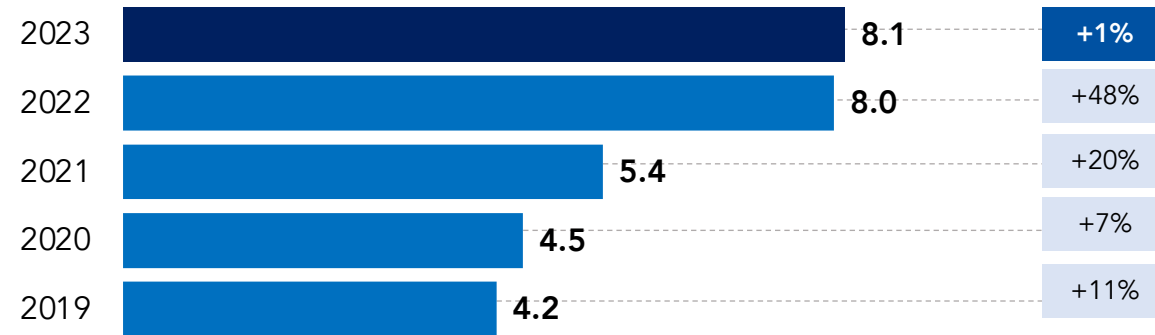
UNDERLYING EBITDA

(million GBP)



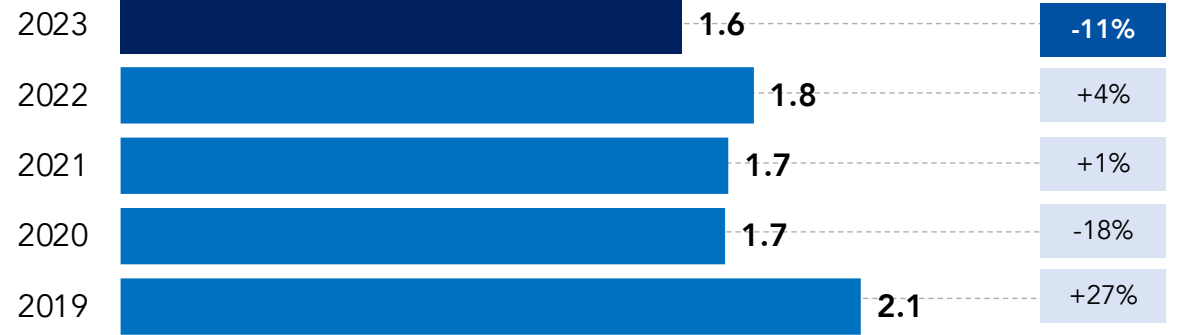
UNDERLYING EPS

(pence)



COVENANT LEVERAGE

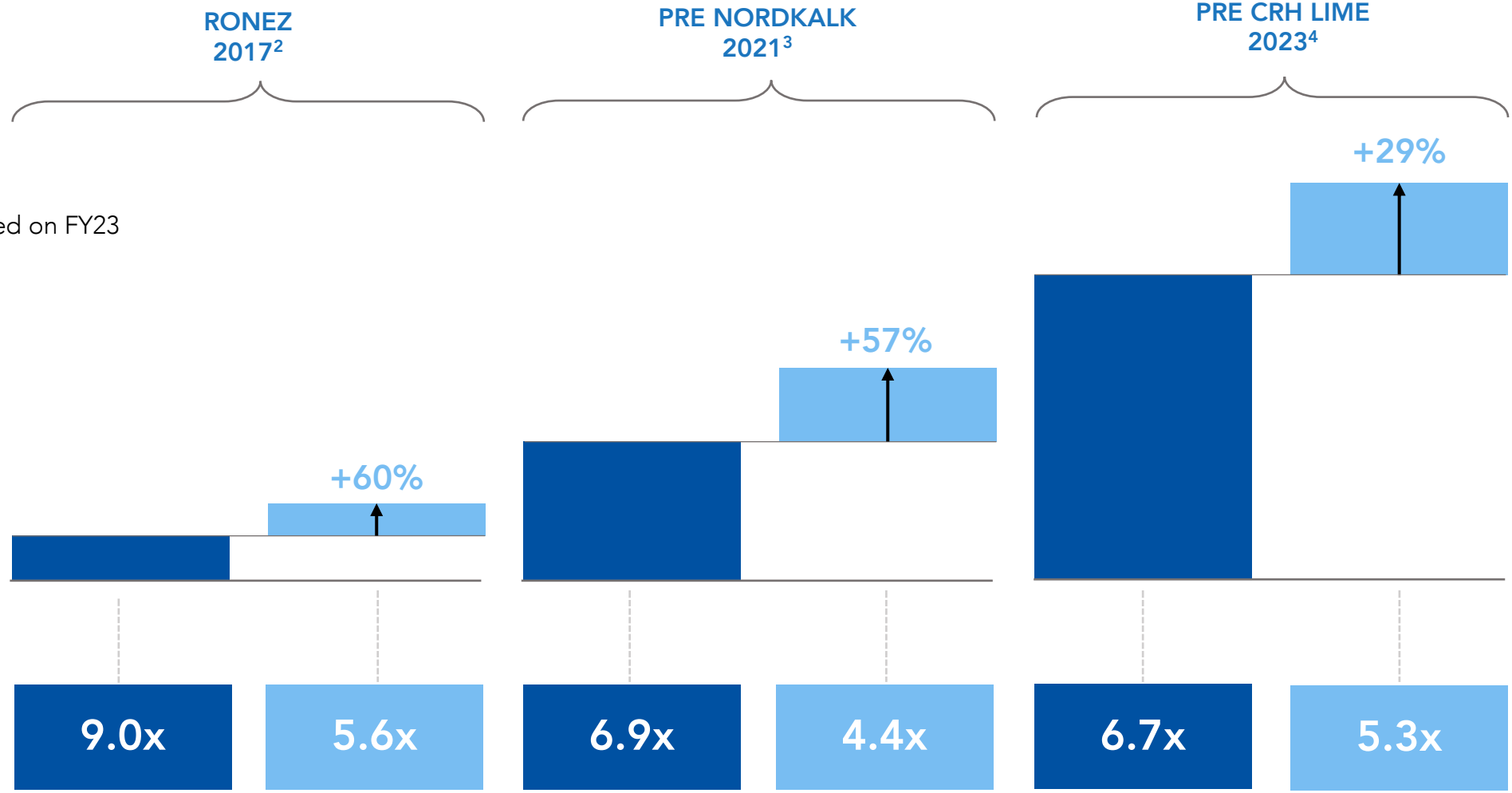
(x)



Cumulative growth and returns

EBITDA improvement¹

- EBITDA acquired
- EBITDA improvement based on FY23



EBITDA acquisition multiples

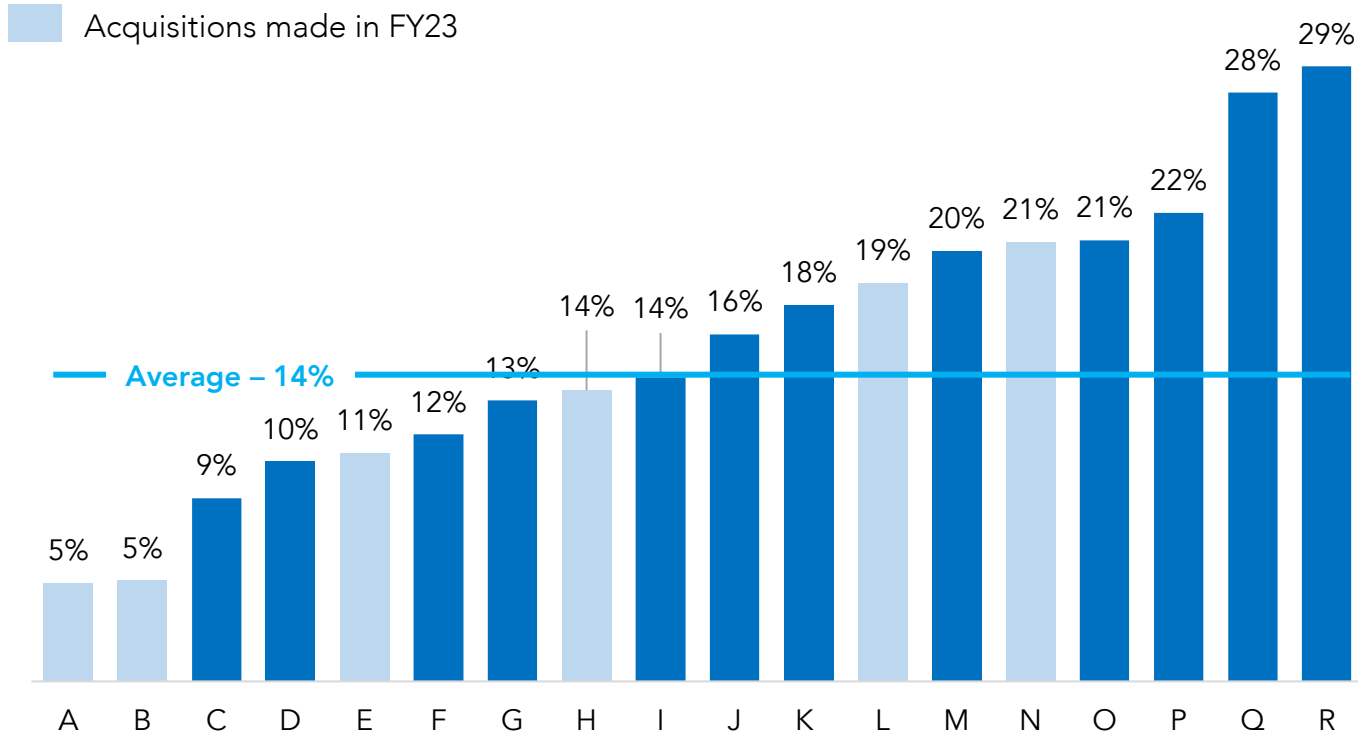
- Pre synergies
- Post synergies & improvements

1. Excludes corporate overheads | 2. Ronez only | 3. Everything pre Nordkalk | 4. Everything pre CRH lime

With a consistent track record of improving acquired business'...

FY23 EBIT ROI for acquisitions (EBIT / acquisition EV)

Acquisitions performing well



Good track record of acquisitions since IPO

- £680m invested across 18 acquisitions
- £400m new equity
- Strong track record of improving acquired businesses
- 29% average uplift in EBITDA post-acquisition

Focused acquisition approach

- Companies targeted by:
 - Product, reserves, geography, market, customers
 - Typical acquisition multiple <7x
 - Targeting EBIT ROI >15%

Generating strong returns with FY23 EBIT ROI of 14%

EBIT ROI defined as operating profit attributable to each business for FY23 over acquisition enterprise value. All businesses included which were acquired during or before FY23. Excludes corporate overheads.

Investment case following 2023 results



Operational improvement achieved

Increased EBITDA to £117m and EBITDA margin >20%



EPS increased to 8.12p

Despite higher finance costs and dilution from capital raised with H2 weighted acquisitions



ROIC improved to 11%

While deploying capital for future growth

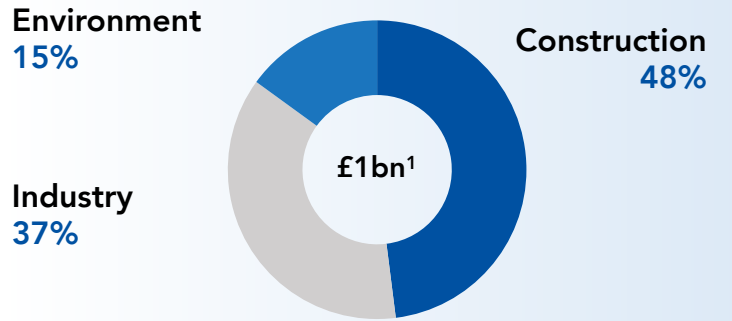


Leverage reduced to 1.57x

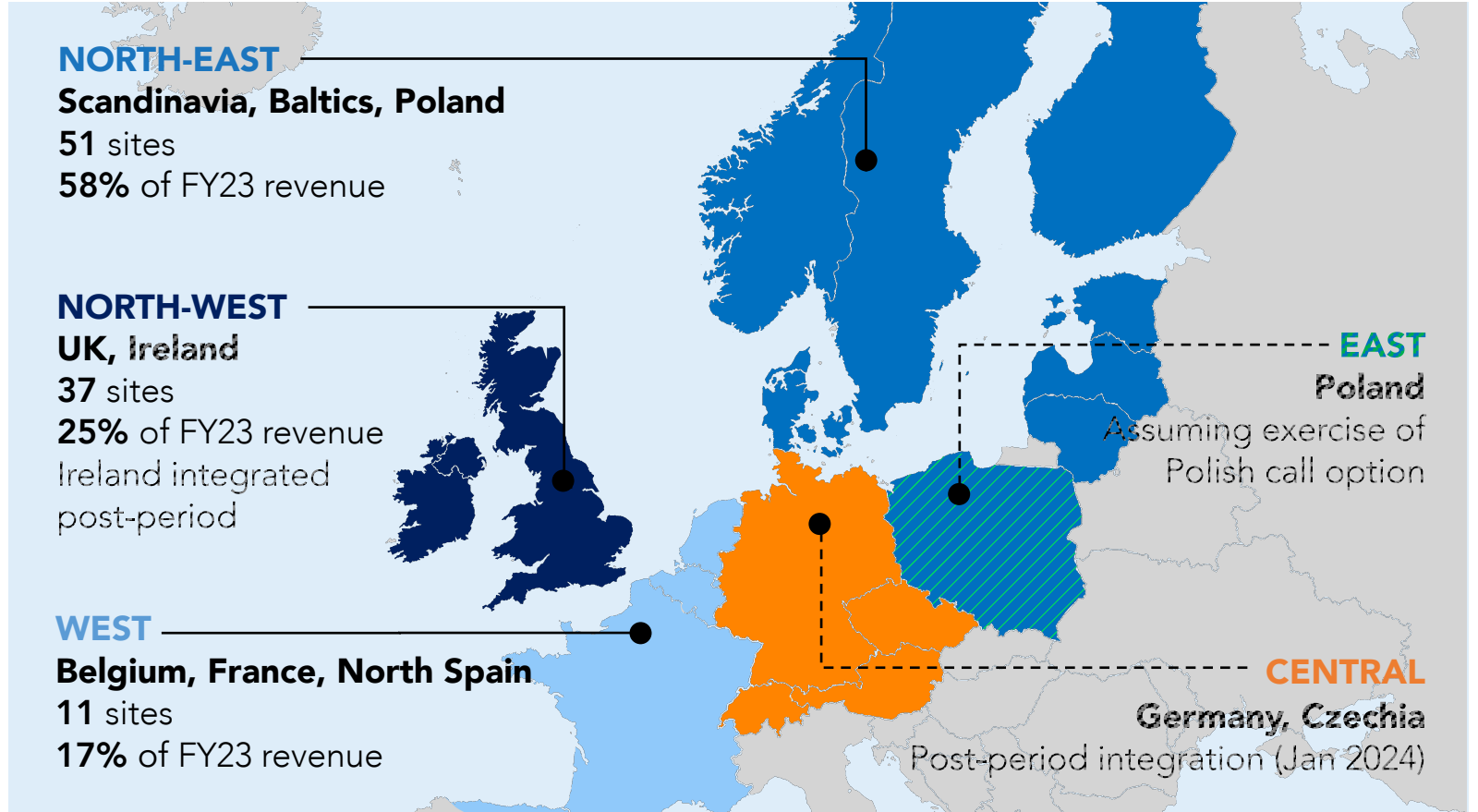
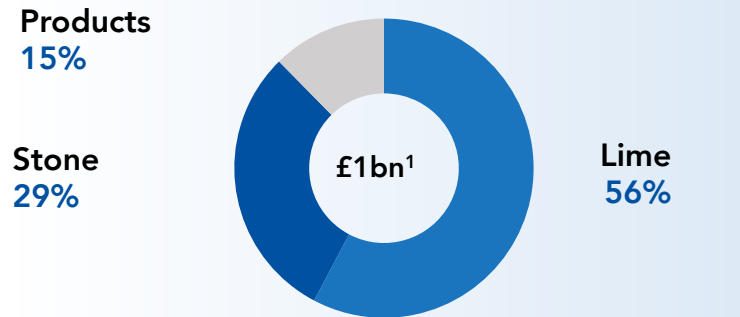
Despite significant investment in the business

Transitioning into a sector leading industrial mineral business

Revenue split by end market



Revenue split by products



Five regions, three core products and three end-markets moving forward

¹ Pro forma 2022 including all CRH lime acquisitions

SRC FY23 Results

Strategy

Key strategic steps taken in the year



CRH

Transformational €1bn deal completed post year end along with €230m equity raise and €875m banking facility



Six bolt on acquisitions

£32m for six acquisitions now integrated and contributing £10m EBITDA at an effective multiple of 3x down from 4x at acquisition



Organic initiatives

Four organic initiatives expected to add c.£2m EBITDA at a multiple of 3.3x ; £5m quarry development contributes to c.175 years of extended mine life at CDH and Ronez



Divestments

Non-core asset divestments generating £8m with more to come in 2024

CRH deal creates European leader in lime and limestone...

Focussing on one mineral critical to multiple large industries

Strengthening Group resilience against market conditions and other external factors

Potential EBITDA synergies of c.€30-60m

Driving shareholder value through network optimisation and economies of scale in procurement and support

Market growth

Geographic expansion and opportunity to enhance existing footprint targeting ROIC >15%

Attractive returns

Double digit earnings enhancing in first full year of ownership pre synergies¹

Compounding growth

Unique platform for internally funded compounding growth

1. Assuming exercise of call options

Why lime and limestone

1

Core material:
CaCO₃

2

Core products:
lime and limestone

3

Core segments:
industry, construction,
environment

Countless essential applications for life

One mineral essential for life

INDUSTRY

Iron
Steel
Aluminium
Cobalt
Copper
Gold
Lead
Lithium
Nickel
Titanium
Uranium
Zinc
Float glass
Container glass
Glass fibre filaments
Fibreglass insulation
Computer glass
Lamps and bulbs glass
Laboratory glass containers and equipment
Optical glass
High temperature cookware
Oven glass
Paper
Paper coatings
Plastics
Rubbers
Sulphonates

CONSTRUCTION & ENGINEERING

Phenates
Salicylates
Fire extinguisher foam
Soap
Detergents
Engine lubricants
Leather hide processing
Chrome chemicals
Modelling clay
Cat litter component
Glue
Gelatin
Capsules
Cosmetics
Ointments

Refractory lining bricks
Mortars
Granular repair products
Renders
Plasters
Insulating building blocks
Sand-lime bricks
Lime concrete
High alumina cements
Limewash
Soil stabilisation

Soil treatment
Hydraulic road binders
Tunnelling
Aggregate improvement
Asphalt enhancement
Hemp lime binder
Paints
Adhesives
Caulking agents
Sealant
Pumped tunnel grouts additive
Road tunnel safety lighting improvement
Heat island effect coolant
Pest inhibitor
Calcium silicate fire protection boards and castings

Treatment of effluent
Water filtration
Salt brines purification
Soda lime
Removal of acidic to air
Removal of pollutants of emissions to air
Flue gas treatment
Liquid acidity neutralisation
Effluent treatment
Sewage sludge modifier

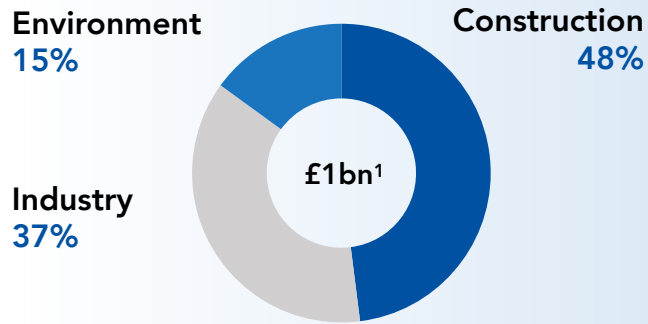
ENVIRONMENT & FOOD

Contaminated land treatment
Shipping emissions
Battery making
Battery recycling
Lake liming
Drinking water
Sugar
Fertilisers
Animal feed
Fish farming
Fruit farming
Milk
Cream
Butter
Corn tortillas
Fungicide
Dietary supplements
Antacids
Toothpaste
Baking powder
Inorganic salt

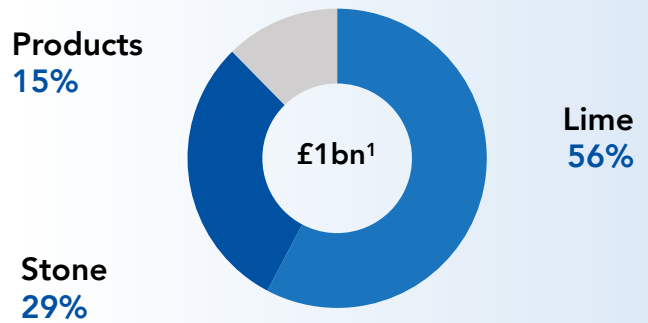
**...need lime to
be produced**

A sector leading industrial mineral business...

Revenue split by end market



Revenue split by products



Two complementary footprints*

- SigmaRoc enlarged footprint
- SigmaRoc sites as of 2023
- CRH sites as of 2023
- SigmaRoc target market

#1 in Ireland

#1 in the UK¹

*(Lime and limestone)

1. Assuming exercise of call options

2. Market share estimate based on emissions of the lime producers operating in Norway

#1 in Norway²

#1 in Sweden

#1 in Finland

#2 in Germany

#2 in Poland¹

#2 in Czechia

Three core products and three core segments moving forward

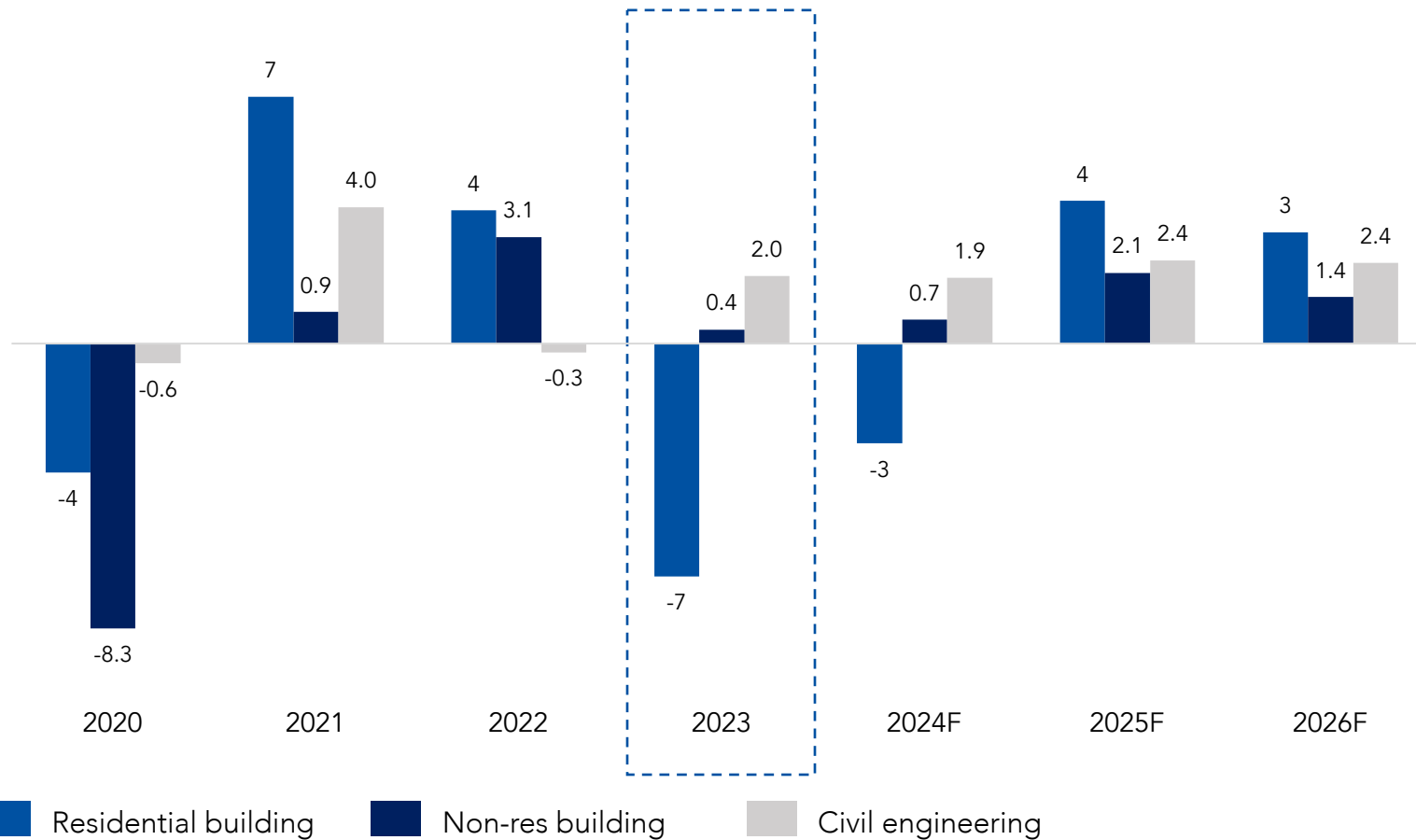
...with a positive medium-term outlook across core end markets

INDUSTRY 31% OF FY23 REVENUE	CONSTRUCTION & ENGINEERING 57% OF FY23 REVENUE	ENVIRONMENT & FOOD 12% OF FY23 REVENUE
<p>Steel</p> <ul style="list-style-type: none"> Generally robust - benefitting from disruption in other regions <p>Paper P&P</p> <ul style="list-style-type: none"> Recovery in H2 2023; 2024 has started well <p>Chemical</p> <ul style="list-style-type: none"> Slight softness in some areas <p>Mining</p> <ul style="list-style-type: none"> Stable 	<p>Infrastructure</p> <ul style="list-style-type: none"> Investment in critical infrastructure expected in all economies Transition to green economy driving investment <p>Residential</p> <ul style="list-style-type: none"> Challenges persist in European residential market Potential recovery in newbuild with interest rate cuts Long-term demand underpinned 	<ul style="list-style-type: none"> Strong underlying drivers Continued development of footprint & products Lime essential to electrification of economy and decarbonisation of construction Increasing focus on environmental protection

Medium term outlook generally robust across diverse end markets

Construction to stabilise from lower levels

EU construction forecast (% change in real terms)¹

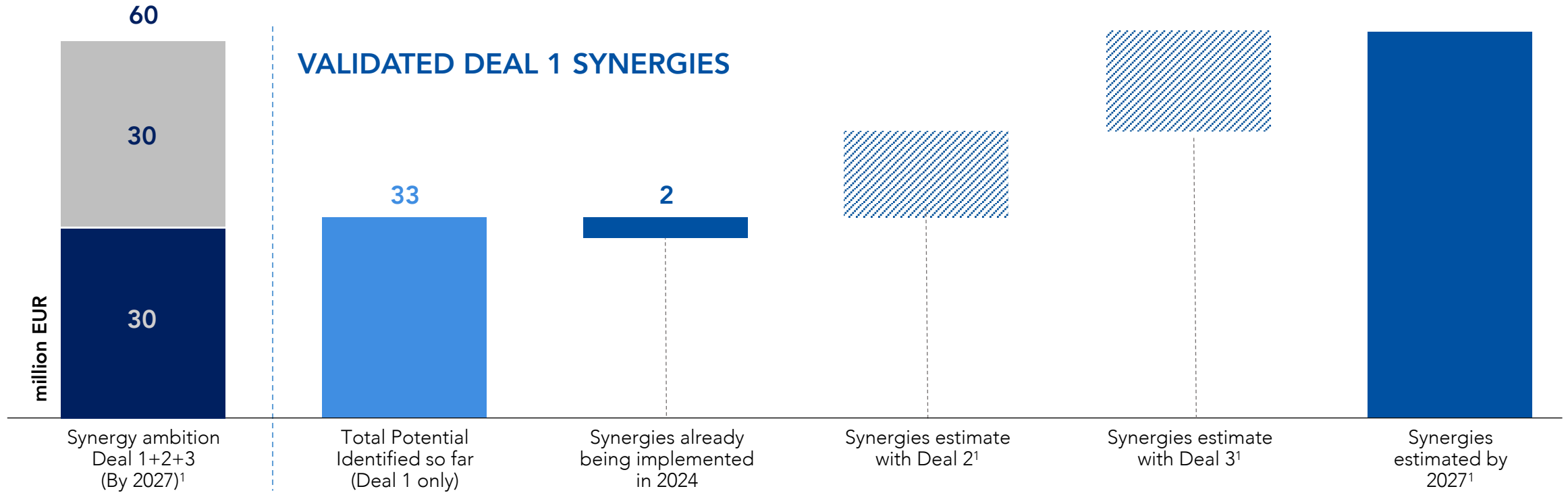


Points of note

- Construction market softened in 2023, particularly in residential
- Outlook for 2024 improved but residential remaining soft
- Interest rate cuts should improve situation in H2 and beyond
- Return to growth in all areas expected from 2025
- Long term drivers underpin both residential and infrastructure construction

¹ In Belgium, Finland, France, Germany, Ireland, Norway, Sweden, UK, Czech Republic, Poland, Spain. SOURCE: Global consulting firm

Synergies: €33m incremental EBITDA identified to date



**Ambition for synergies with Deal 2 and 3
Implementation work already started worth €2m**

1. Assuming exercise of call options

SRC FY23 Results

Summary & outlook

Driving shareholder value

Strategic success

#1 and #2 European lime supplier¹

Sustainable growth markets

+4% per annum²

Strong asset backing

c.2.7 billion tonnes of minerals

Strong acquisition strategy

18 deals at a multiple of 6.7x average

Consistent per share growth

EPS >8x³

Track record of improving businesses

29% EBITDA improvement⁴

Safety success

Zero harm business

Innovation and ESG leadership

Market leading innovation

Medium-term targets¹

Revenue growth **c.3-5%**

EBITDA margin **>20%**

CCR **c.95%**

Synergies² **c.€30-60m**

FCF **>£100m**

ROIC **>15%**

Leverage **<1.0x**

CapEx / D&A **85-100%**

M&A **£50m p/a**

Degearing **>0.5x p/a**

Capital returns³ **Yes**

1. Assuming exercise of call options 2. Lime and limestone forecast value growth from 2017 – 2031. 3. EPS growth since 2016. 4. Average improvement for all acquired businesses

Summary

Strong start to the year despite heavy snowfall across Europe

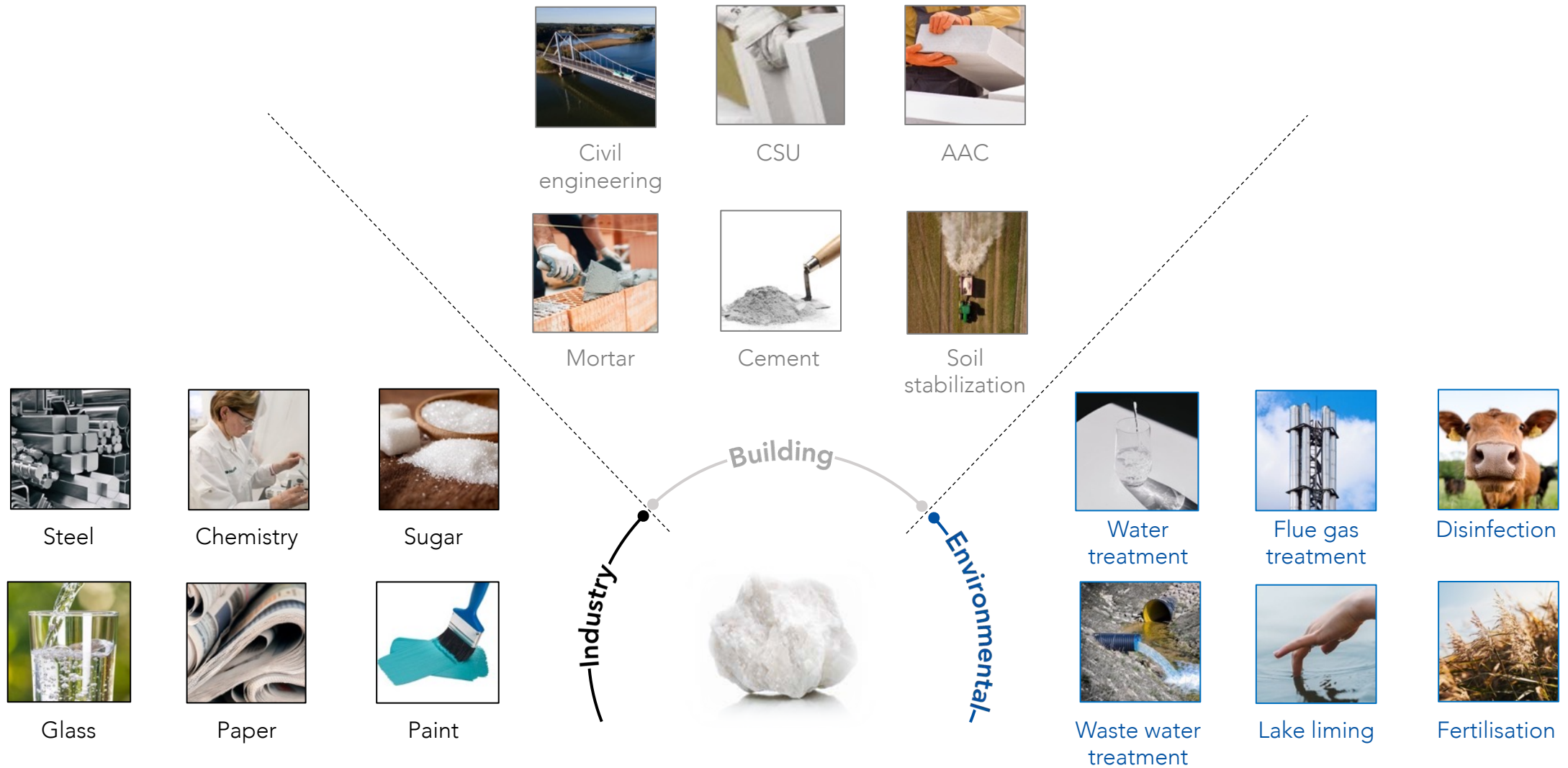
- YTD¹ in line with our expectations and FY24 outlook remains unchanged
- Backdrop similar to 2023 with challenges that our diversified market exposure is well set up to address
- Transformational acquisition creates leading European platform in lime and limestone serving industrial and construction markets
- Strong medium term structural and underlying drivers across all markets driven by transition to green economy

Integration of initial acquisitions (Germany, Czech & Ireland) progressing well

- Synergies: €33M incremental EBITDA identified
- UK call option exercised

1. To end February

Positive start to 2024 with integration of lime acquisitions progressing well



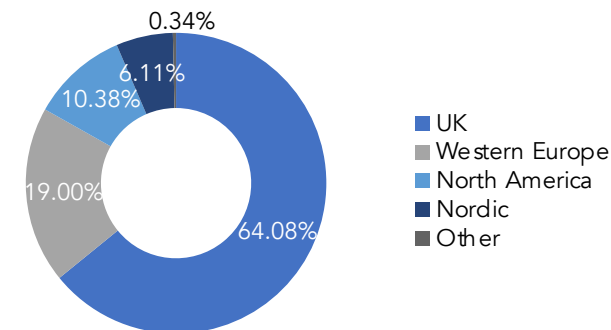
SRC FY23 Results

Appendix

Shareholder information

Top 10 shareholders (March 2024)	% of issued share capital
CRH plc	15.4%
Blackrock Investment Mgt (UK) *	6.7%
Lombard Odier Investment Managers	4.9%
Rettig Group	4.5%
Conversant Capital LLC	4.3%
Janus Henderson Investors	4.2%
BGF Investments LP	4.1%
Slater Investments	3.6%
Cannaccord Genuity Wealth Management	3.2%
Chelverton Asset Managers	3.1%

Region of Shareholder (January 2024)



Total shares in issue 1.1bn

c. 100m options – 8.9% of ISC of which execs 6.2%

Tranche one: Granted 2016 - 21.5m @c.44p. 20.7m for execs

Tranche two: Granted 2021 – 25.6m. Free shares with 75% EPS, 25% TSR targets. Exec management only

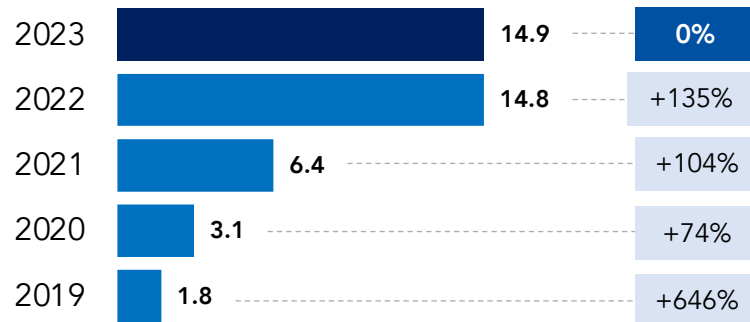
Tranche three: Granted 2024 – 51.6m @60p. 23.2m for execs

Top 10 holders represent 56% of ISC. Directors / management 1%. Options 9%

Core products volumes

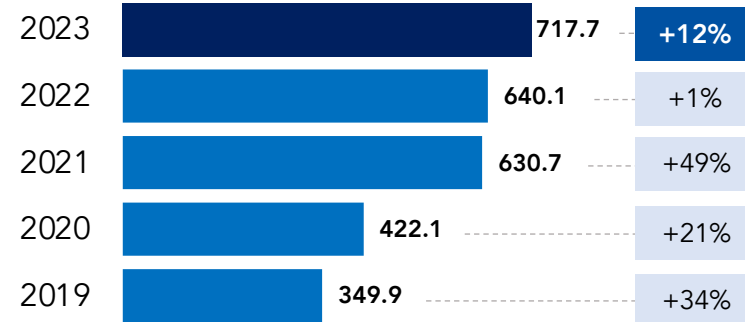
AGGREGATES

(million tonnes)



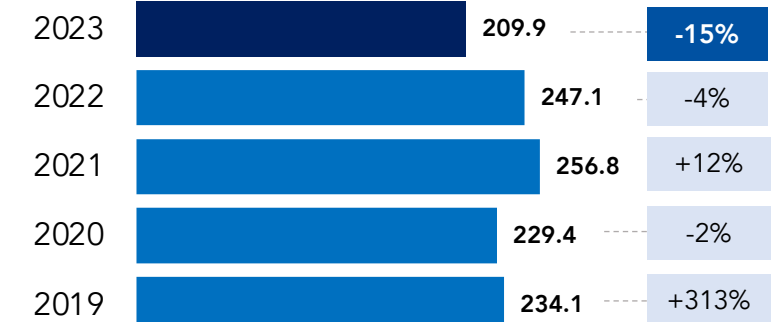
CONCRETE & CONCRETE PRODUCTS

(thousand cubic metres)



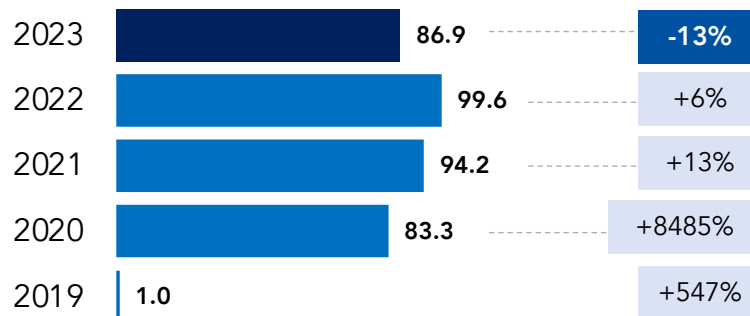
ASPHALT & ASPHALT LAID

(thousand tonnes)



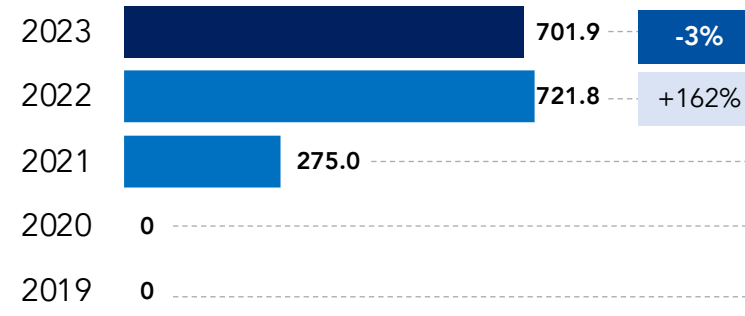
DIMENSION STONE

(thousand tonnes)



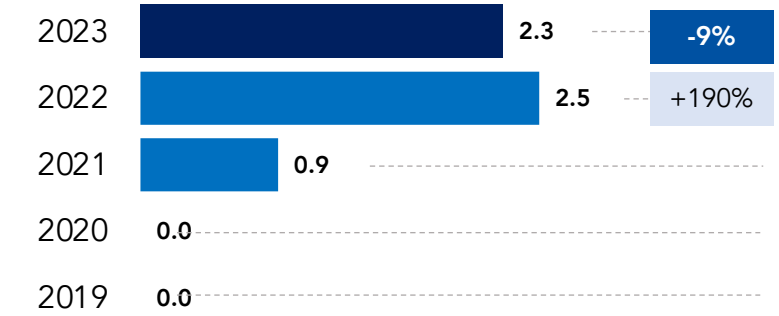
QUICKLIME

(thousand tonnes)



HIGH GRADE LIMESTONE














(million tonnes)



Significant growth potential from new applications

Lime products are natural carbon sinks

Application	Carbo. rates	Timeframe
Drinking water	100%	Instantly
Pulp & paper	93%	Instantly
Mortar	80-92%	> 4X faster re-carbonation than other binders
Flue gas	59-64%	Instantly
Steel	39-56%	3-6 months

Electrification of economy	Decarbonisation of construction	Environmental protection
 Lithium batteries production	 Substitute cementitious material	 Ocean liming
 Lithium batteries recycling	 Port sludge stabilisation	 Lake liming
 Electricity grid upgrades	 Hemp-lime for building materials	 Air Pollution Control Residues cleaning
	 Asphalt mix with hydrated lime	 Shipping emissions (flue gas)
	 New house building materials	 Direct air capture

Limestone and lime are key resources in the global sustainability transition

The CO₂ opportunity

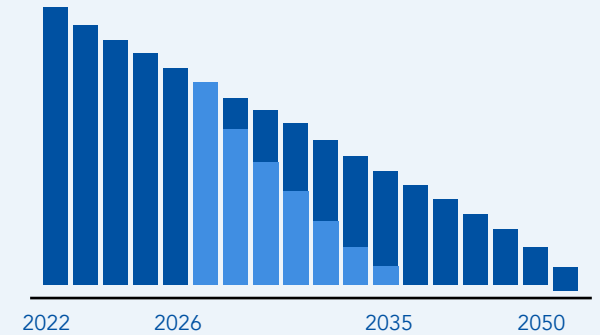
2030 TARGET – 25% EASY TO ABATE

- Alternative fuels
- Kiln modernisation
- Low carbon products

CBAM VS. LIME/ETS

- CBAM free allocation until 2035
- Lime expected to be c.2050

■ Lime free allocation
■ CBAM free allocation



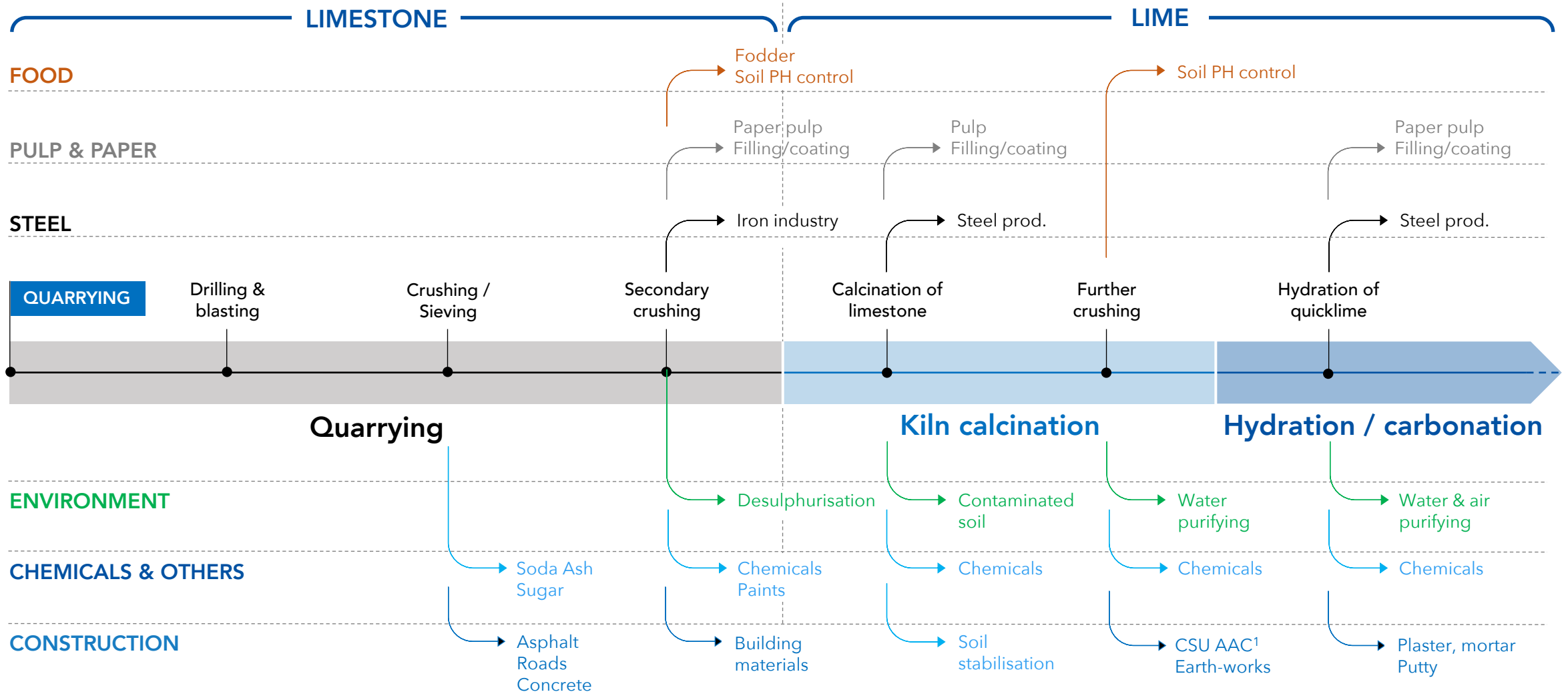
CAPTURE/STORAGE – FOR 75% HARD TO ABATE

- CO₂ released by limestone processing
- Aqualung for capture
- CCUS for transport and storage
- Requires government intervention

OTHER

- Products a small part of procurement bill
- Lime a natural carbon sink

From limestone to lime: One mineral essential for life



Lime assets: Consistent through cycle profitability and pricing...

FELS & VITOSOV

1 2008 – 2022 EBITDA margin consistently >22%

2 EBITDA range: 22% - 27%

NORDKALK

1 2008 – 2022 EBITDA margin consistently >15%

2 EBITDA range: 15% - 23%

3 Post acquisition EBITDA average >21% reflecting SRC improvements

EBITDA fluctuation driven by market conditions: GFC, Euro crisis...

ROBUST PRICING FOR LIME AND LIMESTONE

Limestone: Robust pricing

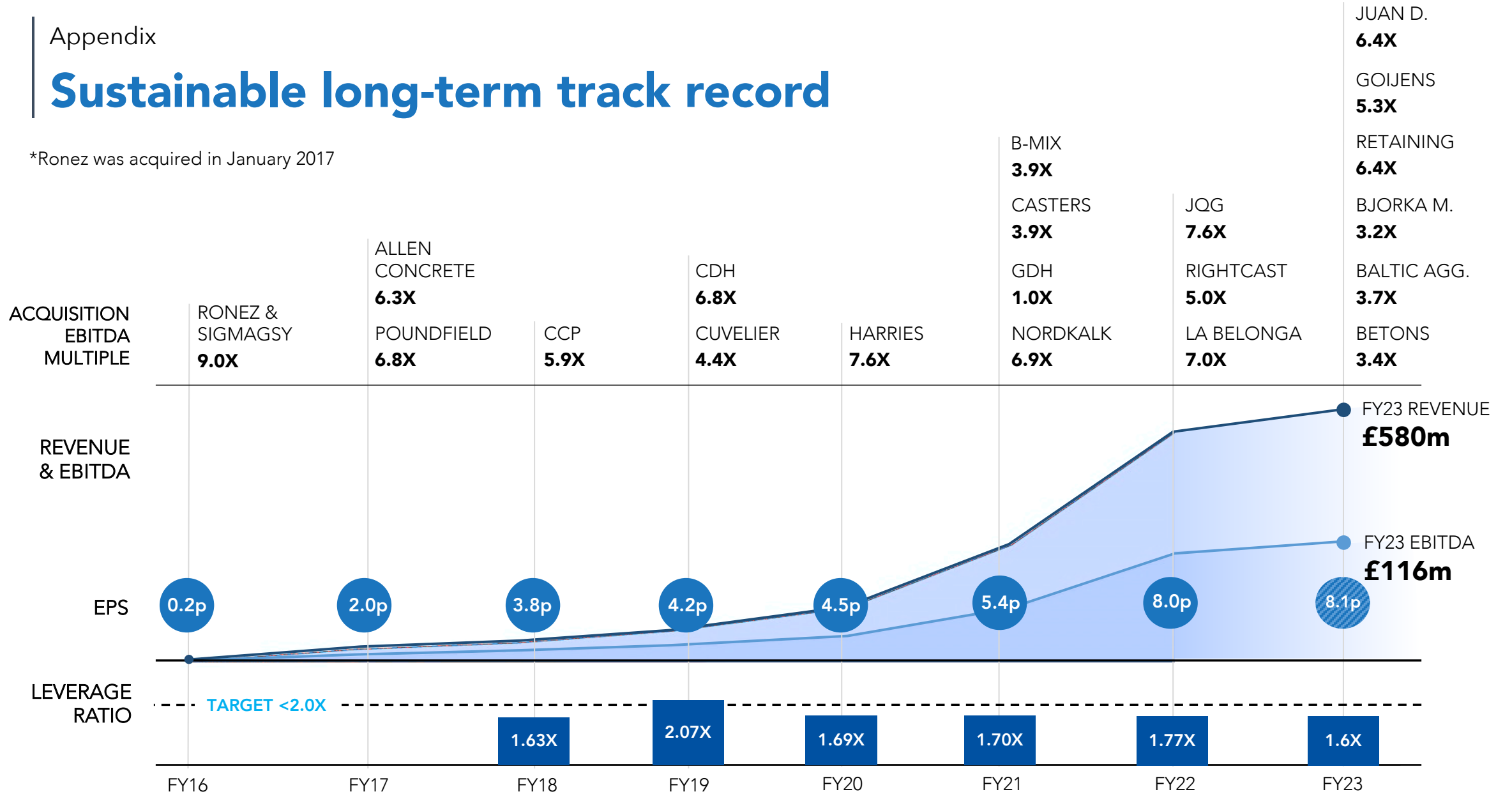
- Cost comprises energy (35%), labour (25%), logistics (15%), maintenance (15%), other (10%)

Lime: Price has tracked well ahead of RPI

- Lack of substitutes
- Contract based price formula
- Common impact to all suppliers leads to market wide cost and price inflation that customers cannot avoid
- Low relative value input material – typically <5% of overall product
- Localised price protection

Sustainable long-term track record

*Ronez was acquired in January 2017



Transactions scope

	Deal 1	Deal 2 call option	Deal 3 call option
Perimeter	Germany, Czech and Ireland	UK	Poland
Expected signing	Signed in November 2023	March 2024	April 2024
Shareholder approval	Approved	n/a	n/a
Anti-trust filing	n/a	n/a	Approval expected c.60-90 days
Equity	£200M / c.€230M	-	-
Debt	c.£300M / €350M	c.£135M / €155M	-
Deferred	c.£65M / €75M	-	£90M / €100M
Status as at March 2024	COMPLETE <input checked="" type="checkbox"/>	CALL EXERCISED <input checked="" type="checkbox"/>	IN PROGRESS <input type="checkbox"/>

Note: The Company will update investors at the relevant time if Polish antitrust regulator determines it requires more time to review the case

Roadmap to net-zero

2025

All concrete products available in low carbon and ultra-low carbon

Carbon Capture Storage and utilisation trial plant operational

100% manufactured products can utilise waste / recycled materials (*where possible/permitted*)

2027

100% utilization of all production materials

2030

Alternative fuels used mobile equipment

2.5% reduction in energy intensity

100% third party energy sourced from renewable means

2032

Alternative fuels used fixed equipment (e.g. lime and asphalt)

2038

All kilns are carbon neutral

2040 NET-ZERO

New ESG opportunities following the 3 deals

- Increased R&D primarily through German entity
- Opportunities to leverage new patents
- Collaboration with Peak cluster in the UK
- The nature of the asset will support waste reduction
- Reduce emissions further with access to railway

CARBON

ENERGY INTENSITY & EFFICIENCY

RESOURCE UTILISATION & CIRCULAR ECONOMY

SRC FY23 Results

Thank you!

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