Ibstock slashes dividends as profit tumbles amid ‘subdued market conditions’

Ibstock, the London-listed brickmaker, has cut its annual dividend payout following a drop in profit and revenue due to “subdued market conditions.”

The company reported a nearly one-third decrease in pre-tax profit to £21m for the year ending 31 December. Ibstock attributed this figure to a “lower trading performance” and the impact of a one-off £12m charge, as reported by City AM.

Revenue fell by 10% to £366m as sales slowed. The group cited a “subdued” market environment for its performance and reduced total dividends by almost half, to 4p per share.

Earnings per share also declined year-on-year by 30%, to 3.8p.

Despite these challenges, Ibstock noted a gradual improvement in sales during the second half of 2024 and maintained a positive outlook for 2025.

“We expect an improvement in market volumes in 2025, with momentum building through the year,” said Chief Executive Joe Hudson.

“Ibstock is well-positioned for a market recovery, and the fundamental drivers of demand in our markets remain firmly in place.”

He added: “We see a significant opportunity for a new era in housebuilding in the UK and with the investments we have made and our market leadership positions, the group remains well placed to support and benefit from this over the medium term.”

“Shares have fallen around 14% so far this year, and the firm will also have to contend with a 21% year-on-year increase in its debt pile, which currently stands at £122m."

Hudson described the 2024 performance as "resilient."

"The effective management of pricing and volumes throughout the year underpinned resilient margins combined with market share gains through the latter part of the 2024 year."

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