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Overview



An important year for strategic development:

- 1. Continued investment in capacity for growth
- 2. Improving quality of earnings through proactive portfolio management
- 3. Leveraging further synergies between group businesses
- 4. Implementation of a simpler and more cost efficient operating structure

...but a more challenging year for trading, despite a record final quarter:

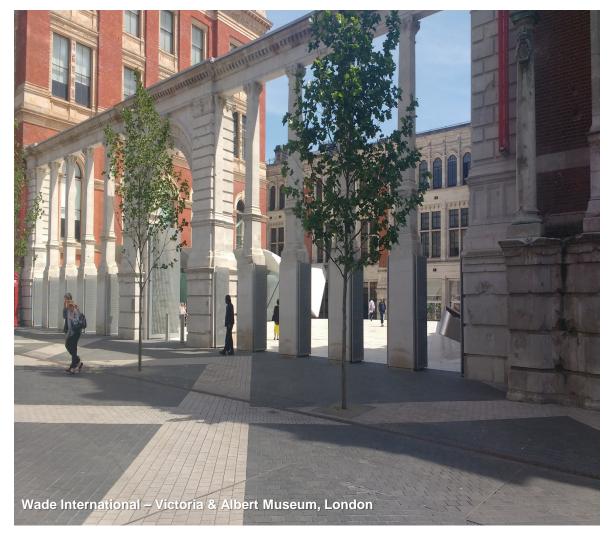
- 1. Revenues: £98.4m (2016/17: £104.8m)
 - Poor Q3: severe weather; Carillion fall out; weaker commercial construction sector
 - Lower larger and export project contribution (timing), as anticipated last September
- 2. Underlying operating margin: 6.8% (2016/17 : 8.7%)
- 3. Underlying EPS: 14.4p (2016/17: 20.1p)
- 4. Dividend: 7.35p (2016/17: 7.15p)





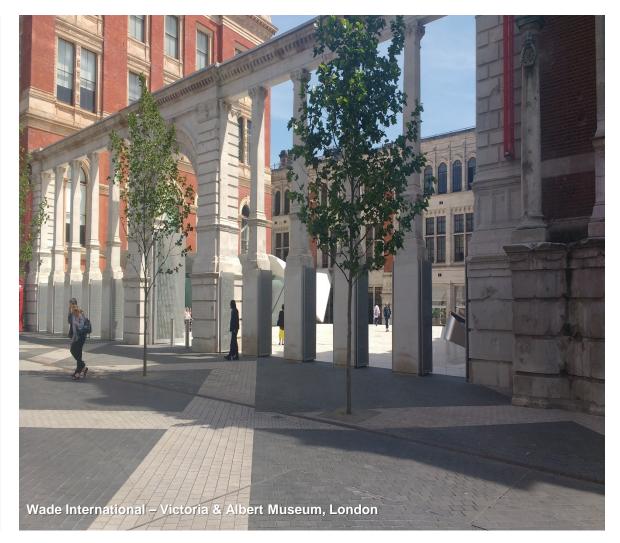


- 1. Continued investment in capacity for growth:
 - Commissioning of 88,000 sq. ft factory for Timloc in January 2018
 - Investment of £0.3m in commercial resources to drive and support growth
 - with particular focus on Levolux Balconies & North America business development

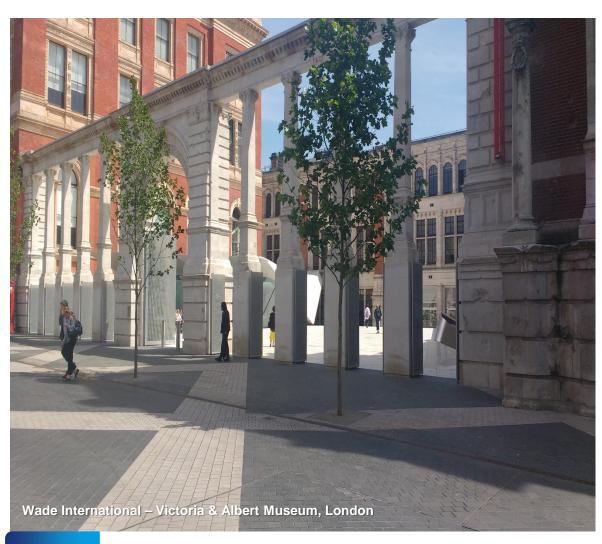




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 - with particular focus on Levolux North America & Balconies business development
- 2. Improving quality of earnings through pro-active portfolio management:
 - Acquisition of Wade International in January 2018 for £8m
 - (2017/18 full year revenue £5.4m; operating profit £1.3m: margin >20%)
 - Disposal of Scaffold & Construction Products in July 2017 for £0.9m
 - (2016/17 revenue £4.2m; EBIT break even)



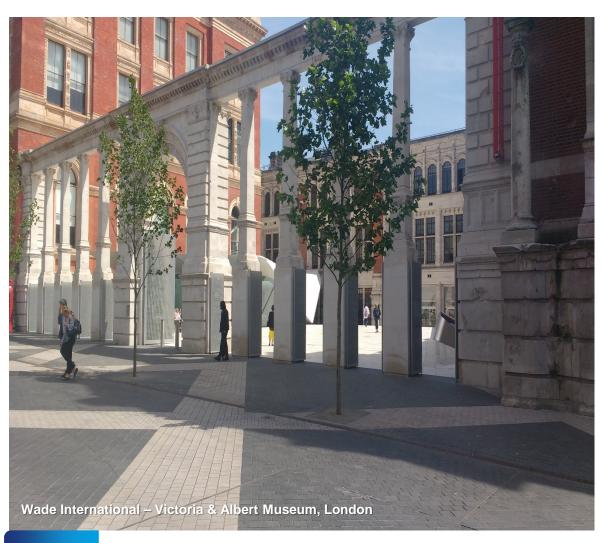




3. Leveraging further synergy between group businesses:

- Wade acquisition complements Harmer and Gatic drainage brands
- Including Alumasc Roofing, some 60% of the group revenue now contributes to Alumasc's "Rain to Drain" strategy
- "Building envelope" specification selling of almost all the group's products, led by Alumasc Roofing's specification sales team





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- 4. Implementation of a simpler and more cost efficient operating structure:
 - Fewer, larger and more modern operating locations
 - Increased flexibility and efficiency as well as cost reduction
 - Refreshing of the plc Board
 - Proposed merger of the two legacy defined benefit pension schemes
 - Simplification of the group's legal structure
 - Considering move to AIM market



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Income statement summary (£m)

12 months to 30 June 2018



	2017/18	2016/17	Chan
Headline revenue	98.4	104.8	-(
Like-for-like revenue	95.9	100.5	-
Contribution margin %	38.7%	38.7%	
Gross margin %	30.6%	31.3%	
Underlying operating profit	6.7	9.1	-
Operating margin %	6.8%	8.7%	
Bank interest	(0.2)	(0.1)	
Underlying PBT	6.5	9.0	-
Net non-underlying items*	(1.1)	(0.9)	
Reported PBT	5.4	8.1	-
Underlying EPS (p)	14.4	20.1	
Basic EPS (p)	12.0	18.3	
Dividends (p)	7.35	7.15	

¹²

^{*} Underlying results are stated prior to acquired brand amortisation of £0.2m (2016/17: £0.3m), IAS19 pension costs of £0.5m (2016/17: £0.6m); and in 2017/18 loss on disposal of SCP: £0.2m; profit on disposal of Amorim investment held for sale: £0.4m; Timloc relocation costs: £0.3m; and Wade acquisition costs of £0.2m www.alumasc.co.uk

Revenue analysis

2016/17 to 2017/18



Year on year change as a percentage of total group revenues	UK	Export	Total
Large (>£500k revenue) projects	1%	(6%)	(5%)
All except large projects	(1%)	1%	-
Like-for-like	-	(5%)	(5%)
Acquisitions / disposals			(1%)
Total			(6%)

Cash flow statement summary

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12 months to 30 June

	2018 £m	2017 £m	Change £m
EBITDA	8.2	10.5	(2.3)
Change in working capital – large construction contracts Change in working capital - other	0.7 (2.7)	(1.7) (3.7)	2.4 1.1
Operating cash flow	6.2	5.1	1.2
Replacement capital expenditure Interest Tax Pension deficit funding Dividend payments	(1.3) (0.2) (0.7) (3.2) (2.6)	(0.9) (0.1) (0.8) (3.3) (2.4)	(0.5) (0.1) 0.1 0.1 (0.2)
Sub total	(1.8)	(2.4)	0.6
Expansion capital expenditure Wade acquisition consideration SCP business disposal proceeds / other	(2.0) (8.0) 0.9	(0.2) - 0.1	(1.8) (8.0) 0.8
Net cash flow	(10.9)	(2.5)	(8.4)
Net (debt) / cash at year end on balance sheet	(4.8)	6.1	(10.9)
Average trade working capital % sales	13.6%	11.3%	

Balance sheet summary (£m)

at 30 June



	2018 £m	2017 £m	Chang £
Property, plant & equipment	10.7	5.3	5
Intangible assets	22.6	18.9	3
Working capital	10.8	8.8	2
Other net liabilities	(2.3)	(1.5)	(0
Capital invested	41.8	31.5	10
Net (debt) / cash	(4.8)	6.1	(10
Pension obligations (net of tax)	(12.6)	(17.2)	4
Net assets	24.4	20.4	4
ROI – continuing operations (post tax)*	14.5%	25.0%	
* Underlying post tax operating profit divided by average capital invested for the year			

Pro-active legacy pensions deficit management



- IAS19 deficit 30 June 2018 £15.1m (2017: £20.6m)
- Intention to merge the group's two pension schemes in 2019
 - Saving a six figure sum in administrative costs each year present value of future benefit £1m+
 - Enables a significant simplification in the group's legal structure facilitating cross-group synergies
- Gross pension liability reduction initiatives
 - Small pots
 - Winding up lump sums
 - New pension freedoms (with IFA advice)
- Improving asset management and efficiency
 - 50% of c.£30m equity allocation being moved from active to passive management, saving £150k in fees pa present value of future benefit c.£1.5m
 - Increased weighting to global return seeking assets rather than traditional bias to UK return seeking assets
- Management of potential volatility of scheme valuation and impact on balance sheet:
 - Liability driven investment (interest rate and inflation hedging)
 - Planned executive top-slice insurance buy-in

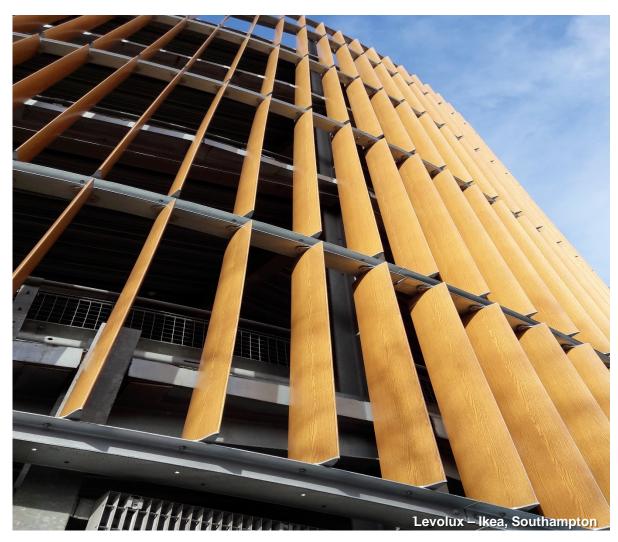


Architectural Screening, Solar Shading & Balconies



	2017/18	2016/17
Revenue (£m)	22.0	24.4
Underlying operating profit (£m)	0.8	2.0
Underlying operating margin (%)	3.6%	8.2%

- Performance in year reflected a lower level of sales in the period from large (> £0.5m) projects and project delays
- Significant future growth and margin development potential from early stage North American and Balconies & Balustrading lines of business
- North American quotes in year doubled to £40m
- Balconies & balustrades quotes in year increased by five times to £60m
- Gestation period of quote conversions to orders, and orders to revenue can be a number of years
- Focus on increasing order conversion rates in new markets
- Alumasc invested £0.2m in people to support growth in 2017/18 and investment in the business continues



Roofing & Walling



	2017/18	2016/17
Revenue (£m)	31.2	34.0
Underlying operating profit (£m)	1.8	2.8
Underlying operating margin (%)	5.8%	8.2%

Roofing

- Challenging year with project delays and weaker than expected demand in the UK new build construction market
- This is a dynamic sales-led business that we expect to recover from 2017/18's short term headwinds:
 - Rebalancing activity to focus on stronger refurbishment market vs new build
 - Academy opportunities
 - New products (e.g. surfacing systems)
 - Cross-group building envelope specification sales gaining traction
 - Increasing sales resources in under-represented regions

Walling

- Robust performance despite reduced public funding for exterior wall insulation ("EWI") systems
- Promising signs of improving demand for specification of high quality, fire retardant systems



Alumasc Water Management Solutions



	2017/18	2016/17
Revenue (£m)	34.5	32.6
Underlying operating profit (£m)	3.6	4.1
Underlying operating margin (%)	10.3%	12.6%

- Wade was a key strategic acquisition for our "Rain to Drain" strategy, linking Harmer's roof & building drainage range and with Gatic's high capacity external drains via Wade's strong surface drainage range
- AWMS had a robust performance with H2 margins recovering following some temporary input cost erosion in H1
- Rainclear continues to grow, now generating close to 100% pre-tax ROI following its acquisition in 2012
- Gatic's access cover business performed strongly, but export and large project demand was lower overall following a record prior year.
 Some competitive margin pressure on civil drainage in a soft market
- Future growth opportunities: "Rain to Drain" system selling; new products; cross-divisional export expansion, and Wade acquisition integration benefits



Housebuilding & Ancillary Products



	2017/18	2016/17
Revenue (£m)	10.5	9.6
Underlying operating profit (£m)	1.7	1.6
Underlying operating margin (%)	15.8%	16.5%

- A key year for Timloc's development, with successful commissioning of 88k sq. ft. factory in January 2018
- Continued outperformance of the buoyant new UK house building market
- Revenue growth of 10% exceeded market growth rates, benefiting from strong customer service levels and new products
- Continued capital investment will be made to extend the product range and drive further operational efficiency
- Timloc expects to recover incremental property costs in 2018/19 and thereafter continue its trajectory of profitable growth





Outlook



Against an uncertain UK and economic political background and with UK construction activity forecast to contract by 1-2% in 2018 with modest growth thereafter, Alumasc remains well positioned to outperform the UK market over the medium / longer term given its robust business model and strong market positions:

- Strategic focus and positioning in "fast flowing streams":
 - energy and water management;
 - bespoke solutions; and
 - ease of construction
- Export market development (Levolux in North America; Water Management in the Middle & Far East)
- New product development, including the significant Levolux balconies & balustrading opportunity
- A full year contribution from Wade, and Water Management divisional post-acquisition synergies
- Complementary acquisitions
- Efficiencies through business simplification and fewer, more modern operating facilities







Appendix 1: Underlying	10 Statutory	Profit	Reconciliation	(£M)
at 30 June				

	2017/18		2016/17	
	Operating Profit £'000	Profit Before Tax £'000	Operating Profit £'000	Profit Before Tax £'000
Underlying profit	6.7	6.5	9.1	9.0
Brand amortisation	(0.2)	(0.2)	(0.3)	(0.3)
IAS 19 net pension scheme finance costs	-	(0.5)	-	(0.6)
Loss on disposal of the SCP business	(0.2)	(0.2)	-	-
Profit on disposal of Amorim trade investment	0.4	0.4	-	-
Timloc relocation costs	(0.3)	(0.3)	-	-
Wade acquisition costs	(0.2)	(0.2)	-	-
Statutory profit	6.1	5.4	8.9	8.1

Appendix 2: UK end user market analysis 2017/18

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