

The Alumasc Group plc

Introduction to Alumasc

September 2019



Premium building products, systems and solutions

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- History

Paul Hooper
Chief Executive

Andrew Magson
Finance Director



Levolux – Blackfriars Station, London

01

Introducing Alumasc: Investment Proposition



Introducing Alumasc: the investment proposition

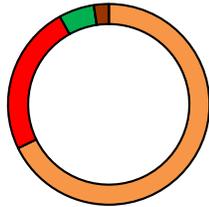


- **Alumasc is a UK market leader in the supply of premium building products, systems and solutions**
- **Proven, tried and tested brands: including Alumasc Roofing, Alumasc Water Management Solutions, Wade, Gatic, Levelux and Timloc. All have no. 1-3 market shares**
- **Growth strategy with clearly identified growth drivers:**
 - c.80% of revenues are driven by increasing building regulations and specifications
 - c.80% of revenues relate to long term strategic growth drivers: Water & Energy Management; Bespoke Architectural Solutions and Ease of Construction
 - Pro-active management of the Group's portfolio of business, focused investment planning and operational structure
 - Proven track record in bolt-on acquisitions delivering enhanced value and earnings
- **Diversified business model:**
 - breadth of UK end user markets incorporating new build and refurbishment across the private and public sectors
 - opportunities to further grow export sales beyond current 10% base in geographies such as North America and the Middle & Far East
- **Well established & experienced management team with over 75 years in listed, industrial companies**
- **Recent listing on AIM provides new investors with IHT tax advantages**
- **Proven track record of returns to shareholders: current dividend yield of c.7%**

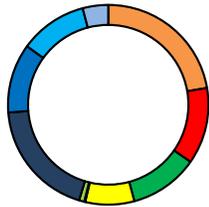
Diversified UK End User Markets



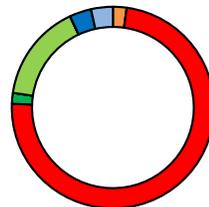
Architectural Screening, Solar Shading & Balconies



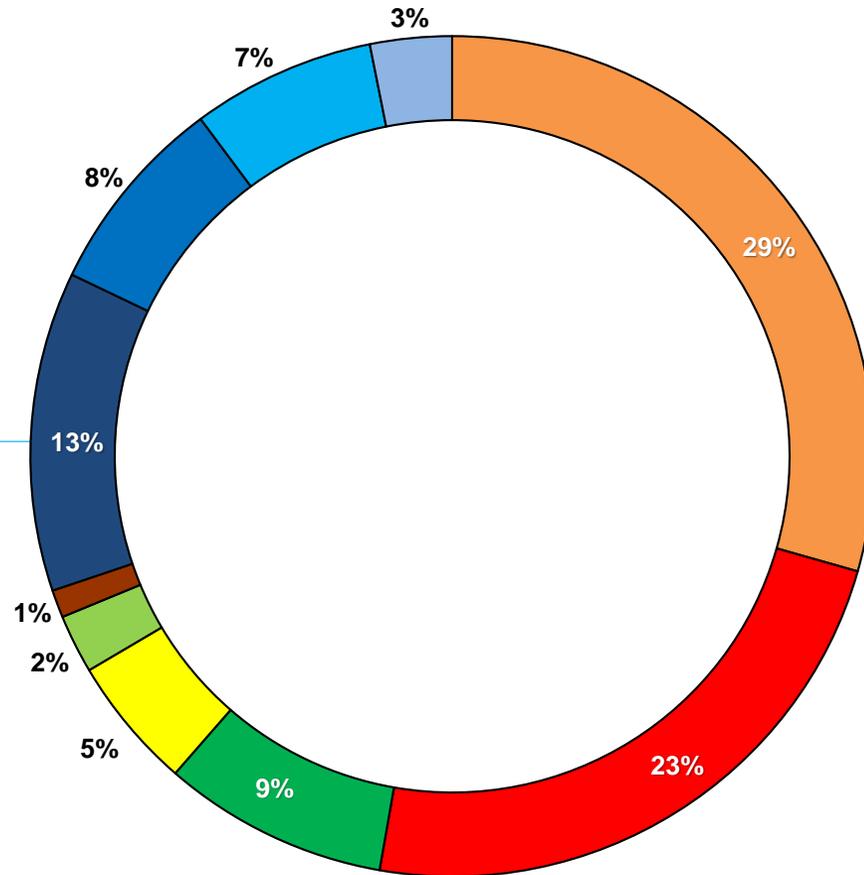
Roofing & Water Management



Housebuilding Products & Ancillaries



Total Group



- Private Commercial
- Private Housing
- Public Non-Residential
- Infrastructure
- Public Housing
- Private Industrial
- Public Non-Residential R&M
- Private Housing R & M
- Private Non-Residential R&M
- Public Housing R & M

Strategic Objectives



Alumasc has strong specialised positions in premium building product markets

Specifiers and customers recognise the value added by our products, systems & solutions

Our strategic objectives are to:

- **Grow revenues at a faster average rate than the overall UK construction market**
- **Augment UK revenue growth through development of selected export markets**
 - Levlux – North America; Water Management – Middle & Far East
- **Grow profit at a faster rate than revenue by improving operating margins**
 - through new product development, increasing sales of systems & solutions and operational gearing
- **Generate superior financial returns to shareholders over the medium/longer term, underpinned by growing operating margins and strong ROI**

Organic growth will be supplemented by complementary acquisitions



Alumasc Roofing – Riverside, London

Alumasc Group's Organic Growth Strategy



Specified products



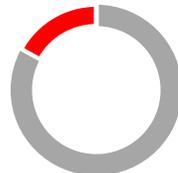
c.80% of group sales driven by specification & regulation

Structural growth



c.80% of group sales relate to long-term strategic growth drivers

International markets



Export sales c.10% of group sales

- Empower talented people
- Leverage strong brands
- Continuous innovation and development
- Strong customer service
- Invest in strategic priorities
- Drive intra-group revenues and cost synergies

Satisfied customers



Motivated employees



Sustainable growth



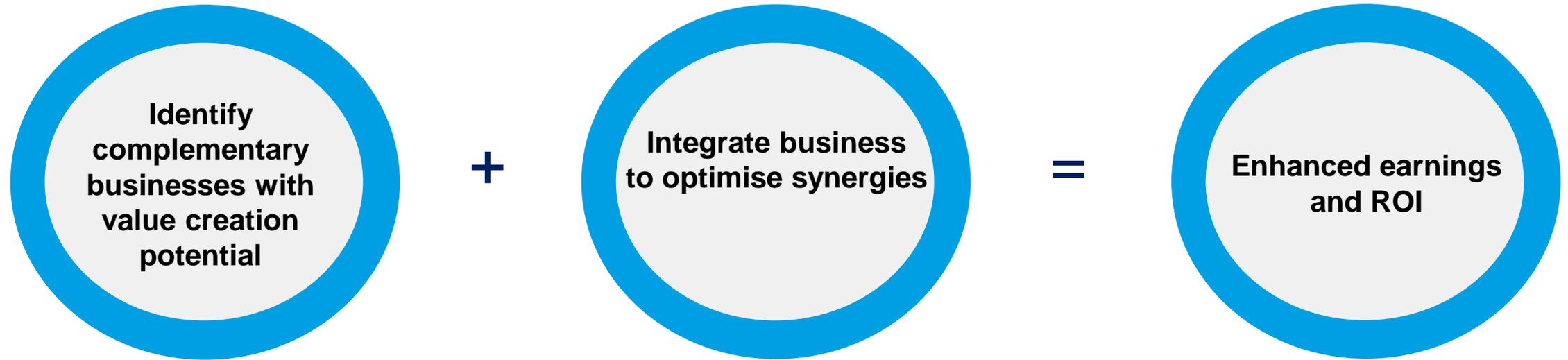
Superior financial returns



Long term value creation



Alumasc Group's Acquisition Strategy



- Identification of potential target businesses
- Integration: synergistic benefits
- Cross selling
- New market penetration

Value add to Group brands



Value add to financial performance



Value add to sales growth



Value add to sustainable growth



Track record: acquisition of Wade International

Adding value by targeted acquisitions

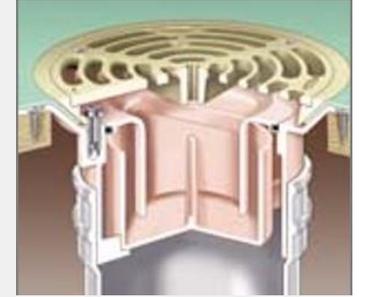


The business:

- A leading manufacturer / supplier of high quality metal drainage products and access covers with a premium brand
- Owns a c.52,000 sq. ft. factory in Halstead, Essex
 - additional capacity and land for expansion
- Strong positioning in surface water drainage (internal & external) and roof drainage
- Complements AWMS' strengths in roof and through building drainage and Gatic's strengths in higher capacity civil drainage

Acquisition financials:

- Enterprise value £8.0m, settled in cash at completion
- Year to 30 June 2018 statutory results : revenue £5.3m; PBT £1.3m; EBITDA £1.6m
- Acquisition multiples:
 - EV/EBITDA : 5.0 times
 - EV/EBIT : 6.2 times
- Strongly earnings enhancing in the first full year of Alumasc's ownership



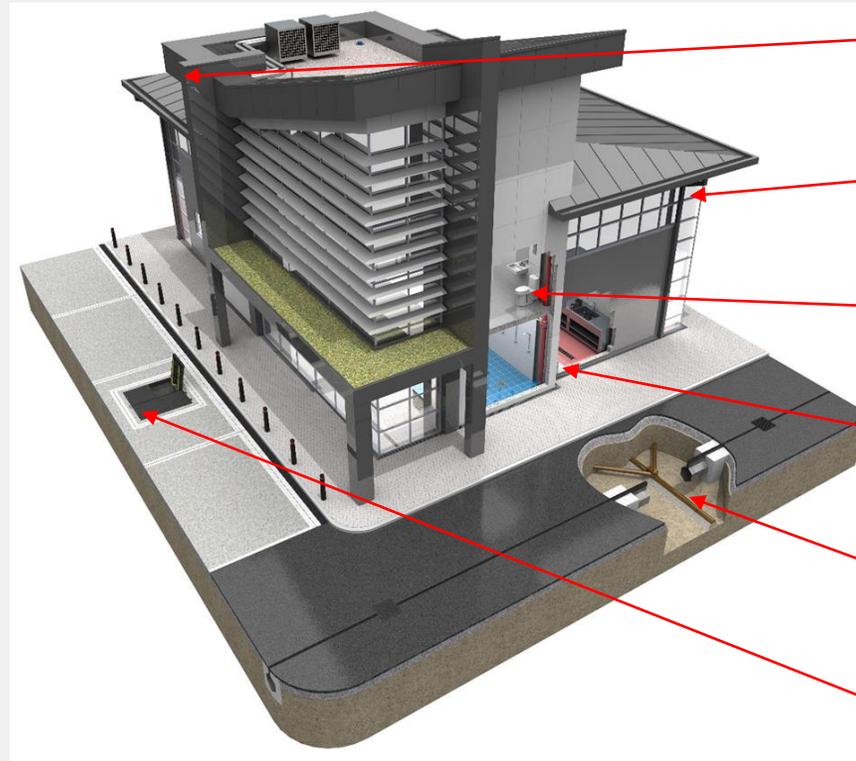
Wade – Delivering synergistic value

The synergistic potential was significant:

- **Enhances Alumasc’s “rain to drain” range of systems:**
 - has facilitated growth in specification sales and divisional cross-selling
 - extends Alumasc’s end user market reach into food / pharmaceutical sectors
- **Export market development potential**
 - especially Middle East
- **Divisional property synergies**
 - Saving c.£200k pa of previously leased property costs
- **Shared divisional management functions, systems & processes**
 - Sales, sales support HR, purchasing, marketing, finance & IT
 - Saving c.£500k annualised into FY 2019/20
- **Divisional knowledge and best practice sharing**



“Rain to Drain” Strategy





Water Management



Nature of business

- Solutions that manage and attenuate water inside and outside buildings
- Integrated “Rain to Drain” solutions in the built environment

Growth drivers

- Legislation aimed at conservation, attenuation and control of water
- Structural engineering specifications
- Building regulations

Potential

- “Rain to drain” synergies, including from the acquisition of Wade
- Increase divisional export sales, with focus on Gatic and Wade products/systems
- Grow operating margins through new product introductions, operational efficiency and gearing
- Specification cross-selling (see Alumasc Roofing)



Water Management – AWMS – Harmer SML – Neobankside, London

Roofing



Nature of business

- Premium waterproofing solutions for flat roofs
 - including green roofs, blu-roofs and roofing support services

Growth drivers

- Architectural specifications
- Building regulations

Potential

- Specification led cross-selling of a “building envelope” of AlumasC exterior building products including solar shading/screening systems, balconies & balustrades and water management
- Outperformance of UK construction market through continued market share gain and introduction of new products and systems (including AlumasC’s “Rain to Drain” strategy)



Architectural Screening, Solar Shading & Balconies

Nature of business

- Design & supply of solar shading & architectural screening and balcony & balustrading systems
- Installation option for systems in the UK only

Growth drivers

- Architectural specifications
- UK building regulations (Part L) relating to energy management

Potential

- Business development opportunities arising from the new Alumasc Building Envelope specification sales approach together with Alumasc Roofing
- Development of embryonic UK balconies & balustrading business
- Development of North American export business
- Growth in operating margins through operational efficiencies and balancing supply only versus supply and install project portfolio



Housebuilding Products



Nature of business

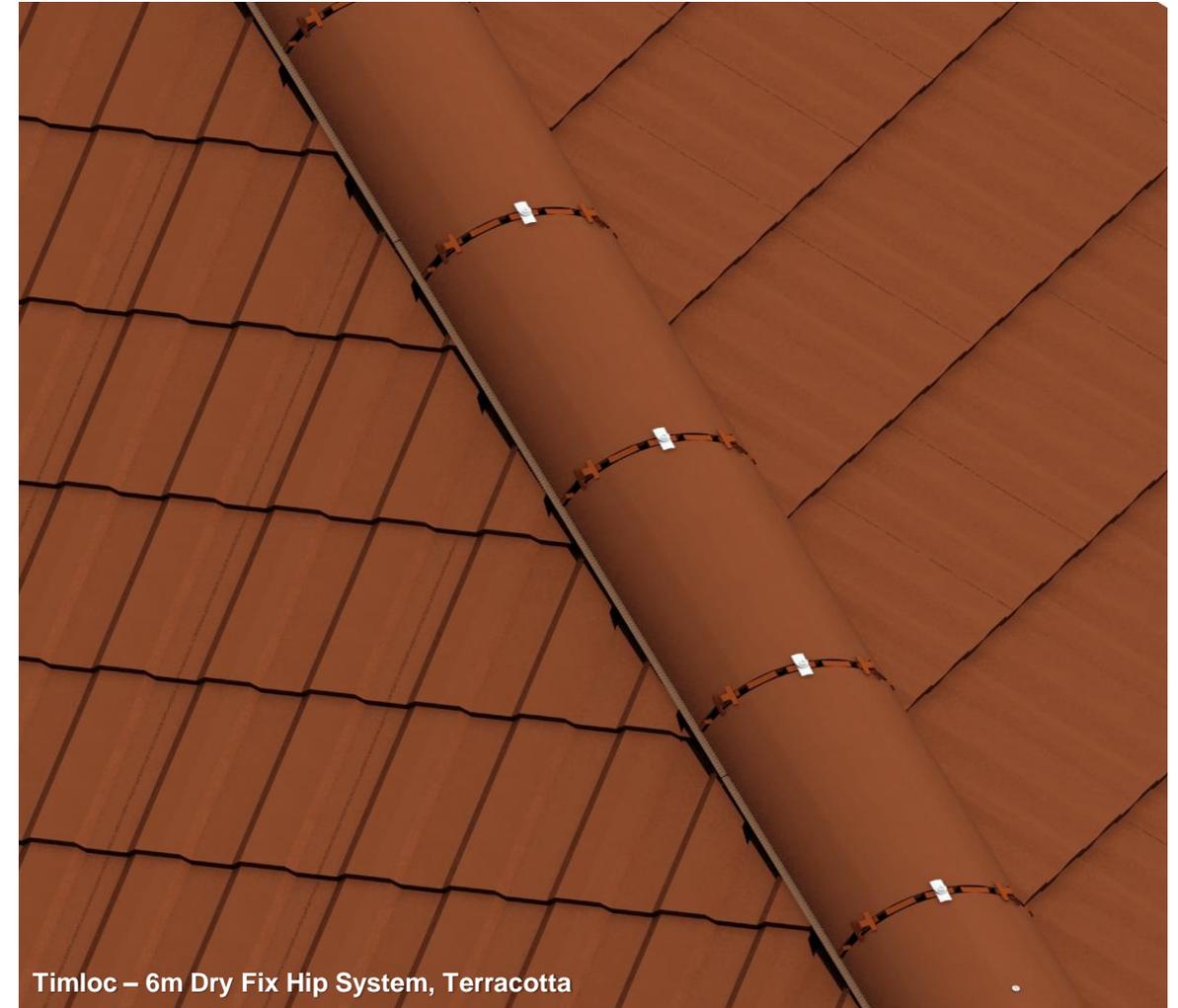
- Supply of premium house building products
 - e.g. passive ventilation products, cavity closers, cavity trays, access panels, loft doors & dry roof verges etc.

Growth drivers

- Growth in UK house building demand and current under supply of houses
- Legislation and building regulations

Potential

- Outperformance relative to the UK construction market with continued market share growth through product range development and best in class customer service
- Leverage strong sales channels through product portfolio expansion and excellent customer service
- Margin improvement through operational efficiency and additional operational flexibility, utilising the new factory commissioned in early 2018 and significant investment in new machinery and automation in 2019



Timloc – 6m Dry Fix Hip System, Terracotta

Alumasc Roofing – Hydrotech Hot Melt Waterproofing & Blackdown
Green Roof NatureMat - Atlantic Sports College, Vale of Glamorgan

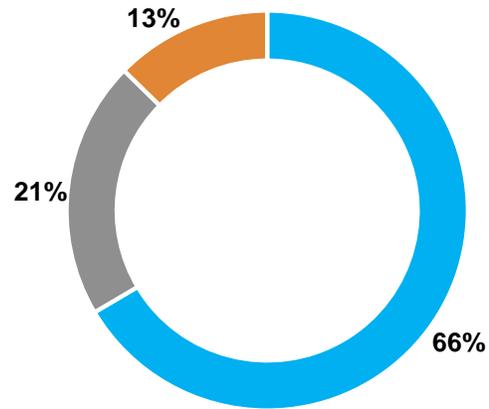


03
Track record

2018/19 Performance: Analysis by Division

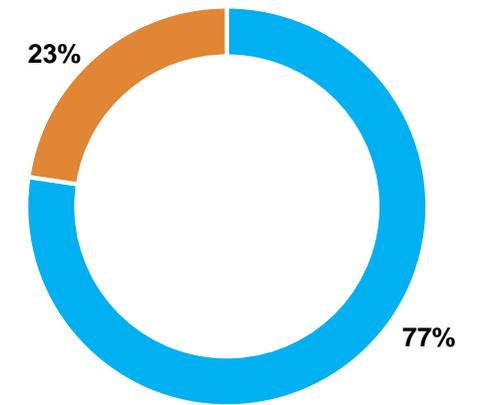


Revenue



- Roofing & Water Management
- Architectural Screening, Solar Shading & Balconies
- Housebuilding Products

Underlying Operating Profit

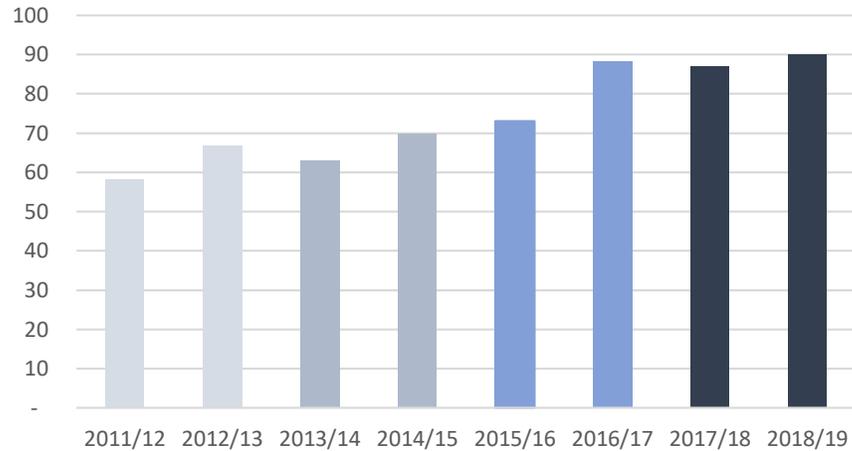


Financial Summary (£m)



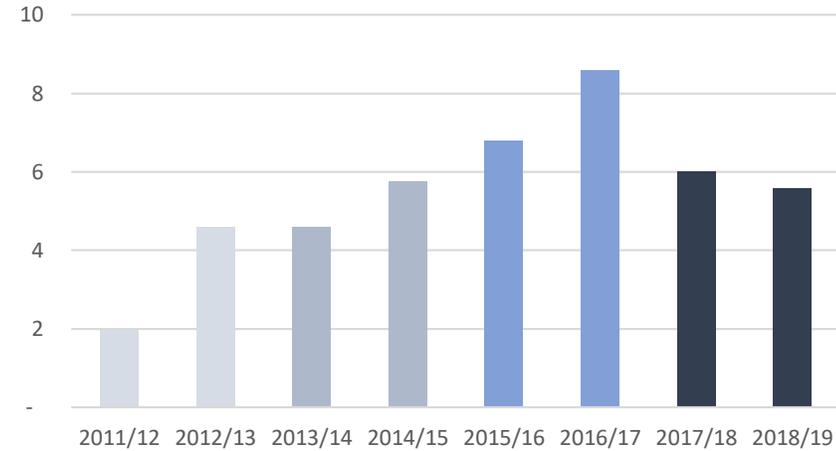
Revenue

CAGR 6%



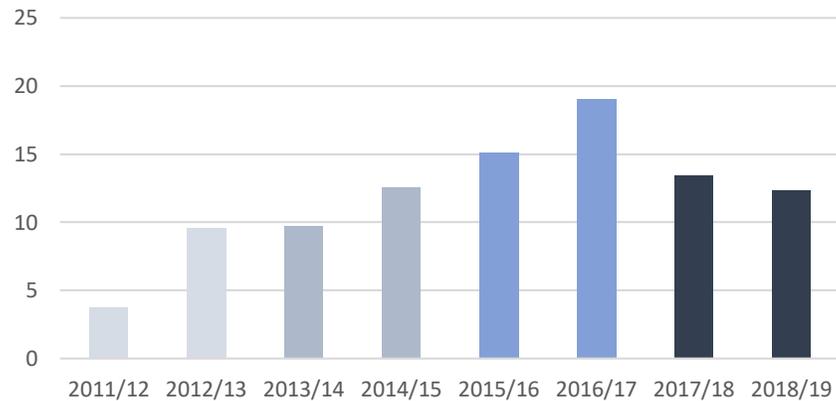
Underlying PBT

CAGR 12%



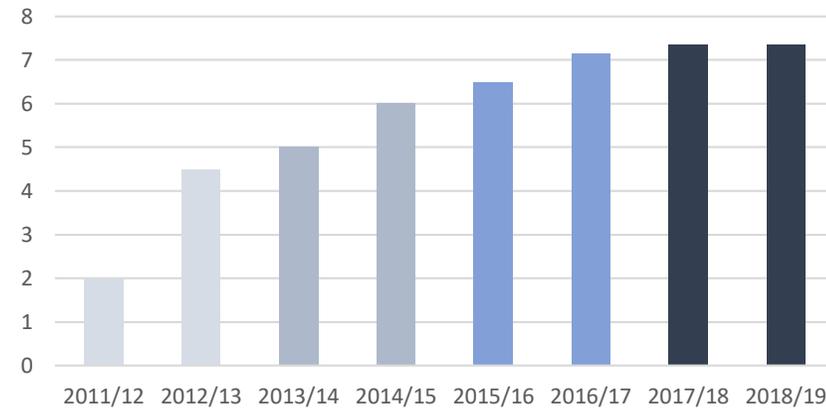
Underlying EPS (pence)

CAGR 19%



Dividend (pence)

CAGR 20%





04
Summary

Summary : the investment proposition



- **Proven market leadership with broad range of premium building products, systems and solutions with strong brands**
- **Diversified end user market portfolio and geographic reach reduces risk**
- **Growth strategy: clearly identified growth drivers, strategic positioning in “fast flowing streams” and strong market shares**
- **Recent listing on AIM provides new investors with IHT tax advantages**
- **Proven track record of returns to shareholders: current dividend yield of c.7%**



05

Appendices

- **Board**
- **History**
- **Proposed Divisional Segmentation of Results**

Chairman

- John McCall
- Ex-Consolidated Goldfields; led the buyout of Alumasc in 1984

Executive Directors

- Paul Hooper
- Chief Executive - ex-BTR plc, Williams Holdings plc and Rexam plc
- Andrew Magson
- Group Finance Director - ex-PwC, BPB plc and Saint-Gobain
- Gilbert Jackson
- Executive Director - ex-IKO, Marley Waterproofing and Polypipe Civils Ltd
- Michael Leaf
- Executive Director - ex-Ideal Standard (UK)

Non-Executive Directors

- Jon Pither
- Non-Executive Director of a number of companies
- David Armfield
- Partner of Kinetix Critchelys Corporate Finance LLP, Non-Executive Director at Xeros Technology Group plc, ex-partner at PwC
- Stephen Beechey
- Executive Director of the Wates Group
- Vijay Thakrar
- Non-Executive Director of Quorn Foods and Walker Greenbank plc, ex-partner at E&Y and Deloitte

- Long standing engineering heritage dating back to the 1940's
- A division of Consolidated Goldfields until taken private by our current Chairman, John McCall, in 1984
- Listed on the London Stock Exchange in 1986: the group comprised engineering, industrial and building products businesses
- 1990's - success as the UK's leader in the production of aluminium beer barrels, further engineering/industrial acquisitions
- Building products business originated from cast aluminium rainwater products made by our principal engineering business
- 2000's - growth and acquisition of building products businesses, divestment of engineering/industrial businesses
- 2006/07 - Alumasc moves to construction and building materials sector of Stock Exchange list
 - Acquisition of Levolux for £13m
 - Divestment of Brock Metal for £10m
- Last 10 years - further three building products acquisitions, and the divestment of remaining Engineering Products businesses in 2015/16
- 2016/17 - Alumasc's first full financial year as a focused building products group
- 2018 - Acquisition of Wade, commissioning of the new Timloc factory and the sale of the Facades business
- 2019 – Re-listing of shares on AIM, merger of pension schemes, simplification of group structure

Appendix 3 : Proposed divisional segmentation of results



Current 2018/19	Key Brands	Proposed 2019/20
1. Architectural Screening etc	Levolux	1. Building Envelope
2. Roofing & Water Management	Alumasc Roofing	2. Water Management
	AWMS Rainclear Wade Gatic	
3. Housebuilding Products	Timloc	3. Housebuilding Products

The Alumasc Group plc

Thank you

www.alumasc.co.uk



Premium building products, systems and solutions