

The Alumasc Group plc

Introduction to Alumasc

October 2021



Premium building products, systems and solutions

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- The Board
- History

Paul Hooper
Chief Executive

Simon Dray
Group Finance Director



Levolux – Boat Blocks, Birmingham

01

Introducing Alumasc: Investment Proposition



Introducing Alumasc: the investment proposition



Leading positions in attractive niche markets

- Premium products and brands
 - Diversified exposure to:
 - New build, Repair, Maintenance and Improvement (RMI) and Do It For Me/Do It Yourself (DIFM/DIY); and
 - Private/public housing, non-residential and commercial property
 - Closely aligned with the sustainability agenda, both commercially and operationally
 - Digital capabilities
-

Profitable and cash generative

- Support investments in organic growth and Mergers & Acquisitions (M&A)
 - Progressive dividend
-

Long-term environmental growth drivers

- 80% of sales driven by
 - Water/energy conservation in the built environment; and
 - Improving the building users' quality of life
- 80% of sales driven by building regulations and specifications

Use of sustainable materials

- Recycled and fully recyclable materials
 - Lifetime cost minimised by durability
-

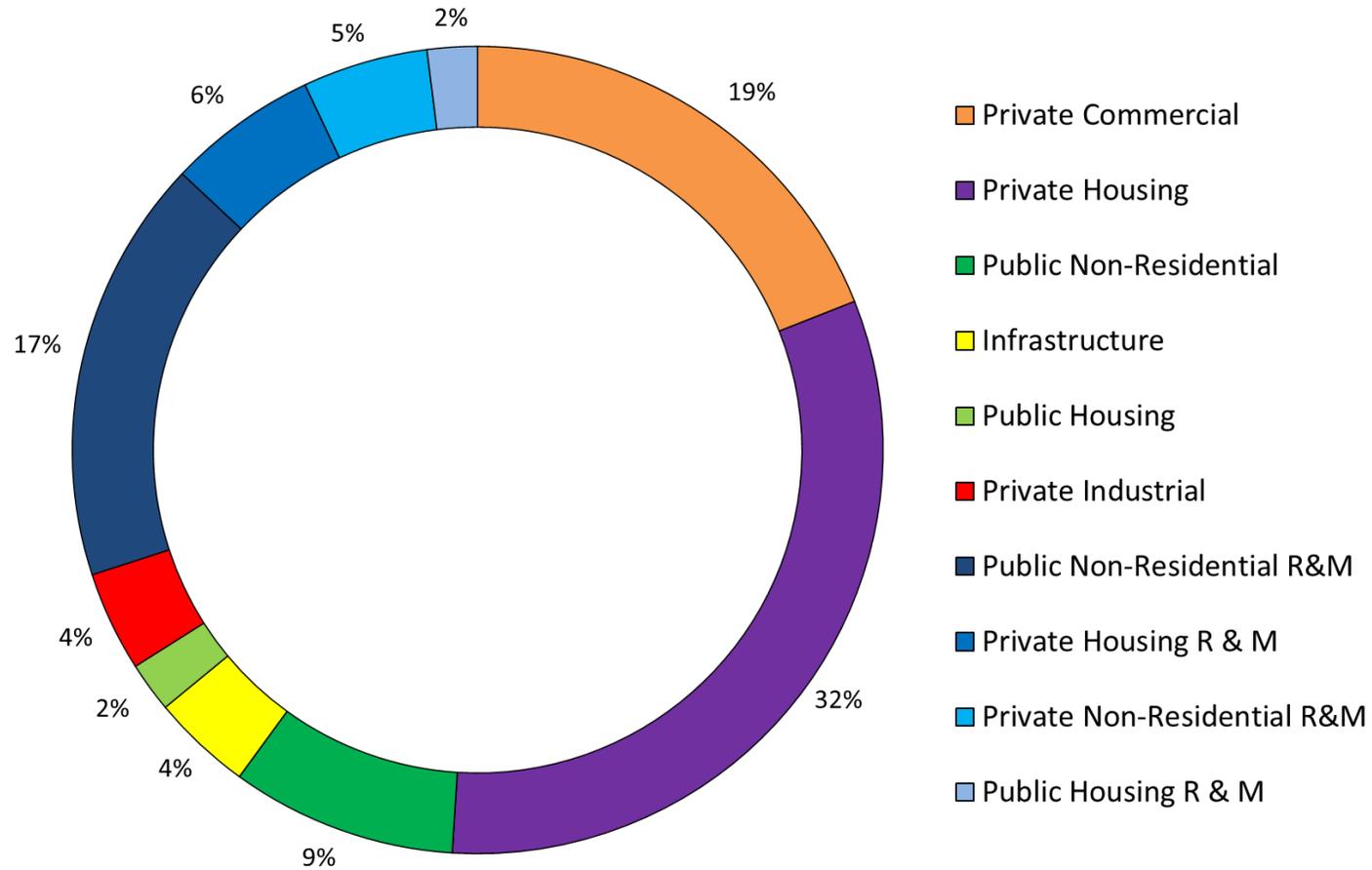
Efficient and customer-focused structure

- Entrepreneurial and agile businesses with high level of autonomy
 - Talented people with deep customer/product/application knowledge
-

Further opportunities

- Bolt-on M&A to expand products and markets
- Geographical expansion within selected territories
- Continual efficiency improvements
- New product development focused on environmental and value-adding solutions

Diversified UK End User Markets



Strong alignment with sustainability agenda



Alumasc Water Management Solutions – COP26 House

- Portfolio aligned to environmental growth drivers
 - c.80% of sales driven by building regulations
 - c.80% of sales from environmental solutions
- **Energy management** (Building Envelope, Housebuilding Products)
 - *Solar shading*
 - *Insulation/ventilation*
 - *Pre-manufactured products – reducing site energy consumption*
- **Urban drainage** (Water Management)
 - *Sustainable urban drainage system components*
 - *Stormwater resilience*
- **Owner/occupier quality of life & biodiversity** (Building Envelope)
 - *Urban green amenity spaces*
- Aligned with circular economy: sustainable materials and durable, recyclable products
- New product development aimed at environmental solutions: c.16% of FY21 sales from products launched in last 36 months

Strategic Objectives



Alumasc Water Management – Beaulieu Park, Chelmsford

Alumasc Group's Organic Growth Strategy



Specified products



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

Structural growth



c.80% of group sales derive from environmental solutions

International markets



Export sales c.15% of group sales

- Empower talented people
- Leverage strong brands
- Continuous innovation and development
- Elevate customer service
- Align sustainable products and processes
- Drive revenues and cost synergies

Repeat customers ✓

Motivated employees ✓

Sustainable growth ✓

Margin improvement ✓

Superior returns ✓

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

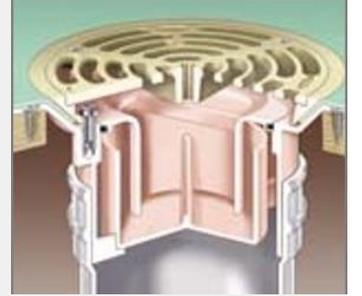


The business:

- 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



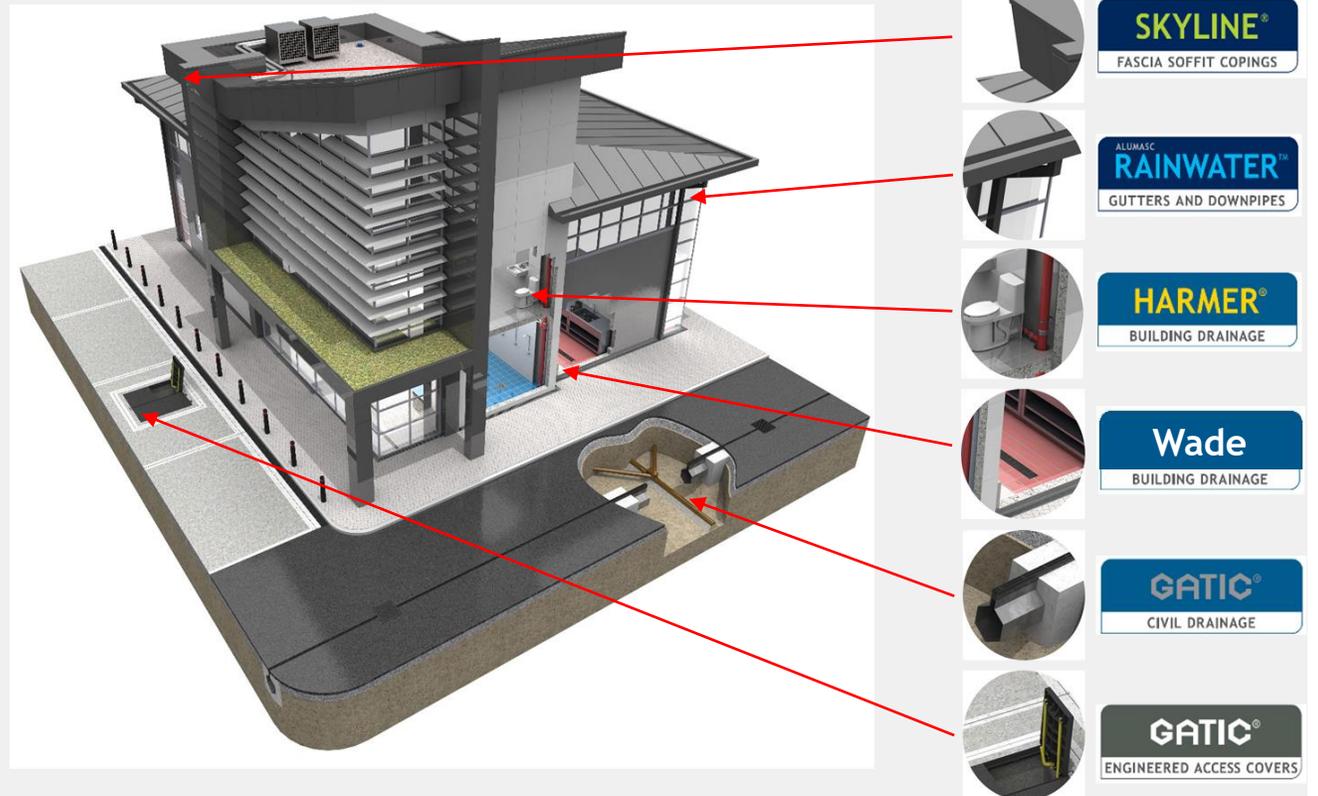
Wade – Delivering synergistic value

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.£600k pa in FY 2020/21
- **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
- Sustainable building techniques

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 – Holmlea Primary School, Glasgow

Building Envelope: Roofing

Nature of business

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

Growth drivers

- Architectural specifications
- Building regulations
- Environmental building considerations

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)



Alumasc Roofing – North Tees Hospital

Building Envelope: Levolux

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



Levolux – The Londoner Hotel

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

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03
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**

04

Appendices

- Board
- History



Chairman

- John McCall

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

Executive Directors

- Paul Hooper
- Simon Dray
- Gilbert Jackson
- Michael Leaf

- Chief Executive - ex-BTR plc, Williams Holdings plc and Rexam plc

- Group Finance Director – ex-Deloitte, Halma plc and Low & Bonar plc

- Executive Director - ex-Polypipe Civils Ltd, Marley Waterproofing and IKO

- Executive Director - ex-Ideal Standard (UK)

Non-Executive Directors

- Stephen Beechey
- Vijay Thakrar

- Executive Director of the Wates Group and sits on their Group Executive Committee and the Construction Group Board

- Non-Executive Director of Alpha FX Group plc, Treatt plc and Sanderson Design Group plc. Currently a member of the Audit & Risk Committee of the John Lewis Partnership. Previously served as Non-Executive Director on various Boards, including The Quoted Companies Alliance and Quorn Foods, ex-partner at Deloitte and E&Y

- 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

The Alumasc Group plc

Thank you

www.alumasc.co.uk



Premium building products, systems and solutions