

An aerial photograph showing a modern building with a blue corrugated metal roof in the foreground. To the right of the building is a large marina filled with numerous boats of various sizes. In the background, there is a body of water, a long pier or breakwater, and a distant island with a castle or fortress. The sky is clear and blue.

The Alumasc Group plc

Annual Results to 30 June 2022

Alumasc Building Products – Derbigum Black, Caltech QC and Blackdown Brownroof - Jersey

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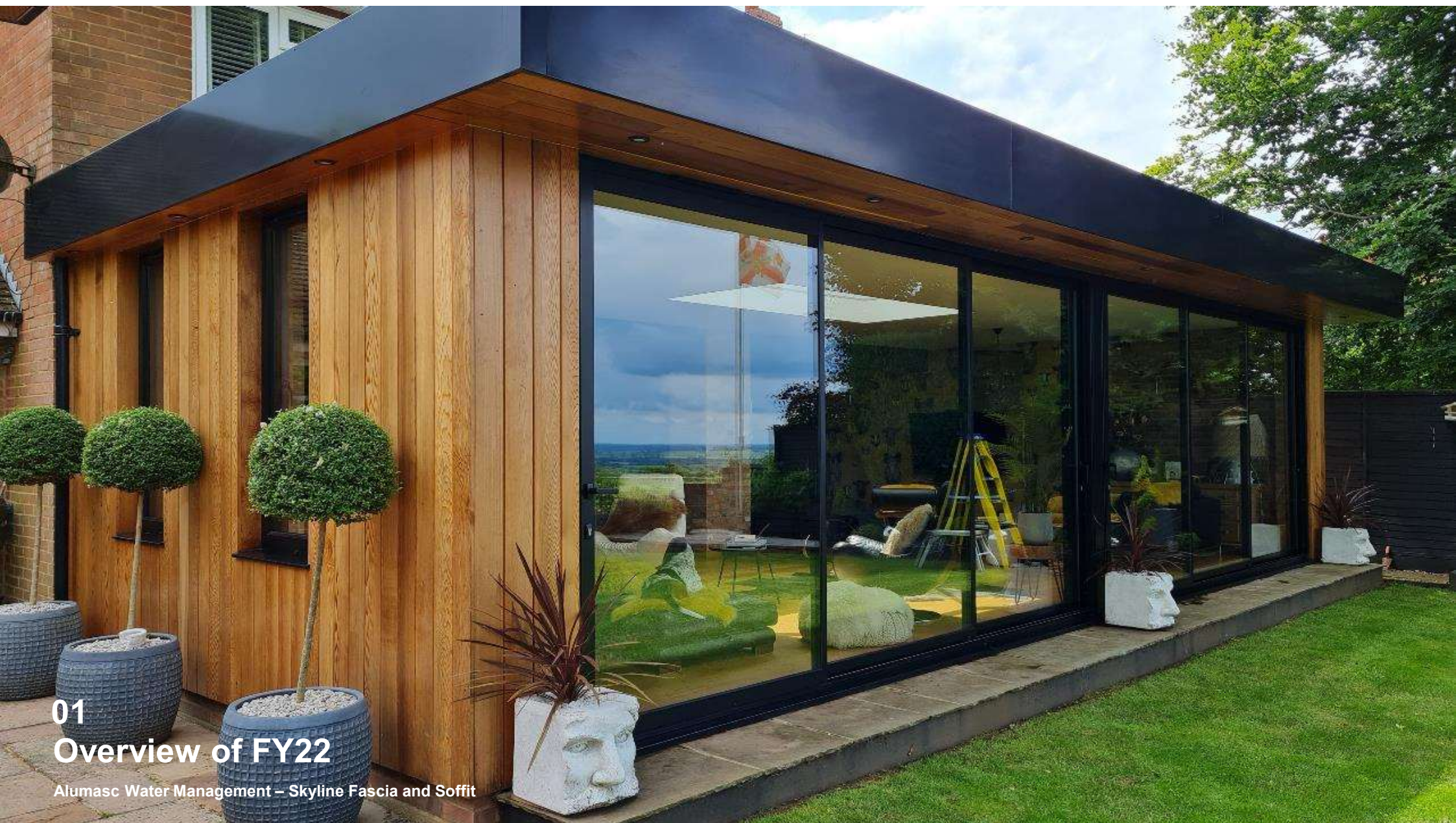
Appendices

Paul Hooper
Chief Executive

Simon Dray
Group Finance Director



Rainclear Systems – BS200 Canopy in Side Panel



01 Overview of FY22

Alumasc Water Management – Skyline Fascia and Soffit

Overview



Very strong performance from continuing operations:

- Revenue: £89.4m (FY21 £77.8m): +14.9%
- Underlying operating margin: 14.9% (FY21 13.5%): +140bps
- Underlying PBT £12.7m (FY21 £10.0m): +27.0%
- Net Bank Debt of £4.7m (FY21 £0.9m). Bank facilities £29m
- Underlying EPS: 28.6p (FY21 22.5p): +27.1%
- Full year dividend 10.0p (FY21 9.5p): +5.3%
 - *Final dividend: 6.65p (FY21 6.25p): +6.4%*

Delivery of strategic priorities:

- Levolux disposal on 26 August 2022
- Cost efficient operating structure
- Investment and innovation to drive profitable growth
- Export sales growth demonstrating opportunity
- Reduced pension deficit driving lower future contributions
- Strategy focused on sustainability

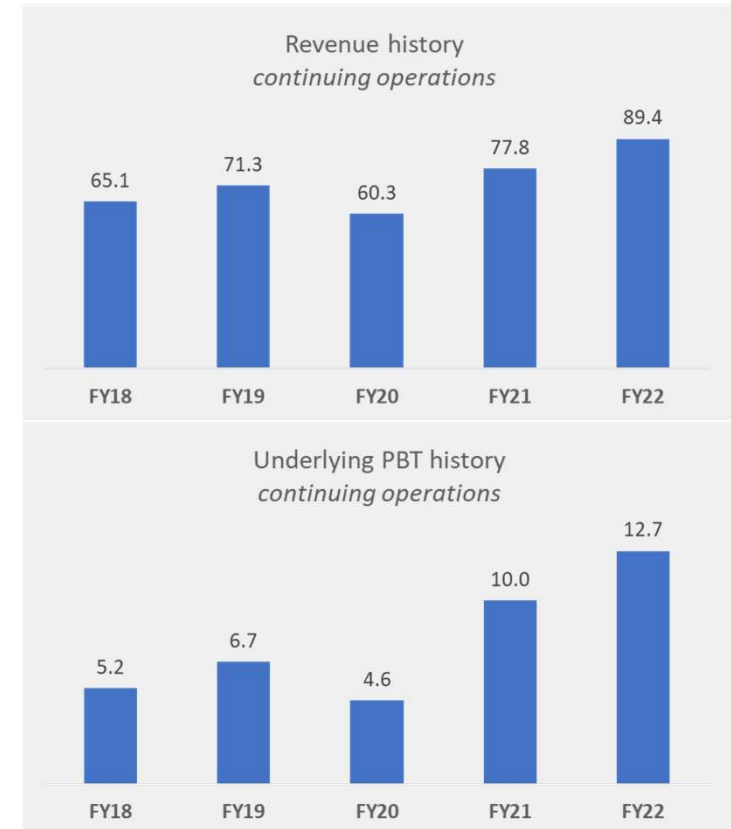


Alumasc Roofing – Alumasc Self-Adhesive Olivine – North Tees Hospital

Alumasc today:



- **Re-shaped portfolio provides platform for acceleration of strategy**
- **Markets supported by long term environmental growth drivers**
- **Premium products/brands with strong market positions**
- **Entrepreneurial decentralised model: efficient and agile**
- **Strengthened financial position with capacity for investment**
- **Focused on delivering shareholder value**





02

Strategic Delivery

Alumasc Water Management – Skyline Fascia, Soffits, Copings
and Alumasc Rainwater Products – Willow Bank, Northamptonshire

Strategic delivery – Levolux disposal



Levolux – Bream Street, Fish Island, London

- Divestment decision in H2 FY22
 - £2.0m underlying loss in FY22 (FY21: £0.5m profit)
 - Levolux unlikely to generate required returns
 - Strategic move away from installation activities
- Disposal by share sale on 26 August 2022 after extensive marketing process
 - £1m deferred consideration, payable from proceeds > £1m on subsequent sale
 - £14.9m non-cash impairment in FY22 (£11.1m intangibles, £3.8m operating assets)
 - £1.7m loss (£1.4m cash at disposal, plus costs and pre-disposal operating losses) expected in FY23
 - Limited warranties and indemnities

Continuing Group

- Operating margins and capital efficiency enhanced
- Supply only – simpler model with shorter cash cycle
- Management focus on organic and inorganic growth opportunities

Strategic delivery – cost-efficient operating structure



Gatic – UltraSlot Slotdrain - Dover Docks

- Management of cost base supporting improving underlying operating margins



- Continuing to review opportunities to improve operating efficiency

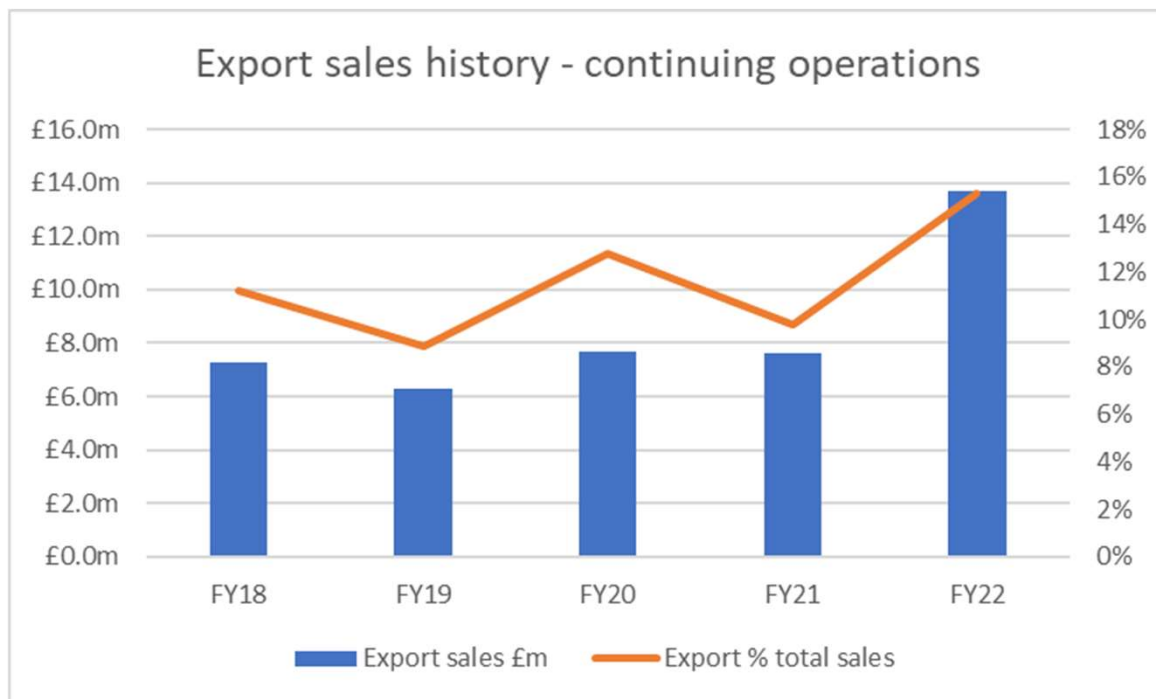
Strategic delivery – investment and innovation to drive profitable growth



Timloc Building Products

- Water Management
 - Tooling investments providing:
 - Improved manufacturing efficiency
 - Lower energy consumption/greenhouse gas emissions
 - Support supply continuity and near-sourcing
- Building Envelope
 - Sales and Marketing investments to drive market share gains
- Timloc
 - Capacity, machinery upgrade & automation nearly complete
 - Improved energy efficiency – carbon neutral status achieved
 - Ongoing innovation with numerous new product launches

Strategic delivery – export sales

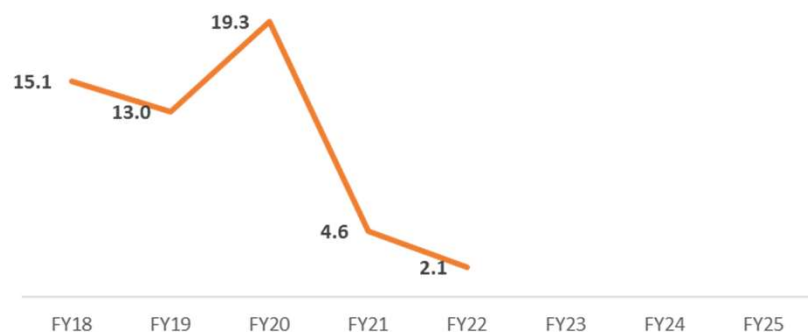


- Exports represented 15% of total sales in FY22
- Further growth opportunities in selected markets
 - Asia and Australasia
 - Latin and South America
 - Middle East
- Key brands:
 - Gatic covers
 - Gatic Slotdrain
 - Wade drainage

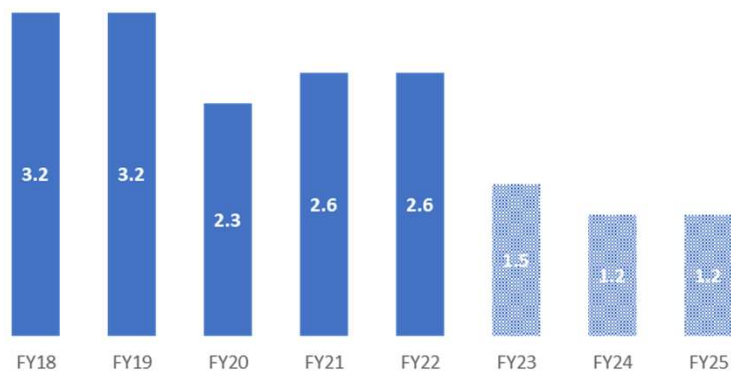
Strategic delivery – pension deficit



IAS 19 pension deficit



pension contributions



- IAS 19 pension deficit reduced to £2.1m at 30 June 2022
- Triennial funding review concluded with trustees
 - Future contribution rate reducing to £1.2m pa (from £2.3m) from 1 October 2022
 - Further scheme de-risking as deficit narrows
- Self-sufficient position targeted in reasonable timeframe

Strategic delivery – Focus on sustainability



Building products for a better future:

Environmental focus

- Products supported by long term environmental growth drivers
- Carbon footprint reduction

Sustainable materials

- Durable, recycled and recyclable
- Ethically sourced

Responsible business

- Code of conduct and compliance framework

Ethically driven

- Health and safety, diversity and inclusion
- Staff engagement and wellbeing

Strategic delivery – environmental sustainability



	FY22 position	Targets
Environmental challenges facing built environment provide long term growth drivers <ul style="list-style-type: none"> • Energy management • Water management • Occupant wellbeing • Biodiversity 	<ul style="list-style-type: none"> • 80% of portfolio aimed at environmental solutions • Demand outperforming UK construction market • LSE Green Economy Mark awarded in November 2021 	<ul style="list-style-type: none"> • Sales growth/market share gains • Increased capability through new product development and M&A
Carbon footprint reduction <ul style="list-style-type: none"> • Reduction in GHG intensity (scope 1 & 2 tCO₂e per £1m revenue) 	<ul style="list-style-type: none"> • FY22 scope 1&2 intensity reduced: 29% vs FY22; 52% vs FY17 • Timloc carbon neutral in FY22 • Medium term Group targets set 	<ul style="list-style-type: none"> • 10% reduction by 2025 • Net zero targets in FY23
Sustainable materials <ul style="list-style-type: none"> • Recycled and recyclable • Durable 	<ul style="list-style-type: none"> • 26% of materials sourced from recycled material • 75% of products fully recyclable at end of life • Market-leading durability 	<ul style="list-style-type: none"> • Continuous improvement





03

Financial Review

Alumasc Roofing – Hydrotech – One Chamberlain Square, Birmingham

Income statement summary

12 months to 30 June



	2022 £m	2021 £m	Change %
Continuing operations:			
Revenue	89.4	77.8	+14.9%
Gross profit	33.4	29.4	
Gross margin %	37.3%	37.8%	
Sales, general & administration overheads	(20.0)	(18.9)	
Underlying operating profit*	13.3	10.5	+26.9%
Underlying operating margin %	14.9%	13.5%	
Interest on borrowings & leases	(0.6)	(0.5)	
Underlying PBT*	12.7	10.0	+27.0%
(Loss)/profit from discontinued operations before tax	(17.0)	0.5	
Restructuring costs	(0.5)	(0.1)	
Net IAS19 defined benefit pension scheme costs	(0.1)	(0.4)	
Other non-underlying items (net)	(0.1)	(0.2)	
(Loss)/Profit Before Tax (continuing and discontinued operations)*	(5.0)	9.8	
Underlying EPS (continuing operations) (p)	28.6	22.5	+27.1%
Basic EPS (continuing operations) (p)	26.8	20.6	+30.1%
Dividends per share (p)	10.0	9.5	+5.3%

* A reconciliation of underlying profit from continuing operations to reported profits is at Appendix 1

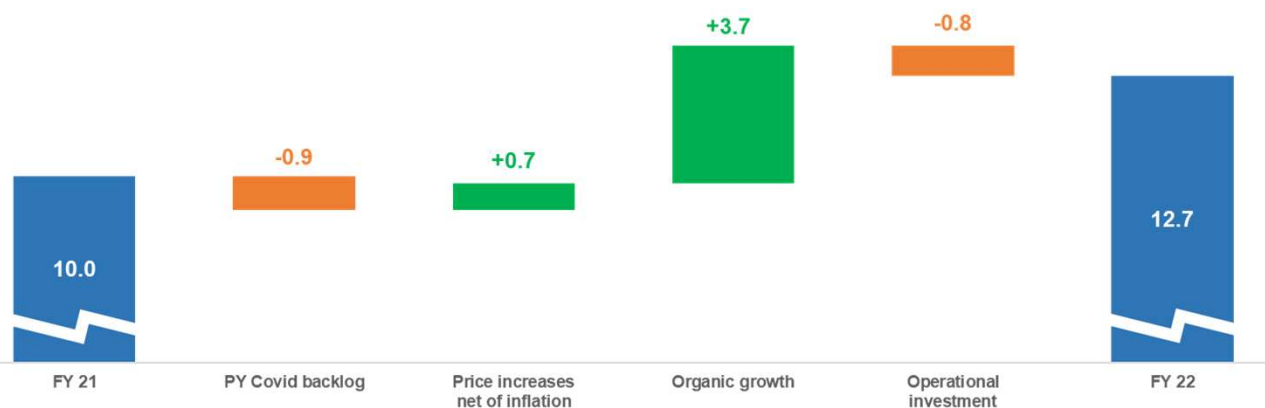
Revenue and Profit Bridge – FY21 to FY22 (£m)



Revenue Bridge - continuing operations



Underlying PBT Bridge - continuing operations



- £2.5m sales/£0.9m profit delayed into prior year by Covid
- Significant cost inflation over period: strength of brands, and active management of suppliers and prices, allowed pass-through
- Strong organic growth across continuing group:

£m	Sales	UPBT
Water Management	+£6.6m	+£2.8m
Building Envelope	+£1.0m	+£0.4m
Housebuilding Products	+£0.7m	+£0.3m
Centre	-	+£0.2m
Total	+£8.3m	+£3.7m

- Operational investments in capacity/capability, to support future growth

Cash flow statement summary

12 months to 30 June



	2022 £m	2021 £m	Change £m
EBITDA from continuing operations*	16.0	13.2	2.8
Change in working capital	(4.0)	0.6	(4.6)
VAT (repayment)/deferral	(0.7)	(1.1)	0.4
Operating cash flow – continuing operations	11.3	12.7	(1.4)
Operating cash flow – discontinued operations	(2.3)	(1.0)	(1.3)
Capital expenditure	(2.6)	(2.0)	(0.6)
Interest	(0.4)	(0.2)	(0.2)
Tax	(1.6)	(0.2)	(1.4)
Pension deficit funding	(2.6)	(2.6)	-
Lease payments	(0.9)	(0.9)	-
Dividends	(3.4)	(1.9)	(1.5)
Own shares purchased	(0.5)	-	(0.5)
Sub-total	(3.0)	3.9	(6.9)
Restructuring/other	(0.8)	(0.5)	(0.3)
Movement in net bank debt	(3.8)	3.4	(7.2)
Net bank debt at year end on balance sheet	(4.7)	(0.9)	(3.8)
Average trade working capital % sales	18.1%	13.9%	

* Underlying profit before interest, tax, depreciation and amortisation

- Operating cashflow from continuing operations at 85% of underlying operating profit (FY21: 121%)
- Investment in working capital to maintain customer service
- Covid VAT deferral fully repaid in year
- Capital expenditure at 104% (FY21: 86%) of depreciation; key investments in:
 - Asset replacement plan and new product tooling at Housebuilding Products
 - Tooling upgrades in Water Management – supply chain resilience and near-sourcing
- Prior year tax included £0.4m refund from 2018/19
- Restructuring spend on surplus properties, exited in June 2022

Balance sheet summary

at 30 June



	2022 £m	2021 £m	Change £m
Property, plant & equipment	17.5	17.2	0.3
Intangible assets	10.7	22.0	(11.3)
Working capital	11.5	9.4	2.1
Other net liabilities	(2.6)	(2.6)	-
Capital invested	37.1	46.0	(8.9)
Net debt - bank	(4.7)	(0.9)	(3.8)
Net debt - lease	(5.1)	(5.6)	0.5
Pension obligations (net of tax)	(1.6)	(3.4)	1.8
Net assets	25.7	36.1	(10.4)

ROI – continuing operations (post tax)*	25.8%	18.4%
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- Capital invested reduced by Levolum impairment
- Net bank debt £4.7m, gearing 0.4x (covenant <2.5x)
- Revolving credit facility amended and extended in August 2022:
 - Facility increased to £25m from £20m
 - £20m uncommitted accordion facility
 - Expires August 2025, with two 1 year extension options



04

Business Review

Alumasc Roofing – Haven Green Court

Water Management



	2021/22	2020/21
Revenue (£m)	47.6	38.4
Underlying operating profit (£m)	8.8	6.1
Underlying operating margin (%)	18.4%	15.9%

- Broad exposure to housing and commercial markets
- Record £47.6m revenue, £9.2m (24%) higher than PY
- Record £8.8m operating profit (18% operating margin), £2.7m (43%) higher than PY
 - Operational gearing plus pass-through of cost increases
- The c£3.3m win of Chek Lap Kok airport assisted the performance
- Water Management's performance was excellent and indicative of its potential
- FY23 started well with the carry forward of a good order book



Water Management – Shipston High School

Building Envelope



	2021/22	2020/21
Revenue (£m)	29.4	28.4
Underlying operating profit / (loss) (£m)	3.6	3.7
Underlying operating margin (%)	12.2%	13.2%

From continuing operations

- Sells principally into the high end UK commercial new build construction market with an increasing RMI sector
- Revenue increased by £1m (4%)
- Underlying operating profit remained in line with PY, despite some market disruption including significant cost increases, successfully passed on
- Double digit operating margin maintained at 12.2%
- Installation activities exited in year, now focused on supply only
- Market share gained
- New sales people performing strongly
- Good work on academies/schools achieved along with refurbishment
- Strong start to FY23 with a good order book

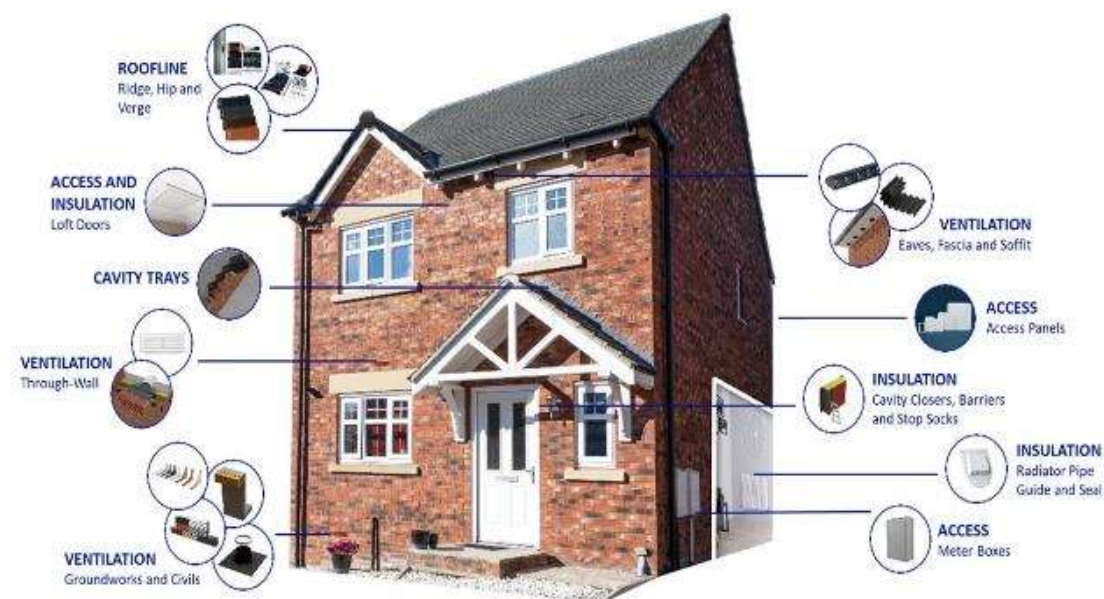


Building Envelope – Lakes Primary School

Housebuilding Products (Timloc)

	2021/22	2020/21
Revenue (£m)	12.4	11.1
Underlying operating profit (£m)	2.4	2.6
Underlying operating margin (%)	19.7%	23.0%

- Timloc, our Housebuilding products Division, had another strong year
 - Revenue grew by £1.3m (12%)
 - Underlying profit close to prior year, operating margin 19.7%
 - Cost price inflation largely mitigated
- New product launches included FrStop cavity stop sock, non-combustible products and a number of roofline products
- Customer service remained outstanding
- With its constant focus on improving efficiencies, new product development and customer service, Timloc well positioned to maximise opportunities presented by housing sector
 - Uplift in building regulations (parts F and L) will help
 - Division well placed to assist housebuilders with introduction of Housing to the Future Homes Standard in 2025
- Important launch of new tile vent range planned for FY23



Timloc Building Products





05 Outlook

Rainclear Systems – AGST Woodpecker Carpentry at RHS Show

Outlook

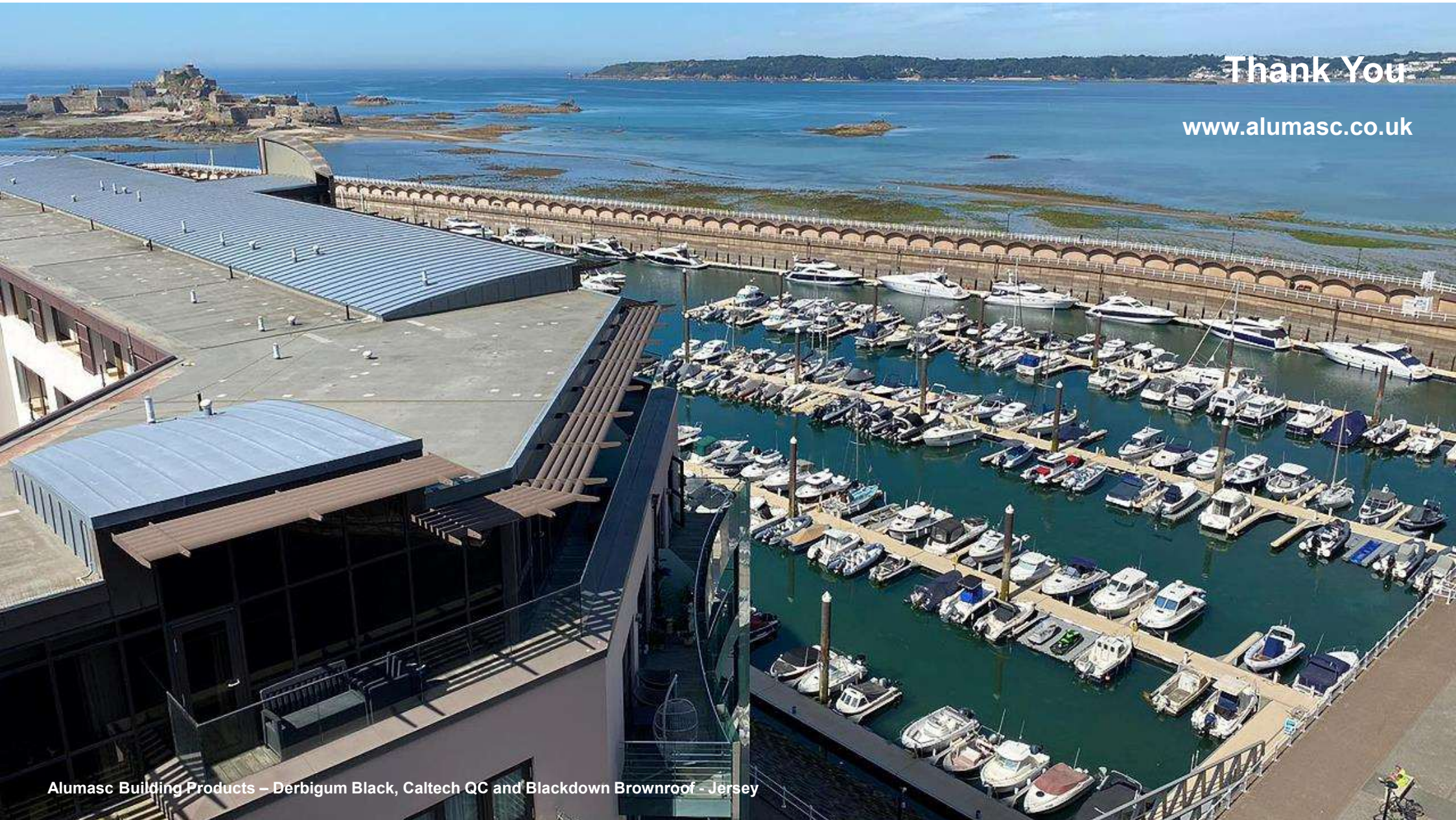


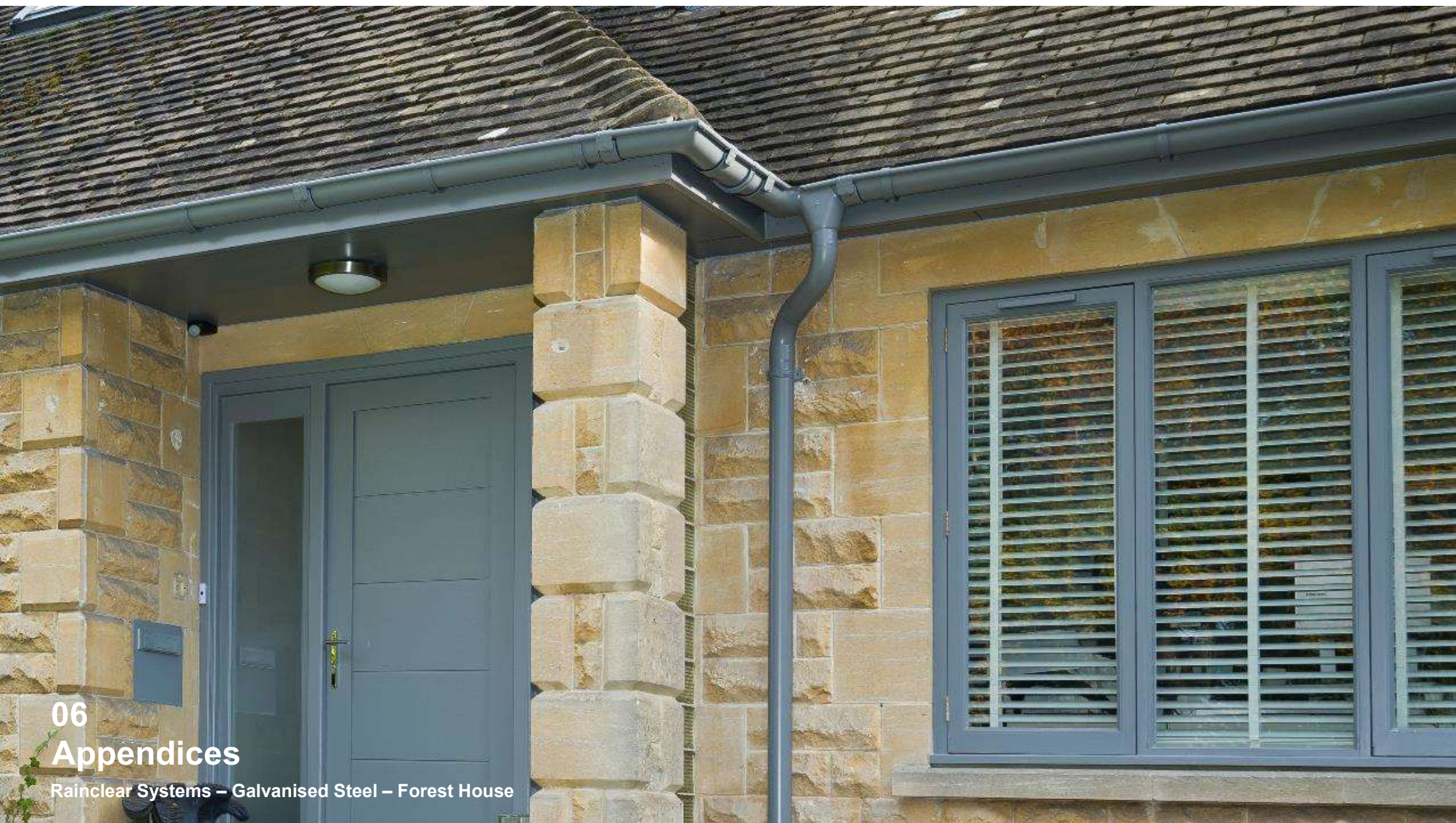
- Group re-positioned following disposal of Levolut:
 - Simplified business model with no exposure to contracting/installation and shorter cash cycle
 - Strong brands positioned behind long term environmental growth drivers
 - Long term customers across diverse end markets
 - Export opportunities in selected markets
 - Further cost efficiency opportunities under investigation
- Future cashflow benefit
 - Reduced pension contribution (£1.1m annualised)
 - Unwind of buffer stocks as supply chains and material prices normalise
- Extended bank facilities provide headroom for value-accretive M&A
- Robust start to FY23 with strong order books
- Group well positioned to deliver medium term sales and margin ambitions despite macroeconomic uncertainty

Thank You

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Alumasc Building Products – Derbigum Black, Caltech QC and Blackdown Brownroof - Jersey





06 Appendices

Rainclear Systems – Galvanised Steel – Forest House

Appendix 1 : Underlying To Statutory Profit Reconciliation



	2021/22		2020/21	
	Operating Profit £m	Profit/(loss) Before Tax £m	Operating Profit £m	Profit Before Tax £m
Underlying operating profit / profit before tax: continuing operations	13.3	12.7	10.5	10.0
Brand amortisation	(0.1)	(0.1)	(0.1)	(0.1)
IAS19 costs	-	(0.1)	(0.1)	(0.3)
Restructuring costs	(0.5)	(0.5)	(0.1)	(0.1)
Statutory operating profit / profit before tax: continuing operations	12.7	12.0	10.2	9.5
Underlying operating (loss)/profit / (loss)/profit before tax: discontinued operations	(2.0)	(2.0)	0.5	0.5
Brand amortisation	(0.1)	(0.1)	(0.2)	(0.2)
Write down of assets held for sale	-	(14.9)	-	-
(Losses)/gains relating to discontinued operations	(2.1)	(17.0)	0.3	0.3
Statutory operating profit / profit/(loss) before tax	10.6	(5.0)	10.5	9.8

Appendix 2 : Discontinued operations







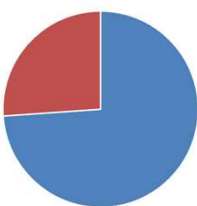
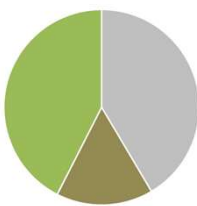
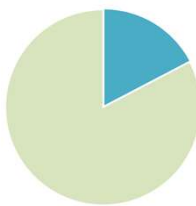



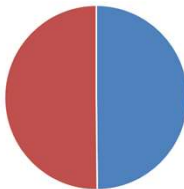
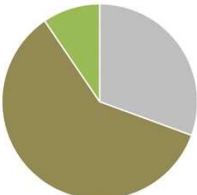
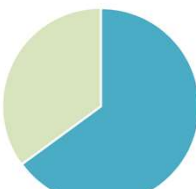

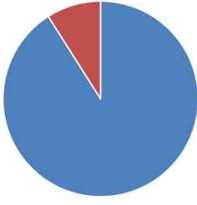
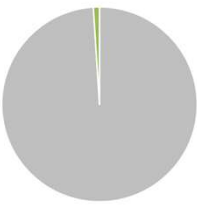
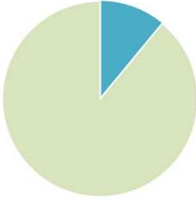


	FY21	FY22	FY23 (est)
Reported profit			
Operating profit/(loss)	0.5	(2.0)	(0.1)
Brand amortisation	(0.2)	(0.1)	-
Statutory operating profit	0.3	(2.1)	(0.1)
Asset impairment/disposal:			
Goodwill	-	(10.2)	-
Other intangible assets	-	(0.9)	-
Operating assets	-	(3.8)	-
Cash/disposal costs	-	-	(1.6)
Loss on disposal	-	(14.9)	(1.6)
Profit/(loss) before tax from discontinued operations	0.4	(17.0)	(1.7)
Cash impact			
Operating cashflow	(1.0)	(2.3)	(0.1)
Disposal cashflow	-	-	(1.6)
Total cash outflow from discontinued operations	(1.0)	(2.3)	(1.7)

- Levlux business sold on 25 August 2022 and shown as discontinued operation in FY22 accounts
- £14.9m non-cash asset impairment recorded in FY22
- £11.1m goodwill and other intangible assets
- £3.8m operating assets
- £1.7m loss on disposal anticipated in FY23
- Limited warranties and indemnities
- £1.0m deferred consideration, repayable from proceeds in excess of £1m on a subsequent disposal

Appendix 3 : Diversified End Markets



Division	Brands	End markets		
		Private/ Public	Housing/ Non-residential/ Commercial & infrastructure	RMI/ New build
Water Management	     			
Building Envelope	  			
Housebuilding Products				

Note: Allocation of end markets to Alumasc divisions is approximate / illustrative

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