



## Introduction to Alumasc

February 2023

Alumasc Roofing – Hydrotech  
– One Chamberlain Square, Birmingham

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## Introducing Alumasc: Investment Proposition



# Positioned for long-term outperformance



**Demand underpinned by environmental drivers**

➤ *Long term market outperformance*

**Strong brand/product portfolio, best in class customer service**

➤ *Pricing power and margin stability*  
➤ *Repeat business*

**Stable platform**

➤ *Cash generative*  
➤ *Capacity to invest*  
➤ *Consistent high quality execution*

**Significant investment opportunities to accelerate organic/inorganic growth**

➤ *Capacity/capability/efficiency improvements*  
➤ *Export growth potential*  
➤ *Value-accretive M&A*

# Environmental drivers

## Sustainable materials

Circular economy: reduce, repair, recycle  
Market-leading durability

## Decarbonising the built environment

Operating energy efficiency  
Embodied energy efficiency

## Improving building resilience to climate change

Rainwater management  
Stormwater runoff

## Improving quality of life in multi-occupancy buildings

Roofline utility areas/biodiversity



Alumasc Water Management Solutions – Infinity Copper Gutters & Downpipes on Beyond Zero show home at COP26 Environmental Summit

# Focused on supply of sustainable building products



	Water Management	Building Envelope	Housebuilding Products	Group
% of Group revenue				<b>80% revenue derived from environmental products</b> <b>80% revenue supported by specification/regulation</b>  <b>Export sales: 15% of total</b>
% of Group profit				
Private vs Public				
Housebuilding vs Non-residential vs Commercial/infrastructure				
RMI vs New build				

# Accelerating growth: solid financial platform



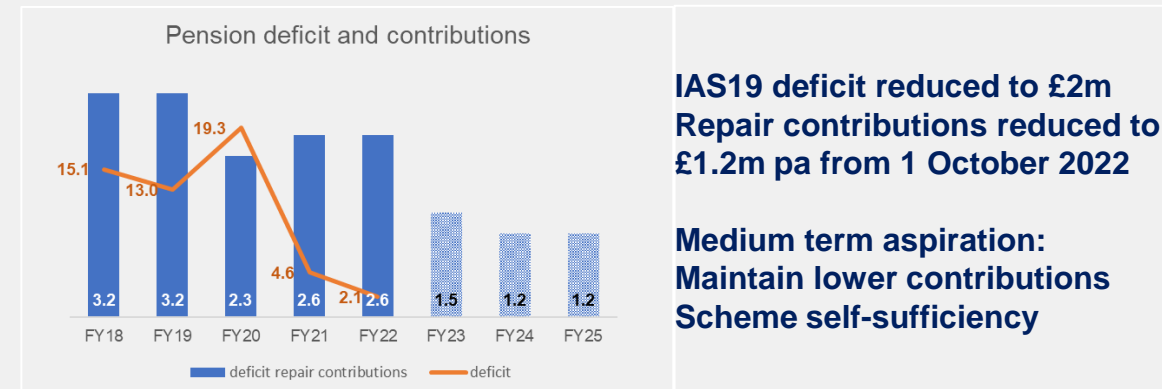
## Profitable growth

### Sales growth

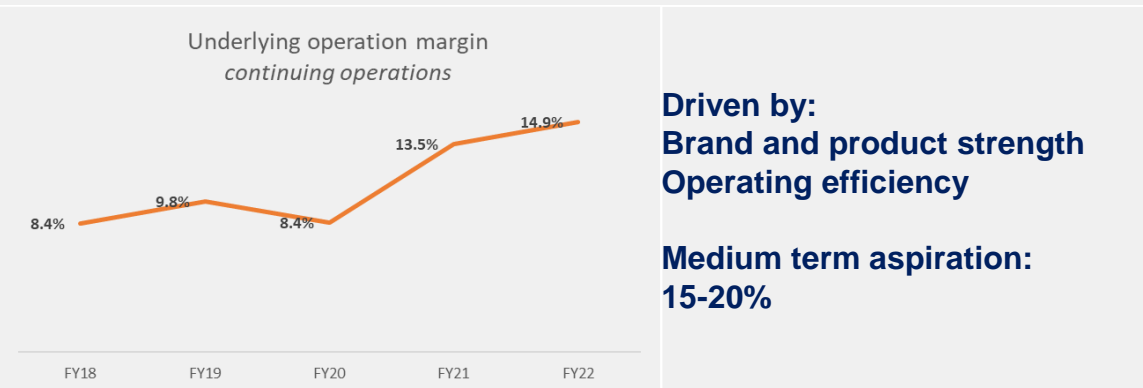


## Cash and facilities

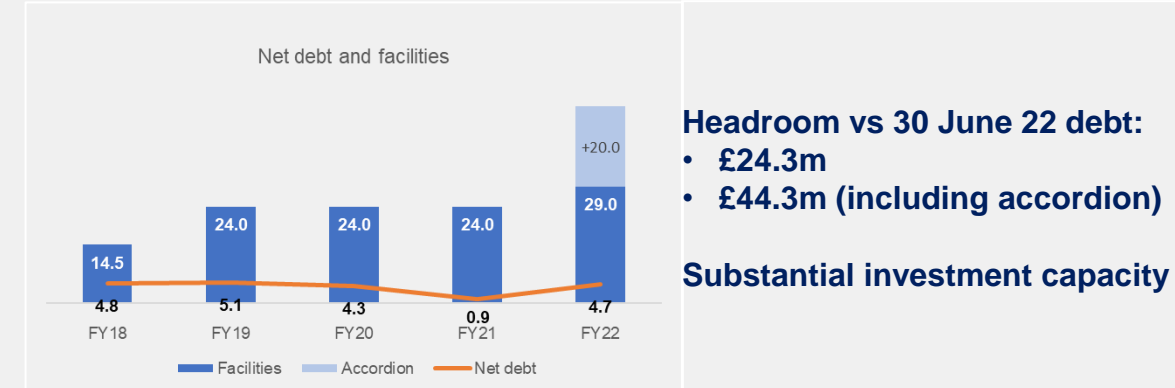
### Pension deficit management



## Operating margin



## Net debt and bank facilities



# Accelerating growth: M&A opportunities

Accelerating our growth through acquisition



## Key areas of focus:

Water Management:	Consolidation/scale Technology Market extension
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Building Envelope:	Product range
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Housebuilding Products:	Consolidation/scale
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## Characteristics:

- Bolt-on (to c.£20m EV)
- Operating in Alumasc markets or close adjacents
- Consistent with Group margin and cash generation targets
- Immediately earnings accretive
- Net debt/EBITDA <2x
- Environmentally efficient products
- Scope to grow



# 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)

## ALUMASC’S “RAIN TO DRAIN” SYSTEM also showing Alumasc Roofing



# 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
- Long term life cycle cost benefits, zero failures
- Environmental building considerations
  - Higher recyclable content
  - Cradle-to-cradle technology
  - Carbon reducing mineral finishes
  - Recycling of old roofs

## Potential

- Specification led cross-selling of a “building envelope” of Alumasc exterior building products
- 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

# Housebuilding Products: Timloc



## 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.
- Forefront of sustainability within the industry:
  - 75% of products manufactured from recycled materials, 95% recyclable
  - First carbon neutral building products manufacturer

## 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 existing and generate new sales channels through product portfolio expansion
- Margin improvement through operational efficiency and additional operational flexibility



# 03 Summary



# Summary : the investment proposition



- **Proven market leadership with broad range of premium building products, systems and solutions**
- **Diversified end user market portfolio and geographic reach reduces**
- **Growth strategy:**
  - **Close alignment to long term environmental growth drivers**
  - **Strong brands & market shares backed by market leading customer service**
  - **Capacity to invest in organic & inorganic growth**
- **AIM listing provides new investors with IHT tax advantages**
- **Proven track record of returns to shareholders**



## Appendices:

- Board
- History
- Wade acquisition: case study

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

## Chair

- Vijay Thakrar (appointed 2019)
  - Non-Executive Director of Alpha FX Group plc, RSM Group and Treatt plc, where he is Chair. Previously a member of the Audit & Risk Committee of the John Lewis Partnership. Vijay has also previously served as Non-Executive Director on various Boards, including The Quoted Companies Alliance, Sanderson Design Group plc and Quorn Foods, ex-partner at Deloitte and E&Y. Chair from January 22

## Executive Directors

- Paul Hooper (appointed 2001)
  - Chief Executive - ex-BTR plc, Williams Holdings plc and Rexam plc. Non-Executive Director of Titon Holdings plc.
- Simon Dray (appointed 2021)
  - Group Finance Director - ex-Deloitte, Halma plc and Low & Bonar plc
- Gilbert Jackson (appointed 2019)
  - Executive Director - ex-Polypipe Civils Ltd, Marley Waterproofing and IKO
- Michael Leaf (appointed 2019)
  - Executive Director - ex-Ideal Standard (UK)

## Non-Executive Directors

- Stephen Beechey (appointed 2019)
  - Executive Director of the Wates Group and sits on their Group Executive Committee and the Construction Group Board. Director of Construction Skills Certification Scheme Ltd
- Karen McInerney (appointed 2022)
  - Group Financial Controller of Computacenter plc and is a member of their Risk Committee

# History



# Case study: acquisition of Wade International

## Adding value by targeted acquisitions

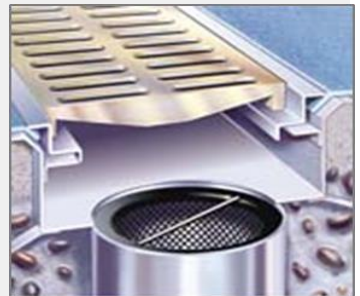
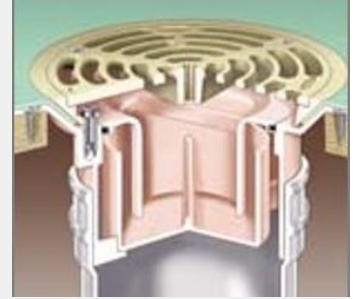


### The business:

- 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

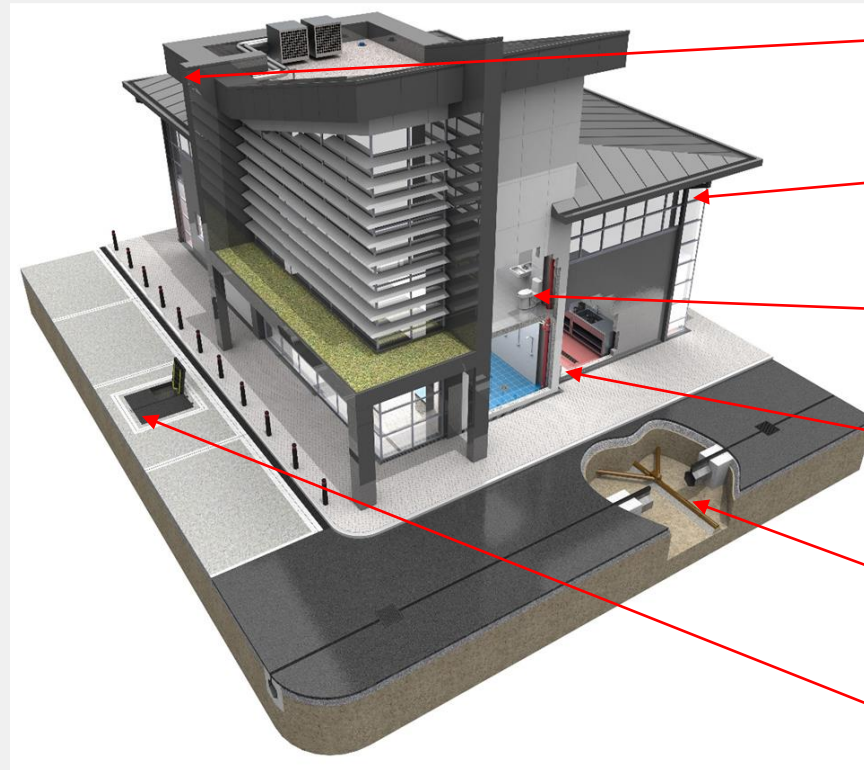


## The synergistic potential was significant:

- **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





The Alumasc Group plc

[www.alumasc.co.uk](http://www.alumasc.co.uk)

Thank you