



**The Alumnus Group plc**

**Interim Results  
Six months ending  
31 December 2023**

**Creating a stronger platform for growth**

Alumnus Roofing – Hydrotech Blue Inverted Roof and Blackdown Green Roof – The Residences, Birmingham



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**Paul Hooper**  
Chief Executive

**Simon Dray**  
Group Finance Director



**Alumasc Water Management – Copings and bespoke fascia system – St Aubin, Jersey**

**Alumasc Water Management:**

- AX half-round gutters/swaged downpipes
  - Skyline Architectural Aluminium fascia and soffits
- Bentley Amateur Rugby League Football Club, Doncaster

**01**  
**Introducing Alumasc**

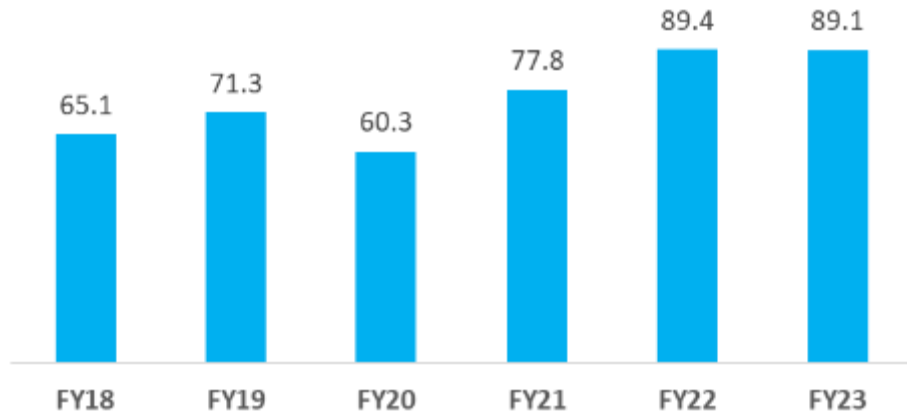




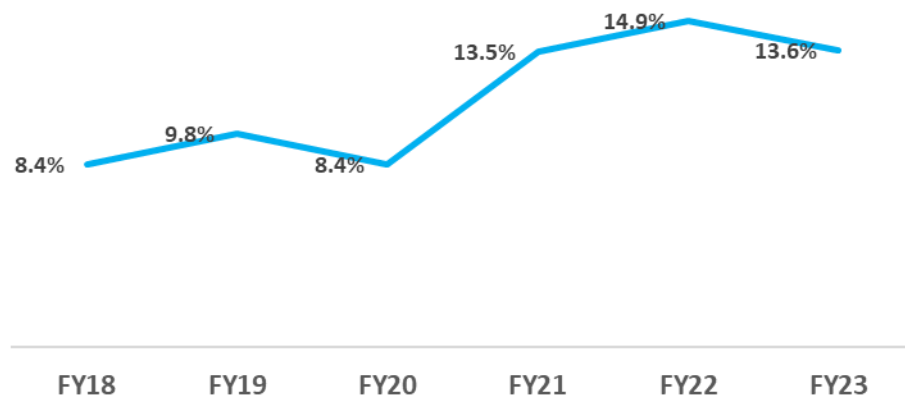
# Introducing Alumasc: its market leadership



Group revenue  
continuing operations



Underlying operating margin  
continuing operations



**FY18-FY23 CAGR:**

**Revenue** +6.5%  
**Underlying OP** +17.5%

## Long-term structural growth drivers

- *High quality sustainable building products, systems and solutions*
- *80% of portfolio specified to deliver environmental solutions*

## Diversified portfolio

- *Resilience and platform for strategic acceleration*

## Premium products/brands

- *Premium products and trusted brands*
- *Leading niche market positions*

## Entrepreneurial, decentralised operating model

- *Agile and customer-centric*

## Strong financial position

- *Capacity to invest for growth*

## Potential to deliver significant shareholder value

- *Further improvement in Group margins and cash generation*
- *Progressive dividend policy*

# Operational overview



## WATER MANAGEMENT

### Integrated “Rain to Drain” solutions

- Solutions that manage and attenuate water inside and outside buildings
- Growth drivers:
  - Legislation aimed at conservation, attenuation and control of water
  - Structural engineering specifications
  - Building regulations
  - Sustainable drainage
- Increasing export sales
- Grow operating margins:
  - New product introductions, operational efficiency and gearing
- Synergies and cross-selling opportunities

## BUILDING ENVELOPE

### Premium roofline waterproofing/insulation systems and green and landscaped garden roofing

- Growth drivers
  - Architectural specifications, Building Regulations relating to energy management, fire safety
  - Long term life cycle cost benefits
  - Demand for sustainable building solutions: higher recycled/recyclable content; carbon reducing mineral finishes
- Outperformance of UK construction market:
  - Market share growth through product leadership and outstanding customer service
- Specification-led cross-selling of a “building envelope” of Alumasc exterior building products

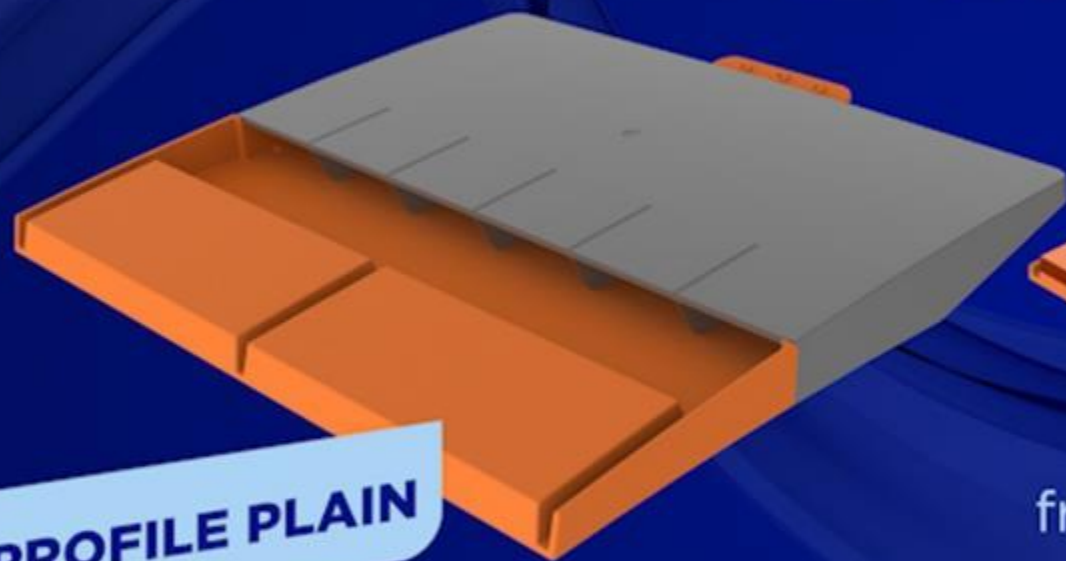
## HOUSEBUILDING PRODUCTS

### Premium housebuilding products

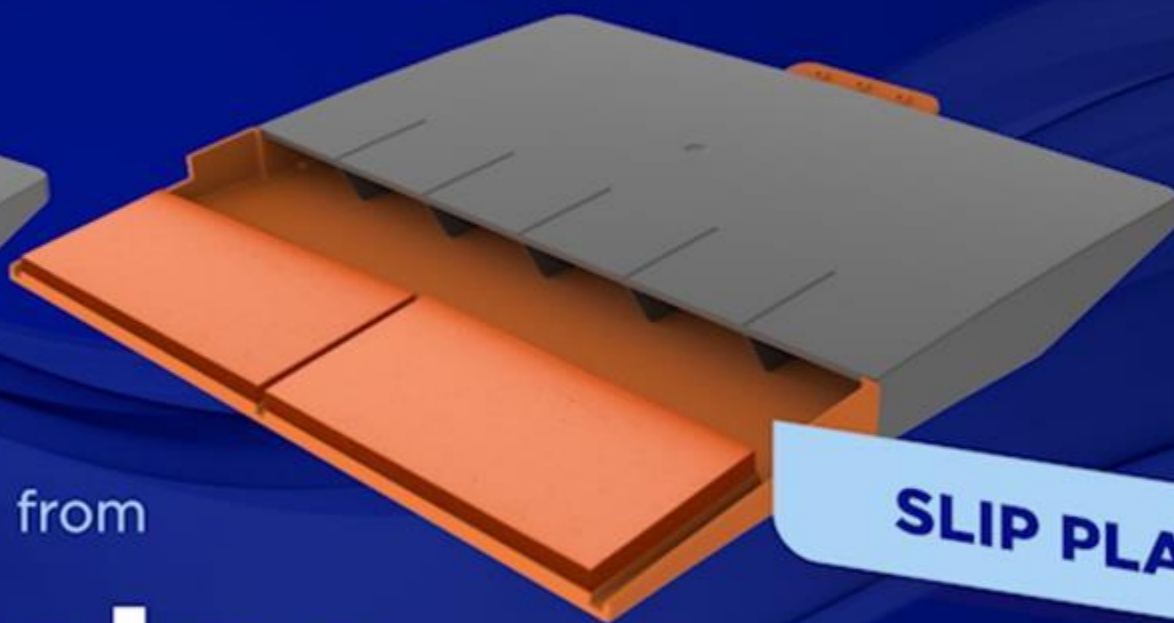
- At the forefront of sustainability:
  - 75% of materials recycled, 95% recyclable
  - First carbon neutral building products manufacturer
- Growth drivers: undersupply of housing in UK; legislation and building regulations
- Outperforming relative to UK construction market:
  - Market share growth through product range development and best in class customer service
- Product portfolio expansion
  - Leveraging existing and new sales channels
- Margin improvement through operational efficiency



# NEW



**LOW PROFILE PLAIN**



**SLIP PLAIN**

from

**timloc**  
building products

02  
Operational Performance  
H1 2023/24

£m Continuing operations	H1 FY24	H1 FY23	Change
Revenue	£47.8m	£45.0m	+6.4%
Underlying profit before tax	£6.3m	£5.6m	+12.4%
Underling operating margin	14.1%	13.4%	+70bps
Reported profit before tax	£5.6m	£5.3m	+4.8%
Underlying earnings per share	13.0p	12.3p	+5.7%
Basic earnings per share	11.4p	12.5p	-8.8%
Dividend per share	3.45p	3.40p	+1.5%
Net bank debt	£7.4m	£6.8m	+£0.6m

## Encouraging performance against a challenging market backdrop

- Revenue\* £47.8m (H1 FY23: £45.0m)
- Underlying PBT\* £6.3m (H1 FY23: £5.6m)
  - Record first half result
  - Resilient performance against challenging UK market
  - Strong performance from export sales, despite delay to £7m airport order
  - Margins strong in stable cost environment
- Interim dividend increased to 3.45p (H1 FY23: 3.40p)
- ARP acquisition completed in December 2023
- Expecting headwinds to continue in H2
- Board confident in achieving full year expectations

\* - from continuing operations



# Water Management



	H1 FY24	H1 FY23
Revenue (£m)	22.0	19.6
Underlying operating profit (£m)	3.5	2.5
Underlying operating margin (%)	16.0%	12.8%
Operating profit (£m)	3.2	2.5

- Strong performance: 12% revenue growth, 40% profit growth
- Excellent export performance
  - Investment in overseas sales resource
  - Significant project work at CLK airport
  - £7m project delayed, likely to benefit from FY25
- UK market conditions challenging
  - Sales and commercial team reorganised; £0.8m annualised savings from H2
  - Better H2 anticipated with call-offs on several significant projects





# Building Envelope (Roofing)

Continuing operations	H1 FY24	H1 FY23
Revenue (£m)	18.7	18.3
Underlying operating profit (£m)	2.4	2.6
Underlying operating margin (%)	12.8%	14.1%
Operating profit (£m)	2.4	2.6

- Revenue growth in challenging market conditions
  - Market share gains
  - New product launches
- Reflects investments in team and improved regional coverage
- Larger multi-site refurbishment projects being won
  - Backed by outstanding customer service
  - Stronger platform of ongoing work
- Underlying profit marginally down on comparative



# Housebuilding Products (Timloc)

	H1 FY24	H1 FY23
Revenue (£m)	7.1	7.0
Underlying operating profit (£m)	1.7	1.6
Underlying operating margin (%)	24.5%	23.0%
Operating profit (£m)	1.7	1.4

- Revenue growth despite >17% decline in UK housebuilding
  - 23% decline in UK private housing starts
  - Market share gains from outstanding customer service
  - New Roof Tile Vents and associated products continuing to grow share in specialist roofing merchants
  - First carbon neutral building products manufacturer
- Improved manufacturing efficiencies and cost controls
  - Record underlying profit +6% to £1.7m
  - 24.5% underlying operating margin







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## Financial Review

Alumasc Roofing – Alkorplan by Alumasc Warm Roof – Vernon Street, Ashton-Under-Lyne



# Income statement summary

6 months to 31 December



	H1 FY24 £m	H1 FY23 £m	Change %
<b>Revenue from continuing operations</b>	<b>47.8</b>	<b>45.0</b>	<b>+6.4%</b>
<b>Gross profit</b>	<b>17.9</b>	<b>16.5</b>	
Gross margin %	37.5%	36.7%	
<b>Sales, general &amp; administration overheads</b>	<b>(11.2)</b>	<b>(10.5)</b>	
<b>Underlying operating profit* from continuing operations</b>	<b>6.7</b>	<b>6.0</b>	<b>+12.2%</b>
Underlying operating margin %	14.1%	13.4%	
<b>Net finance costs</b>	<b>(0.4)</b>	<b>(0.4)</b>	
<b>Underlying PBT* from continuing operations</b>	<b>6.3</b>	<b>5.6</b>	<b>+12.4%</b>
Restructuring, relocation & other non-recurring items	(0.3)	(0.2)	
Acquisition costs	(0.3)	-	
Non-cash IAS19 pension & brand amortisation charges	(0.1)	(0.1)	
<b>PBT* from continuing operations</b>	<b>5.6</b>	<b>5.3</b>	<b>+4.8%</b>
Underlying EPS from continuing operations (p)	13.0p	12.3p	+5.7%
Basic EPS from continuing operations (p)	11.4p	12.5p	-8.8%
Dividend per share (p)	3.45p	3.40p	+1.5%

## Revenue +6.4%

- Negligible impact from inflation
- Overseas sales helped offset UK demand headwinds

## Gross margin +80bps

- Active price and cost management

## Underlying operating margin +70bps

- Volume increase mitigated overhead inflation

## Underlying EPS +5.7%

- Underlying PBT +12.4%
- Tax rate increase to 25.4% (H1 FY23: 21.2%)

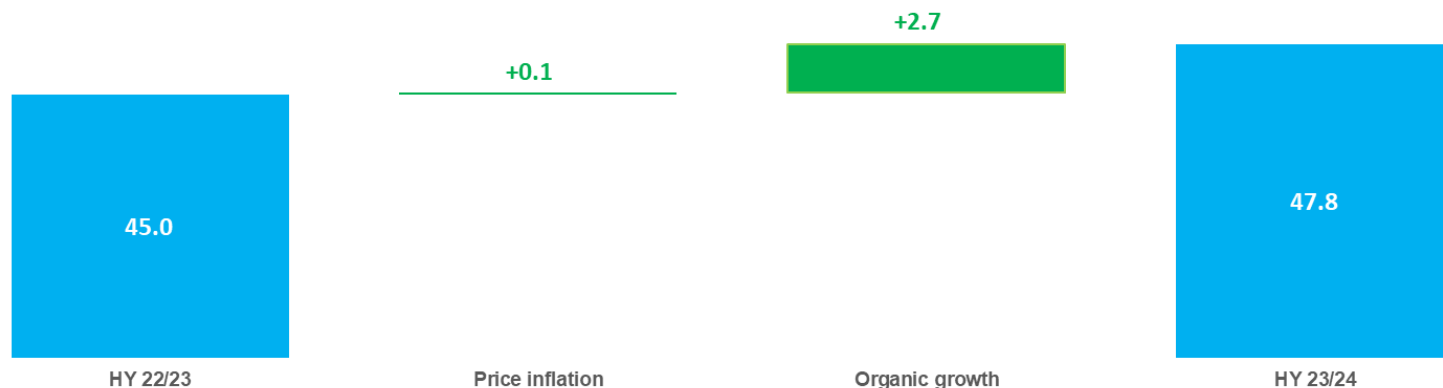
## Interim dividend per share 3.45p (H1 FY23: 3.40p)



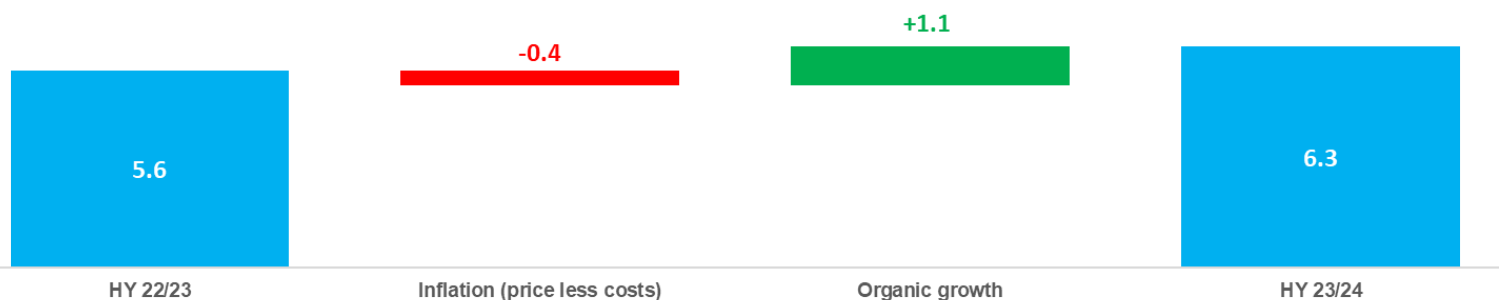
# Revenue and Profit Bridge



Revenue Bridge - continuing operations



Underlying PBT Bridge - continuing operations



## Inflation:

- Materials: broadly stable/declining
- Gross margin +80bps ahead
- Wages/energy rates still high
- Mitigation in H2 by cost reductions/efficiencies

## Organic growth:

- **Sales** **+£2.7m**
- **Profit** **+£1.1m**

# Cash flow statement summary

6 months to 31 December



	H1 FY24 £m	H1 FY23 £m	Change £m
<b>EBITDA from continuing operations*</b>	<b>8.3</b>	<b>7.4</b>	<b>+0.9</b>
Change in working capital	1.7	(1.9)	+3.6
<b>Underlying operating cash flow – continuing operations</b>	<b>10.0</b>	<b>5.5</b>	<b>+4.5</b>
Capital expenditure	(1.5)	(1.4)	(0.1)
Interest	(0.3)	(0.3)	-
Tax	(1.7)	(0.1)	(1.6)
Pension deficit funding	(0.6)	(1.0)	+0.4
Lease payments	(0.5)	(0.4)	(0.1)
Dividends	(2.5)	(2.4)	(0.1)
Own shares purchased	(0.4)	(0.1)	(0.3)
<b>Sub-total</b>	<b>2.5</b>	<b>(0.2)</b>	<b>+2.7</b>
Cash outflow on ARP acquisition	(6.5)	-	(6.5)
Cash outflow on Levolux disposal	-	(1.7)	+1.7
Restructuring/other	(0.5)	(0.2)	(0.3)
<b>Movement in net bank debt</b>	<b>(4.5)</b>	<b>(2.1)</b>	<b>(2.4)</b>
<b>Net bank debt at year end on balance sheet</b>	<b>(7.4)</b>	<b>(6.8)</b>	<b>(0.6)</b>
<b>Average trade working capital % sales</b>	<b>16.7%</b>	<b>19.4%</b>	

Strong inflow from working capital: operating cashflow £4.5m above H1 FY23

Capex at 115% of depreciation (H1 FY23: 111%)

Tax payments in prior period include capital allowance super deduction

ARP acquisition cash flows:

	Paid	Paid
Initial cash/debt free consideration	£8.5m	£8.5m
Contingent earnout payments	£nil	£1.5m
Working capital adjustment	£0.2m	£1.4m
Net cash acquired	<u>£(2.2)m</u>	<u>£(2.2)m</u>
<b>Net cash outflow</b>	<b>£6.5m</b>	<b>£9.2m</b>

Further £1.95m paid in January 24 (final WC adj, first earnout)

Final £0.75m earnout payable January 2025



# Balance sheet summary

at 31 December



	2023 £m	2022 £m	Change £m
Property, plant & equipment	19.1	17.2	+1.9
Intangible assets	18.8	10.6	+8.2
Working capital	8.7	13.0	(4.3)
Other net liabilities	(4.5)	(2.4)	(2.1)
<b>Capital invested</b>	<b>42.1</b>	<b>38.4</b>	<b>+3.7</b>
Net debt – bank	(7.4)	(6.8)	(0.6)
Net debt – lease	(4.8)	(4.6)	(0.2)
Pension obligations (net of tax)	(3.6)	(6.3)	+2.7
<b>Net assets</b>	<b>26.3</b>	<b>20.7</b>	<b>+5.6</b>

<b>ROI – continuing operations (post tax)*</b>	<b>24.6%</b>	<b>23.1%</b>
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£25m bank facility (+£20m accordion) expires August 2026, extendable to August 2027

Net bank debt £7.4m:

- 0.5x gearing (covenant <2.5x)

Pension deficit increased £0.5m since June 2023:

- Higher liabilities (due to lower bond yields) offset by higher asset values (due to equity performance)
- Contributions £1.2m pa
- Next triennial due April 2025





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## Accelerating our growth

Alumasc Roofing – Hydrotech Inverted Roof – Prospect Place, Battersea Power Station



# Strategic Priority – Accelerating Sales Growth



Alumasc Water Management – Gatic Slotdrain – Pago Pago Airport, American Samoa

**H1 revenue growth** **+6.4%**

**UK sales** **(1.6)%**

Outperformed challenging UK market (estimated >6% decline)

Attractive positions in markets supported by long-term growth drivers:

- 80% of product portfolio subject to regulations/legislation
- 80% of turnover derived from environmental solutions

**Overseas sales** **+167%**

Represents 12% of Group revenue (H1 FY23: 5%)

- Significant Chek Lap Kok (HK) airport work
- Excluding CLK, still +23% vs H1 FY23

Strong order book, including delayed CLK project likely to ship after year end

# Strategic Priority – Driving Margin Improvement



Double Pantile Profiled InVentive Roof Tile Vent - Iso Grey - Timloc Building Products



Gatic F900 Assist Lift Cover - Tuas Marine, Singapore

**H1 operating margin 14.1% (+70bps)**

Continual focus on costs, margins and efficiency

Supported by NPD

H1 Restructuring of Water Management sales/commercial team

- Annualised saving of £0.8m from H2
- Simplified management structure
- Improved capabilities and customer service

Opportunities to further reduce costs if conditions require



# Strategic delivery – Championing Sustainable Building Products



Alumasc Water Management Solutions - Skyline Coping - Octagon Park, Norwich

## Durable, low-maintenance products

High quality products – robust and long-lived

Lower ongoing maintenance needs

Lower lifetime cost (financial and carbon)

## Embracing the circular economy

27% of material inputs from recycled sources

80% of materials fully recyclable at end of life

- Resource efficient
- Lower carbon footprint

# Strategic delivery – Value Enhancing Investment



**Alumasc Water Management** – Bespoke and standard sized Skyline Coping, Fascia, Soffit, Rainwater Box Ends and Dormer Cladding – **Dukeries Homes, High Oakham Park**

## Investment for long term growth

### Targeted investments in capability:

- Sales coverage in Building Envelope
- Overseas sales resource in Water Management
- New product development in Housebuilding Products

### Acquisition of ARP Group

- Completed in December 2023
- Maximum £10m EV, EBITDA multiple <7x
- Immediately earnings enhancing
- Strengthens key rainwater management offering
- Significant consolidation synergies
- Strong start to H2



# Strategic delivery – ARP acquisition



ARP – Sentinel half-round gutter and circular Colonnade aluminium downpipes, Trueline bespoke aluminium fascia and soffit – Easingwold, Yorkshire

- Well-regarded manufacturer and supplier of rainwater goods and architectural aluminium products
- 47k sq ft site in Leicester, UK; 70 staff
- FY23: £1.3m adjusted EBITDA on £10.8m sales
- Good cultural fit – emphasis on product quality and customer service
- Strong strategic rationale
  - Complementary routes to market
  - Cross-selling opportunities
  - Consolidation of procurement activities
  - Operational efficiencies at both businesses
- Multiple (consideration/adjusted EBITDA):
  - <7x on initial consideration
  - <5x on total consideration as synergies delivered

# Strategic delivery – ARP strategic fit



M&A target characteristics		ARP
Bolt-on	✓	Maximum £10m EV
Operating in Alumasc markets/close adjacents	✓	Rainwater management and architectural aluminium
Consistent with Group margin and cash generation targets	✓	Cash generative; pre-synergy returns in line with Alumasc's existing rainwater business
Immediately earnings accretive	✓	
Net debt: EBITDA < 2x	✓	Peak gearing expected to remain <1.0x
Environmentally efficient products	✓	Recycled, recyclable, durable and low maintenance
Scope to grow	✓	Long term market growth & cross-selling opportunities
Synergistic benefits	✓	Procurement and operational efficiencies





05  
Outlook

ARP – Mustang® 125mm Seamless Guttering & Colonnade  
Swaged Aluminium Rainwater Pipes, Langton Homes,  
Leicestershire

# Outlook – medium/long term structural growth drivers



Growth drivers	Building Envelope	Water Management	Housebuilding Products
Under-supply of new housing	✓	✓✓	✓✓✓
Ageing building stock	✓✓✓	✓✓✓	✓
Demand for more sustainable materials	✓✓✓	✓✓✓	✓✓
Energy efficient buildings	✓✓✓	✓	✓✓✓
Urban drainage/wastewater management plans	✓✓	✓✓✓	✓
Building resilience to impacts of climate change	✓✓✓	✓✓✓	✓
Preservation of urban biodiversity	✓✓✓	✓	✓
Fire regulations	✓✓✓	✓✓	✓✓✓

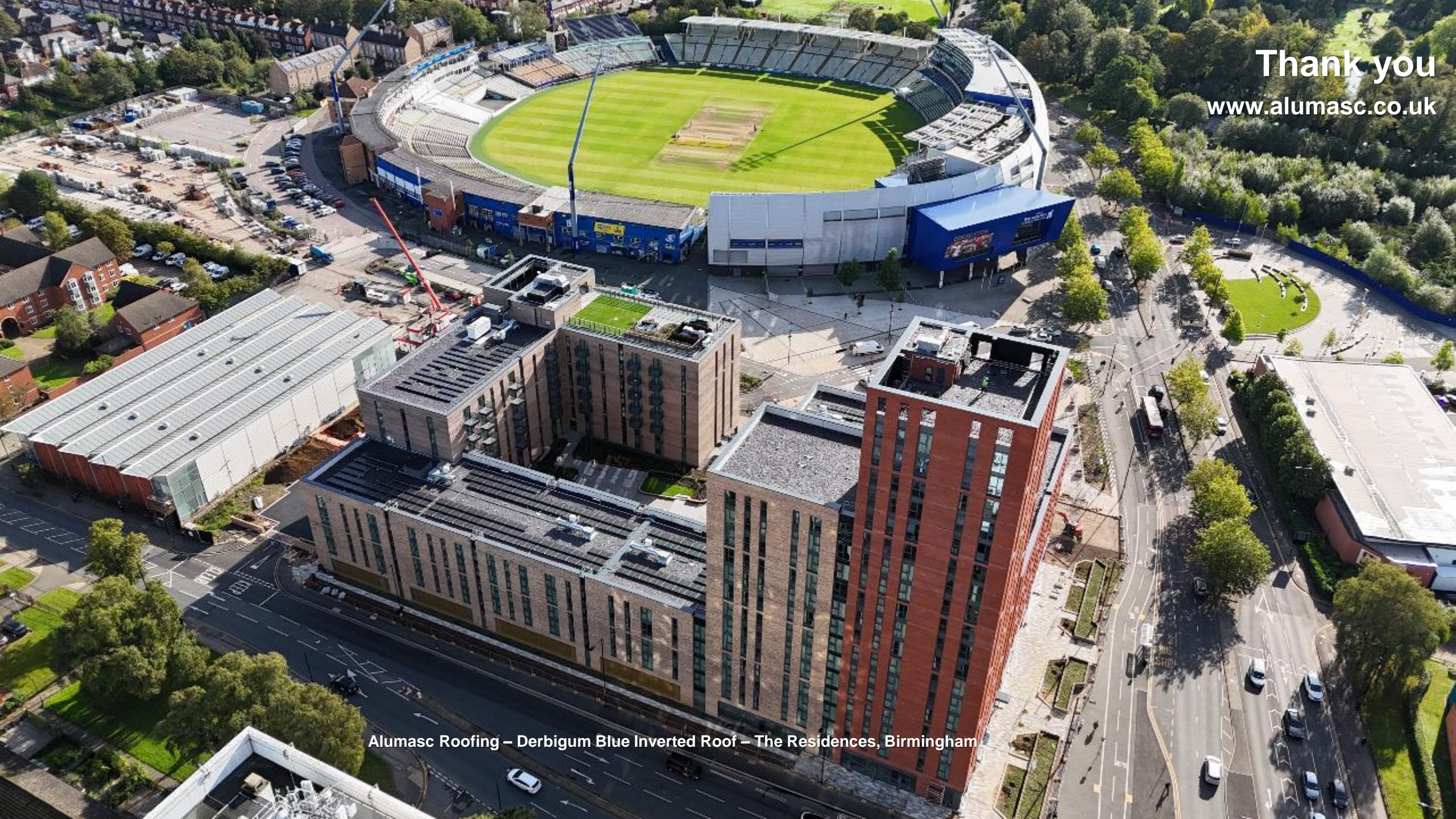


- After excellent H1:
  - UK demand headwinds expected to persist into H2
  - H2 export growth likely to slow, with delay of £7m CLK order
- Proven resilience of business model:
  - Diversity of end markets
  - Export potential
  - Environmental solutions
  - Product innovation, experienced management team, best in class service, operational excellence
- Board remains confident in Group achieving full year forecast
- Attractive prospects once market recovers
- Synergies from ARP acquisition
- Significant opportunity to deliver long-term shareholder value



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

Alumasc Roofing – Derbigum Blue Inverted Roof – The Residences, Birmingham







## 06 Appendices

ARP – Bespoke Legacy cast aluminium guttering system– Oaklands Round House, Yorkshire

# Underlying To Statutory Profit Reconciliation (£m)



	H1 FY24		H1 FY23	
	Operating Profit £'000	Profit/(loss) Before Tax £'000	Operating Profit £'000	Profit/(loss) Before Tax £'000
<b>Underlying profit from continuing operations</b>	<b>6.7</b>	<b>6.3</b>	<b>6.0</b>	<b>5.6</b>
Brand amortisation	-	-	-	-
Net IAS 19 defined benefit pension scheme costs	-	(0.1)	-	(0.1)
Acquisition costs	(0.3)	(0.3)		
Restructuring and other non-recurring costs	(0.3)	(0.3)	(0.2)	(0.2)
<b>Statutory profit from continuing operations</b>	<b>6.1</b>	<b>5.6</b>	<b>5.8</b>	<b>5.3</b>
<b>Underlying loss from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss on disposal	-	-	(1.8)	(1.8)
<b>Statutory loss from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>(1.8)</b>	<b>(1.8)</b>
<b>Statutory profit from continuing and discontinued operations</b>	<b>6.1</b>	<b>5.6</b>	<b>4.0</b>	<b>3.5</b>



# Diversified end markets



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

# Industry forecasts





# History

