

## Our Progress

# Investing in our operational performance

### INVESTING IN RECYCLING



'Thor' Mobile Hammermill Shredder

We have consolidated our position as the leading recycler of PVC windows in the UK.

#### Using more recycled material

We have invested heavily to grow our use of recycled material, which helps to increase our profits and improve product and business sustainability, with less plastic going to landfill and reduced exposure to volatile commodity prices.

We have two recycling plants, where we have created a closed-loop recycling system for the cradle-to-grave re-use of PVC-U windows.

Eurocell Recycle Midlands (based in Ilkeston and formerly known as 'Merritt Plastics') recently celebrated its 11<sup>th</sup> anniversary with the Group.

Eurocell Recycle North (based in Selby and formerly known as 'Ecoplas') joined the Group in August 2018.

The total amount of recycled material used in our primary extrusion operations increased by almost 4k tonnes to 13.4k tonnes in 2019, representing 23% of total material consumption.

## INVESTING IN PRODUCTION CAPACITY



We have significantly increased our extrusion production capacity.

### Increasing production capacity

Over the last two years we have increased the number of extrusion machines from 48 in 2017 up to 59 at the end of 2019, which provides capacity for further growth.

## INVESTING IN THE BRANCH NETWORK



We continue to expand our branch network and refurbish the existing estate.

### Successful trial of new larger format stores

In 2019 we opened two larger format branches in Doncaster and Leeds, incorporating larger trade counters, showroom style displays and extended product range availability, for which early trading results have been encouraging.

We have also continued to improve the existing estate. We now have 206 branches providing national coverage across the UK, which offers a significant competitive advantage.

## INVESTING IN OUR PEOPLE



We have strengthened our senior management team.

### **New role of Chief Operating Officer**

Mark Hemming joined Eurocell in August 2019 in the position of Chief Operating Officer and is proving to be an excellent addition to our operational management team. Mark brings a wealth of experience in warehousing and distribution, having previously been Regional Director for Customer Fulfilment at Amazon UK. Before that he has experience leading manufacturing plants in the automotive sector. Mark is leading our work to increase manufacturing capacity and improve operational efficiency, including the transition to our new state-of-the-art warehousing facility (see opposite).

## INVESTING TO IMPROVE CUSTOMER SERVICE



We have modernised our distribution fleet.

### **Transition to a new transport provider**

During 2019, we transitioned successfully to a new transport provider, who bring over 150 years of experience in transport and distribution. We believe strongly that their size and culture fit well with Eurocell. Together we are now starting to use modern technology to better plan and execute our deliveries to customers, thereby improving our service to them and minimising our impact on the environment.

## INVESTING IN WAREHOUSING CAPACITY



We have firm plans to increase our warehousing capacity.

### **Lease secured on new warehousing facility**

In order to keep up with demand, we approached the capacity of our existing main warehouse in 2019.

We have now secured a new facility, located within 3 miles of our primary manufacturing site, existing main warehouse and head office. The new site has 260,000 ft<sup>2</sup> of high bay, state-of-the-art warehouse accommodation, dedicated office space and car parking.

We have commenced a project to fit out the new site and in doing so, modernise our product storage and picking processes. We expect the new site to be operational early in 2021.