

*Investing for a  
sustainable future*

**EUROCELL PLC**  
2019 Full Year Results

# AGENDA

## Business Review

**Mark Kelly**

Chief Executive Officer

## Financial Review

**Michael Scott**

Chief Financial Officer

## Strategy and Outlook

**Mark Kelly**

Manufacturer



Distributor



Recycler



# OVERVIEW

Mark Kelly – Chief Executive

## Robust financial results

Strong sales growth and gross margin improvement

Increased profits in line with expectations

## Good progress with plans to drive operating efficiency

Investment in manufacturing capacity complete

Strengthened operational teams

## Strong on sustainability

Investment in recycling capacity very well advanced

Bank facility converted to a Sustainable RCF

## Strategy

Successful deployment of commercial strategies

New warehouse to facilitate future growth

## Revenue

**£279.1m**

▲ 10% (2018: £253.7m)

## EBITDA<sup>(1)</sup>

**£31.7m**

▲ 5% (2018: £30.3m)

£42.4m post-IFRS 16

## Profit Before Tax<sup>(1)</sup>

**£23.1m**

▲ 3% (2018: £22.5m)

£22.7m post-IFRS 16

## Total Dividends

**9.6p per share**

▲ 3% (2018: 9.3p per share)

<sup>(1)</sup> 2018 is stated before non-underlying income and costs (no non-underlying items in 2019)

# SALES OVERVIEW

## Gaining Share in a Weak RMI Market

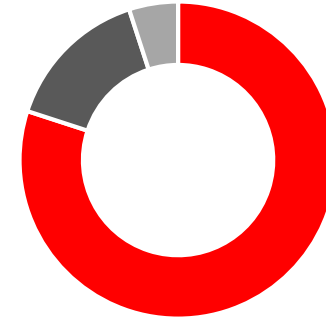
- ▶ Strong sales growth delivered across the whole business
- ▶ Tougher comparatives from H2 2018
- ▶ CPA construction industry forecasts – decline in 2019<sup>(2)</sup>

Sales Growth (%)	FY 2018	H1 2019	H2 2019	FY 2019
<b>Group</b>				
Organic	12%	12%	5%	8%
Like-for-like <sup>(1)</sup>	8%	10%	4%	7%
<b>Profiles</b>				
Organic / like-for-like <sup>(1)</sup>	12%	9%	1%	5%
<b>Building Plastics</b>				
Organic	11%	12%	7%	9%
Like-for-like <sup>(1)</sup>	5%	11%	6%	8%

(1) Like-for-like excludes acquisitions and new branches opened in 2018/19

(2) Source: CPA Construction Industry Forecasts (published January 2020)

Eurocell Revenue by Market (%)

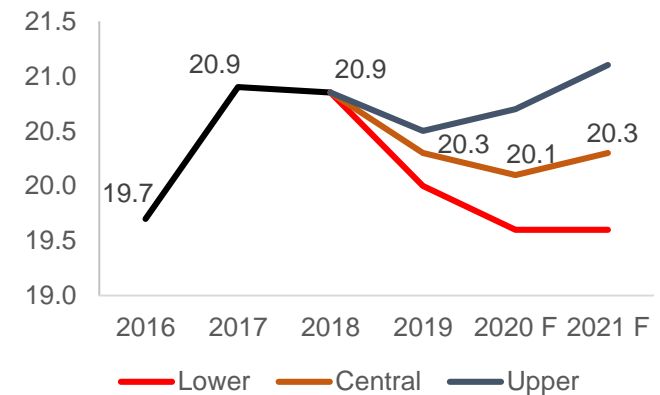


RMI > 80%

New Build > 10%

Public Sector (New Build and RMI) < 5%

Private Housing RMI Spend (£bn)<sup>(2)</sup>



# DIVISIONAL REVIEW

## Profiles – Performance in 2019

- ▶ **Gaining share – 5% organic growth**
- ▶ **Growth in new build, trade and commercial fabricators, and Vista**
  - Specification and business development teams
- ▶ **Benefit of new account wins and competitor weakness**
  - c.40 new accounts in 2017/18
  - Selective account wins in 2019
- ▶ **Gross margin % up**
  - Impact of selling price increases
  - Use of recycled material increased to 13.4kt or 23% of consumption (2018: 9.5kt, or 17%)
  - OEE<sup>(3)</sup> improved to 73% (2018: 71%)
- ▶ **Operating profit**
  - Increased overheads reflect:
    - Impact on direct labour and distribution from higher production and sales
    - Additional warehousing and distribution costs

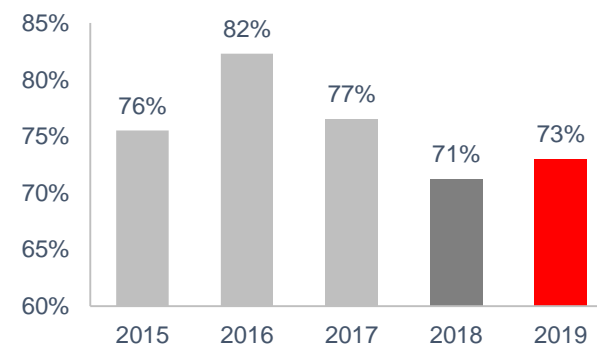
## Profiles Division P&L

£m	2018	2019	Change
<b>3<sup>rd</sup> Party Revenue</b>	<b>107.7</b>	<b>115.7</b>	<b>▲7%</b>
Organic	105.4	110.8	▲5%
ERN <sup>(1)</sup>	2.3	4.9	▲113%
Inter-segmental Revenue <sup>(2)</sup>	51.8	59.5	▲15%
<b>Total Revenue</b>	<b>159.5</b>	<b>175.2</b>	<b>▲10%</b>
<b>Operating Profit pre-IFRS 16</b>	<b>17.8</b>	<b>17.8</b>	<b>flat</b>
<b>Operating Profit post-IFRS16</b>		<b>17.9</b>	<b>n/a</b>

(1) Eurocell Recycle North (Ecoplas) acquired in August 2018

(2) Sales of foam profile to Building Plastics at transfer price

## Overall Equipment Effectiveness (OEE)<sup>(3)</sup>



(3) OEE is a measure which takes into account machine availability, performance and yield

# DIVISIONAL REVIEW

## Building Plastics – Performance in 2019

- ▶ **Gaining share – 9% organic growth**
- ▶ **Like-for-like<sup>(1)</sup> sales up 8%**
  - Maturing of branches opened pre 2018
  - Increased stock holding to improve availability
  - Driving better operating standards
- ▶ **Network expansion – now 206 branches**
  - 31 branches added in 2017
  - 4 new sites in 2019, including Trimseal acquisition (2018: 12, including Kent Building Plastics)
    - Successful trial of large format stores in Leeds and Doncaster
    - 2018/19 new branches opened added c.£2m to organic sales
    - No incremental profit drag in 2019
- ▶ **Gross margin % and operating profit up**
  - Impact of selling price increases
  - Benefit of profit improvement initiatives
    - More rigid pricing architecture
    - Improving stock availability
    - Increasingly consistent offering
    - Improvement plan for lowest performing branches

## Building Plastics Division P&L

£m	2018	2019	Change
<b>3<sup>rd</sup> Party Revenue</b>	<b>146.0</b>	<b>163.4</b>	<b>▲ 12%</b>
Organic	145.7	159.5	▲ 9%
Acquisitions <sup>(2)</sup>	0.3	3.9	n/a
Inter-segmental Revenue	1.4	1.3	flat
<b>Total Revenue</b>	<b>147.4</b>	<b>164.7</b>	<b>▲ 12%</b>
<b>Operating Profit pre-IFRS 16</b>	<b>7.4</b>	<b>8.4</b>	<b>▲ 14%</b>
<b>Operating Profit post-IFRS 16</b>		<b>8.6</b>	n/a

- (1) Like-for-like excludes branches opened in 2018/19  
 (2) Kent Building Plastics acquired December 2018 and Trimseal acquired March 2019

## Indicative Branch Economics (Rounded)

	Branches Opened		
	< 2 years	2-4 years	>4 years
No. of Branches <sup>(3)</sup>	11	50	140
Average Sales per Branch (£000)	300	500	850
Return on Sales per Branch (%) <sup>(4)</sup>	Small loss	Up to 10%	Mid-teen %

- (3) Excluding Kent Building Plastics and Trimseal  
 (4) EBITDA as % of sales, before regional and central costs

# FINANCIAL HIGHLIGHTS

Michael Scott – Chief Financial Officer

## Revenue

**£279.1m**

- ▲ 10% (2018: £253.7m)
- ▲ 8% excluding acquisitions

## Gross Margin

**51.2%**

- ▲ 1.7% (2018: 49.5%)

## Profit Before Tax

**£23.1m**

- ▲ 3% (2018: £22.5m)
- £22.7m post-IFRS 16

## Basic EPS

**19.7p**

- ▲ 3% (2018: 19.1p)
- 19.3p post-IFRS 16

## Total Dividends

**9.6p per share**

- ▲ 3% (2018: 9.3p per share)

## Net Debt

**£34.6m**

- ▲ £11.1m (2018: £23.5m)
- £68.7m post-IFRS 16

▶ **Strong sales growth with like-for-like<sup>(1)</sup> ▲ 7%**

▶ **Gross margin improvement**

- Benefit of selling price increases
- Increased use of recycled material

▶ **Overheads up 12% on a like-for-like basis<sup>(1)</sup>**

- Impact on direct labour and distribution from higher production and sales volumes
- Wage and other inflation
- Increased warehousing and distribution costs

▶ **EBITDA of £31.7m ▲ 5% pre-IFRS 16**

▶ **Profit before tax ▲ 3% pre-IFRS 16**

- IFRS 16 reduced profit before tax by £0.4m

▶ **Final dividend of 6.4p per share ▲ 3%**

▶ **Net debt increase**

- Major capex programme
- Stock build for Brexit and investment in branch inventory
- Impact of growth on working capital
- IFRS 16 increased debt by c.£34m

(1) Like-for-like sales and operating costs exclude acquisitions and branches opened in 2018/19

(2) 2018 income statement measures are stated before non-underlying income and costs (no non-underlying items in 2019)

# FINANCIAL PERFORMANCE

## Group Income Statement

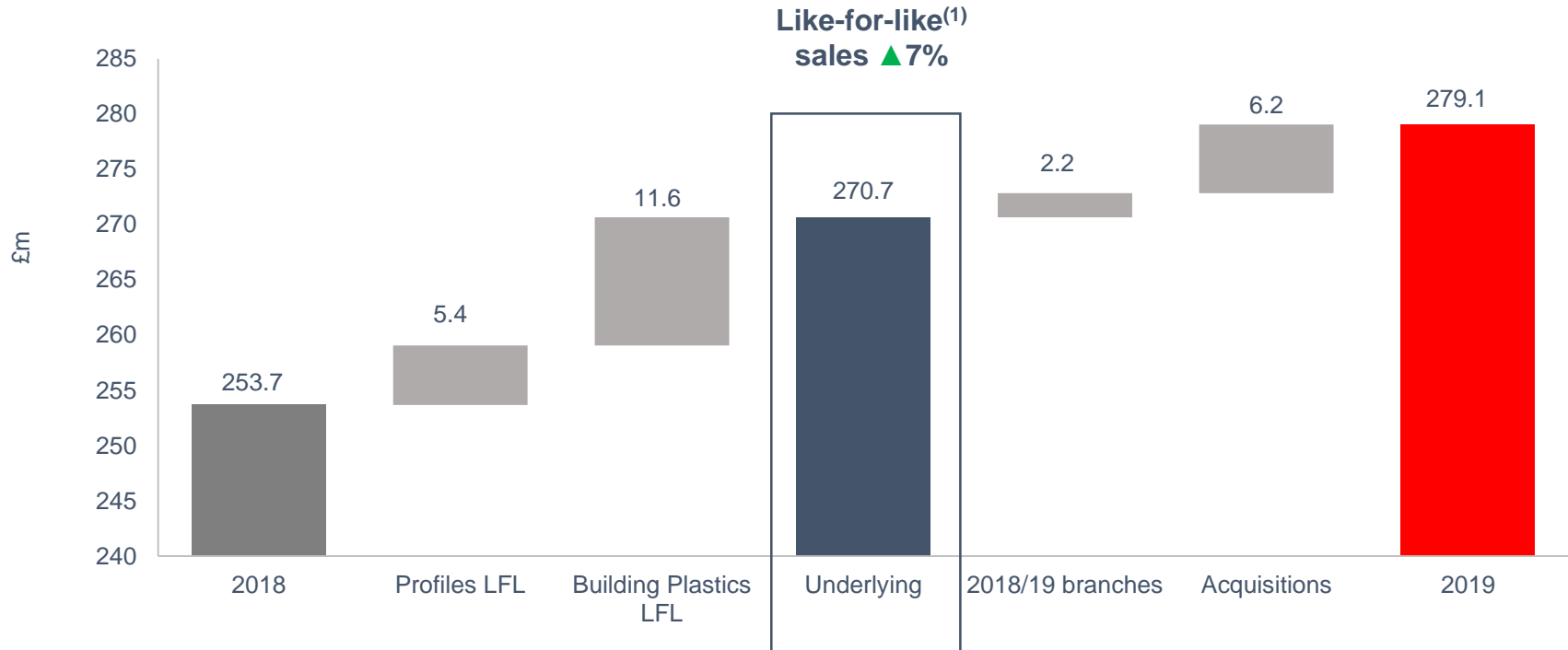
£m	2018 <sup>(1)</sup>	2019 (pre-IFRS 16)	Change	2019 (post-IFRS 16)
<b>Revenue</b>	<b>253.7</b>	<b>279.1</b>	▲ 10%	<b>279.1</b>
Gross Profit	125.6	142.9		142.9
<i>Gross Margin %</i>	49.5%	51.2%		51.2%
Overheads	(95.3)	(111.2)		(100.5)
<b>EBITDA</b>	<b>30.3</b>	<b>31.7</b>	▲ 5%	<b>42.4</b>
Depreciation and Amortisation	(7.1)	(7.6)		(17.8)
Finance Costs	(0.7)	(1.0)		(1.9)
<b>Profit Before Tax</b>	<b>22.5</b>	<b>23.1</b>	▲ 3%	<b>22.7</b>
Tax on Adjusted Profit	(3.3)	(3.4)		(3.4)
<b>Profit After Tax</b>	<b>19.2</b>	<b>19.7</b>		<b>19.3</b>
<b>Basic EPS (pence)</b>	<b>19.1</b>	<b>19.7</b>	▲ 3%	<b>19.3</b>
<b>Dividends per Share (pence)</b>	<b>9.3</b>	<b>9.6</b>	▲ 3%	<b>9.6</b>

(1) 2018 income statement measures are stated before non-underlying income and costs (no non-underlying items in 2019)



# SALES PERFORMANCE

## Strong Sales Growth



▶ Sales ▲ 10% (or 8% excluding acquisitions)

- Group like-for-like<sup>(1)</sup> sales ▲ 7%
- Profiles like-for-like<sup>(1)</sup> ▲ 5%
- Building Plastics like-for-like<sup>(1)</sup> ▲ 8%

- ▶ Building Plastics: 11 new branches opened in 2018/19
- ▶ Acquisitions: ERN<sup>(2)</sup> (Aug 2018), Kent Building Plastics (Dec 2018) and Trimseal (Mar 19)

(1) Like-for-like sales exclude acquisitions and branches opened in 2018/19

(2) ERN is Eurocell Recycle North (formerly Ecoplas)

# GROSS MARGIN

## Increasing Gross Margin

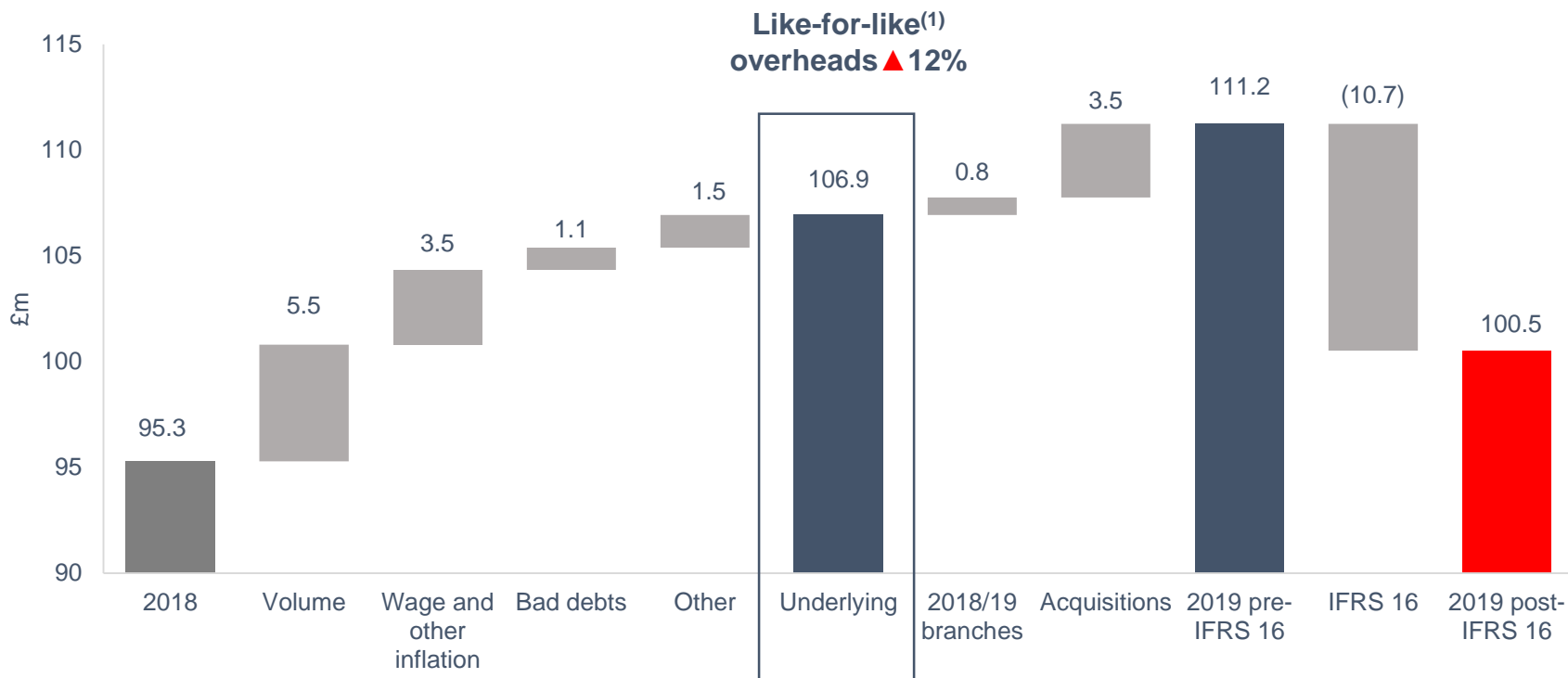


- ▶ Underlying volume (+10 bps), mix (-10 bps)
- ▶ Selling price increases and raw material costs (+140 bps)
  - Selling price increases implemented to recover cost inflation (including 2019 labour and 2018 raw material cost increases)
  - Raw material cost increases include electricity and traded goods, offset by reduction in some raw material prices

- ▶ Increased recycling (+40 bps)
  - Benefit of additional c.4kt recycled material usage
- ▶ Acquisitions (-10 bps)

# OVERHEADS

## Investment in Business Expansion



▶ Like-for-like<sup>(1)</sup> cost increase ▲ 12%

- Impact on direct labour and distribution from higher production and sales volumes (both ▲ 10%)
- Inflation includes wages (min. wage, auto-enrolment, pay award) and transport costs
- Higher bad debts and additional warehousing / distribution costs

▶ Building Plastics: 11 new branches opened in 2018/19

- ▶ Acquisitions: ERN<sup>(2)</sup> (Aug 2018), Kent Building Plastics (Dec 2018) and Trimseal (Mar 19)

(1) Like-for-like overheads exclude acquisitions and branches opened in 2018/19

(2) ERN is Eurocell Recycle North (formerly Ecoplas)

# CAPEX

## Investment in Operating Capacity

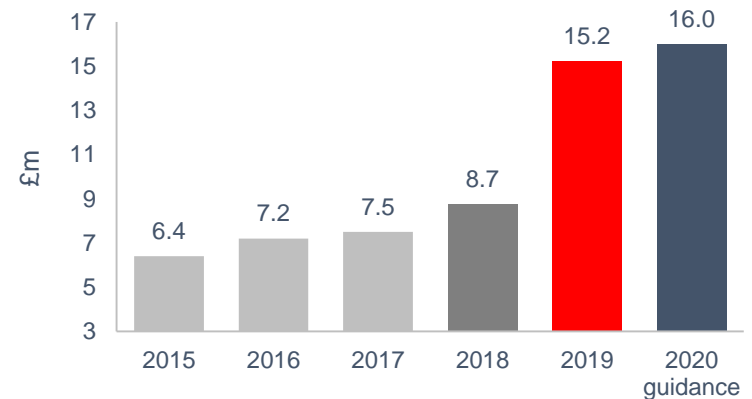
### ► 2019 capex £15.2m (2018: £8.7m)

- Increase manufacturing capacity £4.8m
  - Expand production capacity and improve manufacturing efficiency
  - Includes 7 new extrusion lines
- Increase recycling capacity £5.7m
  - Increase capacity £4.6m and co-extrusion tooling £1.1m
  - Delivered incremental 3.9kt of recycled material consumption
- Other £4.7m
  - Maintenance capex, new branches, branch refurbishments and IT

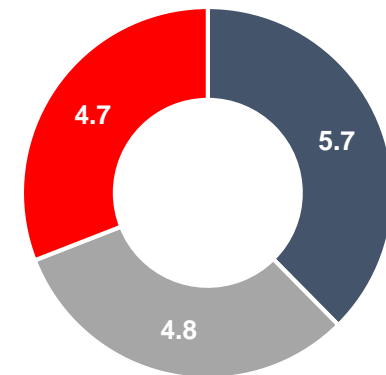
### ► 2020 capex guidance c.£16m

- Warehouse expansion £8m
  - Racking c.£3m, mobile plant c.£3m, systems / project management c.£2m
- Manufacturing £3m – primarily maintenance capex
- Recycling £2.5m – increase capacity, tooling and maintenance capex
  - Target incremental recycled material consumption of c.2kt
- Distribution £1.5m – new branches, branch refurbishment and Security Hardware tooling
- Other £1m – primarily IT

### Total Capital Expenditure



### 2019 Capital Expenditure Allocation (£m)



■ Recycling capacity ■ Manufacturing capacity ■ Other

# WORKING CAPITAL

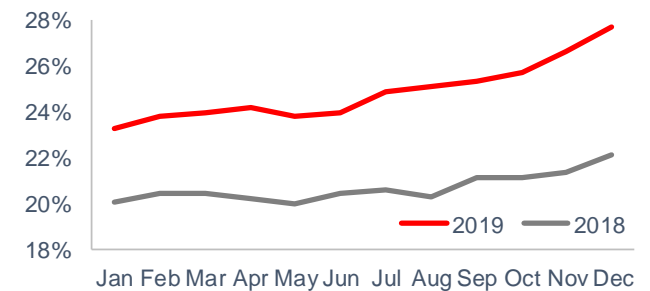
## Investment in Working Capital

- ▶ **Net outflow from working capital £13.0m**
  - Impact of stock build and business growth
- ▶ **Stock days at 76 vs 62 at December 2018**
  - Stocks ▲ £9.0m since December 2018
    - Manufactured products: stock build programme to improve availability and protect against Brexit-related risks (c.£5m)
    - Traded goods: range extension, hardware for fabricator launch and to improve availability (c.£3m)
    - 2018/19 acquisitions: c.£1m
- ▶ **Debtor days at 37 vs 38 at December 2018**
  - Receivables ▲ £1.7m
- ▶ **Creditors ▼ £2.3m**
  - Shorter payment terms for resin, input waste for recycling operations and capex
  - Improvement in payables processes
- ▶ **2020 working capital improvement programme**
  - Evaluating self-help and external measures, weighted to H2

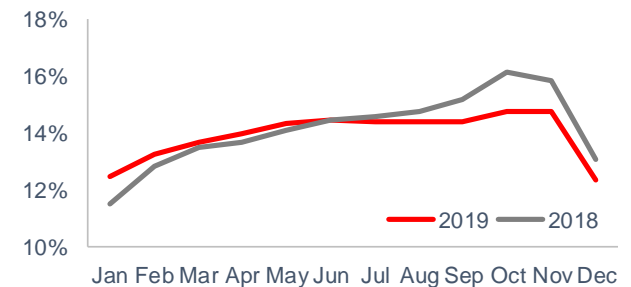
### Key Working Capital Metrics<sup>(1)</sup>

	Stock Days	Debtor Days
December 2018	62	38
December 2019	76	37

### Inventory as a % of LTM Cost of Sales<sup>(1)</sup>



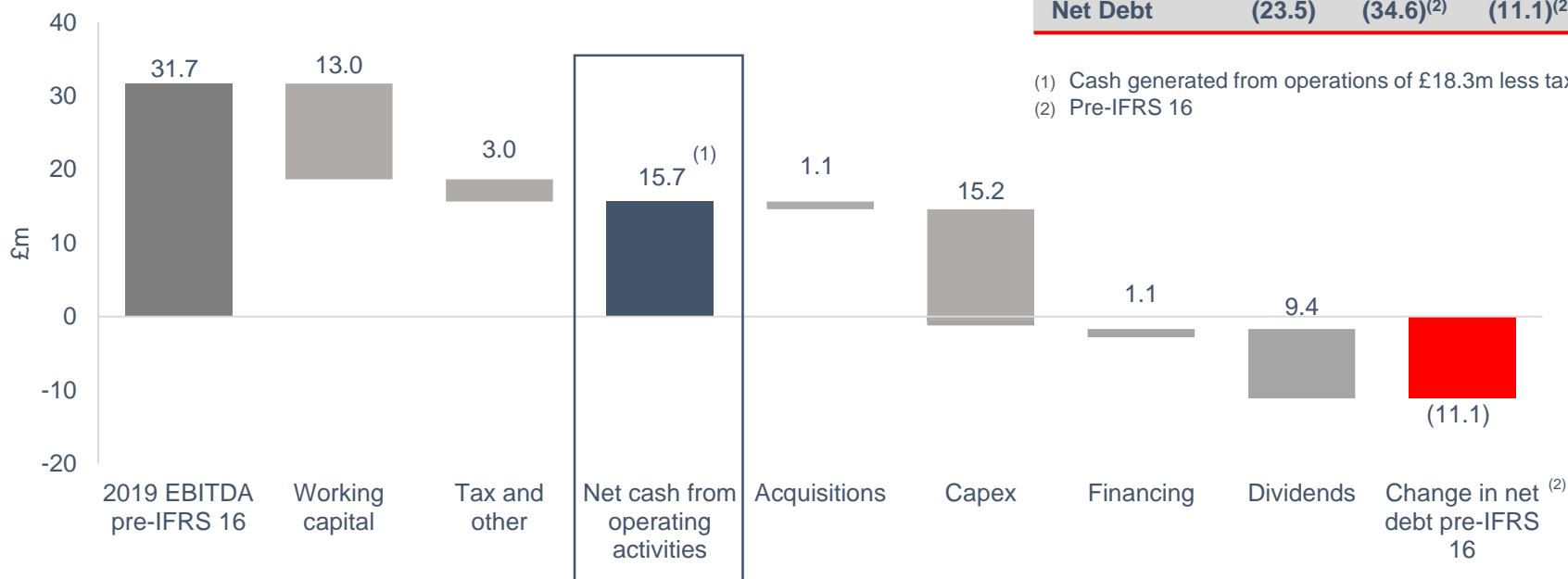
### Trade Receivables as a % of LTM Sales<sup>(1)</sup>



(1) Stock days / debtor days metrics exclude post IPO acquisitions

# CASH FLOW

## Cash Flow Generation



## Reconciliation of Net Debt

£m	Dec 2018	Dec 2019	Change
Cash	5.9	4.9	(1.0)
Borrowing	(29.4)	(39.5)	(10.1)
<b>Net Debt</b>	<b>(23.5)</b>	<b>(34.6)<sup>(2)</sup></b>	<b>(11.1)<sup>(2)</sup></b>

(1) Cash generated from operations of £18.3m less tax paid  
 (2) Pre-IFRS 16

▶ **Outflow from working capital £13.0m**

- ▲ Stocks £9.0m
- ▲ Receivables £1.7m
- ▼ Payables £2.3m

▶ **Tax paid £2.6m**

- Settlement of 2018 liability £3.4m
- Repayments received under Patent Box £0.8m

▶ **Acquisitions**

- Trimseal £0.4m plus deferred consideration from previous M&A

▶ **Dividends**

- Final 2018 £6.2m (6.2p / share), interim 2019 £3.2m (3.2p / share)

▶ **Bank facility increased to £75m (from £60m) and converted to sustainable RCF**

- Margin adjustment based on recycling targets
- Flexibility and options for the future

# FINANCIAL GUIDANCE

## Warehouse Capacity Expansion

### Warehouse Capacity Expansion

Item	Financial Impact
<b>2020 Capex</b>	<ul style="list-style-type: none"> <li>£8m</li> <li>Includes racking c.£3m, picking c.£3m, systems, project mgt. and other c.£2m</li> <li>Capex not significant post 2020</li> </ul>
<b>2020 Opex</b>	<ul style="list-style-type: none"> <li>P&amp;L costs c.£2.5m</li> <li>Includes rent, rates depreciation, interest</li> <li>Expect c.£1.5m to be non-underlying (pre operational rent, rates etc.)</li> <li>Net reduction in 2020 PBT c.£1.0m</li> </ul>
<b>Post 2020 Opex</b>	<ul style="list-style-type: none"> <li>Net P&amp;L costs c.£1.0m</li> <li>Includes labour and other savings c.£1.5m</li> <li>Net cost offset by positive impact of efficiencies and sales growth unlocked</li> </ul>

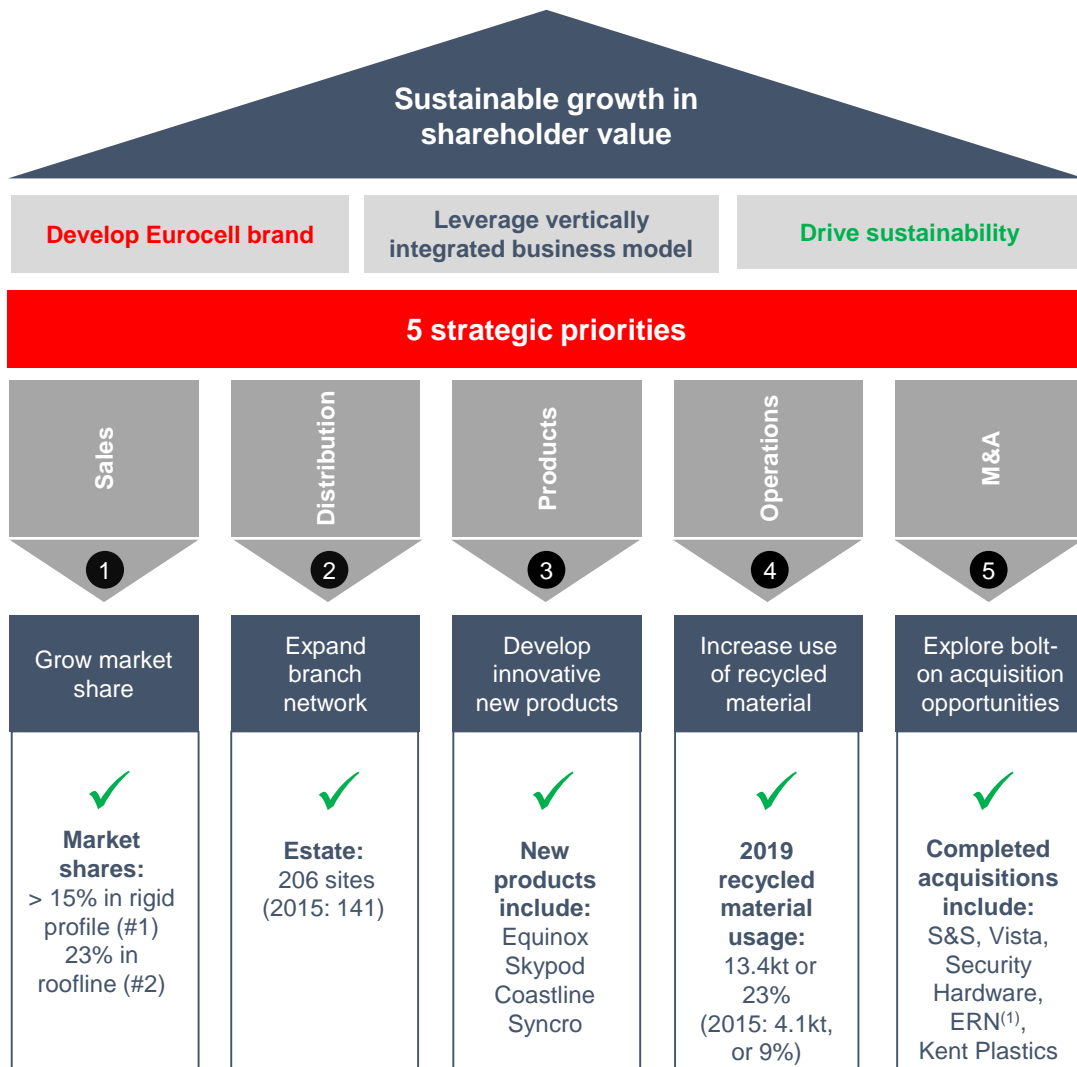
**Returns materially > cost of capital  
due to sales growth and efficiencies unlocked**

### Other 2020 Guidance

All Guidance Stated Post-IFRS 16	2019 Reported	2020 Guidance
<b>Income Statement</b>		
Depreciation and Amortisation	£17.8m	c.£20m
Finance Costs	£1.9m	c.£2m
Effective Tax Rate	14.7%	c.18%
<b>Balance Sheet</b>		
Working Capital	£13m outflow	£5m outflow
Capex	£15m	£16m

# STRATEGY AND GROWTH OPPORTUNITIES

Mark Kelly – Chief Executive



## 5 strategic priorities established 2016

- ✓ Successful deployment of commercial strategies
  - ✓ 12% sales CAGR (2016 - 2019) exceeded expectations
  - ✓ Good potential to outperform our markets in the medium-term
- ▶ Profits impacted more recently by sales > available operating capacity
  - ▶ Manufacturing constraints
    - Resolved through 2019 investment in new capacity and skilled labour
  - ▶ Warehousing constraint
    - Being resolved with new facilities in 2020

(1) ERN is Eurocell Recycle North (formerly Ecoplas)



# STRATEGIC PRIORITIES

## Grow Market Share

### Opportunities in Profiles

- ▶ **Target 20% share and consolidate position as largest supplier of rigid PVC profile to UK market**
  - Comprehensive product range
  - Differentiated on sustainability through recycling
  - Potential in new build and commercial supply
  - Investment in customer growth
  - Tight specifications
  - Best in class customer service aspiration

### Opportunities in Building Plastics

- ▶ **Target world class operations from at least 300 sites**
  - Simplified pricing and margin management
  - Consistent 'in branch' product offering and availability
  - Extension of range architecture
  - Unique promotional tools
  - Encouraging start from new large format branches
  - Consumer online proposition trial in North West region
  - Potential to increase conversion rates for high added value products

Sussex University – 2,000 Rooms (Eurologik)



Large Format Branch – Leeds



# STRATEGIC PRIORITIES

## Increase Use of Recycled Material

### ► Benefits of increasing use of recycled material

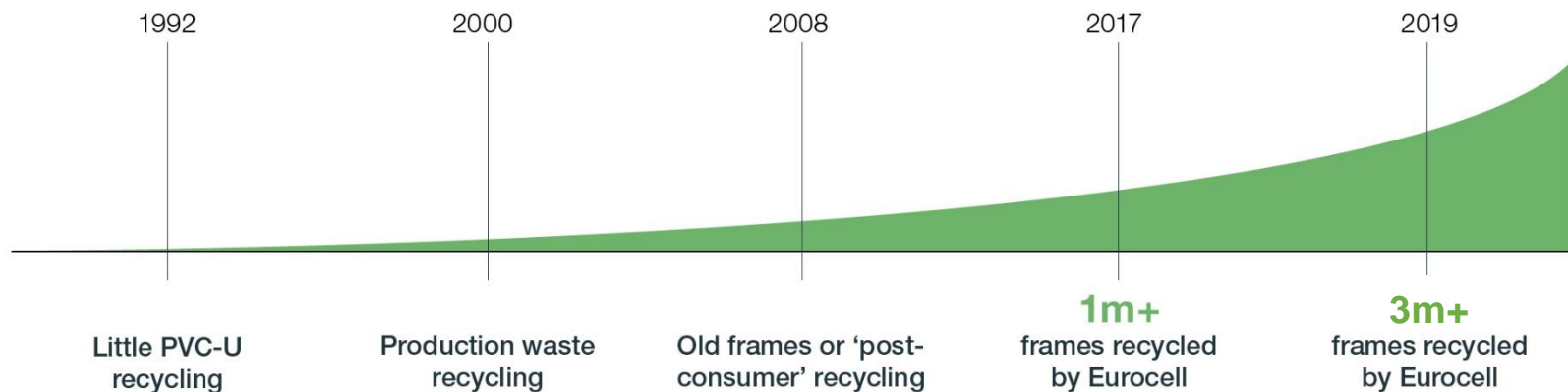
- **Economic** – cost of recycled compound < price of virgin
- **Environmental** – enhances product and business sustainability
- **Commercial** – resonates with consumers and other stakeholders
  - Closed-loop recycling develops tight specifications
  - Windows replaced are recycled into the new product

### ► Significant investments to expand recycling

- Investment of c.£15m since beginning of 2016, including acquisition of ERN<sup>(1)</sup>
- Usage up from 4.1kt (9%) in 2015 to 13.4kt (23%) in 2019

### ► Unlocking sales growth will increase demand

- Expect to satisfy largely via further expansion of ERN<sup>(1)</sup>
- Limited additional investment plus maintenance capex



(1) ERN is Eurocell Recycle North (formerly Ecoplas)

# WAREHOUSE CAPACITY EXPANSION

## Facilitating Future Growth

- ▶ **Exceeded existing warehouse capacity**
- ▶ **New warehouse now secured**
  - 260k square feet, state of the art site
    - 3 miles from HQ and existing warehouse
  - Modernise storage
    - Cantilever racking permits storage up to 12 stillages high – currently 7
    - Mobile racking allows high density storage – capacity increased by > 60%
  - Modernise picking
    - Single person on mobile platform
    - Safer and more productive – main driver of labour savings
  - Plan to utilise both sites to manage transition in 2020
  - Expect to be operational from new site early in 2021
- ▶ **Existing warehouse to be specialist manufacturing site**
  - Relocate foiling, injection moulding and conservatory roofs
  - Future poofs extrusion capacity for the foreseeable future

New Warehouse



# SUMMARY

## And Outlook

### Robust financial results

Strong sales growth and gross margin improvement

Increased profits in line with expectations

### Good progress with plans to drive operating efficiency

Investment in manufacturing capacity complete

Strengthened operational teams

### Strong on sustainability

Investment in recycling capacity very well advanced

Bank facility converted to Sustainable RCF

### Strategy

Successful deployment of commercial strategies

New warehouse to facilitate future growth

### Outlook

Expect to deliver further progress in 2020

Manufacturer



Distributor



Recycler



# Appendices



# INVESTING IN SUSTAINABILITY

## Eurocell Fact File

### Investing in sustainability and consolidating our position as the leading UK-based recycler of PVC windows



Is the UK's leading manufacturer, distributor and recycler of PVC-U profiles. (by market share - Source: Eurocell and D&G 2019)



Operates Eurocell Recycle, the UK's largest recycler of PVC-U window and door profiles. (by tonnes processed)



Is a member of VinylPlus, Recovynyl, British Plastics Federation (BPF) and Operation Clean Sweep – an industry-wide voluntary commitment to develop more ecologically responsible ways to produce, use and recycle PVC.



Since 2014, the Eurocell Group has reduced its total emissions by 17%, along with a steady downward trend in energy intensity, as consumption has dropped through energy efficiency programmes alongside increasing revenue. (Source: Eurocell Greenhouse Gas Report, Inenco Group, February 2019)



Eurocell Recycle processed the equivalent of 3.2 million frames in tonnes during 2019. It recycled 2.4 million frames in number.



Between 2018 and 2019 virgin rigid plastic production decreased by 11.6%. Recycled rigid plastic production increased by 17.5%.



c50% of material contained in Eurocell Logik and Modus profile systems is post-consumer recycled PVC-U.



98% of waste from Eurocell branches is recycled. 548 tonnes in 2019. (Source: BIFFA)

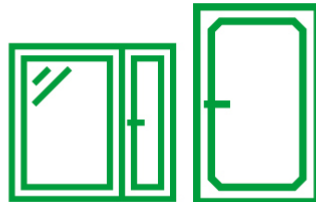


93% of waste from Head Office sites is recycled. 4,231 tonnes was recycled in 2019. Materials recovered for recycling include cardboard, wood, brick / concrete, polythenes, ferrous metals, non-ferrous metals, glass. (Source: WARD Recycling)



Won the Future Manufacturing Awards - Sustainability 2018 and the MRW Recycling Awards - Manufacturer of the Year 2018

NINE



Manufactured product ranges from recycled PVC-U  
– this continues to expand

SUSTAINABILITY IN ACTION

148+2



Provided recycling operations jobs for  
150 people, including two apprentices

# IFRS 16 IMPLEMENTATION

## 2019 Reconciliation

£m	2019 Pre-IFRS 16	2019 IFRS 16	2019 Reported
<b>Revenue</b>	<b>279.1</b>	-	<b>279.1</b>
Gross Margin	142.9	-	142.9
Operating Expenses	(111.2)	10.7	(100.5)
<b>EBITDA</b>	<b>31.7</b>	<b>10.7</b>	<b>42.4</b>
Depreciation	(7.6)	(10.2)	(17.8)
Finance Expenses	(1.0)	(0.9)	(1.9)
<b>Profit Before Tax</b>	<b>23.1</b>	<b>(0.4)</b>	<b>22.7</b>
<b>Basic Earnings Per Share</b>	<b>19.7p</b>	<b>(0.4)p</b>	<b>19.3p</b>
<b>Net Debt</b>	<b>34.6</b>	<b>34.1</b>	<b>68.7</b>

### ▶ IFRS 16 – applied from January 2019

- Operating leases capitalised on balance sheet
- Asset and liability initially recognised at present value of future lease payments
- Lease rentals replaced by depreciation and interest costs on leased assets
- No change to actual cash flows

### ▶ IFRS 16 – 2019 impact:

- £0.4m reduction in PBT due to front loading of interest (reverses over remaining life of leases)
- Fixed assets / lease liability increase c.£34m

# PRODUCT RANGE



Ranges of window and door profile



Skypod pitched skylights



Aspect bi-folding doors



Conservatories and Equinox tiled roofs



Fascias, soffits and gutters



Traded goods

Products sold through two major trading divisions: Profiles and Building Plastics (branches)



# PROFILES DIVISION

## ▶ Manufactures:

- Extruded rigid and foam PVC profiles using virgin PVC compound
- Rigid products also include recycled compound

## ▶ Recycles:

- Factory offcuts (post-industrial) and old windows (post-consumer) waste

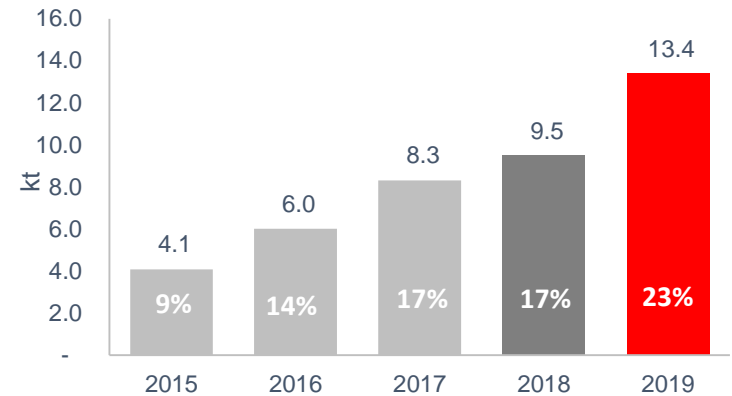
## ▶ Sells:

- Rigid PVC profiles to a network of c.400 third party fabricators
  - Principally trade fabricators, but with new build becoming increasingly important
  - c.300 produce windows, trims cavity closer systems for customers
  - c.100 make patio doors and conservatories
- Foam PVC profiles to Building Plastics division

## ▶ Acquisitions since IPO

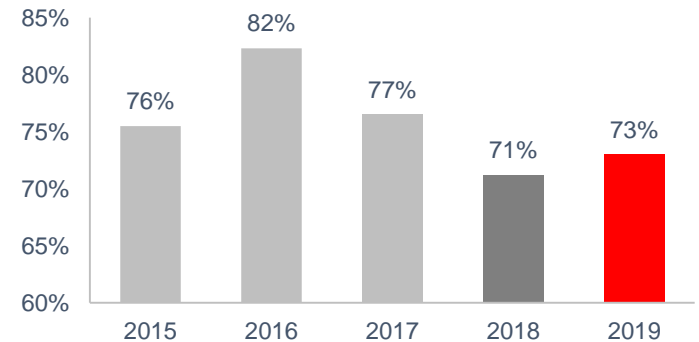
- S&S Plastics (injection moulding, acquired in 2015)
- Vista Panels (composite and panel doors, acquired in 2016)
- Ecoplas (PVC window recycler acquired in August 2018)

## Use of Recycled PVC in Manufacturing



- ▶ > 3m old windows recycled in 2019

## Overall Equipment Effectiveness (OEE)<sup>(1)</sup>



(1) OEE is a measure which takes into account machine availability, performance and yield

# BUILDING PLASTICS DIVISION

## ▶ Sells:

- Range of Eurocell manufactured and branded PVC foam roofline and window fitting / maintenance products
- Third party manufactured ancillary products: sealants, tools and rainwater products
- Vista doors
- Windows fabricated by third parties using products manufactured by the Profiles Division

## ▶ Distribution

- Through our nationwide network of 206 branches

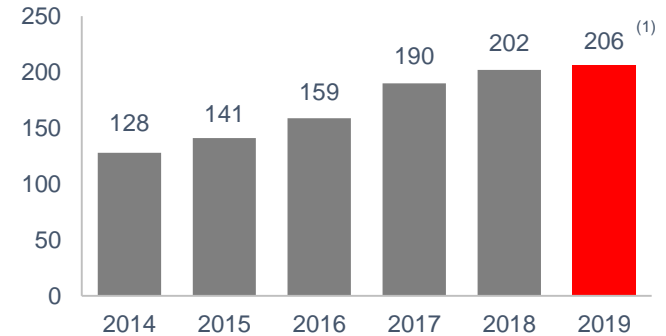
## ▶ Main customers

- Roofline and window installers
- Small and independent builders, house builders
- Nationwide maintenance companies

## ▶ Acquisitions since IPO

- Security Hardware (hardware supplier to RMI market, acquired in 2017)
- Kent Building Plastics (building plastics distributor, acquired in December 2018)
- Trimseal (building plastics distributor, acquired March 2018)

## Number of Branches



(1) Includes the acquisition of Kent Building Plastics and Trimseal (together 5 branches)

## 2019 Acquisition – Trimseal

Timing	Business and Transaction Summary
March 19	<ul style="list-style-type: none"> <li>✓ 2 branches in the South-east</li> <li>✓ Annual sales c.£1m</li> <li>✓ Consideration £0.5m</li> </ul>
<b>Expect financial returns in excess of organic alternative for region</b>	

# LOCATIONS



## Centrally located

HQ, Manufacturing,  
Warehousing,  
Injection Moulding  
and Recycling



## Extrusion centre

140,000 sq ft  
52 extruders



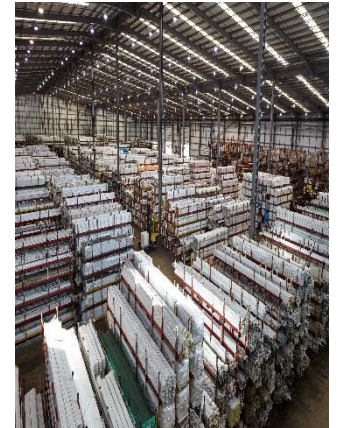
## Secondary operations (foiling)

120,000 sq ft  
10 foiling machines



## Recycling operations (Eurocell Recycle North and Mids)

280,000 sq ft



## Warehousing & Conservatory Roofs

260,000 sq ft



## Injection Moulding

21,000 sq ft  
22 Machines



## Composite Door Manufacture

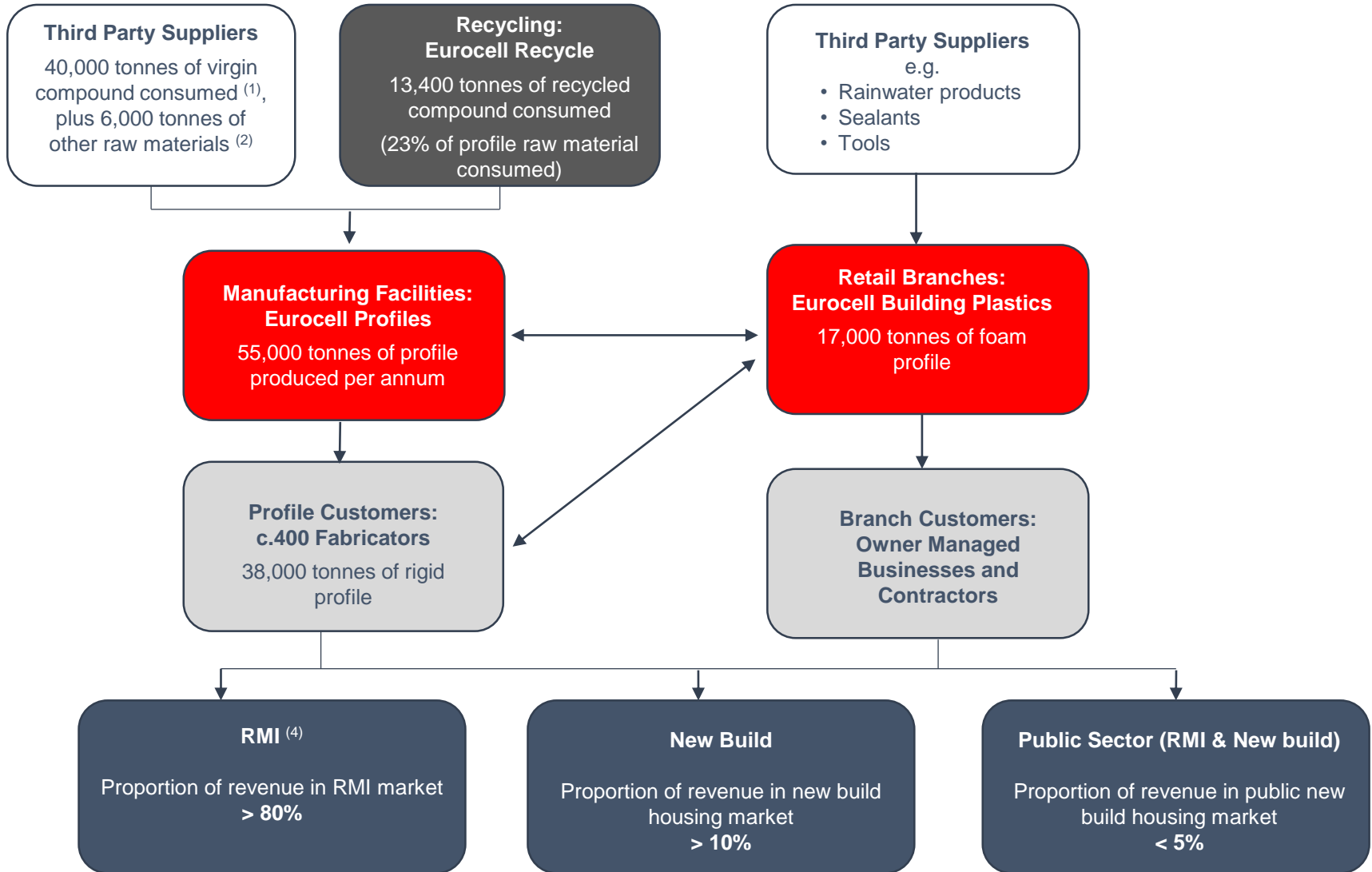
50,000 sq ft  
The Wirral



## Locks and hardware supplier

15,000 sq ft  
West Midlands

# ROUTE TO MARKET



(1) Rigid Virgin Resin: stabiliser, titanium dioxide, impact modifier, filler  
 (2) Other raw materials: e.g. skin and rubber flex  
 (3) Tonnages shown are approximate based on 2019 volumes  
 (4) Repairs, Maintenance and Improvements

# EUROCELL RECYCLE – INPUTS, OUTPUTS AND USAGE

K tonnes <sup>1</sup>	2018	2019	Change	Change %
<b>Inputs – Waste Recycled</b>				
Post-consumer	22.8	31.4		
Post-industrial	7.6	9.9		
<b>Total</b>	<b>30.4</b>	<b>41.3</b>	<b>10.9</b>	<b>36%</b>
<b>Outputs – Recycled Material Produced</b>				
<b>Total</b>	<b>18.2</b>	<b>24.9</b>	<b>6.7</b>	<b>37%</b>
<b>Usage</b>				
<b>Primary Extrusion</b>	<b>9.5</b>	<b>13.4</b>	<b>3.9</b>	<b>41%</b>
Products Made From 100% Recycled Material	5.6	6.7	1.1	20%
Sales to Trade Extruders	2.9	5.1	2.2	76%
<b>Total</b>	<b>18.0</b>	<b>25.2</b>	<b>7.2</b>	<b>40%</b>
<b>Primary Extrusion Usage as % of Total Consumption</b>	<b>17%</b>	<b>23%</b>		

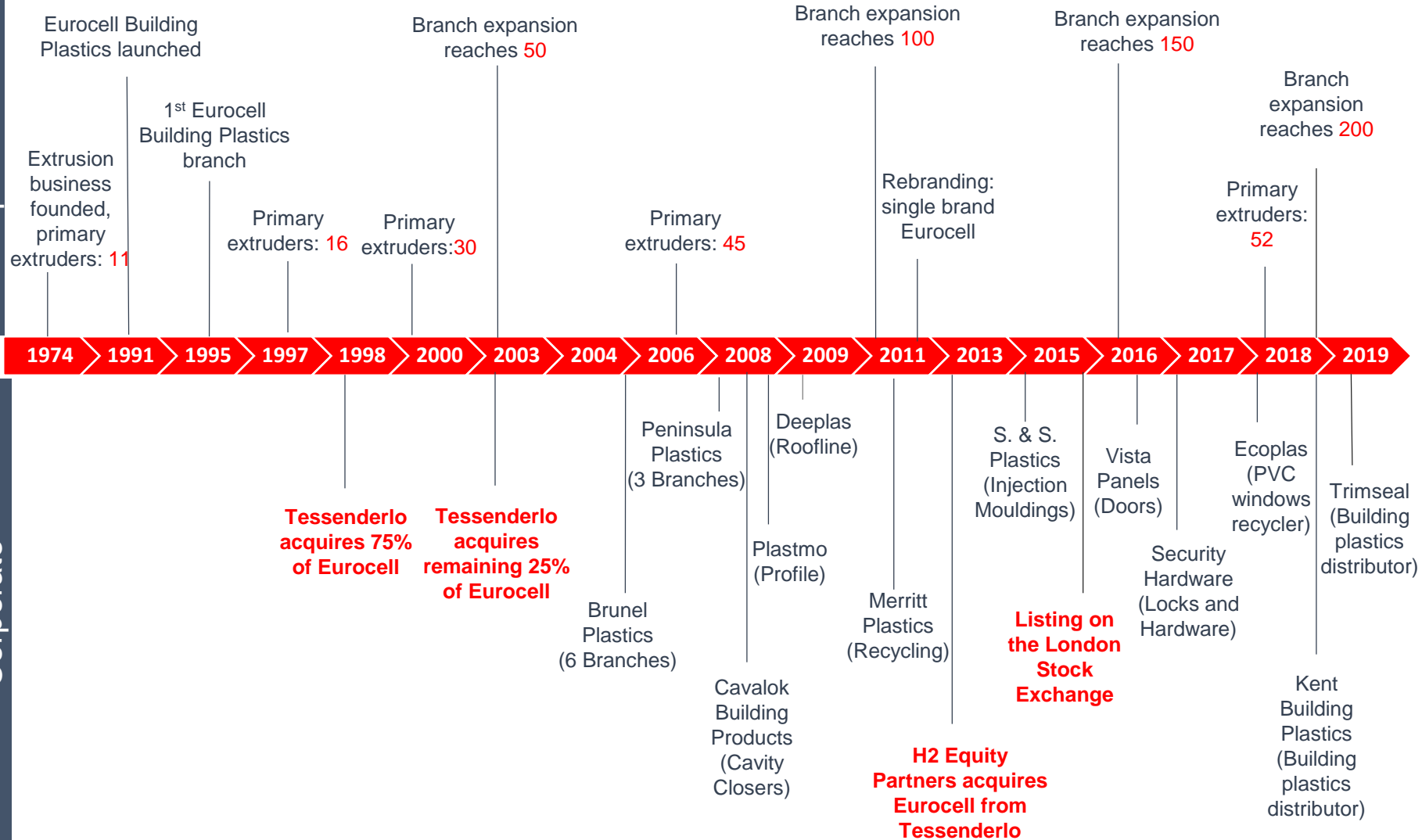
<sup>1</sup> Data includes Eurocell Recycle North from acquisition in August 2018.

- ▶ Investment in Eurocell Recycle since the beginning of 2016 is c.£15m (including acquisition consideration)
- ▶ Increased recycled material usage in primary extrusion from 4.1k tonnes in 2015 to 13.4k tonnes in 2019

# CORPORATE AND OPERATIONAL HISTORY

Operational

Corporate



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