EUROCELL PLC

2020 Full Year Results

Investor Meet Company Presentation

22 March 2021

Agenda

Introduction to Eurocell

2020 in Review

Financial Highlights

Strategy and Outlook

Presenters

Mark Kelly
Chief Executive Officer

Michael Scott
Chief Financial Officer

Product Range

Ranges of window profile and doors

Skypod pitched skylights

Syncro patio and Aspect bi-fold doors

Fascias, soffits and guttering

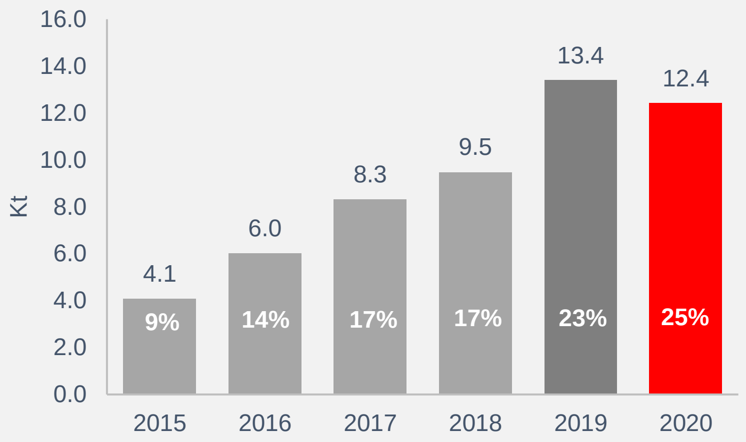
Conservatories and Equinox tiled roofs

Traded goods

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)
  - Eurocell Recycle North (formerly Ecoplas, PVC window recycler, acquired in 2018)

Use of Recycled PVC in Manufacturing



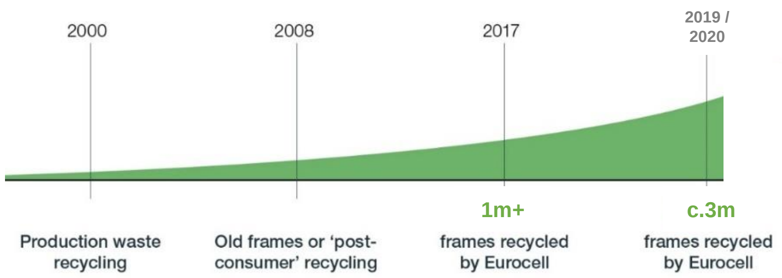
- c.3m old windows recycled in 2019 and 2020

Profiles Division

Opportunities to Grow Market Share

Strategic objective to target 20% (now 17%) share and consolidate position as largest supplier of rigid PVC profile to UK market

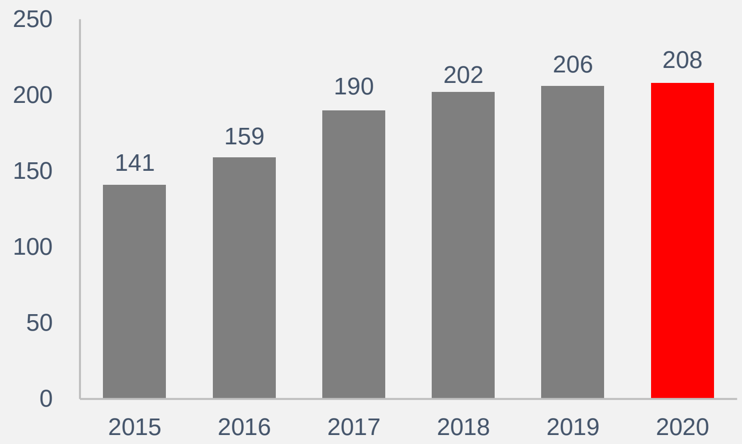
- **Opportunities to grow market share**
  - Tight specifications secured through technical sales force
  - Competitive advantage
  - Comprehensive product range
  - New product development
  - Potential in new build and commercial supply
  - Investment in customer growth
  - Best in class customer service and logistics aspiration
- **Uniquely differentiated on sustainability**
  - Use of recycled material increasingly attractive to housebuilders



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 208 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 2018)
  - Trimseal (building plastics distributor, acquired March 2019)

Number of Branches



Building Plastics Division

Opportunities to Grow Market Share

Strategic objective to target world class operations from 270-300 sites (now 208)

- **Market very fragmented, with c.80% served by small independents**
- **Opportunities to grow market share**
  - Competitor branch footprint reduction
  - Simplified pricing and margin management
  - Consistent in-branch product offering and high availability
  - Extension of range architecture
  - Unique promotional tools
  - Increasing conversion rates for high added value products
  - Good progress with new large format branches
  - Encouraging start for range of outdoor living products
  - Digital: consolidate and develop website and e-commerce platforms
  - Consumer online proposition trial

eurocell® HOME

2020 in Review

Well positioned for 2021

Q1

Controlled closure

- Closed late March, in line with Government guidance
- Bank facility increased from £60m to £75m
- Final dividend for 2019 cancelled

Q2

Securing the future

- £17m share placing
- Deferral of non-essential and discretionary expenditure
- Use of Government support measures: Job Retention Scheme and business rates relief
- Preparation for re-opening
- New warehouse fit-out underway

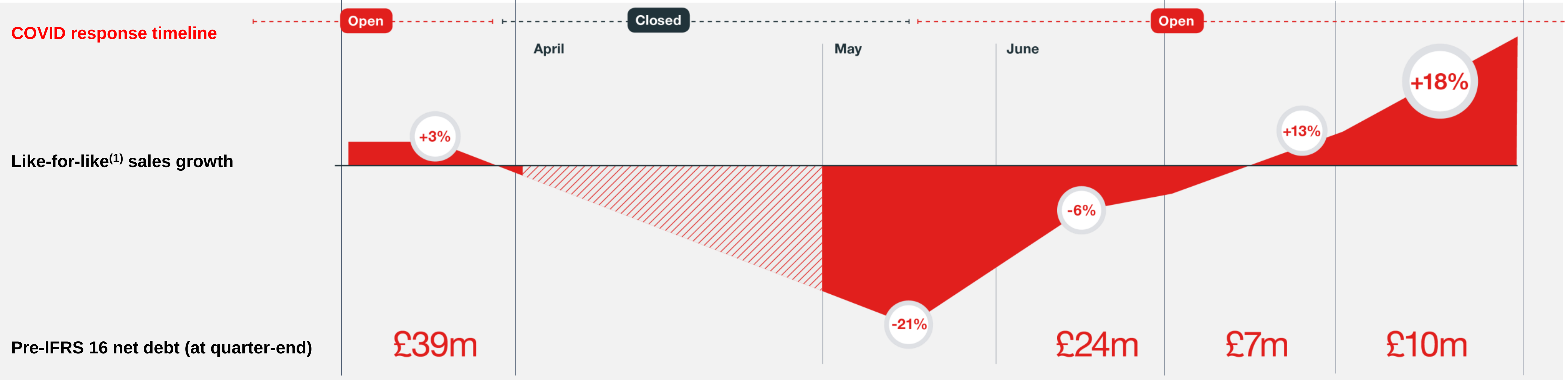
Managed return

- Phased re-opening from mid-May, following new Government guidance
- Introduction of COVID-safe working practices
- Organisational structures and operating processes streamlined

Q3 / Q4

Strong recovery

- All sites open by July
- Stronger RMI market than anticipated
- Products resonating with customers seeking to improve or extend their homes
- Strong sales growth and continued market share gains in both divisions
- Good operating efficiencies
- Profits well up on H2 2019
- Good cash generation
- New warehouse fit-out well advanced



(1) Like-for-like sales growth excludes acquisitions and new branches opened in 2019/20 and is calculated by comparing average sales per trading day in 2020 (212 days, excluding days closed) with 2019 (249 days)

2020 Overview

Well positioned for 2021

Major impact of COVID on H1 – decisive action in response

Health & safety, operational and financial measures to safeguard the business

Strong second half performance

Better RMI market than anticipated

Good operating performance and efficiencies

Sales up 15% and profits well ahead of H2 2019

Now operating from state-of-the-art new warehouse

Key to increasing capacity and delivering anticipated operating efficiencies

Strategy

Continued deployment of commercial strategies and delivery of operational excellence

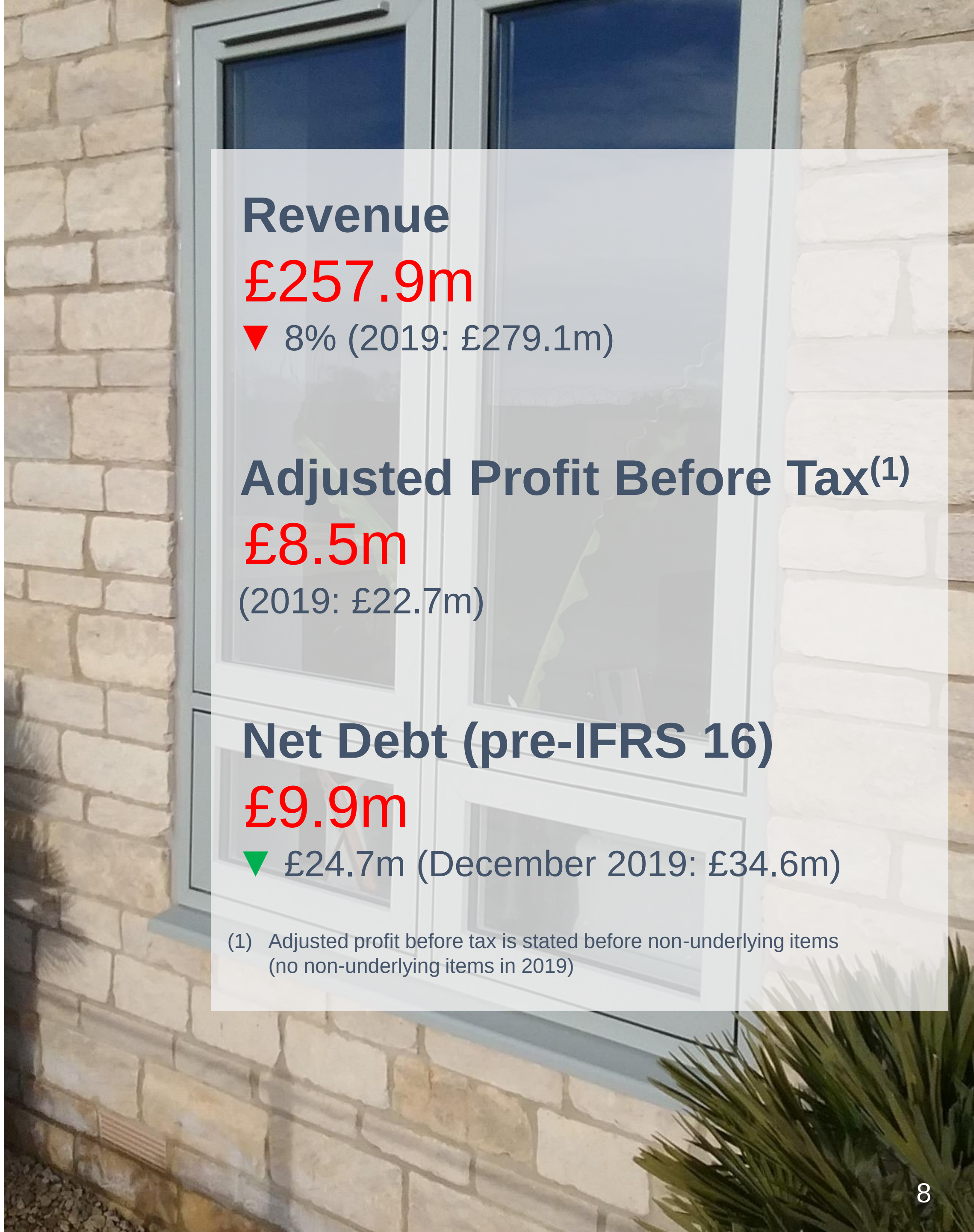
Strong on sustainability, underpinned by recycling operation

Good potential to outperform our markets and continue to take share

Outlook

2021 has started well, with sales to the end of February up 8% on 2020

Intend to return to paying dividends this year



Revenue

£257.9m

▼ 8% (2019: £279.1m)

Adjusted Profit Before Tax(1)

£8.5m

(2019: £22.7m)

Net Debt (pre-IFRS 16)

£9.9m

▼ £24.7m (December 2019: £34.6m)

(1) Adjusted profit before tax is stated before non-underlying items (no non-underlying items in 2019)

Financial Highlights

Strong second half, good cash flow and liquidity

Revenue
£257.9m
▼ 8% (2019: £279.1m)

Gross Margin
49.4%
▼ 1.8% (2019: 51.2%)

Adjusted Profit Before Tax(2)
£8.5m
(2019: £22.7m)

Adjusted Earnings Per Share(2)
6.5p
(2019: 19.3p)

Non-underlying Charges
£10.0m
(2019: £nil)

Net Debt (pre-IFRS 16)
£9.9m
▼ £24.7m (December 2019: £34.6m)

- **Sales ▼8% includes H1 ▼31% and H2 ▲15%**
  - Major impact of first lockdown on H1 followed by strong recovery in H2
  - Full year like-for-like(1) sales ▲ 6%
- **Gross margin ▼1.8% includes H1 at 46.8% and H2 at 50.9%**
  - Reduced production volumes and therefore lower recovery of direct overheads in H1
  - Margin improving as volumes increased in H2
  - Increased stock provision
- **Overheads(2) down 3%**
  - Job Retention Scheme support £6.5m and retail grants / rates relief £1.8m
  - Increased IFRS 9 impairment charge (bad debts) £2.2m
- **Adjusted profit before tax(2) £8.5m and adjusted earnings per share(2) 6.5p**
  - Lower sales volumes and impact of operational gearing in H1
  - Strong sales and good operating efficiencies in H2
- **Non-underlying charges £10.0m**
  - Includes goodwill impairment £5.8m and warehouse dual running costs £2.7m
- **Pre-IFRS 16 net debt reduction**
  - Actions to preserve cash / improve liquidity and share placing (net proceeds £17.1m) in H1
  - Capex £13.7m (2019: £15.2m), including £8.0m for new warehouse
  - Good cash flow generation in H2
- **Intend to return to paying dividends in 2021**

(1) Like-for-like calculated on a trading day basis (see page 3)
(2) Adjusted profit before tax, overheads and adjusted earnings per share are stated before non-underlying items (no non-underlying items in 2019)

Strategy

Clear Strategic Priorities

Strategic framework:

Overall objective to deliver sustainable growth in shareholder value

Develop Eurocell brand	Leverage vertical integration	Drive sustainability

Existing strategic priorities

1	2	3	4	5
Grow market share in Profiles	Expand branch network	Develop innovative new products	Increase use of recycled material	Explore bolt-on acquisition opportunities
✓ **Market share:** 17% (#1) (2015: 12%)	✓ **Estate:** 208 sites (2015: 141) **Market share:** c.24% (roofline #2) (2015: 20%)	✓ **Recent new products:** Coastline, Equinox Vega, Syncro, garden rooms	✓ **2019 recycled material usage:** 12.4kt or 25% (2015: 4.1kt, or 9%)	✓ **Completed acquisitions include:** S&S, Vista, Security Hardware, ERN, Kent Plastics

New strategic priorities

6	7
To deliver sustained operational excellence	To develop sector-leading digital proposition
Optimise returns on recent investments in operating capacity to enhance profits and return on sales	End-to-end solutions to enable other strategic priorities and improve supplier, customer and employee experience

- **5 strategic priorities established in 2016 to support overall objective**
  - Good progress against all
- **Refined and updated priorities in 2021**
  - Existing priorities remain relevant
  - Intend to develop recycling into a group-wide sustainability strategy
  - And introduce two new priorities for the future:
    - To deliver sustained operational excellence
    - To develop sector-leading digital proposition
- **Good potential to outperform our markets**

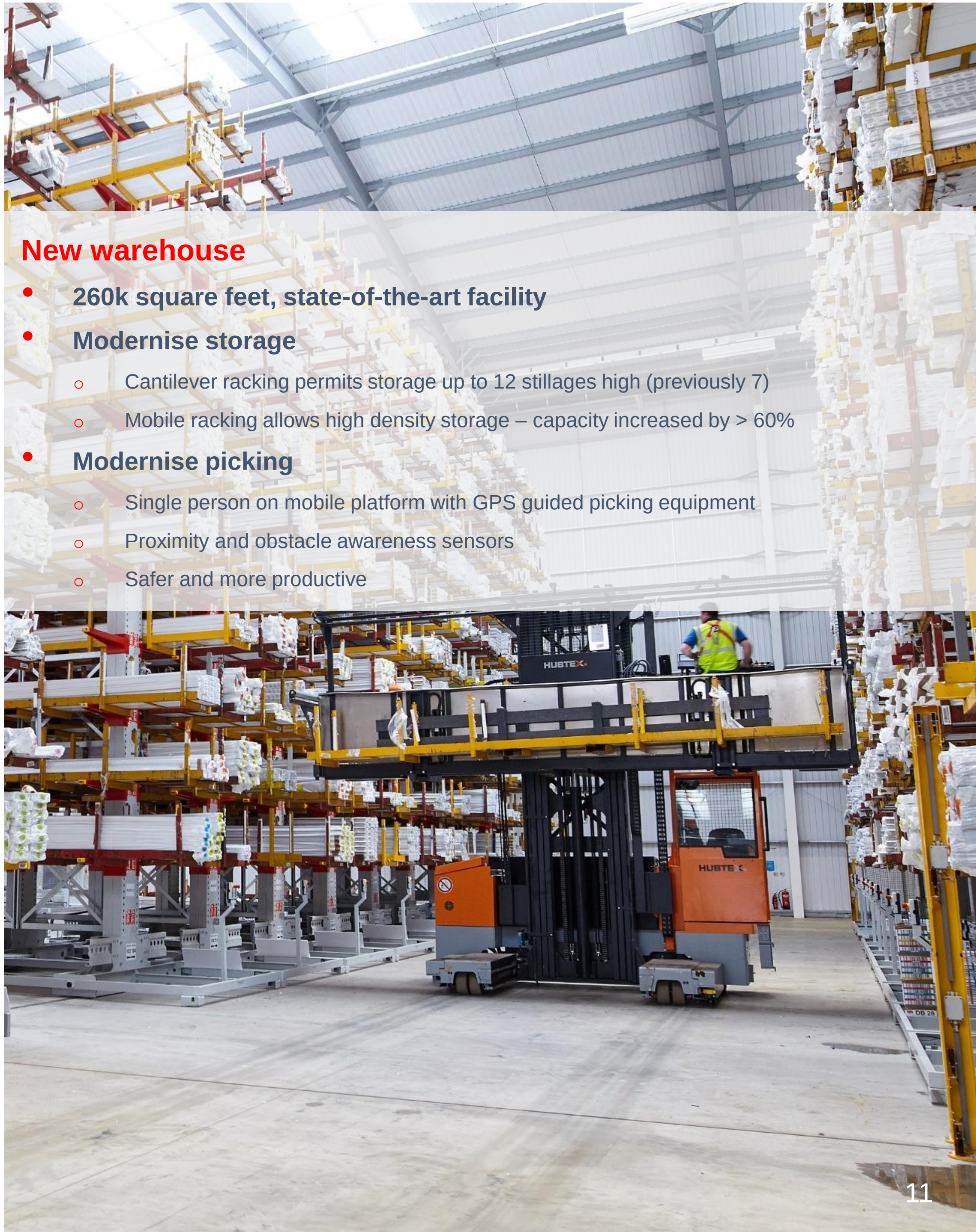
Operational Excellence

Delivering Returns on Investment in Capacity

- **Manufacturing and warehousing constraints now resolved through major investments in capacity**
- **Expect operational excellence to result in the benefit of sales growth flowing through to improved profits and margins**
- **Two primary areas of focus:**

1. **Optimising the operational footprint and supply chain to support efficient growth**
   - New warehouse unlocks operational footprint
     - Key to increasing capacity and delivering anticipated operational efficiencies
     - Major milestone in January 2021, with commercial operations beginning from new site
     - Final stages of transition in Q2
   - Existing warehouse to become specialist manufacturing site
     - Relocate foiling operation later in 2021
     - Future-proofs extrusion capacity for the foreseeable future

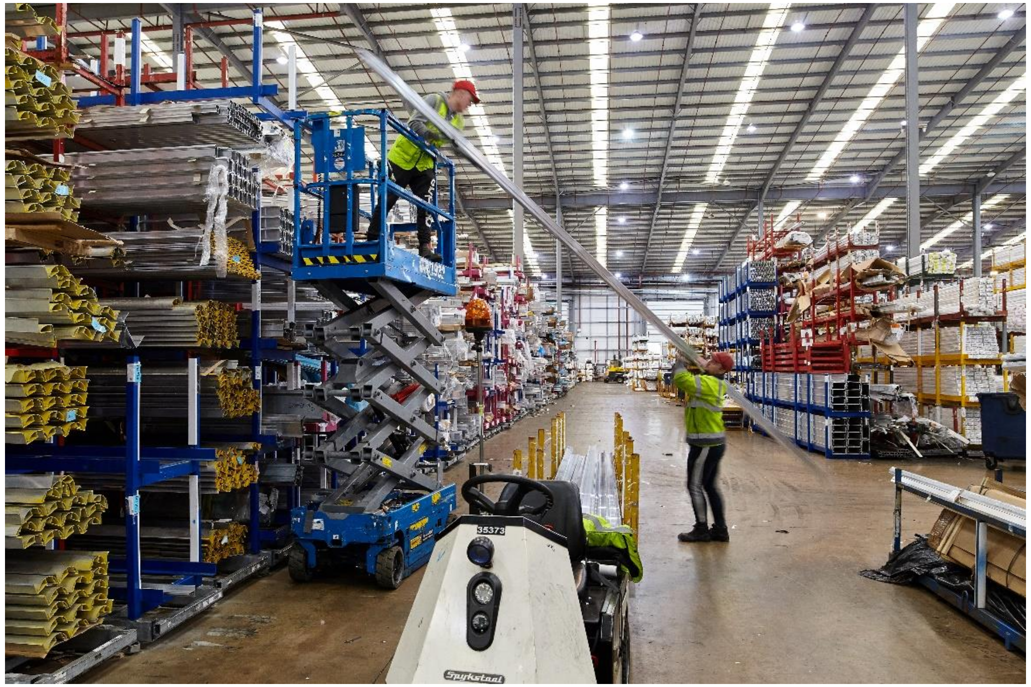
2. **Developing our operational capability**
   - Operational KPIs now better aligned with strategy and objectives
   - Implementing standard operating system across all operational sites
   - Automating data gathering to support KPIs for core processes and visual factory enhancements now in place to empower operational teams



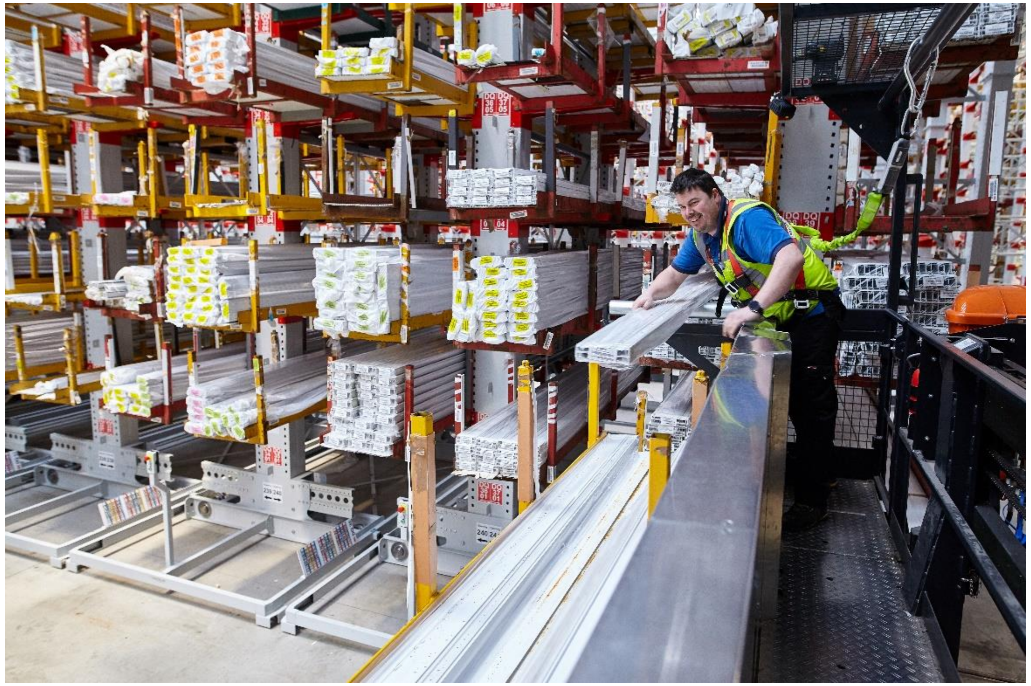
New warehouse

- **260k square feet, state-of-the-art facility**
- **Modernise storage**
  - Cantilever racking permits storage up to 12 stillages high (previously 7)
  - Mobile racking allows high density storage – capacity increased by > 60%
- **Modernise picking**
  - Single person on mobile platform with GPS guided picking equipment
  - Proximity and obstacle awareness sensors
  - Safer and more productive

Existing Warehouse



New Warehouse



Sustainability

Developing Our Approach

- **Now defining long-term sustainability objectives and KPIs**
  - Link to relevant UN Sustainable Development Goals and the Ellen MacArthur Foundation's New Plastics Economy Vision
- **Expanding recycling will be at the heart of our strategy**
  - **Environmental –** carbon savings
  - **Commercial –** opportunity to leverage sustainability with customer base, consumers and other stakeholders
  - **Economic –** cost of recycled compound < price of virgin
- **Leading UK-based recycler of PVC windows**
  - Total output from recycling operation 21.1kt (2019: 24.9kt)
  - Use in primary extrusion increased to 25% of consumption, or 12.4kt (2019: 23%)
  - Balance of 8.7kt used in products made from 100% recycled material or sold to trade
- **Carbon savings**
  - Estimate recycling operation saved c.36kt of carbon in 2020 (2019: 42kt) compared to the use of virgin PVC[(1)]

OUR STRATEGIC INTENT

1 No Poverty	3 Good Health and Well-Being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	12 Responsible Consumption and Production	13 Climate Action
• Progressive pay • Incentive schemes • Pension and benefits	• Health & safety priority • Healthy work environment • COVID-safe operations	• Learning opportunities for all colleagues	• Equal opportunities employer • Promote female and minority applicants	• Sustainable water management	• Increase use of clean energy • Improve operational efficiency	• Sales and profit growth strategy • Invest in local employees and communities	• Increase use of recycled material • Reduce scrap materials	• Reduce carbon footprint reduction plan for all sites

ACTIONS

1 No Poverty	3 Good Health and Well-Being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	12 Responsible Consumption and Production	13 Climate Action
• Living wage • Good pay awards • Incentives shared widely • Benefits scorecard	• Health & safety training • In-work health check, and support • Virtual queuing	• Training and development programme • Apprentice and Kickstart schemes	• Close gender pay gap • First-class facilities • Flexible and home working	• Closed-loop cooling to recycle water at production sites	• Power sourcing • Single-minute exchange of dies • Scrap reduction • LED lighting	• Invest in expansion • Employer of choice • Reduce reliance on agency staff	• Expand recycling	• Reduction plans • Lower site waste • Electric vehicles

What does 36k tonnes of CO_2 look like?

- **Driving an average car 300 million km[(2)]**
- **Annual CO_2 output of > 6,000 homes[(3)]**
- **CO_2 sequestered by 600,000 tree seedlings grown for 10 years[(4)]**

What does it mean for house builders?

Estimate a house builder constructing 2,500 semi-detached houses will save c.500 tonnes of CO_2 equivalent per year by using Eurocell windows and cavity closures, compared to a competitor using virgin PVC windows[(5)]

(1) Savings calculated at c.1.7t of CO_2 saved per tonne of recyclate, derived from "Life Cycle Assessment of Re-cycling PVC Window Frames", Heinz Sticchnothe, School of Chemical. Engineering and Analytical Science, University of Manchester
(2) Assumes vehicle emissions of $122gCO_2$/km
(3) Based on 2017 UK national figures
(4) Source US Environmental Protection Agency
(5) Based on typical semi-detached home with 7 windows and french doors

Summary

Including Outlook

Investment case

- ✓ Clear strategy and priorities
- ✓ Proven ability to deliver revenue growth
- ✓ Uniquely differentiated on sustainability through recycling operation
- ✓ Operational capacity constraints resolved through major investments
- ✓ Leading market positions and good potential to outperform
- ✓ Strong and experienced leadership team

Outlook

2021 has started well, with sales to the end of February up 8% on 2020

Intend to return to paying dividends this year

Appendices

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All together better

Divisional Review

Profiles – 2020 Performance

- **Full year sales down 14% – impact of first COVID lockdown**
  - Equivalent to flat on a like-for-like[4] basis
- **Good H2, with like-for-like[4] sales up 11% on H2 2019**
  - Driven by trade fabricators focused on RMI market and Vista doors
  - New build started H2 slowly, but run rates improved in Q4
- **Gaining market share – estimate now c.17%**
- **Benefit of new account wins and competitive strength**
  - c.60 new accounts added through 2017-19
  - 14 added selectively in 2020 and pipeline is strong
- **Operating profit lower in 2020 – impact of operational gearing**
  - H1 loss due to reduced volumes and lower recovery of direct costs
  - H2 profit driven by strong sales and good operating performance
  - Good operating efficiencies, particularly in H2, with OEE[3] improved to 75% (2019: 73%)
- **Strong on sustainability**
  - Use of recycled material increased to 25% of consumption, or 12.4kt (2019: 23% or 13.4kt)

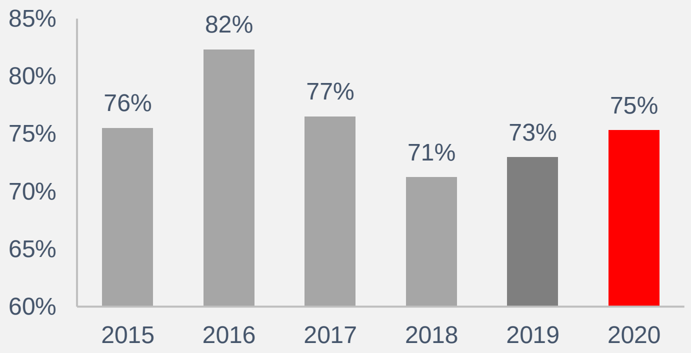
Profiles Division P&L

£m	2019	2020	Change
3rd Party Revenue	**115.7**	**99.7**	**▼ 14%**
Inter-segmental Revenue (1)	59.5	56.4	▼ 5%
Total Revenue	**175.2**	**156.1**	**▼ 11%**
Adjusted operating profit (2)	**17.9**	**7.9**	**▼ 56%**

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

(2) Adjusted operating profit is stated before non-underlying items (no non-underlying items in 2019)

Overall Equipment Effectiveness (OEE)[3]



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

(4) Like-for-like calculated on a trading day basis (see page 3)

Divisional Review

Building Plastics – 2020 Performance

- **Full year sales down 3% – impact of first COVID lockdown**
  - Equivalent to +14% on a like-for-like[(4)] basis
- **Strong H2, with like-for-like[(4)] sales up 19% on H2 2019**
  - Excellent performance across manufactured and traded goods
  - Launch of new products attracting customers
    - Equinox Vega and Envirotile (conservatory roof), Kyube (garden room)
- **Gaining share – estimate now c.24% (roofline)**
- **Network expansion – now 208 branches**
  - 4 new sites added in 2020 (2019: 4 new sites)
    - 3 of which are large format stores (now 5 in total) – follows successful 2019 trial
    - 2 loss-making branches closed
    - 47 new sites added 2017-19
    - Plan up to 12 new sites in 2021 (up to 6 large format)
    - Decision determined by economic environment and business performance
- **Operating profit lower in 2020 – impact of operational gearing**
  - H1 loss due to reduced volumes
  - H2 profit driven by strong sales and good cost control

Building Plastics Division P&L

£m	2019	2020	Change
3rd Party Revenue	**163.4**	**158.2**	**▼ 3%**
Organic	162.9	157.5	**▼ 3%**
Acquisitions [(1)]	0.5	0.7	**▲ 40%**
Inter-segmental Revenue	1.3	1.3	**flat**
Total Revenue	**164.7**	**159.5**	**▼ 3%**
Adjusted operating profit [(2)]	**8.6**	**4.0**	▼ 53%

(1) Trimseal acquired March 2019
(2) Adjusted operating profit is stated before non-underlying items (no non-underlying items in 2019)

Indicative Branch Economics (Rounded)

	Branches Opened		
	< 2 years	**2-4 years**	**>4 years**
No. of Branches	15	50	143
Average Sales per Branch (£000)	380	480	700
Return on Sales per Branch (%) [(3)]	Small loss	Up to 10%	Mid-teen %

(3) EBITDA as % of sales, before regional and central costs
(4) Like-for-like calculated on a trading day basis (see page 3)

Financial Performance

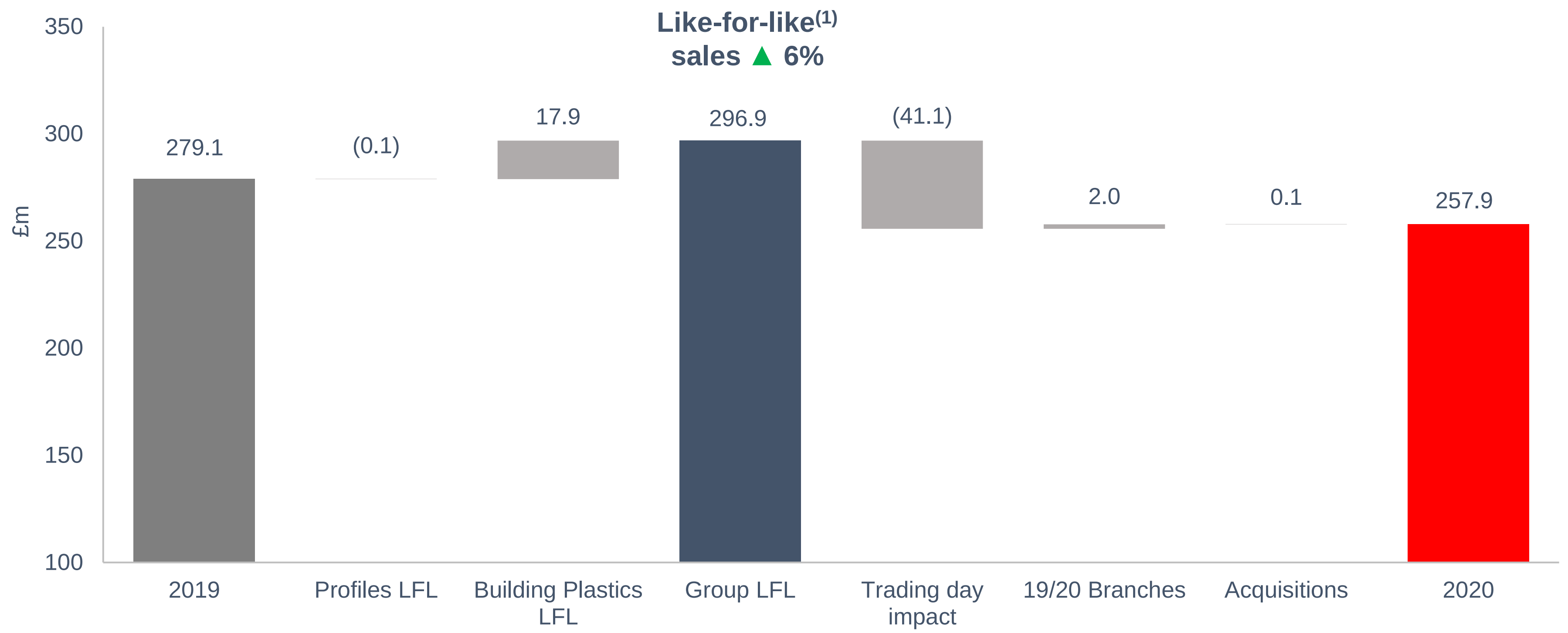
Group Income Statement

£m	2019(1)	2020(1)	Change
Revenue	**279.1**	**257.9**	▼ 8%
Gross Profit	142.9	127.4	
Gross Margin %	*51.2%*	*49.4%*	
Overheads	(100.5)	(97.6)	▼ 3%
Adjusted EBITDA	**42.4**	**29.8**	▼ 30%
Depreciation and Amortisation	(17.8)	(19.5)	
Finance Costs	(1.9)	(1.8)	
Adjusted Profit Before Tax	**22.7**	**8.5**	▼ 63%
Tax	(3.4)	(1.5)	
Adjusted Profit After Tax	**19.3**	**7.0**	▼ 63%
Adjusted Basic EPS (pence)	**19.3**	**6.5**	▼ 66%
Dividends per Share (pence)	**3.2**	**-**	
Reported Profit/(loss) Before Tax	**22.7**	**(1.5)**	n/a

(1) 2020 adjusted measures are stated before non-underlying items of £10.0m and the related tax effect (no non-underlying items in 2019)

Sales Performance

A Year of Two Halves

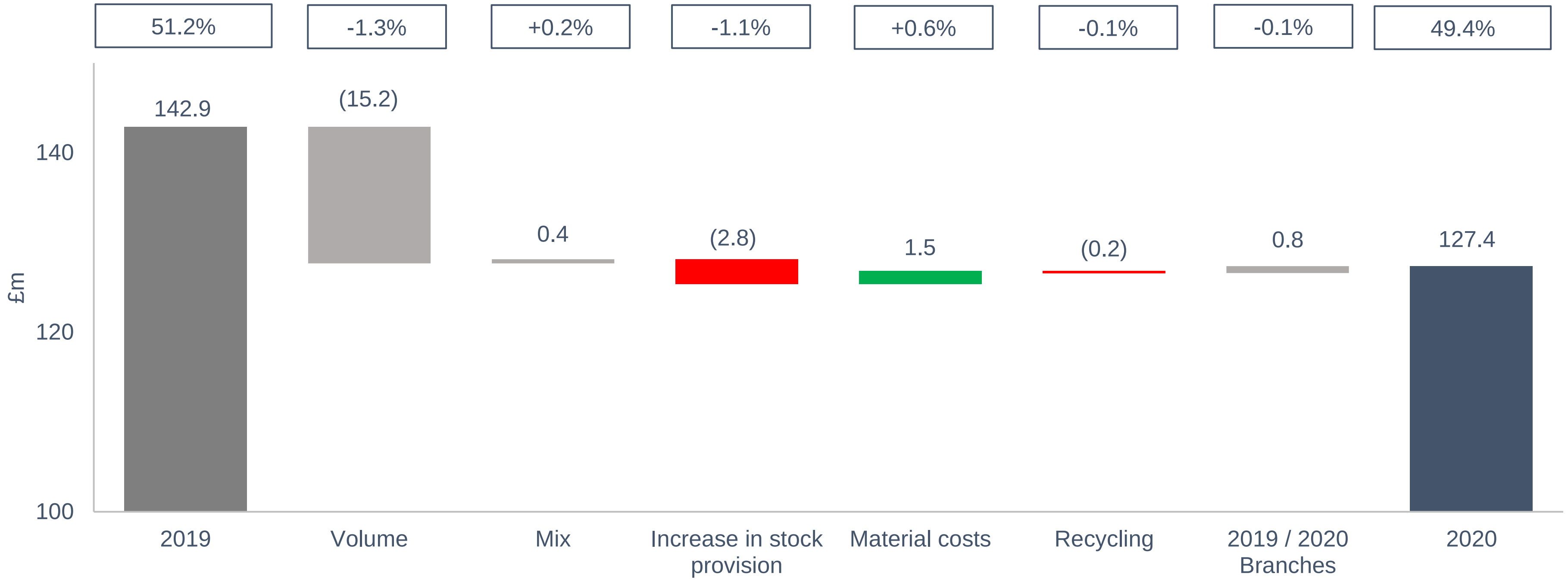


- Full year like-for-like[1] sales ▲6% on trading day basis
  - Profiles flat, Building Plastics ▲14%
- H1 like-for-like[1] sales ▼4%
  - Driven by impact of first lockdown
- H2 like-for-like[1] sales ▲16%, reflecting strong recovery
  - Profiles ▲11%, Building Plastics ▲19%
- Trading day impact reflects impact of business closure in first lockdown
  - 212 trading days in 2020 vs 249 in 2019
- Building Plastics: 8 new branches in 2019/20
  - 2 loss-making branches closed in 2020
- Acquisitions represents Trimseal in March 2019

(1) Like-for-like calculated on a trading day basis (see page 3)

Gross Margin

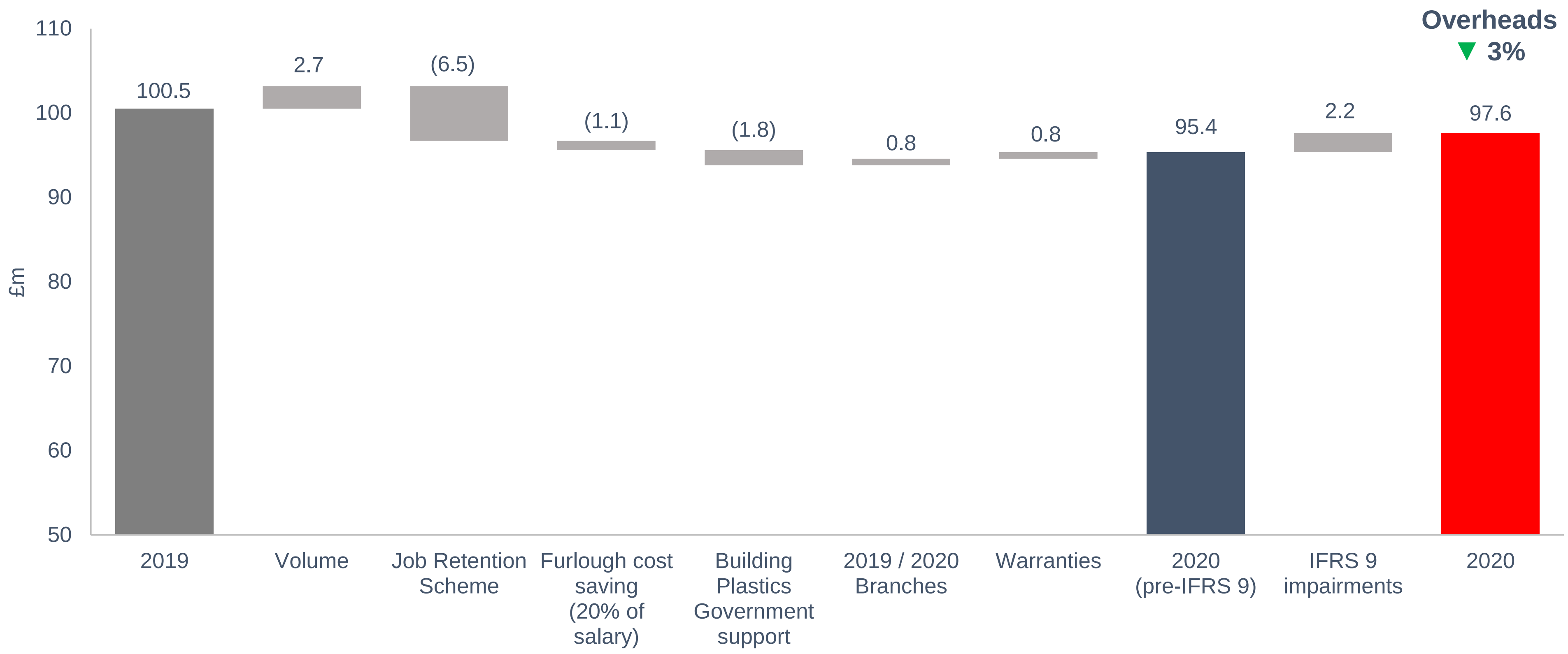
Improving as Volumes Increase



- Volume impact (-130bps) driven by effect of first lockdown
  - Reduced production volumes and therefore lower recovery of direct overheads in H1
  - Margin improving as volumes increased in H2
- Increase in stock provision (-110bps)
  - Range rationalisation for slower moving items
  - Transition to new warehouse
- Raw material prices (+60bps)
  - Reduction in electricity and some raw material prices
  - Resin prices now increasing – offset with selling prices
- Impact of recycling (-10 bps)
  - Lower volumes and smaller price delta with virgin resin
  - Use of recycled material increased to 25% of consumption, or 12.4kt (2019: 23% or 13.4kt)
  - Recycling is a hedge against high resin prices

Overheads

Impact of Government Support and IFRS 9 Impairments



- Volume impact £2.7m driven by strong second half
  - Incudes year on year impact of 2019/20 pay awards
  - Cost of incremental labour required to cover COVID isolations
- Job Retention Scheme support £6.5m (substantially H1)
- Furloughed employee cost saving £1.1m (substantially H1)
  - Furloughed employees paid at 80% of normal levels
- Building Plastics Government support
  - Retail property grants £0.7m (H1) and business rates relief £1.1m
- Increased warranty provision £0.8m – isolated product quality issues
- Increased IFRS 9 bad debt charge £2.2m
  - Profiles £0.7m includes provision against a small number of fabricators
  - Building Plastics £1.5m reflects higher risk in the receivables book

Non-underlying Charges

Impact of COVID and Warehouse Dual Running Costs

ERN[1] goodwill impairment

- **Lower projected cash flows, reflecting impact of COVID on:**
  - Customer demand and production volumes in the short-term
  - Selling prices for recycled material and price delta with virgin compound at the time of the impairment test
- **Strategic objective to increase use of recycled material**
  - **Economic benefits –** cost of recycled compound < price of virgin
  - **Environmental –** enhances product and business sustainability
  - **Commercial –** resonates with consumers and other stakeholders
- **Sales growth will increase demand for recycled material**
  - Expect to satisfy largely via expansion of ERN[1]

Other non-underlying costs

- **Right of use assets impairment**
  - Leased assets no longer required following transition to new warehouse
  - Property leases for small number of medium-term loss-making branches
- **Restructuring costs**
  - Restructuring announced with half year results and implemented in H2
- **New warehouse dual running costs**
  - Rates, IFRS 16 lease charges and other property related costs incurred before the new site became operational in January 2021

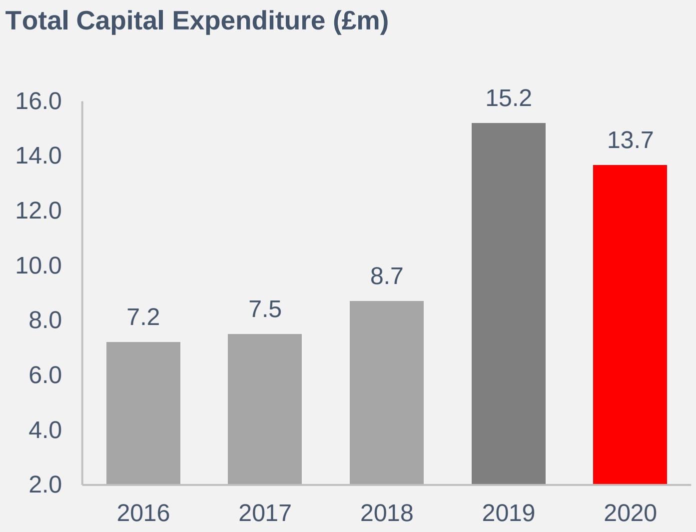
Non-underlying charges in 2020		£m
Impairment charges	• ERN[1] goodwill	5.8
	• Right of use assets	0.9
Restructuring	• Redundancy costs	0.6
New warehouse	• Dual running costs	2.7
Total		**10.0**
Cash cost (restructuring and dual running)		**1.6**

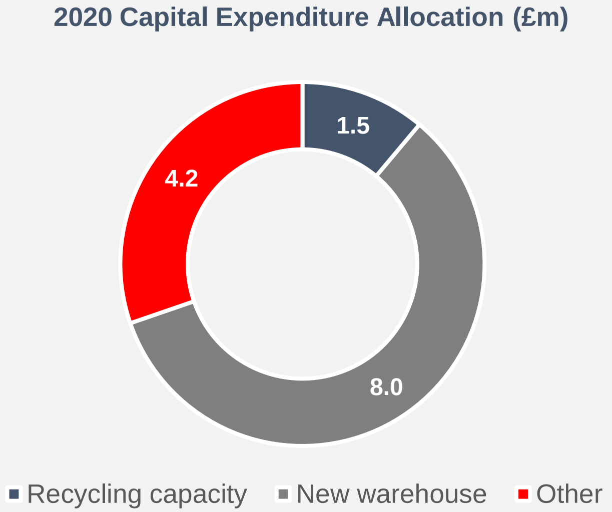
(1) ERN is Eurocell Recycle North (formerly Ecoplas)

Capex

Continued Investment in Operating Capacity

- **2020 capex £13.7m (2019: £15.2m)**
  - New warehouse £8.0m
    - Racking c.£4m, mobile plant c.£2m, systems / offices / project management c.£2m
    - Cost to complete c.£1m
  - Recycling £1.5m
    - Includes final stages of original capacity expansion plan for Eurocell Recycle North
    - Targeting consumption of recycled material of c.15kt in 2021 (2020: 12.4kt)
  - Other £4.2m
    - New and refurbished branches, IT, maintenance capex and COVID-secure
- **2021 capex guidance c.£12m**
  - Manufacturing capacity expansion £5m
    - Conversion of existing warehouse into specialist manufacturing facility – relocation of foiling operation in 2021
    - 4 extrusion lines, tooling and mixing plant upgrade
  - New branches, branch relocations and refurbishments £2m
  - Other £5m
    - IT and maintenance capex





Working Capital

Cash Flow Management

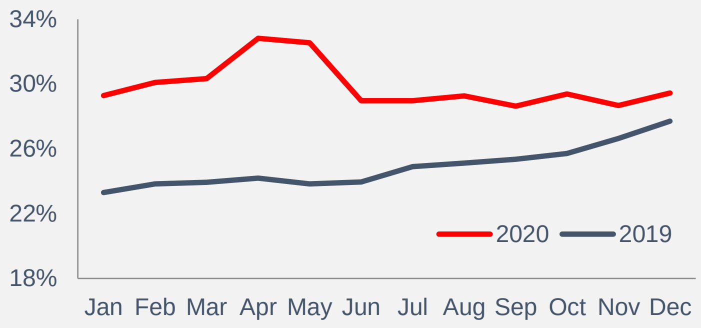
- **Net inflow from working capital £4.7m**
- **Stock days at 83 vs 76 at December 2019**
  - Stocks ▲ £0.8m since December 2019
    - Manufactured products: impact of commercial selling activities restarting ahead of phased manufacturing return from first lockdown (c.£1m reduction)
    - Traded goods: strong growth and range extension, including new outdoor living products and Brexit planning (c.£3m increase)
    - Post IPO acquisitions / other, including provisions (net c.£1m reduction)
- **Debtor days at 32 vs 37 at December 2019**
  - Receivables ▼ £2.4m since December 2019
    - Strong growth and good cash collection in H2
    - Increased bad debt provision
- **Creditors ▲ £3.1m since December 2019**
  - Strong growth in H2
  - All suppliers and landlords paid to terms at 31 December 2020

(1) Stock days / debtor days metrics exclude post IPO acquisitions
(2) 2020 stock days / debtor days are adjusted to remove the estimated impact of the H1 closure

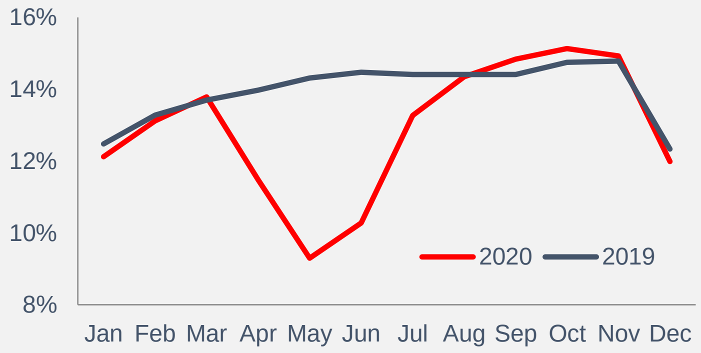
Key Working Capital Metrics(1)(2)

	Stock Days	Debtor Days
December 2019	76	37
December 2020 (1)(2)	83	32

Inventory as a % of LTM Cost of Sales(1)



Trade Receivables as a % of LTM Sales(1)

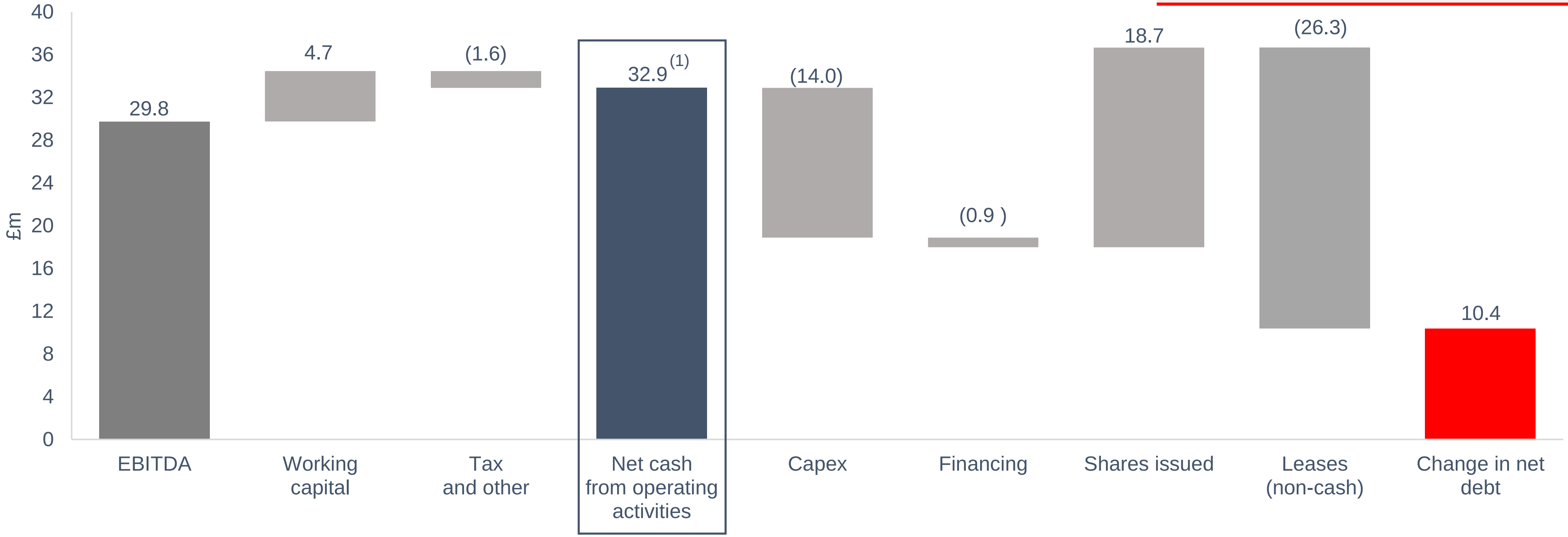


Cash Flow

Significant Headroom and Good Liquidity

Net Debt Reconciliation

£m	Dec 2019	Dec 2020	Change
Cash & Overdraft	4.9	2.6	(2.3)
Borrowings	(39.5)	(12.5)	27.0
Net debt (pre-IFRS 16)	**(34.6)**	**(9.9)**	**24.7**
IFRS 16 leases	(34.1)	(48.4)	(14.3)
Net Debt	**(68.7)**	**(58.3)**	**10.4**



- Inflow from working capital £4.7m
  - ▲ Stocks £0.8m
  - ▼ Receivables £2.4m
  - ▲ Payables £3.1m
- Tax paid and other
  - Settlement of 2019 tax liability £1.0m and payments for non-underlying items £1.6m
  - Less increase in warranty and other provisions £1.0m
- Shares issued is placing proceeds £17.1m and SAYE scheme cash received £1.6m
- IFRS 16 increases debt by £14.3m, driven by inclusion of new warehouse
- Bank facility converted to sustainable RCF and increased to £75m (from £60m)
  - Modest adjustments to the margin from 2021 based on performance against recycling targets
- Strong balance sheet and liquidity position

(1) Cash generated from operations of £33.9m less tax paid

Financial Summary

Including Guidance for 2021

- **Major impact of COVID on H1 financial performance**
  - Recorded a loss for the period
- **Decisive actions taken to secure financial position**
  - Controlled costs
  - Preserved cash
  - Improved liquidity
- **Strong H2 financial performance**
  - Sales growth 15%
  - Improving gross margin and good operating efficiencies
  - Second half profits well up on H2 2019
  - Strong cash flow generation
- **Well positioned for 2021**
  - Good start, with sales to the end of February up 8% on 2020
  - Intend to return to paying dividends this year

Guidance Stated Post-IFRS 16	2020 Reported	2021 Guidance
Underlying Income Statement		
Depreciation and Amortisation	£19.5m	c.£22m
Finance Costs	£1.8m	c.£2.5m
Effective Tax Rate	17.6%	c.21%
Balance Sheet		
Working Capital	£4.7m inflow	c.£5m outflow
Capex	£13.7m	£12m

2021

Market Dynamics

Private RMI (c.85% Eurocell revenue)

Market drivers:

- **Renovation activity driven by:**
  - Desire to improve / extend homes
  - Pension draw down and desire for maintenance free property
  - Change in family circumstances
- **Consumer confidence / uncertainty**
  - Unclear how COVID impact will develop in 2021

Eurocell drivers:

- **Increase propositions in EBP**
  - New larger format stores
  - Maturing branches
  - Conservatory roof development
  - Outdoor living products
  - Retail proposition
- **Sales of windows through branches**
- **Strong competitive position with trade fabricators serving the RMI market in Profiles**

New build (c.10% Eurocell revenue)

Market drivers:

- Budget 2021 – COVID stamp duty holiday extended and mortgage guarantee scheme reintroduced
- High levels of mortgage approvals currently
- Help to Buy remains, but restricted to first time buyers
- Large builders maintaining conversions
- Shortage of housing may attract government intervention, but affordability remains an issue
- Right to Buy in public sector

Eurocell drivers:

- Benefit of differentiated specifications
- Strong competitive position with new build fabricators
- Low cost fabricators leaving market and work taken by Eurocell fabricators
- Growth of Eurocell cavity closer driving contact with house builders
- Vista increasing market share in doors

Commercial (c.5% Eurocell revenue)

Market drivers:

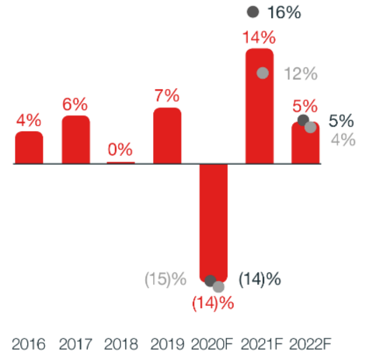
- Slow to return post COVID
- Continued hesitancy caused by delays to funding release from government

Eurocell drivers:

- Only brand maintaining a sizable salesforce displacing aluminium with PVC
- Better U-values and 30% cheaper
- More fabricators working in commercial

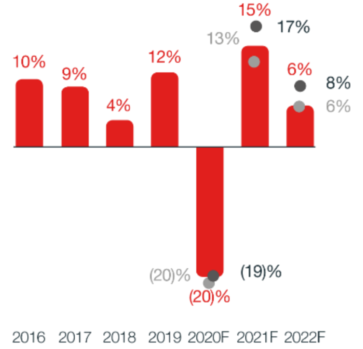
CPA Construction Industry Forecasts (2020-2022)

Total construction output growth



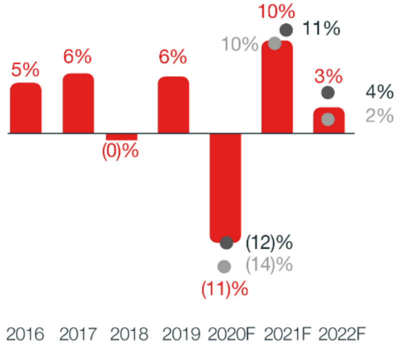
2021 ▼ 2% vs 2019

Total housing growth



2021 ▼ 7% vs 2019

Private housing RMI growth

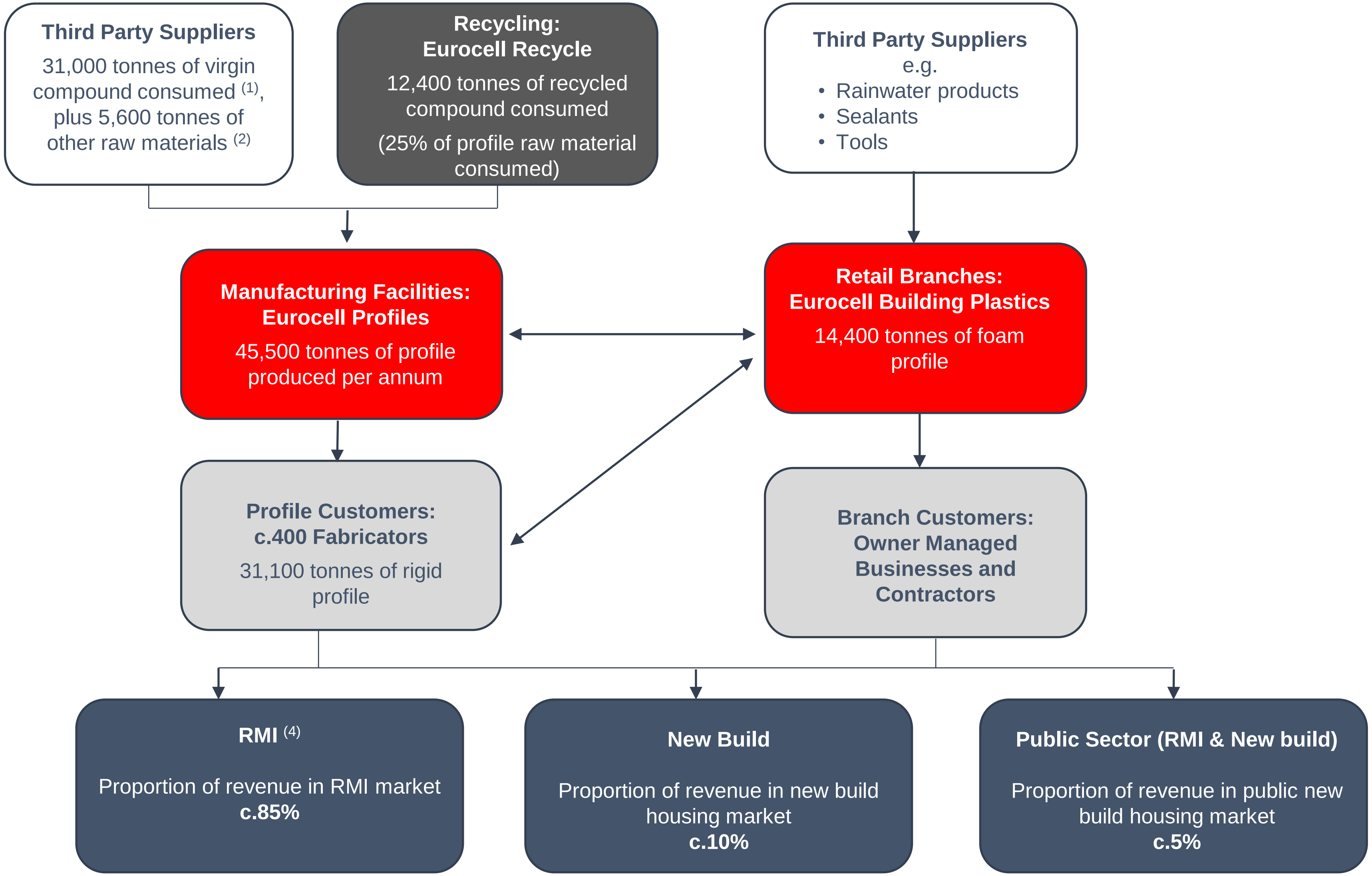


2021 ▼ 3% vs 2019

Source: CPA Construction Industry Forecasts 2020-22 (published January 2021)

Central scenario | Upper scenario | Lower scenario

Route to Market



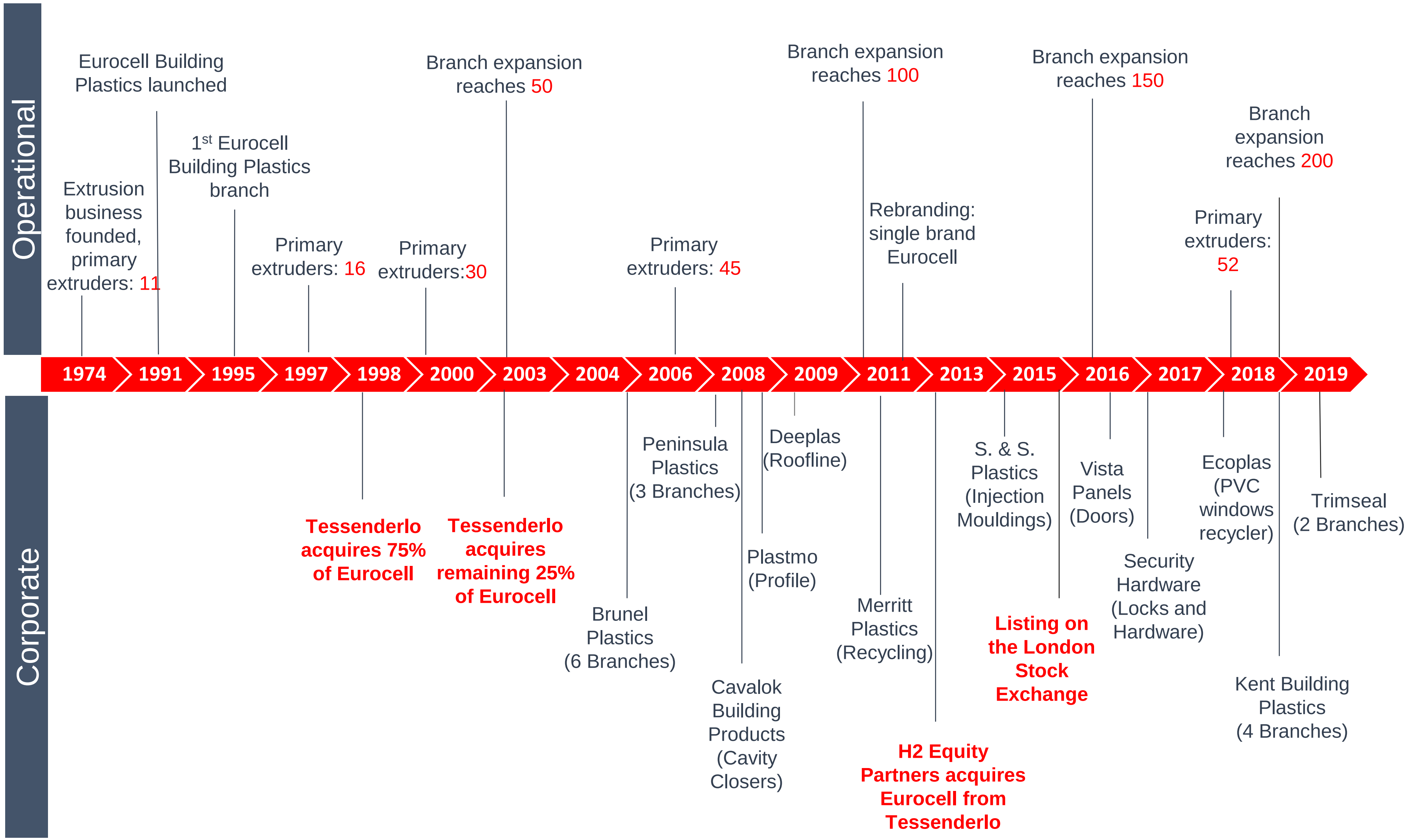
(1) Rigid Virgin Resin: stabiliser, titanium dioxide, impact modifier, filler
(2) Other raw materials: e.g. skin and rubber flex
(3) Tonnages shown are approximate based on 2020 volumes
(4) Repairs, Maintenance and Improvement

Recycling – Inputs, Outputs and Usage

K tonnes	2019	2020	Change	Change %
Inputs – Waste Recycled				
Post-consumer	31.4	27.0		
Post-industrial	9.9	6.7		
Total	**41.3**	**33.7**	**(7.6)**	**(18%)**
Outputs – Recycled Material Produced				
Total	**24.9**	**21.1**	**(3.8)**	**(15%)**
Usage				
Primary Extrusion	**13.4**	**12.4**	**(1.0)**	**(7%)**
Products Made From 100% Recycled Material	6.7	4.3	(2.4)	(36%)
Sales to Trade Extruders	5.1	3.4	(1.7)	(34%)
Total	**25.2**	**20.1**	**(5.1)**	**(20%)**
Primary Extrusion Usage as % of Total Consumption	**23%**	**25%**		

Increased recycled material usage in primary extrusion from 4.1kt in 2015 (9% of consumption) to 12.4k tonnes in 2020 (25%)

Group History



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