



EUROCELL PLC

2022 Half Year Results

Agenda

Business Review

Sustainability

Financial Review

Outlook

Presenters

Mark Kelly

Chief Executive Officer

Michael Scott

Chief Financial Officer

Overview

Mark Kelly – Chief Executive Officer

Good first half against strong 2021 comparatives

Substantial progress in sales and profits vs pre-pandemic period

Recovering unprecedented input cost inflation

Delivering operational efficiencies

Continuing to take market share

Significantly increased run rate on new fabricator account acquisitions

Strong new account pipeline

Powerful sustainability credentials

Underpinned by recycling operation

Outlook in line with expectations

Customers reporting full order books and robust H2 trading

Revenue

£190.5m

▲ 13% H1 2021

Profit before tax

£15.2m

▲ 7% H1 2021

Net debt (pre-IFRS 16)

£15.0m

▲ £4.0m December 2021

Interim dividend

3.5p per share (£3.9m)

▲ 9% H1 2021

Divisional Review

Profiles – H1 2022 Performance

▶ Sales up 17% on H1 2021

- Volume kept pace with exceptionally strong 2021
 - Well ahead of pre-pandemic period
- Supported by backlog in planning permissions and desire for energy efficiency
 - Reflects house moves and hybrid working, partly funded by elevated consumer savings
- Good sales from new build
 - Supported by competitor fabricator weakness and Government initiatives
- Strong performance from Vista doors

▶ Effective action taken in response to continuing input cost inflation

- Dynamic approach to selling prices and surcharges
- Progressive forward energy hedging policy
- Benefit of recycling operation

▶ Improving operating efficiencies

- Benefit of recent investments in operating capacity
- Effective action in H2 2021 to address supply chain disruption and labour availability

▶ Operating profit up 5% on H1 2021

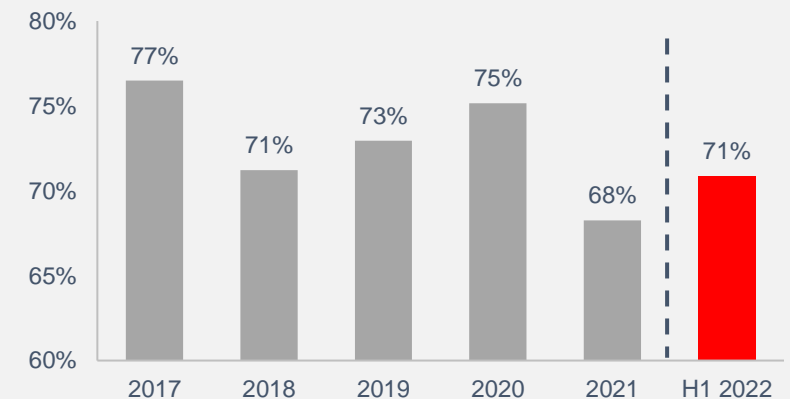
- Driven by higher sales and improving operating efficiencies

Profiles Division P&L

£m	H1 2021	H1 2022	Change
3 rd party revenue	68.5	80.1	▲ 17%
Inter-segmental revenue ⁽¹⁾	35.9	37.9	▲ 6%
Total revenue	104.4	118.0	▲ 13%
Operating profit	11.6	12.2	▲ 5%

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

Overall Equipment Effectiveness (OEE)⁽²⁾



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

Divisional Review

Profiles – Opportunities to Grow Share

- ▶ **Gaining market share – estimate now c.18%**
- ▶ **3-fold increase in value of new account wins**
 - 18 new accounts won in 2022
 - Starting in Q4 and a boost for 2023
 - Strong new prospect pipeline
 - Supported by recent major investments in operating capacity driving excellent customer service



Ministry of Housing,
Communities &
Local Government

Future Homes Standard

2025

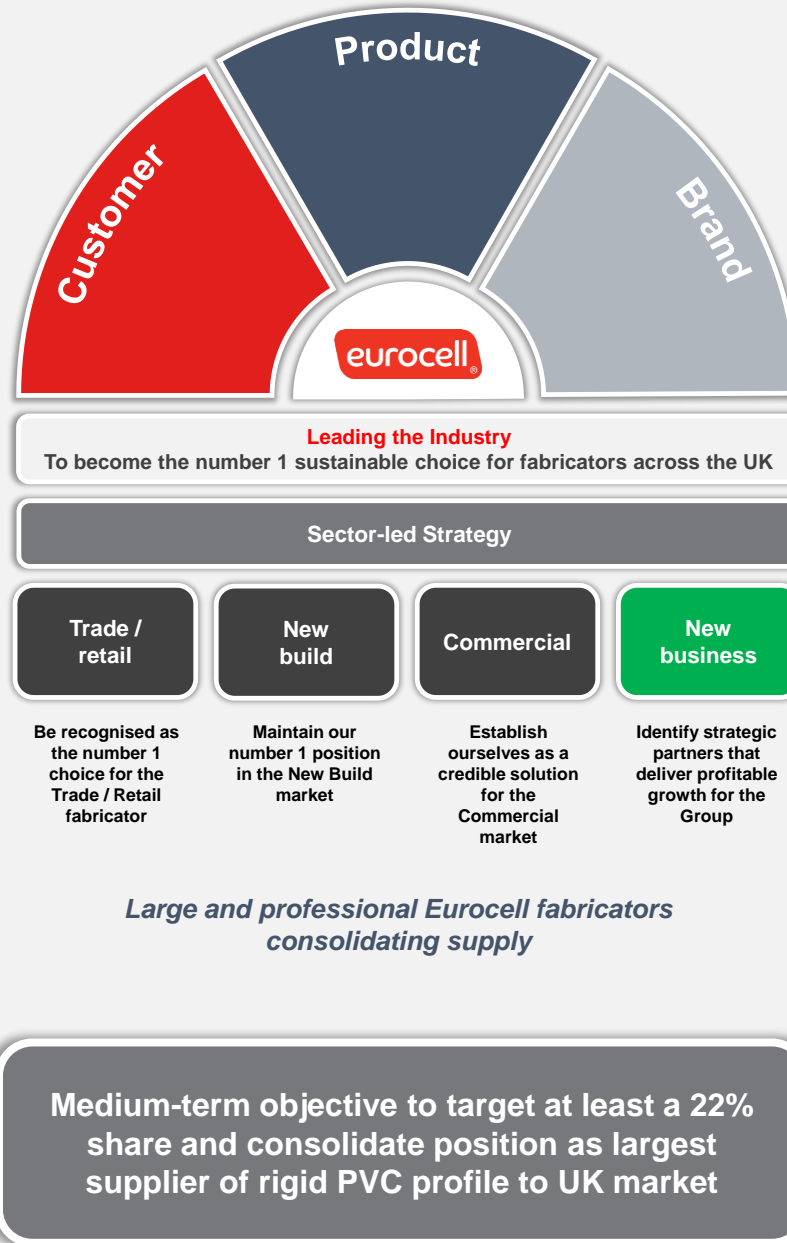
Year when the Future Homes Standard will be implemented

75%

From 2025, new homes will have to emit at least 75% less carbon than those built to current regulations

31%

Reduction in carbon emissions that new homes have so far produced vs current regulations



▶ **Compelling case for trade fabricators to switch to Eurocell**

- Strong product range, continued product development and range extension
- Benefit of pull-through profile and hardware specifications

▶ **Favourable new build dynamics**

- Building regulations complexity plays to Eurocell technical expertise
 - Future Homes Standard – windows and doors key to compliance
 - Drives high performance specifications
- Good relationships with large and medium-sized housebuilders
 - Now plan to target regionals
- Additional specifications driving volume for trade fabricators

▶ **Benefits of PVC in commercial sector**

- Energy efficiency and lower cost vs aluminium
 - Particularly private rentals, build-to-rent, student accommodation and education
- Strengthened sales and technical teams to provide added-value services

Divisional Review

Building Plastics – H1 2022 Performance

► Sales up 11% on H1 2021

- Volume kept pace with exceptionally strong 2021
 - Well ahead of pre-pandemic period
- Greater emphasis on high value project work
 - Roof lanterns, conservatory roofs, windows and bi-fold doors
- Outdoor living range sales up 36% vs H1 2021
 - Decking, fencing and garden rooms

► Network expansion – now 219 branches

- 12 new sites added in 2021
- 6 new sites now commissioned, to be open by early 2023

► Operating profit up 8% on H1 2021

- Driven by higher sales, cost control and reducing time to break-even for new branches

Indicative Branch Economics (Rounded)

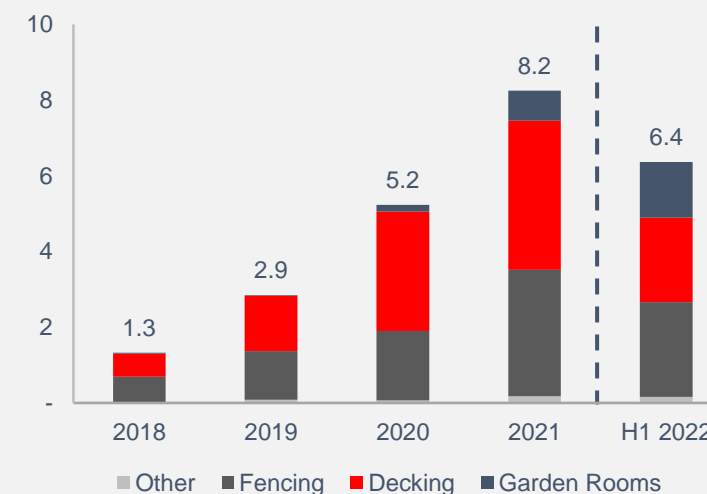
	Branches Opened		
	< 2 years	2-4 years	>4 years
No. of branches	12	12	195
Average sales per branch (£000)	440	690	940
Return on sales ⁽¹⁾ per branch (%)	Small loss	Up to 10%	Mid-teen %

(1) Operating profit as % of sales, before regional and central costs

Building Plastics Division P&L

£m	H1 2021	H1 2022	Change
3 rd party revenue	99.6	110.4	▲ 11%
Inter-segmental revenue	0.7	0.1	▼ 86%
Total revenue	100.3	110.5	▲ 10%
Operating profit	6.1	6.6	▲ 8%

Outdoor Living Range Sales (£m)



Divisional Review

Building Plastics –
Opportunities to Grow Share

First for service for the tradesperson

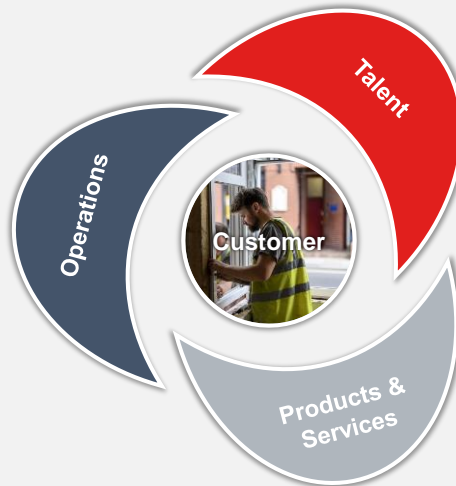


- ▶ Seamless digital experience
- ▶ Customer engagement plan
- ▶ Website range development
- ▶ “You grow, we grow...”

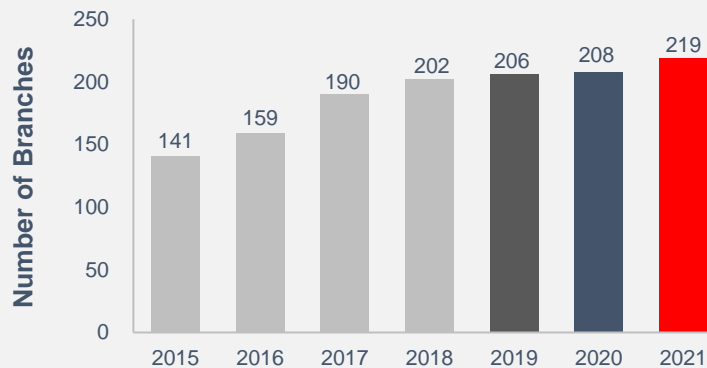
Create the market leading proposition

- ▶ Conservatory and roofs offer
- ▶ Standard and large branch formats
- ▶ City branches
- ▶ New branch break-even
- ▶ Market penetration through NPD
- ▶ Range extension

Target to become the number 1 choice for relevant trades across the UK



Fragmented market with > 60% served by small independents
Gaining market share – estimate now c.25% (roofline)



Medium-term objective to target world class operations from 270-300 sites

Listen and engage

- ▶ Communicate to engage
- ▶ Branch simplification programme
- ▶ Employee engagement
- ▶ Training and development
- ▶ Growing our own talent

Deliver value through services

- ▶ Being the lead on perceived value
- ▶ Data-driven customer contact plan
- ▶ Improve customer loyalty and grow sales with artificial intelligence
- ▶ Extended services that add value

Operate for less

- ▶ Range simplification
- ▶ Stock optimisation programme
- ▶ Locks and hardware proposition

Powerful Sustainability Credentials

Leading UK-based Recycler of PVC Windows

▶ Improving % of recycled material consumed

- Use in primary extrusion increased to 28% of consumption in H1 2022 (FY 2021: 27%)
- Strategic objective to increase to 33% of consumption
- Output also used in products made from 100% recycled material or sold to third parties

▶ Recycling drives substantial carbon and cost savings

- Estimate recycling operation saved > 48kt of carbon in 2021 vs the use of virgin PVC⁽¹⁾
- More than 3m end-of-life window frames saved from landfill in 2021
- Gross margin benefit from use of recycled material vs virgin compound

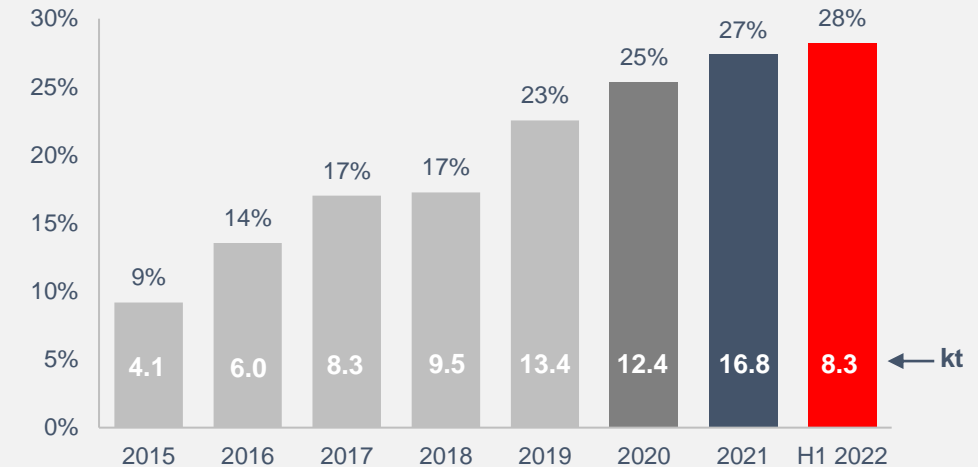
▶ Increased total waste recycled to 85% in H1 2022 (FY 2021: 82%)

- Strategies in place to increase waste material recovery
 - Waste windows and fabricator off-cuts (driven by commercial terms)
 - Finding new applications for recycling operation waste products previously landfilled
 - Substantially all scrap generated in extrusion is recycled

▶ Reporting progress to improve sustainability via suite of KPIs

- Encompassing: circular economy, emissions, energy management, social and governance
- Recently approved c.£1.5m investment in solar panels for primary manufacturing facilities
 - Supply of more than 5% manufacturing energy requirement

Use of Recycled PVC in Manufacturing



What does > 48k tonnes of CO₂ look like?

Annual CO₂ output of > 7,000 homes⁽²⁾

What does it mean for house builders?

Estimate a house builder constructing 2,500 semi-detached houses will save c.500 tonnes of CO₂ equivalent per year by using Eurocell windows and cavity closures, compared to a competitor using virgin PVC windows⁽³⁾

(1) Savings calculated at c.1.7t of CO₂ saved per tonne of recycle, derived from "Life Cycle Assessment of Re-cycling PVC Window Frames", Heinz Sticchnothe, School of Chemical Engineering and Analytical Science, University of Manchester

(2) Based on 2017 UK national figures

(3) Based on typical semi-detached home with 7 windows and french doors

Looking to a Sustainable Future

Four Themes to Our Sustainable Development

► Carbon, energy and water

- Defining pathway to potential carbon neutrality and net zero
 - Continuing to reduce Scope 1 and 2 emissions, particularly in PVC extrusion and recycling
 - Reducing transport and mobile plant emissions
 - Working with suppliers and sector partners to better understand and improve Scope 3 emissions
- Further developing our closed-loop water cooling

► Waste minimisation and circularity

- Strengthening our materials recovery and process optimisation, driving leaner and more sustainable resource use
- Creating Environmental Product Declarations (EPDs) to differentiate our key products on sustainability grounds

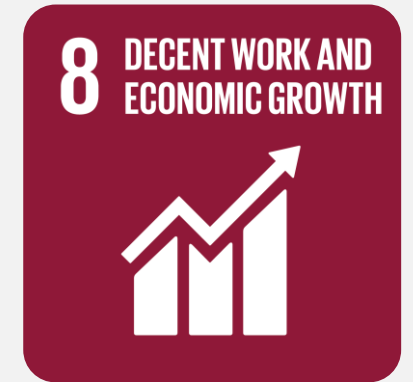
► People and places

- Increasing focus on employee wellbeing, including mental health, remote working and diversity – becoming a regional employer of choice
- Continuing to develop new and / or refurbish facilities
- Stepping up our community engagement

► Governance

- Reporting our progress vs ESG targets and KPIs
- Enhancing our non-financial disclosures
- Improving sustainability scores and aligning with appropriate standards

Leading UN Sustainable Development Goals for Eurocell



Financial Highlights

Michael Scott – Chief Financial Officer

Revenue

£190.5m

▲ 13% H1 2021: £168.1m

Profit before tax

£15.2m

▲ 7% H1 2021: £14.2m

Operating profit margin

8.7%

▼ 0.4% H1 2021: 9.1%, FY 2021: 8.5%

Earnings per share

11.2p

▲ 13% H1 2021: 9.9p

Interim dividend

3.5p per share

▲ 9% H1 2021: 3.2p per share

Net debt (pre-IFRS 16)

£15.0m

▲ £4.0m December 2021: £11.0m

▶ Good financial results against strong 2021 comparatives

- Substantial progress in sales and profits compared to the pre-pandemic period

▶ Sales ▲ 13% vs H1 2021

- Sales up 40% vs H1 2019, with 3-year sales volume CAGR⁽¹⁾ of 11%

▶ Profit before tax ▲ 7% vs H1 2021

- Profit before tax up 46% vs H1 2019
- Benefit of higher sales and improved operating efficiencies
- Successfully recovering unprecedented input cost inflation
- Overheads up 17% includes impact of inflation, as well as additional headcount / pay increases implemented in H2 2021 to secure required labour, plus impact of new branches

▶ Earnings per share ▲ 13%

- Includes the benefit of a lower tax rate

▶ Interim dividend of 3.5p per share (£3.9m) ▲ 9%

▶ Pre-IFRS 16 net debt ▲ £4.0m vs December 2021

- Good headroom and liquidity, despite significant impact of inflation on working capital

Financial Performance

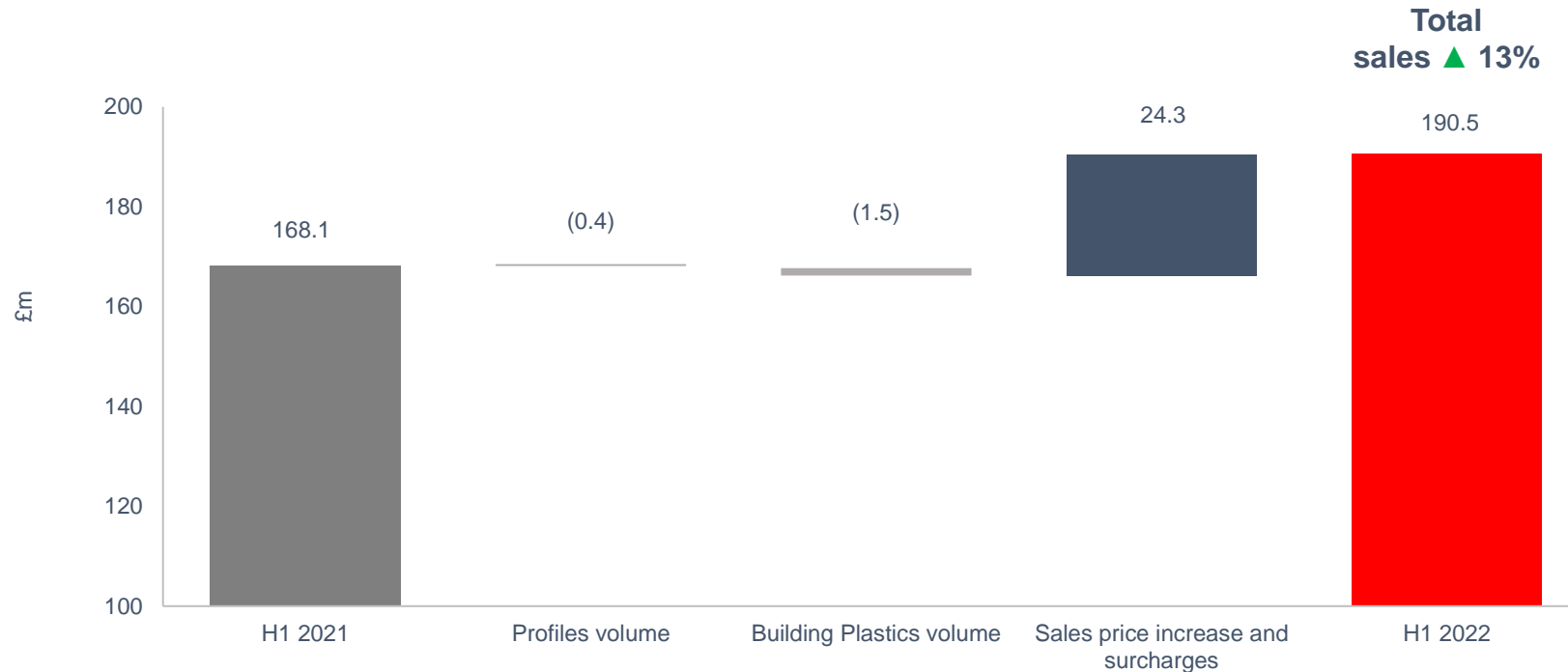
Group Income Statement

£m	H1 2021	H1 2022	Change
Revenue	168.1	190.5	▲ 13%
Gross profit	84.4	96.5	
<i>Gross margin %</i>	<i>50.2%</i>	<i>50.7%</i>	
Overheads	(58.3)	(68.0)	▲ 17%
IFRS 9 impairments	0.5	-	
EBITDA	26.6	28.5	▲ 7%
Depreciation and amortisation	(11.3)	(11.9)	
Operating profit	15.3	16.6	▲ 8%
Finance costs	(1.1)	(1.4)	
Profit before tax	14.2	15.2	▲ 7%
Taxation	(3.2)	(2.7)	
Profit after tax	11.0	12.5	▲ 14%
Basic EPS (pence)	9.9	11.2	▲ 13%
Dividends per share (pence)	3.2	3.5	▲ 9%



Sales

Good Performance vs Strong 2021 Comparatives



► Sales ▲ 13% vs H1 2021

- Includes c.14% from selling price increases and surcharges
- Volumes kept pace with exceptionally strong comparative period
- Profiles ▲ 17%, with volumes flat
- Building Plastics ▲ 11%, with volumes down 1% (flat on a trading day basis)

► Sales ▲ 40% vs H1 2019

- Profiles ▲ 39% and Building Plastics ▲ 40%
- Substantial progress vs pre-pandemic period
- 3-year sales volume CAGR⁽¹⁾ of 11%

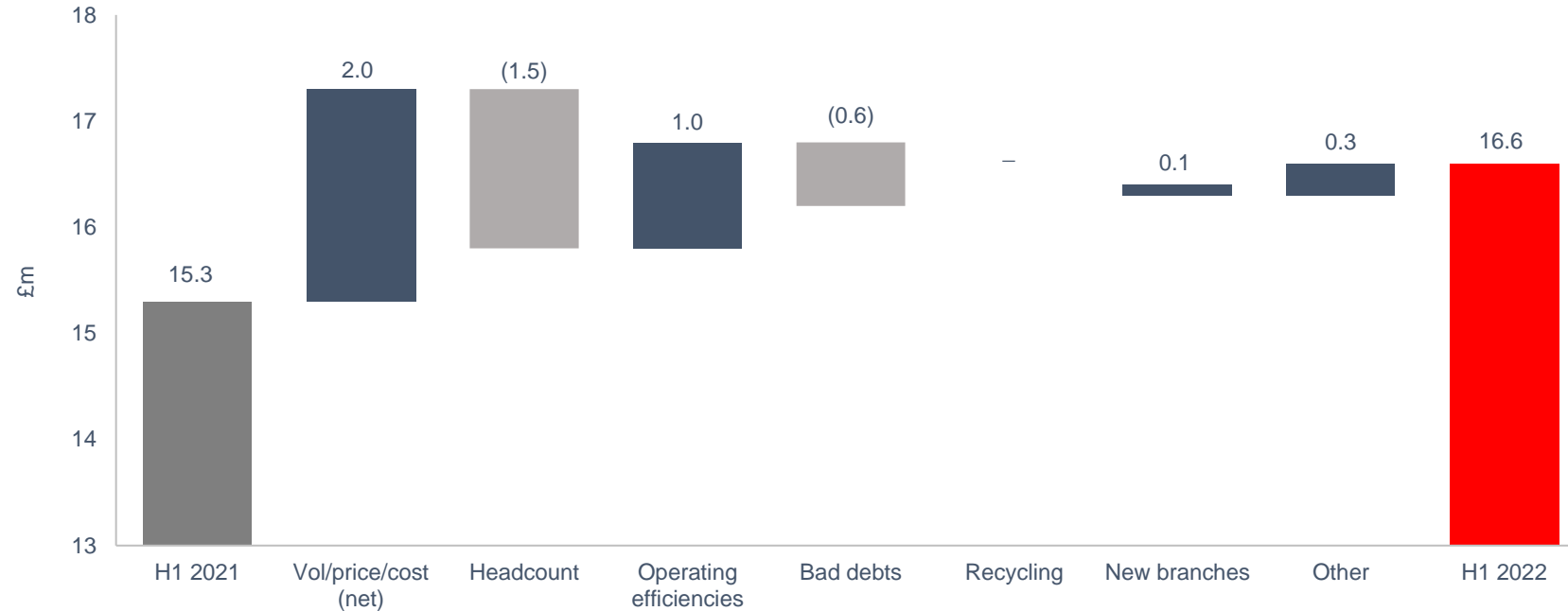
► Cyber incident occurred late July

- Temporary disruption, but now substantially resolved
- Operational throughout, with core systems restored promptly
- Trading normally from mid-August
- Expect cyber insurance to largely cover financial impact
- Built on recent investments to implement additional security

(1) Compounded annual growth rate

Operating Profit

Good Performance vs Strong 2021 Comparatives



▶ **Operating profit ▲ 8% (£1.3m) vs H1 2021**

- Up 47% (£5.3m) vs H1 2019

▶ **Volume/price/cost (net)**

- Sales volumes flat (on a trading day basis)
- Selling price increases and surcharges recovering unprecedented input cost inflation, especially raw materials, energy, fuel and wages

▶ **Headcount – additions in H2 2021 to secure labour required to meet strong demand**

▶ **Operating efficiencies – benefit of recent investments in operating capacity**

▶ **Bad debts – credit of £0.5m in H1 2021 vs a charge of £0.1m in 2022**

▶ **Recycling – usage up to 28%, volumes flat vs H1 2021**

- Absolute gross margin benefit from 8.3kt used instead of virgin compound

▶ **New branches – 12 opened in 2021**

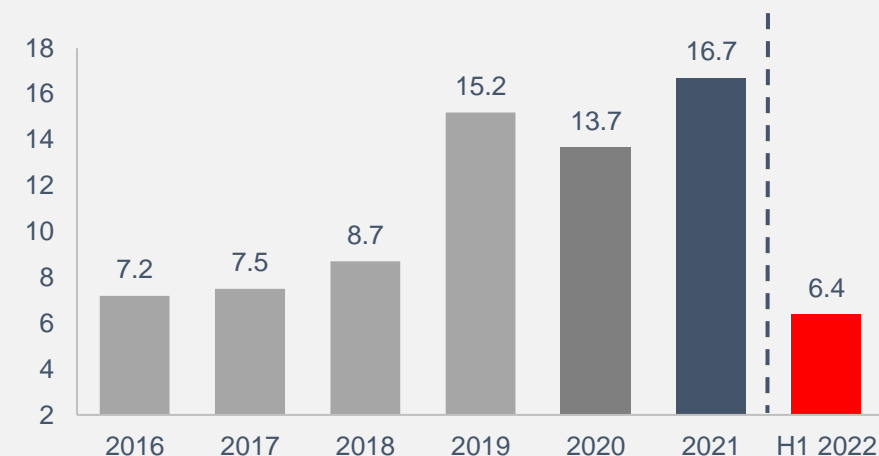
Capex

Investment in Operating Capacity

- ▶ **Recent investment in capacity to resolve operational constraints and facilitate further sales and market share growth**
- ▶ **H1 2022 capex £6.4m (H1 2021: £7.3m)**
 - Manufacturing capacity expansion c.£1.5m
 - Warehousing and logistics c.£1m
 - Improvements to IT infrastructure c.£1.5m
 - Other c.£2.4m – recycling, solar panels and maintenance capex
- ▶ **2022 capex guidance c.£15m**
 - Manufacturing capacity expansion £6m includes:
 - 5 primary extrusion lines, tooling and mixing plant upgrade
 - 4 foiling lines
 - Recycling capacity £2m
 - Branch relocations and refurbishments £2m
 - Other £5m – warehousing, logistics, IT and maintenance capex
- ▶ **2022 focus on delivering improved operating efficiencies from new facilities**

Manufacturing Expansion	2018	2019	2020	2021	2022⁽²⁾
Extruders (#)	51	59	59	64	69
Capacity at year end	49kt	60kt	60kt	66kt	71kt
Production	50kt	55kt	46kt	57kt	c.57kt

Total Capital Expenditure (£m)



Capital Expenditure Allocation (£m)

Capex £m	2018⁽¹⁾	2019	2020	2021	2022⁽²⁾
Manufacturing capacity	3	5	-	7	6
Recycling capacity ⁽¹⁾	7	6	2	1	2
Warehousing capacity	-	-	8	2	1
Other (inc. maintenance capex)	4	4	4	7	6
Total	14	15	14	17	15

(1) Includes acquisition consideration of £5m for Eurocell Recycle North

(2) Full year capex and production guidance

Working Capital

Impact of Inflation

▶ Outflow from working capital £9.6m

- Significant impact of cost inflation, selling price increases and surcharges (net c.£8m)

▶ Stock days at 101 vs 95 at December 2021 and 72 at June 2021

- Stocks ▲ £10.1m since December 2021
 - Includes significant impact of resin and other raw material cost inflation on stock valuation (c.£6m)
 - Investment in stocks in H2 2021 in response to supply chain disruption
 - Volume of manufactured products flat in H1 2022
 - Volume of outdoor living products up c.£2m in H1 2022

▶ Debtor days at 36 vs 34 at June 2021

- Receivables ▲ £10.7m since December 2021
 - Impact of seasonality, price increases and surcharges
 - Good cash collection

▶ Creditors ▲ £11.2m since December 2021

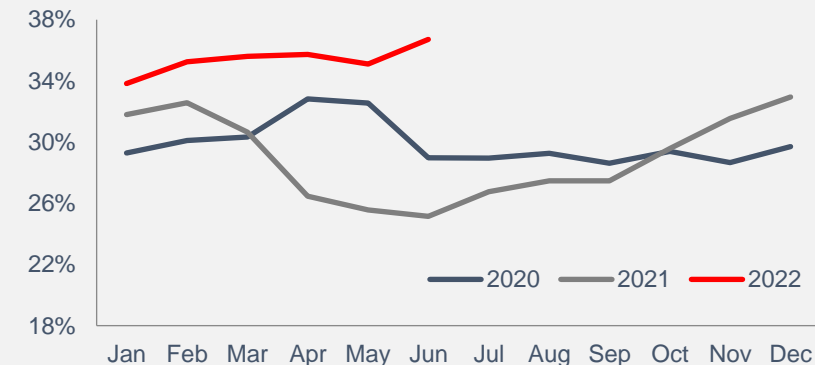
- Impact of seasonality and inflation

(1) Stock days / debtor days metrics exclude acquisitions

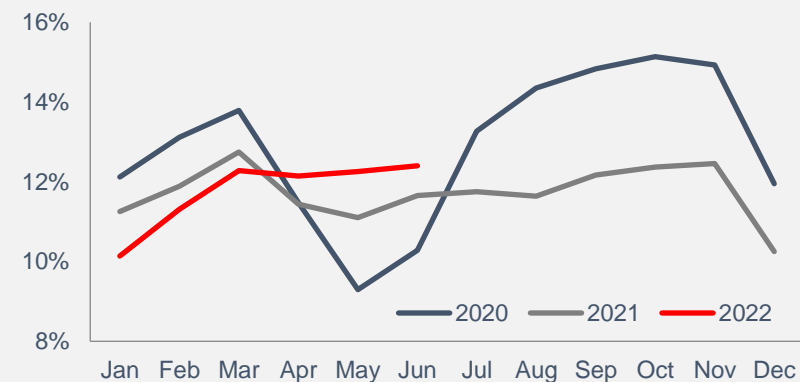
Key Working Capital Metrics⁽¹⁾

	Stock Days ⁽¹⁾	Debtor Days ⁽¹⁾
June 2021	72	34
December 2021	95	30
June 2022	101	36

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

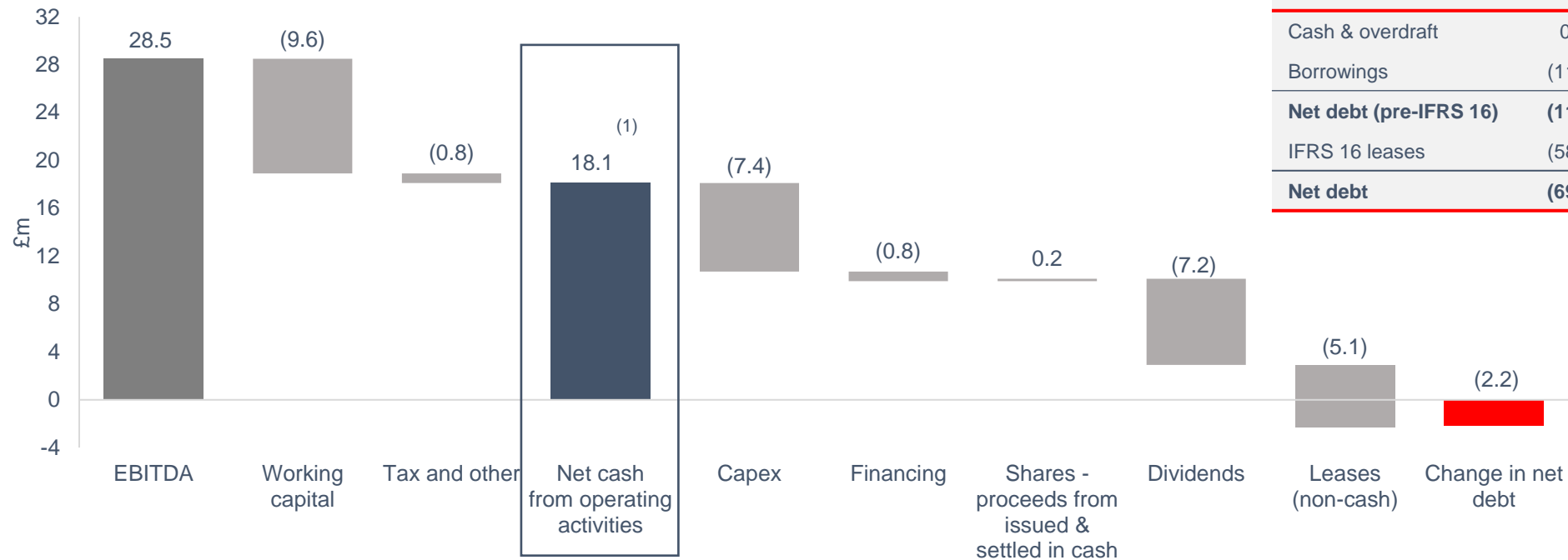


Trade Receivables as a % of LTM Sales⁽¹⁾



Cash Flow

Significant Headroom and Good Liquidity



Net Debt Reconciliation

£m	Dec 2021	Jun 2022	Change
Cash & overdraft	0.7	6.3	5.6
Borrowings	(11.7)	(21.3)	(9.6)
Net debt (pre-IFRS 16)	(11.0)	(15.0)	(4.0)
IFRS 16 leases	(58.7)	(56.9)	1.8
Net debt	(69.7)	(71.9)	(2.2)

(1) Cash generated from operations of £19.8m less tax paid

► Outflow from working capital £9.6m

- Stocks ▲ £10.1m
- Receivables ▲ £10.7m
- Payables ▲ £11.2m

► Tax paid and other

- Tax payments £1.7m
- Provisions and share-based payments £0.9m

► IFRS 16 debt decreased by £1.8m

- Net impact of new branch leases and renewals, less cash payments on leases

► Financing £0.8m

- Finance costs £0.5m and accelerated amortisation of RCF costs on refinancing £0.3m

► Strong balance sheet and liquidity position

- Refinanced £75m unsecured revolving sustainable credit facility in May

Capital Allocation

Strong Balance Sheet



▶ **Capital investment to expand organic capacity**

- Manufacturing
- Logistics
- Recycling
- New branches
- IT

▶ **Dividend cover of 2x through the cycle**

▶ **Disciplined approach to acquisitions**

- Clear strategic and financial criteria

▶ **Refinanced £75m unsecured sustainable RCF, matures in 2026**

▶ **Indicative net debt to EBITDA of 0.5-1.5x through the cycle**

- Pre-IFRS 16 basis

▶ **Consider supplementary distributions when appropriate**

Financial Summary

Including Technical Guidance for 2022

▶ Good financial results against tough 2021 comparatives

- Strong price-driven sales growth
- Successfully recovering unprecedented input cost inflation via price increases and surcharges
- Recent investments in capacity now delivering improved operating efficiencies
- Operating profit up on 2021
- Substantial progress in sales and profits vs pre-pandemic period

▶ Strong balance sheet and liquidity

▶ Looking forward

- Customers reporting full order books and robust H2 trading
- Continuing to take market share
- Outlook in line with expectations

Guidance stated post-IFRS 16	2021 Reported	2022 Guidance
Underlying income statement		
Depreciation and amortisation	£22.7m	c.£24m
Finance costs	£2.0m	c.£3m
Effective tax rate	22%	c.19%
Balance sheet		
Working capital	£19.4m outflow	c.£10m outflow
Capex	£16.7m	£15m

Outlook

Well Positioned with Proven Ability to Outperform in our Sectors

Eurocell revenue

Private RMI

c.80%

New build

c.15% and increasing

Commercial

c.5%

Sector backdrop

Macroeconomic uncertainty

- Opportunity to take further market share

Robust new build market

- Well positioned to benefit from Future Homes Standard

Post-COVID recovery

Eurocell drivers of out-performance

- ▶ **New accounts: 3-fold increase in value of Profiles account wins – 18 in H1 2022, starting in Q4 and a boost for 2023**
- ▶ **Strong new account pipeline**

Increasing share in Profiles

- Leveraging major investments in operating capacity to deliver excellent customer service
- Leading fenestration industry response to Future Homes Standard
- Benefit of specifications salesforce to pull-through demand
- Extending strong relationships with large and medium-sized house builders now into regionals
- Large and professional Eurocell fabricators consolidating supply
- Vista increasing market share in doors

Increasing share in Building Plastics

- New and maturing branches
- Redesigned conservatory and roofs proposition
- Range extension, including outdoor living products
- Improving standard and larger format stores
- New website and enhanced digital experience
- Increasing higher value project work
- Value-added services, including installer scheme

Improving operating efficiencies

- Leveraging major investments in operating capacity to deliver efficiencies
- Benefit of securing the labour needed in H2 2021 to meet strong demand

Recovering input cost inflation

- Dynamic approach to selling prices and surcharges

Uniquely differentiated on sustainability

- Recycling drives major cost and carbon savings

Appendices



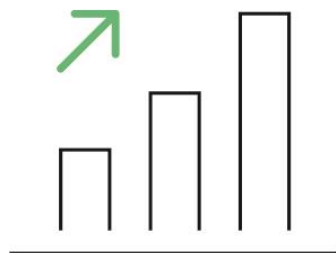
Investment Case

- ✓ **Clear strategy and priorities**
- ✓ **Leading market positions**
- ✓ **Proven ability to deliver revenue growth and good potential to outperform**
- ✓ **Operational capacity constraints resolved through major investments**
- ✓ **Uniquely differentiated on sustainability through recycling operation**
- ✓ **Continued investment in people, products and processes**
- ✓ **Investments now delivering improved returns**



Medium-term Ambitions

Delivering Sustainable Growth in Shareholder Value



Growth



Sustainability



Profitability

	Revenue	Recycling	Operating profit margin
Track record	<ul style="list-style-type: none"> Consistent and proven delivery of organic sales growth well above market levels 	<ul style="list-style-type: none"> Leading UK-based recycler of PVC windows % recycled material consumed pa up from 9% (4kt) to 27% (17kt) 	<ul style="list-style-type: none"> Margins impacted by exceptional sales growth running ahead of operating capacity Some dilution from raw material cost increases – resin price increased c.£700/t between 2016 and 2021
3-5 year objectives	<ul style="list-style-type: none"> Profiles market share up from c.18% to 22% EBP branches up from 219 to 270-300 Maturing branches 	<ul style="list-style-type: none"> Keep pace with sales growth Continue to increase % recycled material consumed 	<ul style="list-style-type: none"> Leverage recent capital investments and market share growth to deliver improved operating efficiencies
Ambitions	<ul style="list-style-type: none"> Outperform our markets 	<ul style="list-style-type: none"> 33% raw material consumption from recycled material 	<ul style="list-style-type: none"> Operating profit margin improvement of 150bps

Product Range



Ranges of window profile and doors



Fascias, soffits and guttering



Traded goods

Standard products



Skypod pitched skylights



Conservatories and Equinox tiled roofs



Syncro patio and Aspect bi-fold doors

Made to order products

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)



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 219 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 Plastics (building plastics distributor, acquired in 2018)
- Trimseal (building plastics distributor, acquired March 2019)











Environmental and Social

Targets and KPIs

	KPI	2020 Base	2021 Result	Target	Link to UN SDGs
Environmental – circular economy					
Recycled material used in production	% used	25%	27%	1% increase per year	
CO ₂ saved by recycling operation	Tonnes saved	36kt	> 48kt	Year-on-year increase	
Waste recycled	% recycled	79%	82%	Year-on-year increase	
Environmental – emissions and energy management					
Greenhouse gas (GHG) emissions	GHG intensity ratio	70t CO ₂ / £m sales	51t CO ₂ / £m sales	5% reduction by 2025	
Energy consumption	Energy use intensity ratio	267 MWh / £m sales	222 MWh / £m sales	5% reduction by 2025	 
Renewable energy	Renewable energy used	19% total energy	78% total energy	50% increase by 2025	
Social					
Health & safety	Lost time injury rate	0.7 per 100,000 hours	0.8 per 100,000 hours	50% reduction by 2025	
Employee engagement & recruitment	Labour turnover	21%	26%	Year-on-year reduction	   
Employee satisfaction	Annual survey response rate and overall satisfaction level	n/a	60% and 68%	Year-on-year increase	
Diversity	Female employees	12.8%	13.4%	Year-on-year increase	
Remuneration	National Living Wage (NLW)	All employees at or above NLW	All employees at or above NLW	All employees above NLW by 2023	
Education	Apprenticeships / Kickstarters	32	79	20% increase by 2025	

► Objectives align with relevant UN Sustainable Development Goals (SDGs)

- Circular economy
- Energy and emissions
- Social

 No poverty	 Quality education	 Affordable clean energy	 Responsible production and consumption
 Good health and well-being	 Gender equality	 Decent work and economic growth	 Climate action

Recycling Inputs and Outputs

Major Cost and Carbon Savings

K tonnes	2020	2021	H1 2022
Inputs – waste recycled			
Post-consumer	27.0	40.5	18.0
Post-industrial	6.7	7.7	4.1
Total	33.7	48.2	22.1
Outputs – recycled material produced			
Total	21.1	28.5	14.5
Usage			
Primary extrusion	12.4	16.8	8.3
Products made from 100% recycled material	4.3	7.3	3.3
Sales to trade extruders	3.4	4.3	1.8
Total	20.1	28.4	13.4
Recycled material % of total consumption			
Primary extrusion total consumption	49.0	61.4	29.3
Recycled material % of total consumption (%)	25%	27%	28%

▶ Leading UK-based recycler of PVC windows

- Substantial investments since 2018
- Keeping pace with sales growth and increasing % recycled material used in primary extrusion

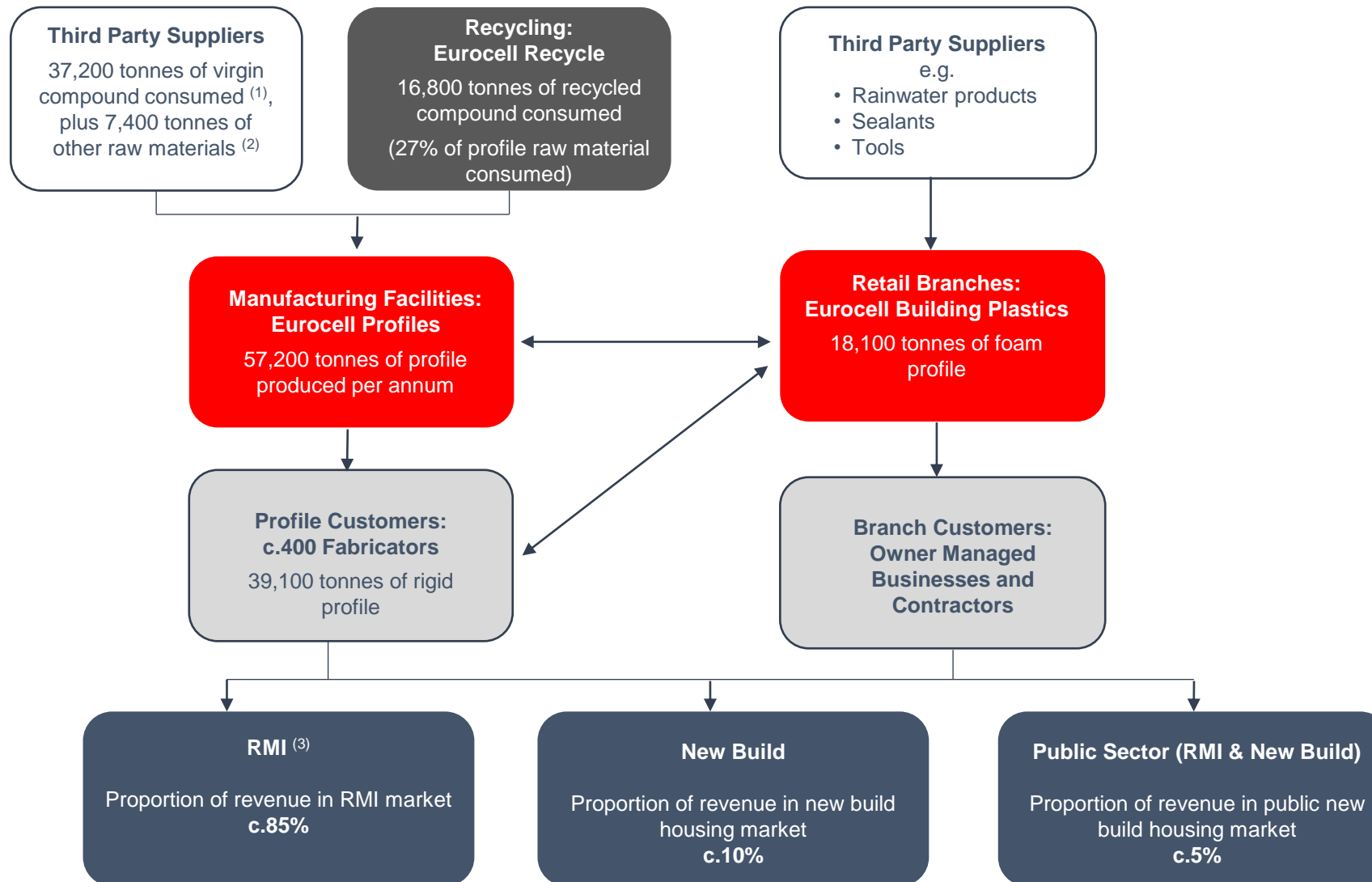
▶ Significant economic benefit from recycling

- Through the cycle, cost of making recycled compound < price of buying virgin compound
- Increasing benefit as resin price rises

▶ Other benefits from recycling

- **Environmental** – carbon savings: recycling saved > 48kt of carbon in 2021 vs use of virgin PVC
- **Commercial** – leverage sustainability with customer base, consumers and other stakeholders

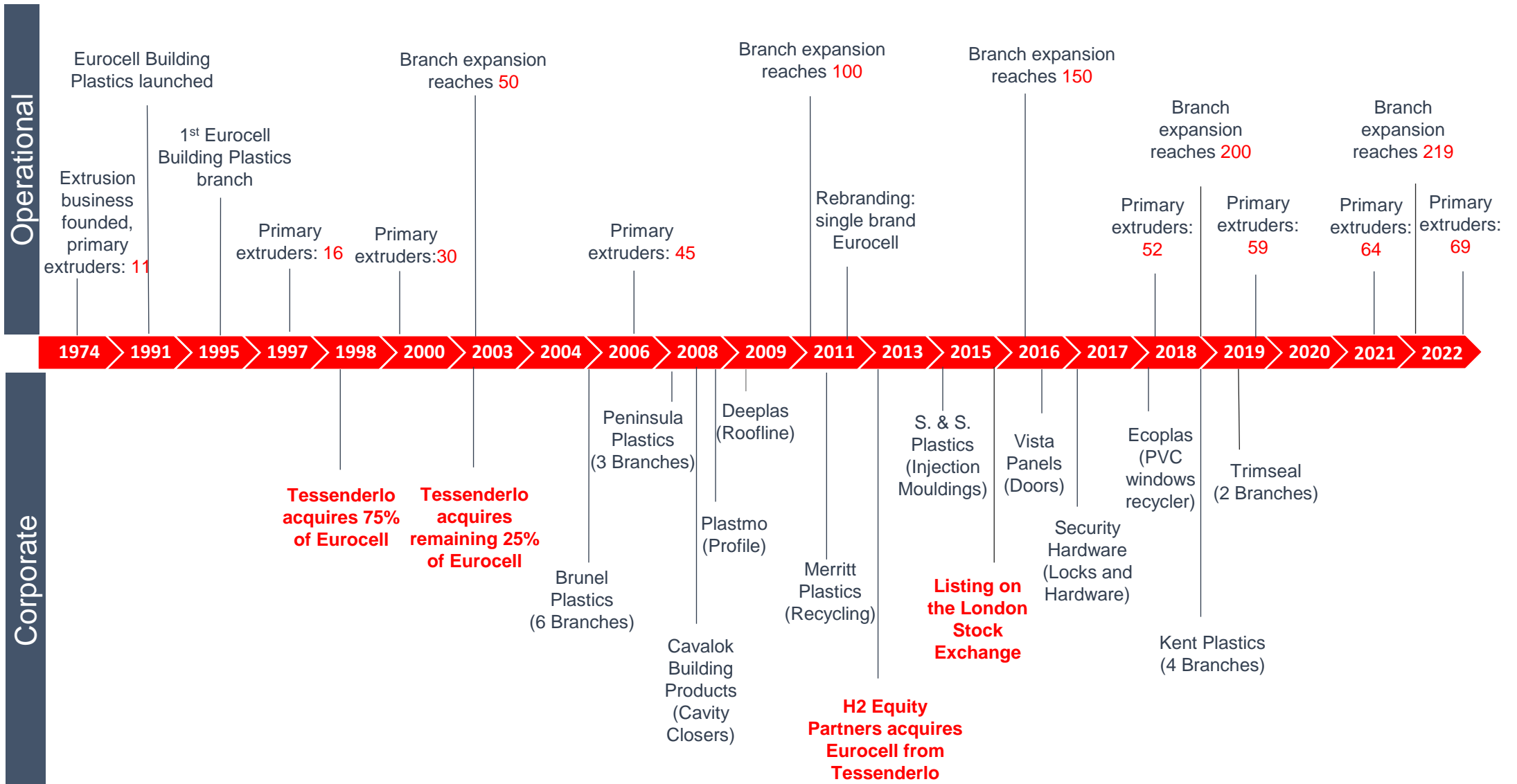
Route to Market



(1) Rigid Virgin Resin: stabiliser, titanium dioxide, impact modifier, filler
 (2) Other raw materials: e.g. skin and rubber flex

(3) Repair, Maintenance and Improvement
 (4) Tonnages shown are approximate based on 2021 volumes

Group History



DISCLAIMER

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements.

These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and

uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

These forward-looking statements speak only as of the date of this Presentation and the Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Presentation. Neither the issue of this Presentation nor any part of its contents is to be taken as any form of commitment on the part of the Company to proceed with any transaction.

In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal or investigation of the Company.

In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.



All together better