

# EUROCELL PLC

2023 Half Year Results



## **Agenda**

**Overview**

**Business Update**

**Financial Review**

**Summary and Outlook**

## **Presenters**

**Darren Waters**

**Chief Executive Officer**

**Michael Scott**

**Chief Financial Officer**

# Overview

Darren Waters – Chief Executive Officer

Financial results in the short term impacted by weak market backdrop

Early and decisive action on cost in response to lower volumes

Efficient working capital management driving good cash flow

Well positioned for when markets recover

## Revenue

**£184.4m**

▼ 2% H1 2022

## Profit before tax

**£6.0m**

£15.7m H1 2022

## Net Cash from Operating Activities

**£20.9m**

£18.1m H1 2022

## Net debt (pre-IFRS 16)

**£15.2m**

£14.4m December 2022

## Interim dividend

**2.0p per share**

3.5p H1 2022

# Market Backdrop

## Weak RMI and New Build Markets

### ▶ Challenging market backdrop

- Reduced RMI activity
  - Weak consumer confidence, reflecting higher cost of living and interest rates
  - Home-owners pulling back on discretionary expenditure
- Severe decline in new build
  - Successive interest rate increases and house prices beginning to fall
  - Housebuilders reduced activity levels in anticipation of lower sales
- Market now below CPA's July construction industry forecasts<sup>(1)</sup>
- FENSA<sup>(2)</sup> reported installations down 8% in H1 vs 2022 comparatives, with Q2 down 12%

### ▶ Duraflex extrusion facility to close in September

- Estimate c.6% of UK PVC window profile market
- Secured Polyframe (largest Duraflex external customer)

### ▶ H1 Group sales down 2% on H1 2022

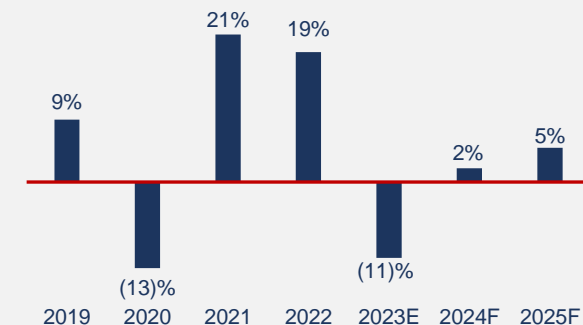
- Volume down 6%, against strong comparative period
- Profiles sales down 1%, with volume down 5%
  - Reduced RMI and weaker new build activity
  - Partially offset by the benefit of recent market share gains
- Building Plastics sales down 3%, with volume down 6%
  - RMI volume in the branches steady but subdued

(1) Construction Products Association Forecasts 2023-25, published July 2023

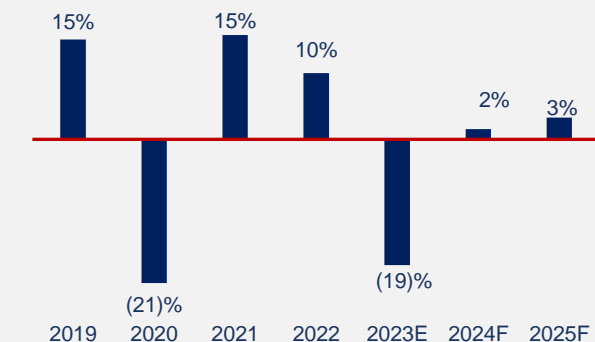
(2) Fenestration Self-Assessment Scheme – a government-authorised scheme that monitors building regulation compliance for replacement windows and doors

## CPA Construction Products Industry Forecasts 2023-25 <sup>(1)</sup>

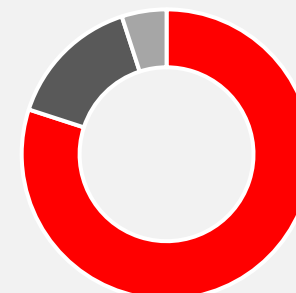
### Private housing RMI growth



### Total housing growth



### Eurocell Revenue by Market



**RMI c.80%**  
**New build c.15%**  
**Public Sector (new build and RMI) c.5%**

# Management Actions

## Focus on Costs and Cash Flow

### ► Early action on costs in response to continued market deterioration

- Disposal of Security Hardware in Q4 2022
- Restructuring in Q4 2022
  - Reduced operating costs by £5m per annum from the start of 2023
  - Including headcount reduction of 65
- Restructuring in Q2 2023
  - Reduced operating costs by £4m per annum (impact of £2m in H2 2023)
  - Including headcount reduction of 100

### ► Focus on cash and efficient working capital management

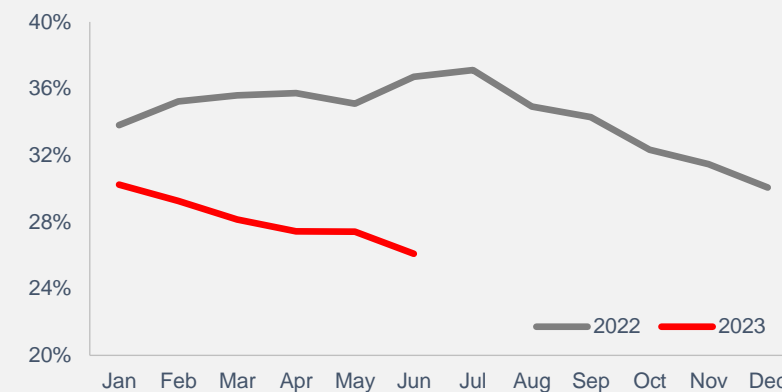
- Stock build in H2 2021 / H1 2022 to protect the business from supply chain disruption
- Optimisation programme initiated in H2 2022
  - Stock reduction of £5m in H2 2022 and a further £6m in H1 2023, including the benefit of lower input costs
  - Achieved through improved conformance to production plans and operating efficiency
  - No impact on customer service, with OTIF remaining at 97%
- Capex for 2023 reduced to £9m (2019-22 average £14m per annum)

### ► Net cash generated from operating activities up 15% vs H1 2022

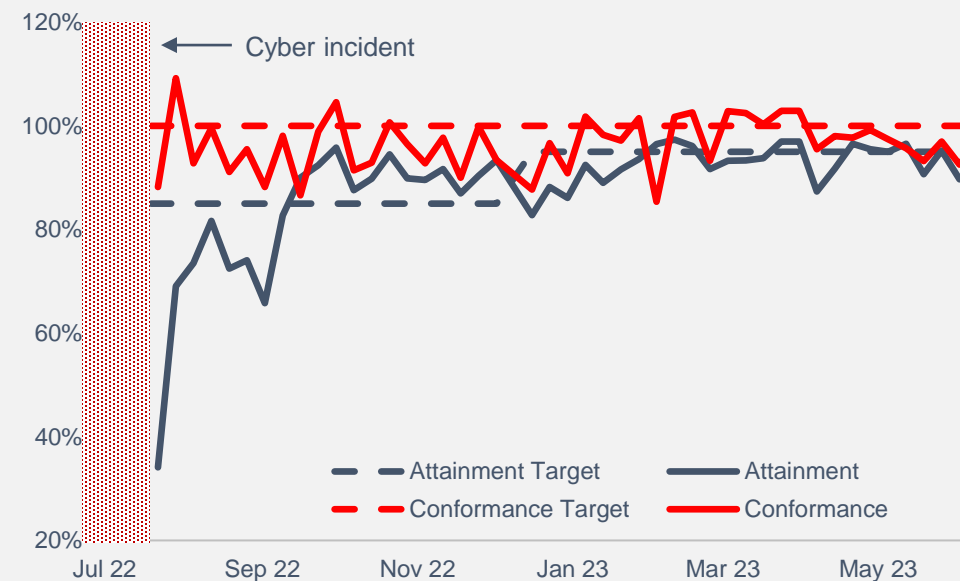
- Net debt (pre-IFRS 16) at June 2023 of £15m (December 2022 £14m, June 2022 £15m)

### ► Actions leave the business well positioned for when markets recover

Inventory as a % of LTM Cost of Sales



Conformance to Production Plan



# Input Costs and Margin

## Impact of Lower Volumes and Inflation

### ▶ Persistent input cost inflation, particularly labour and electricity

- Continuing to recover via selling prices and surcharges where possible
- Progressive forward energy hedging policy
- PVC resin prices fell back slightly, and anticipate some easing on input cost pricing in H2

### ▶ Recycling feedstock prices 66% higher than H1 2022

- Reduced material availability due to contraction in window replacement market
- Strategies in place to increase feedstock supply
- With reduced demand and lower virgin costs, feedstock prices may fall in H2

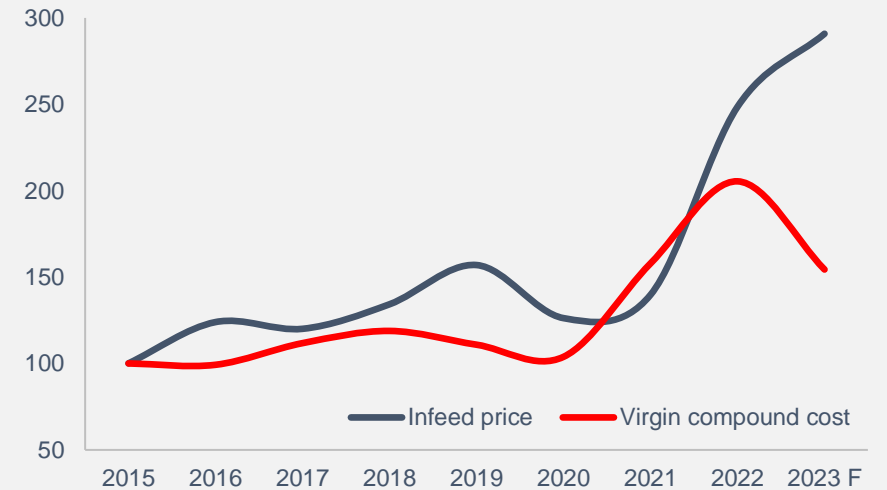
### ▶ Increased competition for limited demand leading to pressure on margins in the branch network

- Tougher pricing environment

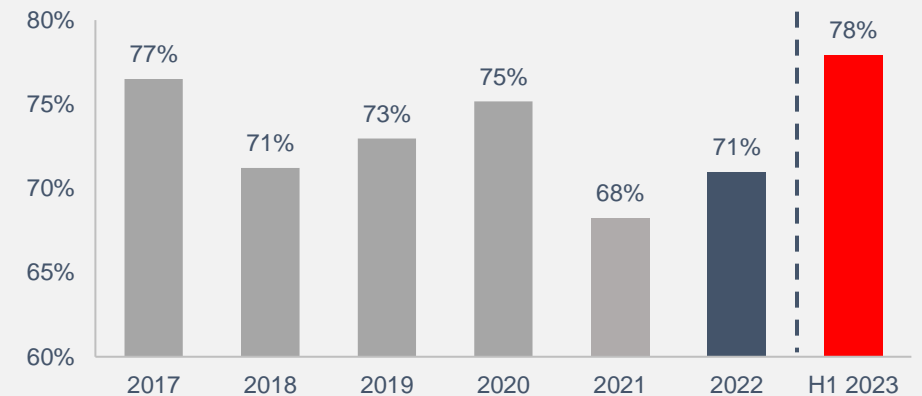
### ▶ Operational gearing impact

- H1 profits and operating margin down due to lower sales volumes, margin pressure in the branches and higher recycling feedstock prices
- Action taken on cost with no impact on ability to supply stronger markets
- Well invested operating facilities delivering efficiencies as planned
  - OEE<sup>(1)</sup> increased to 78% (H1 2022: 71%)
- Potential to benefit from positive operational gearing effect when volumes recover

Virgin resin and Recycling Feedstock prices (indexed)



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



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

# Innovation

## New Product Development

### ► Increasing strength in product innovation

- Recent successful product launches include: garden rooms, updated conservatory roofs range and flat aluminium roof lantern

### ► EurXtension system launched in August 2023

- Combines existing Eurocell products with design innovation and modern methods of construction
- Contemporary and affordable alternative to traditional extensions
- Fitted to a concrete base and installed quickly



# Financial Highlights

Michael Scott – Chief Financial Officer

## Revenue

£184.4m

▼ 2% H1 2022: £188.8m

## Adjusted profit before tax

£6.0m

▼ 62% H1 2022: £15.7m

## Net cash from operating activities

£20.9m

▲ 15% H1 2022: £18.1m

## Net debt (pre-IFRS 16)

£15.2m

▲ £0.8m December 2022: £14.4m

## Adjusted earnings per share

4.3p

▼ 63% H1 2022: 11.6p

## Interim dividend

2.0p per share

▼ 43% H1 2022: 3.5p per share

### ▶ Revenue ▼ 2% vs H1 2022

- Some resilience in sales performance despite challenging market backdrop
- Volumes down 6% against a strong comparative period
- Recovering persistent input cost inflation with selling price increases where possible

### ▶ Adjusted profit before tax ▼ 62% vs H1 2022

- Impact of lower volumes
- Pressure on margins in the branches
- Recycling feedstock prices 66% higher than H1 2022
- Overheads down 3%, including impact of cost reduction programmes

### ▶ Net cash from operating activities ▲ 15% vs H1 2022

- Efficient stock management driving working capital improvement

### ▶ Pre-IFRS 16 net debt £15.2m

- Good headroom and liquidity

### ▶ Earnings per share ▼ 63% vs H1 2022

- Includes the impact of slightly higher tax rate

### ▶ Interim dividend of 2.0p per share



# Financial Performance

## Group Income Statement

£m	H1 2022 <sup>(1)</sup>	H1 2023 <sup>(1)</sup>	Change
<b>Revenue</b>	<b>188.8</b>	<b>184.4</b>	▼ 2%
Gross profit	95.8	84.8	
<i>Gross margin %</i>	50.7%	46.0%	
Overheads	(66.8)	(65.1)	▼ 3%
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>29.0</b>	<b>19.7</b>	▼ 32%
Depreciation and amortisation	(11.9)	(12.1)	
<b>Adjusted operating profit<sup>(2)</sup></b>	<b>17.1</b>	<b>7.6</b>	▼ 56%
Finance costs	(1.4)	(1.6)	
<b>Adjusted profit before tax<sup>(2)</sup></b>	<b>15.7</b>	<b>6.0</b>	▼ 62%
Taxation	(2.8)	(1.2)	
<b>Adjusted profit after tax<sup>(2)</sup></b>	<b>12.9</b>	<b>4.8</b>	▼ 63%
<b>Adjusted basic EPS (pence)<sup>(2)</sup></b>	<b>11.6</b>	<b>4.3</b>	▼ 63%
<b>Dividends per share (pence)</b>	<b>3.5</b>	<b>2.0</b>	▼ 43%
<b>Non-underlying items</b>	<b>-</b>	<b>(2.5)</b>	
<b>Reported profit before tax</b>	<b>15.7</b>	<b>3.5</b>	▼ 78%
<b>Discontinued operations</b>	<b>(0.4)</b>	<b>-</b>	

### ▶ Action on costs in response to lower volumes

- Restructuring in Q4 2022 reduced operating costs by £5m per annum from the start of 2023
- Restructuring in Q2 2023 reduced operating costs by £4m per annum (impact of £2m in H2 2023)

### ▶ H1 2023 non-underlying items £2.5m include:

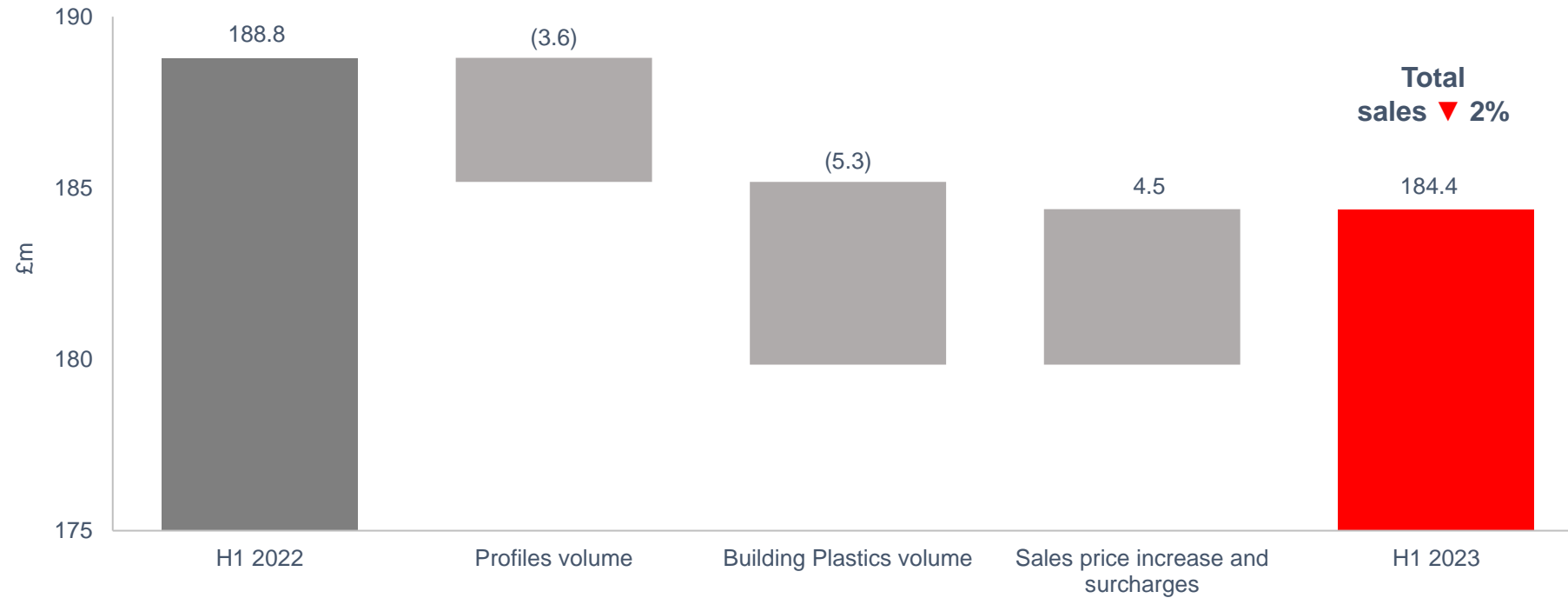
- £1.8m of termination costs in respect of Q2 restructuring
- £0.7m implementation costs for strategic IT projects – cloud-based “Software as a Service”

(1) Both years are presented on a continuing basis i.e. excluding Security Hardware, which was sold on 2 December 2022

(2) Adjusted measures are stated before non-underlying items of £2.5m and the related tax effect (no non-underlying items in H1 2022)

# H1 Sales

## Some Resilience in Weak Market Conditions



### ▶ Sales ▼ 2% vs strong comparative period, with volumes ▼ 6%

- Market conditions deteriorated during H1
- RMI impacted by weak consumer confidence
  - Homeowners pulling back on discretionary spend in response to higher costs of living
  - Reduced housing transactions
  - Fall in planning applications for larger residential improvements
- Severe decline in new build activity reflecting successive interest rate increases with prospect of more to come

### ▶ Profiles ▼ 1%, with volumes ▼ 5%

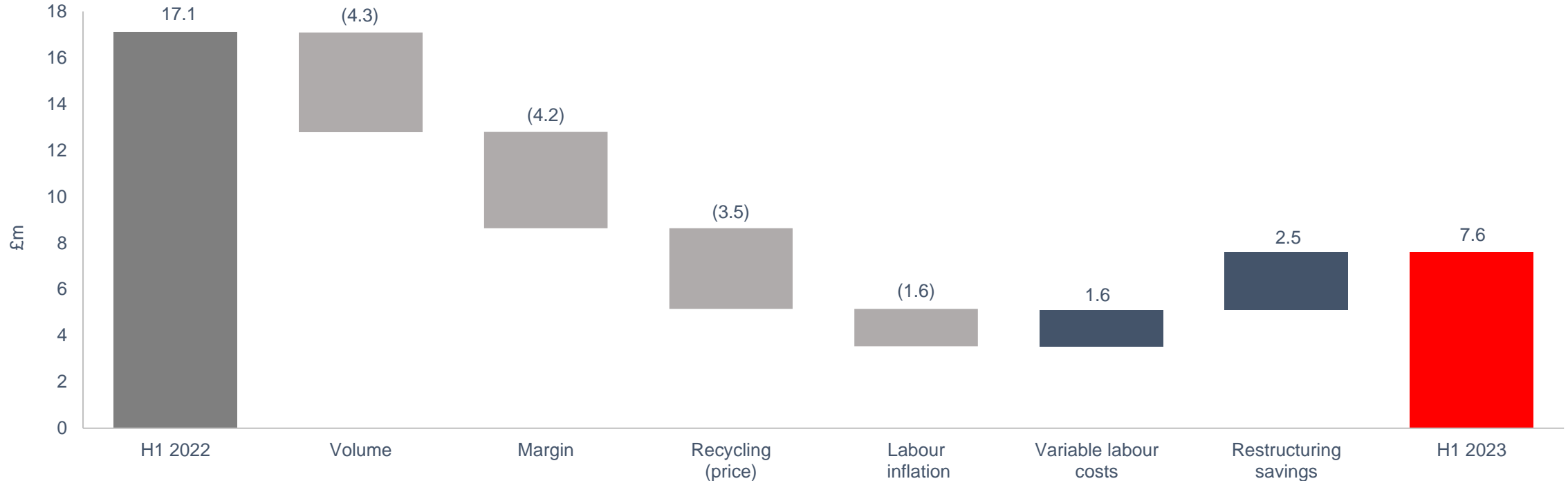
- Reduced RMI and weaker new build activity
- Partially offset by market share gains, with 18 smaller accounts added in H1 2023

### ▶ Building Plastics ▼ 3%, with volumes ▼ 6%

- RMI volume in the branches steady but subdued
- Still seeing reasonable volumes of high-value project work

# H1 Adjusted Operating Profit

Profits Down as Expected



▶ **Adjusted operating profit ▼ £9.5m vs H1 2022**

▶ **Volume ▼ 6%**

- Impact of lower sales volumes and effect of operational gearing

▶ **Margin**

- Continue offset persistent cost inflation with selling prices / surcharges where possible
- Increased competition for limited demand leading to pressure on margins in the branches

▶ **Recycling feedstock prices 66% higher than H1 2022**

- Reduced material availability due to contraction in window replacement market
- Absolute gross margin benefit from 9.1kt used instead of virgin compound

▶ **Labour**

- Impact of April 2023 pay award (5%) offset by lower bonus and share-based payment charges

▶ **Restructuring savings**

- Q4 2022 cost reduction programme reduced operating costs by £5m per annum
- Q2 2023 restructuring delivers c.£4m savings on an annualised basis

# Capex

## Well-invested Facilities

### ▶ H1 2023 capex £3.8m (H1 2022: £6.4m)

- Primarily maintenance capex
  - £1.6m in extrusion, including new tooling
  - £0.7m across the branch network to improve staff welfare facilities

### ▶ 2023 capex guidance c.£9m

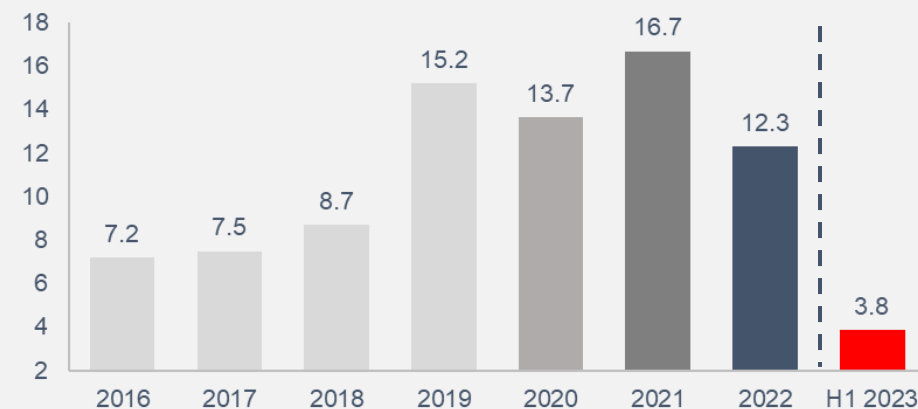
- Primarily maintenance capex
- £1m capex to develop IT infrastructure
- Implementation costs for strategic IT projects charged to P&L (non-underlying items) where cloud-based “Software as a Service” (£0.7m in H2 2023)
  - HR information system
  - ERP system

### ▶ Recent investments in capacity resolved historic operational constraints

- Capacity headroom facilitates further growth when markets recover
- Focus now is on delivering improved operating efficiencies

<b>Manufacturing Capacity Expansion</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(2)</sup></b>
Extruders (#)	51	59	59	64	69	69
Capacity at year end	49kt	60kt	60kt	66kt	71kt	71kt
Production	50kt	55kt	46kt	57kt	54kt	c.50kt

## Total Capital Expenditure (£m)



## Capital Expenditure Allocation (£m)

	<b>2018<sup>(1)</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023<sup>(2)</sup></b>
Manufacturing capacity	3	5	-	7	4	1
Recycling capacity <sup>(1)</sup>	7	6	2	1	1	-
Warehousing capacity	-	-	8	2	1	-
IT Infrastructure	-	-	-	-	2	1
Other (inc. new branches and maintenance)	4	4	4	7	4	7
<b>Total</b>	<b>14</b>	<b>15</b>	<b>14</b>	<b>17</b>	<b>12</b>	<b>9</b>

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

(2) Full year capex and production guidance

# Working Capital

## Efficient Stock Management

### ▶ Inflow from working capital £4.2m

- Includes the impact of stock reduction programme

### ▶ Stock days at 86 vs 93 at December 2022 and 101 at June 2022

- Stocks ▼ £6.4m since December 2022
- Stock build in H2 2021 / H1 2022 to protect the business from supply chain disruption
- Optimisation programme initiated in H2 2022
  - Stock reduction of £5m in H2 2022 and a further £6m in H1 2023, including the benefit of lower input costs
  - Achieved through improved conformance to production plans and operating efficiency
  - No impact on customer service, with OTIF remaining at 97%

### ▶ Debtor days at 34 vs 36 at June 2022

- Receivables ▲ £4.5m since December 2022
  - Impact of seasonality, price increases and surcharges
  - Good cash collection

### ▶ Creditors ▲ £2.3m since December 2022

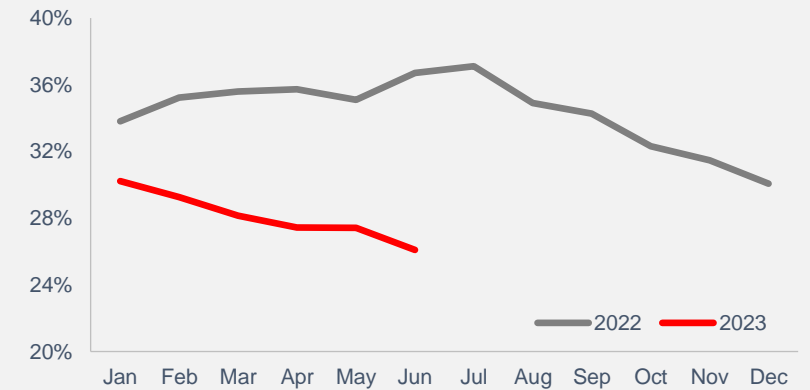
- Impact of seasonality and inflation

(1) Stock days / debtor days metrics exclude acquisitions

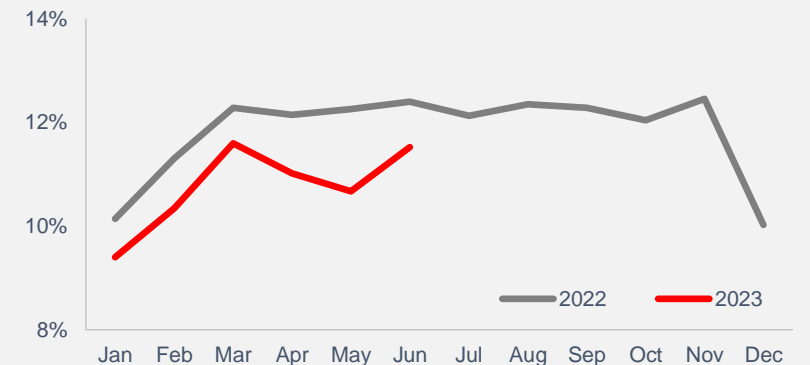
### Key Working Capital Metrics<sup>(1)</sup>

	Stock Days	Debtor Days
June 2022	101	36
December 2022	93	30
June 2023	86	34

### Inventory as a % of LTM Cost of Sales



### Trade Receivables as a % of LTM Sales



# Financial Summary

Including Technical Guidance for 2023



- ▶ **Sales volume down 6% against a backdrop of challenging markets and strong comparative period**
- ▶ **Adjusted profit before tax down 62% as expected, reflecting:**
  - Lower sales volumes
  - Margin pressure in the branches
  - Recycling feedstock prices 66% higher than H1 2022
- ▶ **Action taken on costs**
  - Annualised savings of £9m vs 2022 (of which £7m in 2023)
- ▶ **Focus on efficient stock management and cash flow**
  - Net cash generated from operations up 15% versus H1 2022
- ▶ **Well-invested facilities with available operating capacity**
- ▶ **Strong balance sheet and liquidity**
  - Pre-IFRS 16 net debt of £15.2m (31 December 2021: £14.4m)
- ▶ **Well positioned for when markets recover**

Guidance (post-IFRS 16)	2022 Reported	2023 Guidance
<b>Underlying income statement</b>		
Depreciation and amortisation	£23.9m	c.£25m
Finance costs	£2.6m	c.£3m
Effective tax rate	16.4%	c.19%
<b>Balance sheet</b>		
Working capital	£13.1m outflow	c.£5m inflow
Capex	£12.3m	£9m

# Summary and Outlook

Darren Waters – Chief Executive Officer

## ▶ Weak current market backdrop

- H1 profits down as expected
- Action taken on cost and focus on efficient cash flow management

## ▶ Challenging outlook for H2

- Anticipate some easing of input costs
- Further deterioration in market conditions since July Trading Update
- 2023 outlook below previous expectations

## ▶ Attractive medium-term prospects for RMI and new build markets

- Duraflex extrusion facility to close in September
- Structural deficit in new build housing
- Ageing and under-invested UK housing stock

## ▶ Review of strategy in progress

- Identified organic growth opportunities and further cost savings
- Will take time to deliver, but will allow the business to weather the downturn and emerge stronger, when the recovery comes

EUROCELL PLC  
2023 Half Year Results



# Appendices





# Divisional Review

## H1 2023 Performance

### ▶ Profiles

- Sales down 1%, with volume down 5%
  - Reduced RMI and weaker new build activity
  - Partially offset by the benefit of recent market share gains
- Adjusted operating profit down 60%
  - Low volumes
  - Recycling feedstock prices 66% higher than H1 2022

### ▶ Building Plastics

- Sales down 3%, with volume down 6%
  - RMI volume in the branches steady but subdued
- Adjusted operating profit down 52%
  - Low volumes
  - Increased competition for limited demand leading to pressure on margins

#### Profiles Division P&L

£m	H1 2022	H1 2023	Change
3 <sup>rd</sup> party revenue	80.1	79.5	▼ 1%
Inter-segmental revenue <sup>(1)</sup>	37.9	34.9	▼ 8%
<b>Total revenue</b>	<b>118.0</b>	<b>114.4</b>	<b>▼ 3%</b>
<b>Adjusted operating profit<sup>(2)</sup></b>	<b>12.2</b>	<b>4.9</b>	<b>▼ 60%</b>
<b>Operating profit</b>	<b>12.2</b>	<b>3.4</b>	<b>▼ 72%</b>

#### Building Plastics Division P&L

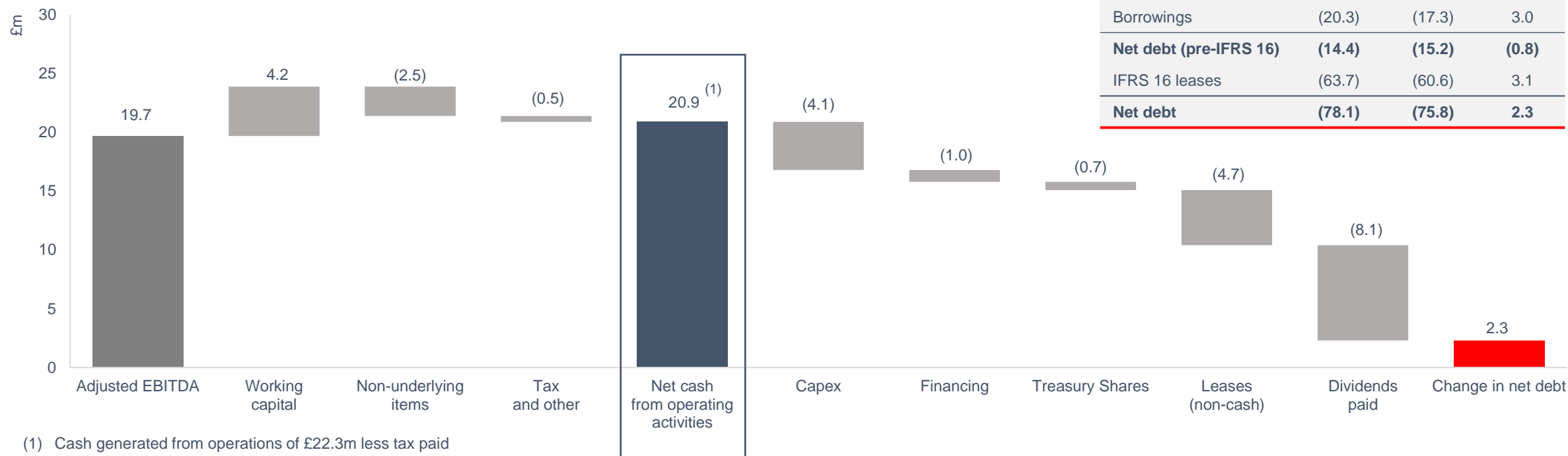
£m	H1 2022	H1 2023	Change
3 <sup>rd</sup> party revenue	108.7	104.9	▼ 3%
Inter-segmental revenue	0.1	0.2	▲ 100%
<b>Total revenue</b>	<b>108.8</b>	<b>105.1</b>	<b>▼ 3%</b>
<b>Adjusted operating profit<sup>(2)</sup></b>	<b>7.1</b>	<b>3.4</b>	<b>▼ 52%</b>
<b>Operating profit</b>	<b>7.1</b>	<b>2.4</b>	<b>▼ 66%</b>

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

(2) Adjusted performance measures are stated before non-underlying items

# Cash Flow

## Strong Balance Sheet and Liquidity



### Net Debt Reconciliation

£m	Dec 2022	Jun 2023	Change
Cash & overdraft	5.1	2.1	(3.0)
Deferred consideration	0.8	-	(0.8)
Borrowings	(20.3)	(17.3)	3.0
<b>Net debt (pre-IFRS 16)</b>	<b>(14.4)</b>	<b>(15.2)</b>	<b>(0.8)</b>
IFRS 16 leases	(63.7)	(60.6)	3.1
<b>Net debt</b>	<b>(78.1)</b>	<b>(75.8)</b>	<b>2.3</b>

### ▶ Inflow from working capital £4.2m

- Stocks ▼ £6.4m
- Receivables ▲ £4.5m
- Payables ▲ £2.3m

### ▶ Tax paid and other

- Tax payments £1.4m
- Share-based payments and other non-cash items £0.9m

### ▶ Financing £1.0m

- Finance costs £0.8m and accelerated amortisation of RCF extension costs £0.2m

### ▶ Treasury shares £0.7m purchased to satisfy employee share schemes

### ▶ IFRS 16 debt decreased by £3.1m

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

### ▶ Strong balance sheet and liquidity position – RCF extended to May 2027 17

# Powerful Sustainability Credentials

## Leading UK-based Recycler of PVC Windows

### ▶ Improving % of recycled material consumed

- Use in primary extrusion increased to 32% of consumption in H1 2023 (H1 2022: 28%)
- 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 c.47kt of carbon in 2022 vs the use of virgin PVC<sup>(1)</sup>
- c.3m end-of-life window frames saved from landfill in 2022
- Gross margin benefit from use of recycled material vs virgin compound

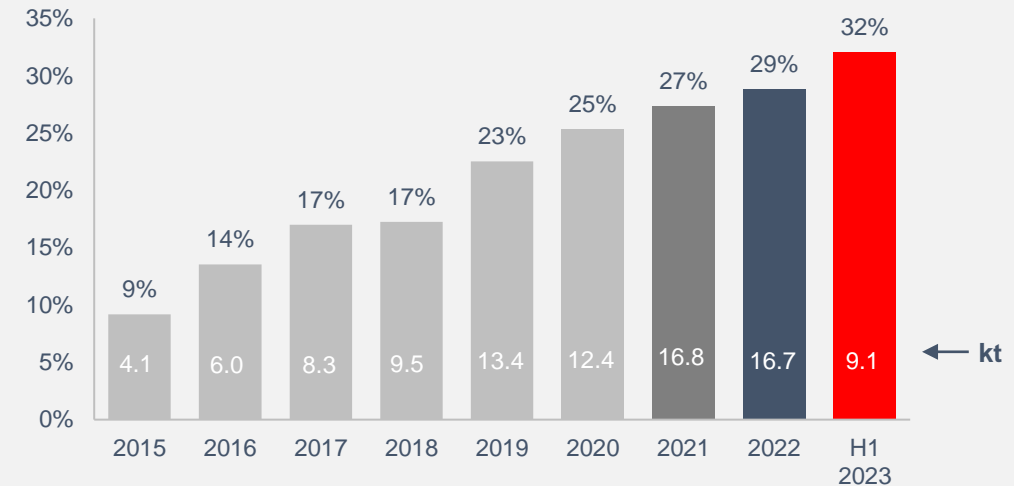
### ▶ Total waste recycled 82% in H1 2023 (2022: 82%)

- 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

Use of Recycled PVC in Manufacturing



#### What does c.47k tonnes of CO<sub>2</sub> look like?

Annual CO<sub>2</sub> output of > 7,000 homes<sup>(2)</sup>

#### What does it mean for house builders?

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

(1) Savings calculated at c.1.7t of CO<sub>2</sub> 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

# Recycling Inputs and Outputs

## Cost and Carbon Savings

K tonnes	2021	2022	H1 2023
<b>Inputs – waste recycled</b>			
Post-consumer	40.5	37.9	21.9
Post-industrial	7.7	8.5	4.0
<b>Total</b>	<b>48.2</b>	<b>46.4</b>	<b>25.9</b>
<b>Outputs – recycled material produced</b>			
<b>Total</b>	<b>28.5</b>	<b>27.4</b>	<b>14.5</b>
<b>Usage</b>			
<b>Primary extrusion</b>	<b>16.8</b>	<b>16.7</b>	<b>9.1</b>
Products made from 100% recycled material	7.3	6.1	2.7
Sales to trade extruders	4.3	4.1	2.4
<b>Total</b>	<b>28.4</b>	<b>26.9</b>	<b>14.2</b>
<b>Recycled material % of total consumption</b>			
Primary extrusion total consumption	61.4	57.9	28.3
<b>Recycled material % of total consumption (%)</b>	<b>27%</b>	<b>29%</b>	<b>32%</b>

### ▶ 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

### ▶ Other benefits from recycling

- **Environmental** – carbon savings: recycling saved c.47kt of carbon in 2022 vs use of virgin PVC
- **Commercial** – leverage sustainability with customer base, consumers and other stakeholders

# Environmental and Social

## Targets and KPIs

	KPI	2020 Base	2021 Result	2022 Result	Target	Link to UN SDGs
<b>Environmental – circular economy</b>						
Recycled material used in production	% used	25%	27%	29%	1% increase per year	
CO <sub>2</sub> saved by recycling operation	Tonnes saved	36kt	48kt	47kt	Year-on-year increase	
Waste recycled	% recycled	79%	82%	82%	Year-on-year increase	
<b>Environmental – emissions and energy management</b>						
Greenhouse gas (GHG) emissions	GHG intensity ratio	70t CO <sub>2</sub> / £m sales	53t CO <sub>2</sub> / £m sales	49t CO <sub>2</sub> / £m sales	5% reduction by 2025	
Energy consumption	Energy use intensity ratio	267 MWh / £m sales	231 MWh / £m sales	226 MWh / £m sales	5% reduction by 2025	 
Renewable energy	Renewable energy used	19% total energy	78% total energy	100% total energy	More than 90% by 2025	
<b>Social</b>						
Health & safety	Lost time injury rate	0.7 per 100,000 hours	0.8 per 100,000 hours	1.0 per 100,000 hours	50% reduction by 2025	
Employee engagement & recruitment	Labour turnover	21%	34%	32%	Year-on-year reduction	   
Employee satisfaction	Annual survey response rate and overall satisfaction level	n/a	60% and 68%	69% and 77%	Year-on-year increase	
Diversity	Female employees	12.8%	13.5%	15.3%	Year-on-year increase	
Remuneration	National Living Wage (NLW)	All employees at or above NLW	All employees at or above NLW	All employees at or above NLW	All employees above NLW by 2023	
Education	Apprenticeships / Kickstarters	32	79	69	20% increase by 2025	



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

# 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

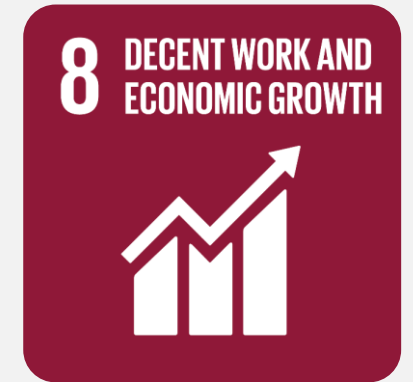
### ► People and places

- 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

- ESG Board sub-committee established
- Reporting our progress vs ESG targets and KPIs
- Aligning with SASB standards
- Enhancing our non-financial disclosures

## Leading UN Sustainable Development Goals for Eurocell



# 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 214 branches

## ▶ Main customers:

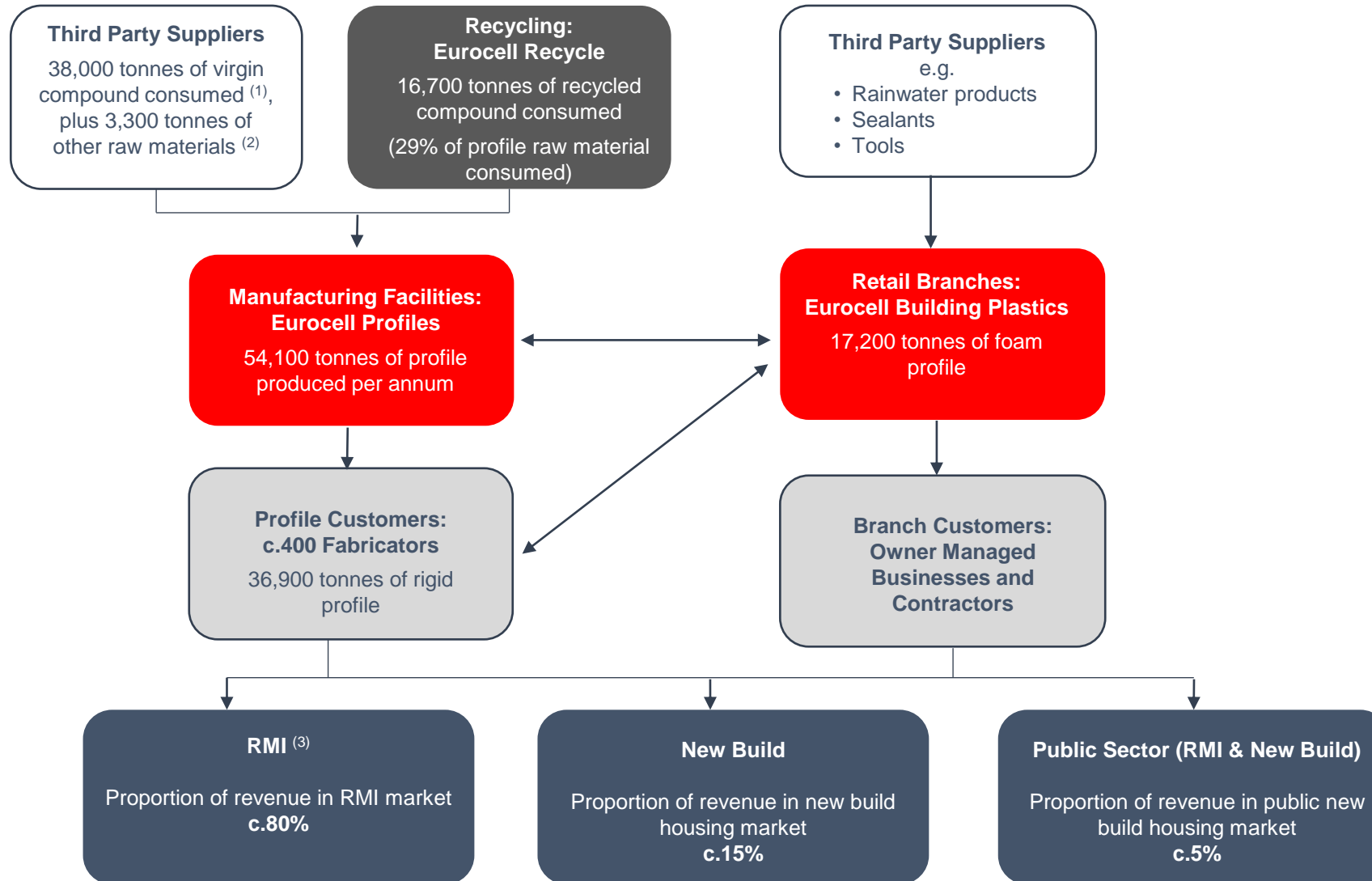
- Roofline and window installers
- Small and independent builders, house builders
- Nationwide maintenance companies

## ▶ Acquisitions since IPO:

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



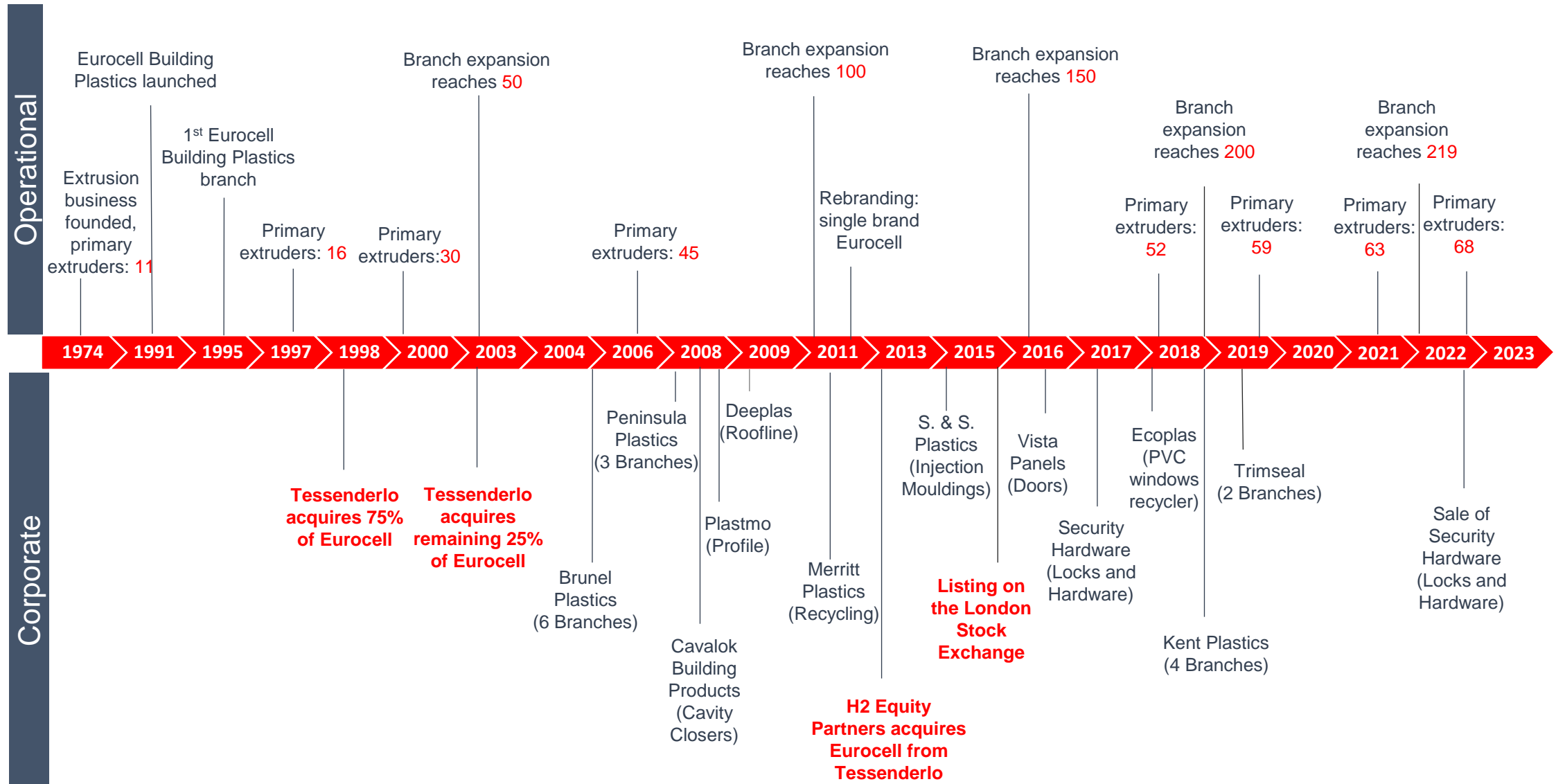
# Route to Market



(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 2022 volumes

# Group History



# DISCLAIMER

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