

# Full Year Results

2024

eurocell

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Overview

Financial Review

Strategy Update

Alunet Acquisition

## Presenters

Darren Waters

Michael Scott



# Overview

Darren Waters – Chief Executive

Profits up 32% on lower sales, driven by proactive gross margin management and reduced input costs

Good progress with early stages of five-year strategy and remain well positioned for when markets recover

Driving shareholder returns through a combination of a progressive ordinary dividend and share buybacks, with a new buyback of up to £5m now launched

Continuing focus on cost reduction, operational improvements and cash flow management

Alunet acquisition in March 2025 is a compelling strategic fit

## Revenue

**£357.9m**

▼ 2% 2023

## Adjusted profit before tax

**£20.0m**

▲ 32% 2023

## Net cash from operating activities

**£44.2m**

▼ 16% 2023

## Net debt (pre-IFRS 16)

**£3.1m**

December 2023: net cash £(0.4)m

## Total dividends

**6.05p per share**

▲ 10% 2023

A modern, light-colored house with a dark grey roofline and large glass doors leading to a paved patio. The patio is furnished with a white sofa, a pink ottoman, and a patterned coffee table. The garden in the foreground is lush with yellow and purple flowers. The image is framed by a red circular graphic on the right and a red and white geometric graphic on the left.

# FINANCIAL REVIEW

# Financial Highlights

Michael Scott – Chief Financial Officer

## Revenue

**£357.9m**

▼ 2% 2023: £364.5m

## Adjusted profit before tax

**£20.0m**

▲ 32% 2023: £15.2m

## Adjusted earnings per share

**14.4p**

▲ 31% 2023: 11.0p

## Net cash from operating activities

**£44.2m**

▼ 16% 2023: £52.8m

## Net debt/(cash) (pre-IFRS 16)

**£3.1m**

▲ £3.5m December 2023: £(0.4)m

## Total dividends

**6.05p per share**

▲ 10% 2023: 5.5p per share

### ▶ Revenue ▼ 2% vs 2023

- Market conditions remain challenging, with volumes down 1%

### ▶ Adjusted profit before tax ▲ 32% vs 2023

- Proactive gross margin management combined with the benefit of lower input costs
- Reduced volumes and competitive pressure on selling prices in the branch network
- Ongoing labour and other overhead cost inflation
- Targeted investment to generate momentum in strategic initiatives

### ▶ Adjusted earnings per share ▲ 31% vs 2023

- Includes impact of a higher tax rate

### ▶ Net cash from operating activities ▼ 16% vs 2023

- Continued focus on managing working capital
- 2023 includes the benefit of a major stock reduction programme
- Pre-IFRS 16 net debt £3.1m, with good headroom and liquidity

### ▶ Driving shareholder returns through a combination of a progressive ordinary dividend and share buybacks

- Total dividends up 10% vs 2023
- £15m share buyback programme commenced in January 2024 now complete
- New £5m buyback now launched

# Financial Performance

## Income Statement

£m	2023	2024	Change
<b>Revenue</b>	<b>364.5</b>	<b>357.9</b>	▼ 2%
Gross profit	173.8	188.3	
<i>Gross margin %</i>	<i>47.7%</i>	<i>52.6%</i>	
Overheads	(130.7)	(140.2)	▲ 7%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>43.1</b>	<b>48.1</b>	▲ 12%
Depreciation and amortisation	(24.7)	(25.3)	
<b>Adjusted operating profit <sup>(1)</sup></b>	<b>18.4</b>	<b>22.8</b>	▲ 24%
Finance costs	(3.2)	(2.8)	
<b>Adjusted profit before tax <sup>(1)</sup></b>	<b>15.2</b>	<b>20.0</b>	▲ 32%
Taxation	(2.9)	(4.6)	
<b>Adjusted profit after tax <sup>(1)</sup></b>	<b>12.3</b>	<b>15.4</b>	▲ 25%
<b>Adjusted basic EPS (pence) <sup>(1)</sup></b>	<b>11.0</b>	<b>14.4</b>	▲ 31%
<b>Dividends per share (pence) <sup>(2)</sup></b>	<b>5.5</b>	<b>6.1</b>	▲ 10%
Non-underlying items	(3.5)	(6.2)	
<b>Reported profit before tax</b>	<b>11.7</b>	<b>13.8</b>	▲ 18%

### ▶ 2024 non-underlying items £6.2m

- £2.2m implementation costs for ERP systems replacement project – cloud-based “Software as a Service”
- £0.8m due diligence costs in relation to the Alunet acquisition in March 2025 (total costs expected to be c.£1.1m)
- £3.2m non-cash right-of-use lease asset impairment charge, following dispute with the landlord at a secondary warehouse

### ▶ 2023 non-underlying items £3.5m

- £2.7m termination costs in respect of Q2 2023 restructuring
- £0.8m implementation costs for strategic IT projects

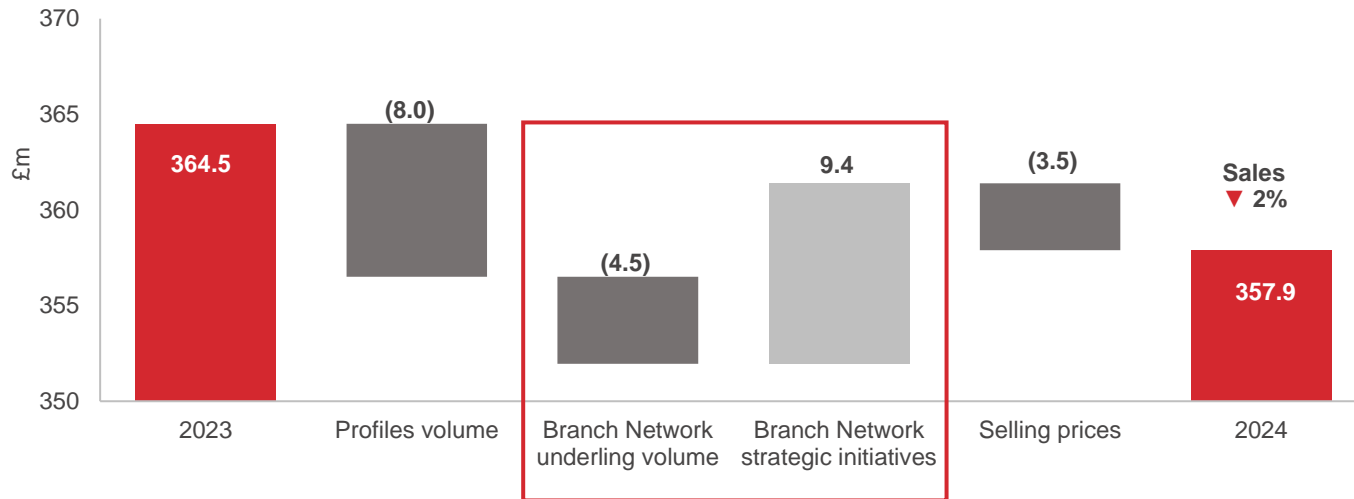
(1) Adjusted measures are stated before non-underlying items of £6.2m and the related tax effect (2023: £3.5m)

(2) Dividends for 2024 of 6.05 pence per share, rounded to one decimal place for the purposes of this chart

# Sales

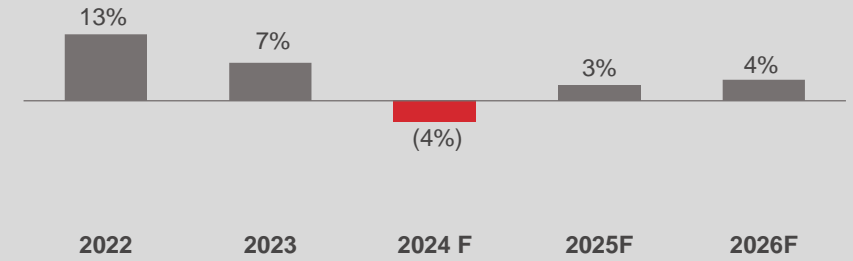
## Continued Weak Market Conditions

### Sales Bridge

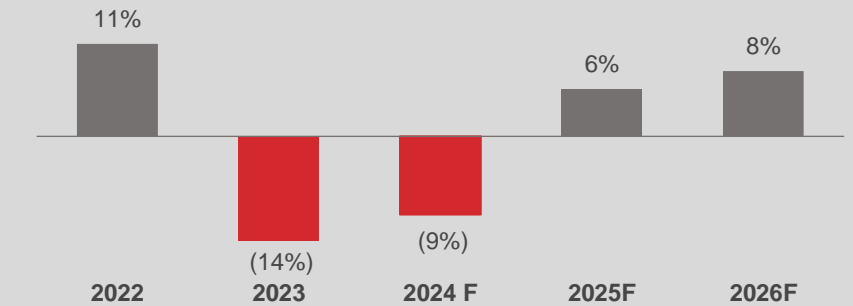


### CPA Construction Products Industry Forecasts 2024-26 (1)

#### Private housing RMI growth



#### Total housing growth



#### ► Sales ▼ 2%, with volumes ▼ 1%

- Trading conditions remain subdued
- Challenging macroeconomic conditions
- Weak consumer confidence, further compounded by uncertainty following the Autumn Budget
- Impacting activity levels in our key markets

#### ► Profiles ▼ 6%, with volumes ▼ 6%

- Reduced RMI activity and a continuing weak new build housing market

#### ► Branch Network ▲ 1%, with volumes ▲ 3%

- Underlying RMI volumes down 3%
- Good early progress with strategic initiatives, up £9.4m (+124%)
- Competitive pressure on selling prices in the branch network

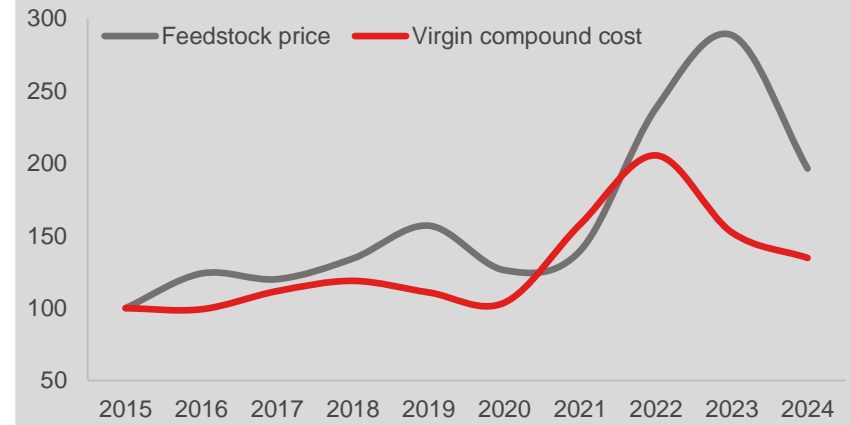
# Adjusted Operating Profit

Profits Up, Driven by Reduced Input Costs

## Operating Profit Bridge



## Virgin Resin and Recycling Feedstock Prices (indexed)



▶ **Sales volume ▼ 1%**

▶ **Proactively managing gross margin**

- Continue to offset cost inflation with selling price increases
- Increased competition for limited demand leading to pressure on margins in the branches
- Lower raw material and electricity costs

▶ **Recycling feedstock prices lower**

- Securing additional sources of feedstock
- Absolute gross margin benefit from 18kt used instead of virgin compound

▶ **Labour, variable pay and other overhead inflation**

- April 2024 pay award (4%), NLW and other overhead cost inflation
- Increased share-based payment charges, lower bonus and variable pay
- Other overhead inflation includes property and IT licence costs

▶ **Restructuring savings**

- Q2 2023 restructuring delivers c.£4m savings on an annualised basis

▶ **Other**

- Includes targeted investment to generate momentum in strategic initiatives



# Capex

## Well-invested Facilities

### ▶ 2024 capex £10.7m (2023: £8.9m)

- £3m new branches, refurbishments and relocations
- Remainder primarily maintenance capex

### ▶ 2025 capex guidance c.£15m

- £3m for strategic initiatives
  - Includes new branches plus windows and doors
- £2m for branch refurbishments and relocations
- £3m health and safety, plus welfare
- £2m to develop IT infrastructure
- Remainder is maintenance capex

### ▶ Implementation costs for ERP replacement project

- Charged to P&L (non-underlying) where cloud-based “Software as a Service”
- £2.2m in 2024
- Estimate c.£6m in 2025
- See Business Effectiveness update

### ▶ Manufacturing capacity headroom facilitates strategic initiatives and further growth when markets recover

## Total Capital Expenditure and Allocation (£m)

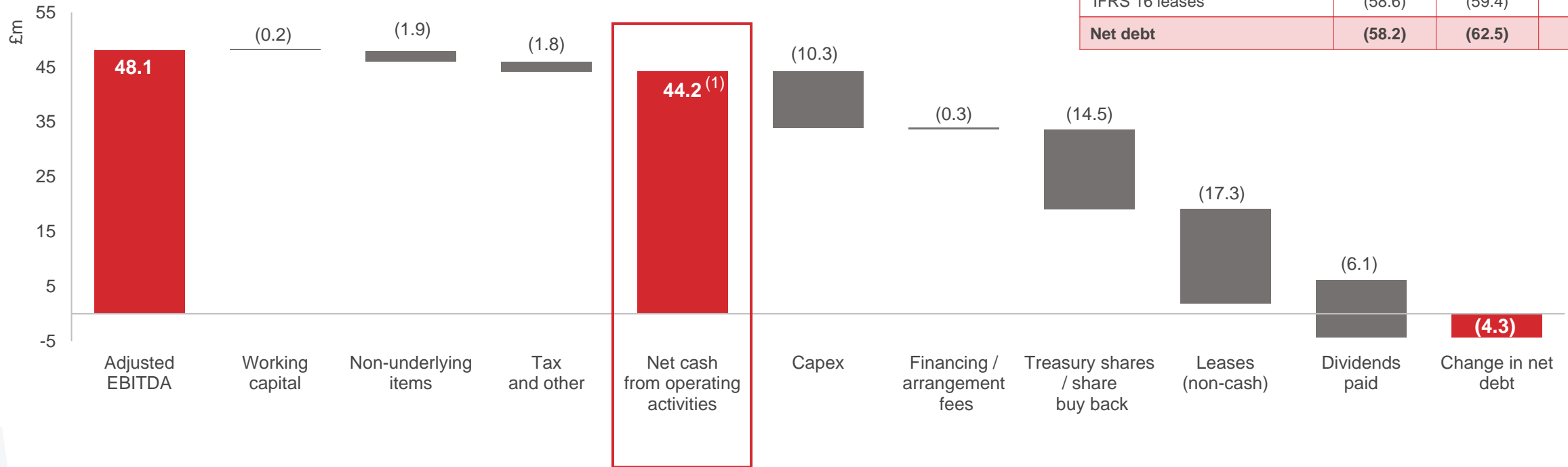
£m	2021	2022	2023	2024
Manufacturing capacity	7	4	1	-
Recycling capacity	1	1	-	1
Warehousing capacity	2	1	-	-
IT Infrastructure	-	2	1	1
New branches, refurbishments and relocations	3	1	2	3
Other (inc. maintenance capex)	4	3	5	6
<b>Total</b>	<b>17</b>	<b>12</b>	<b>9</b>	<b>11</b>

## Manufacturing Capacity

Kt	2021	2022	2023	2024
Extruders (#)	64	69	69	69
Capacity at year end	66	71	71	71
Extrusion production	57	54	51	52

# Cash Flow

## Strong Balance Sheet and Liquidity



### Net Cash/(Debt) Reconciliation

£m	2023	2024	Change
Cash and overdraft	0.4	(2.6)	(3.0)
Borrowings	-	(0.5)	(0.5)
<b>Net cash/(debt) (pre-IFRS 16)</b>	<b>0.4</b>	<b>(3.1)</b>	<b>(3.5)</b>
IFRS 16 leases	(58.6)	(59.4)	(0.8)
<b>Net debt</b>	<b>(58.2)</b>	<b>(62.5)</b>	<b>(4.3)</b>

### ▶ Outflow from working capital £0.2m

- Stocks ▲ £0.5m, with stock days at 85 (2023: 84)
- Receivables ▲ £3.4m, with debtor days at 27 (2023: 27)
- Payables ▲ £3.7m

### ▶ Outflow from tax paid and other £1.8m

- Tax payments £3.0m
- Share-based payments and other non-cash items £1.2m

### ▶ Reported net debt increase £4.3m

- Pre-IFRS 16 net debt increase £3.5m
- IFRS 16 leases debt increase £0.8m – net impact of cash payments on leases, less branch renewals and new leases

### ▶ Strong balance sheet and liquidity

- £75m debt facility matures in 2027

(1) Cash generated from operations of £47.2m less tax paid

# Capital Allocation Policy

Focused on Enhancing Shareholder Returns

## ▶ Capital allocation policy updated following strategy launch

- Intend to drive shareholder returns through a combination of a progressive ordinary dividend and supplementary distributions (currently via share buybacks)



### ▶ Prioritise organic investment in line with strategic plan

- Maintenance capex
- Strategic plan initiatives
  - Branch network
  - IT systems
  - Continuous improvement

### ▶ Recognise importance of ordinary dividend

- Progressive going forward

### ▶ Market purchase of shares for employee incentive schemes

- Hold treasury shares to satisfy options in next 2 years

### ▶ Disciplined approach to acquisitions

- Clear strategic rationale consistent with our plan
- Compelling financial justification

### ▶ Periodically consider supplementary distributions

- Always seek to maintain a strong financial position
- No borrowing to fund supplementary distributions
- Net debt not to exceed 1x EBITDA (pre-IFRS 16), unless clear short-term deleveraging plan
- Currently via share buybacks

# Financial Summary

## Including Technical Guidance for 2025

- ▶ **Adjusted PBT up 32% despite lower sales, driven by:**
  - Proactive gross margin management, combined with the benefit of lower input costs
  - Reduced volumes and competitive pressure on selling prices in the branches
  - Ongoing labour and other overhead cost inflation
  - Targeted investment to generate momentum on strategic initiatives
- ▶ **Good cash flow conversion**
  - Lower cash generation in 2024 reflects major prior year stock reduction
  - Continued focus on working capital management
- ▶ **Strong balance sheet and liquidity**
  - Net debt forecast to be below 1.0x pre-IFRS 16 EBITDA at December 2025
- ▶ **Well-invested facilities with available operating capacity**
- ▶ **Well positioned to deliver our strategy and for market recovery**
- ▶ **Driving shareholder returns through a combination of a progressive ordinary dividend and share buybacks**
  - Total dividends up 10% vs 2023
  - £15m share buyback commenced in January 2024 now complete
  - New £5m share buyback now launched

Guidance (post-IFRS 16)	2024 Reported	2025 <sup>(1)</sup> Guidance
<b>Underlying Income Statement</b>		
Depreciation and amortisation	£25.3m	c.£27.5m
Finance costs	£2.8m	c.£4.5m
Effective tax rate	23.0%	c.24.5%
<b>Non-underlying Expenses</b>		
Strategic IT systems implementation	£2.2m	c.£6m
Restructuring	-	c.£2m
Right-of-use-asset impairment (non-cash)	£3.2m	-
Acquisition costs	£0.8m	c.£0.3m
<b>Balance Sheet</b>		
Working capital	£0.2m outflow	c.£6m outflow
Capex	£10.7m	c.£15m

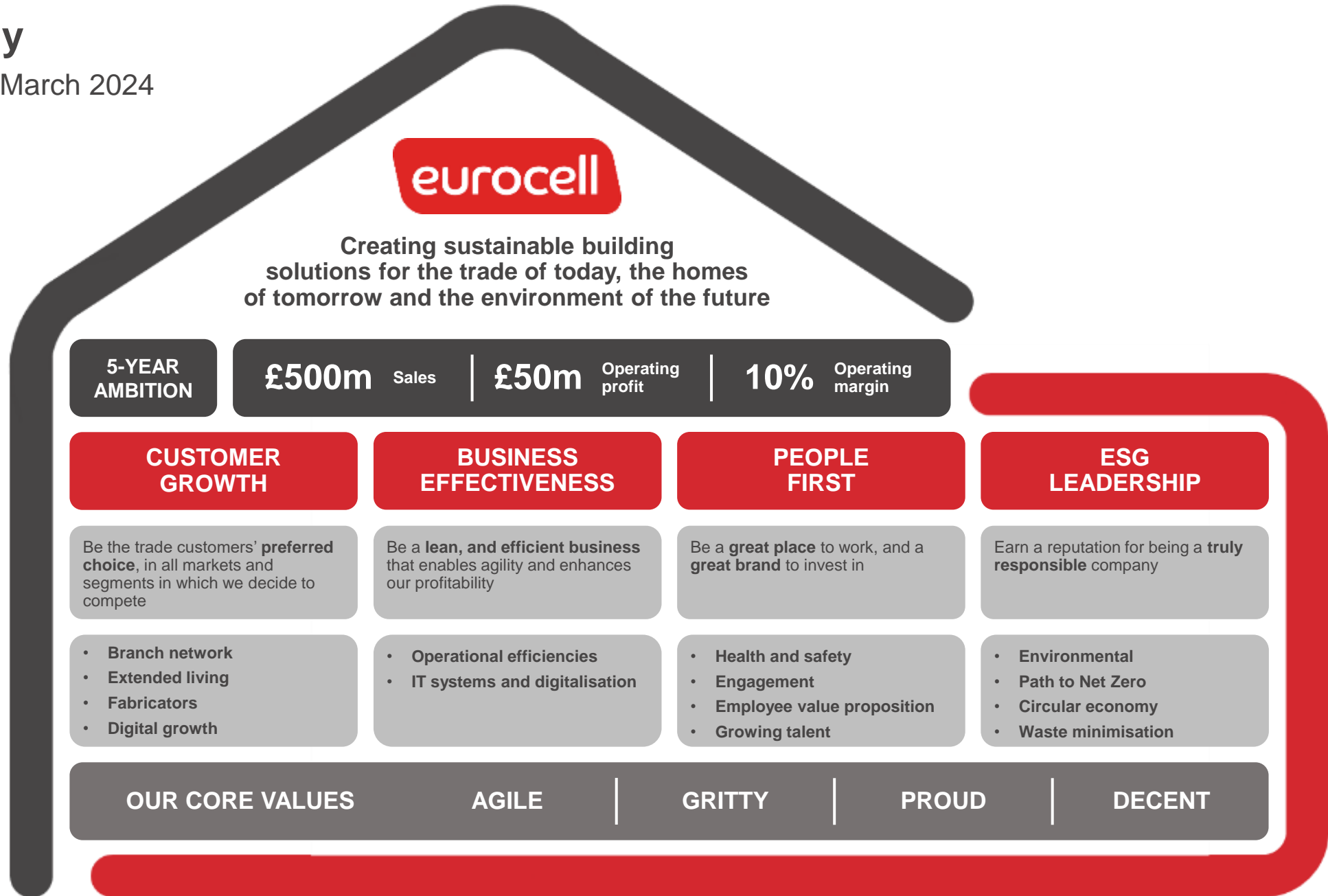
(1) 2025 guidance includes the Alunet acquisition

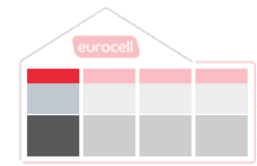


# STRATEGY UPDATE

# Strategy

Launched March 2024





CUSTOMER GROWTH

# Customer Growth – Branch Network Update

Confirmed Optimal Estate Size of at Least 250 Branches, with Priority Locations Identified

## Strategic Plan

- 212 branches at 31 December 2024 – plan to add c.30 new sites over the next 4 years
- 2 new branches opened in Q4 2024 and at least 7 planned for 2025 – emphasis on the South East region
- 3 relocations completed in 2024 and 5 planned for 2025

New Branches	Timing
Bishop's Stortford	Nov 24
Watford	Dec 24
Slough	Mar 25
Tonbridge	Mar 25
Hemel Hempstead	Apr 25
Winchester	Apr 25
Bury St Edmunds	May 25
Croydon	Q2 25
Colindale	Q2 25

## Stuart Livingstone – Chief Operating Officer



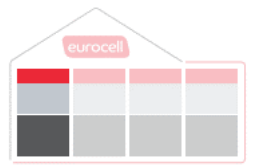
- Responsible for the Branch Network operations and supply chain
- Joined in January 2025 from Howdens, where he was Trade Director
- Previously worked for Pets at Home and Screwfix, where he was Director of Retail

## New and relocated branches now opening with refreshed branch exterior and signage



# Customer Growth – Windows and Doors

Accelerated Roll-out



CUSTOMER GROWTH

## Route to Market for eurocell Windows



eurocell manufacture window profile and composite doors...



which is made into windows by our fabricator partners and doors by Vista...

and either sold directly to a window installer...



or sold through a eurocell branch e.g. to a window installer...



who install the finished windows and doors into a home...



providing the homeowner with quality windows and doors

## The Growth Opportunity for eurocell

Improves returns for the whole branch network

Shortens time to break-even and payback for new branches

Utilises spare production capacity for window profile and doors

Opportunity to increase window and door sales to installers through our network of UK branches ...

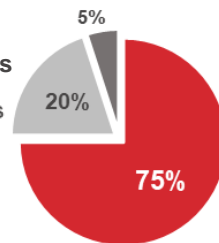


by utilising spare capacity in our branches, which previously sold c.1,100 frames per week, but have the space to sell up to c.6,300 frames per week ...

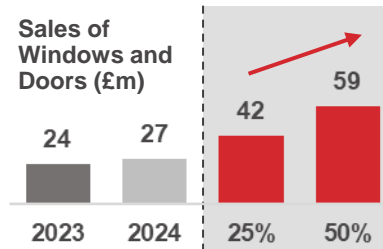
through a targeted approach, focusing primarily on window installers (who buy competitor windows) ...

Target Customers

- Window installers
- General builders
- DIY'ers

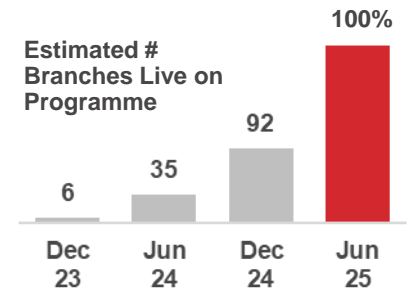


which has potential to deliver c.£35m incremental sales (using 50% of the spare capacity) ...

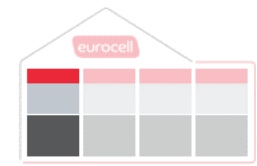


% Capacity Utilisation

via a phased roll-out to our Branch Network, which we plan to complete by 30 June 2025







CUSTOMER GROWTH

# Customer Growth – Extended Living Update

## Performance on Track

### ▶ Garden rooms

- Leveraging exceptional customer journey and efficient processes
- Good opportunity to gain share

### ▶ Extensions

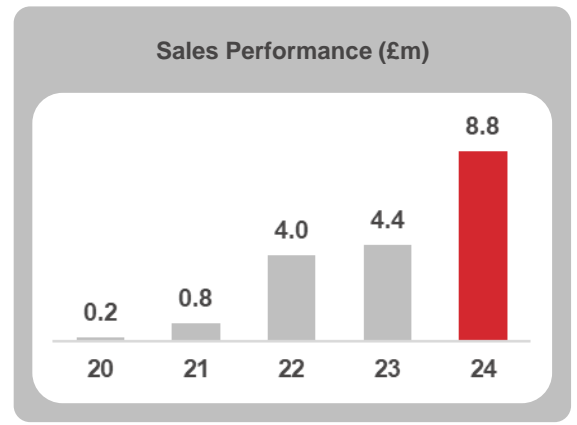
- Launched Q4 2023
- Cost-effective, energy-efficient solution to convert or extend property
- Modern methods of construction in innovative kit form
- Installation in weeks not months

### ▶ Targeting incremental sales of c.£30m by 2028

**OUR AMBITION** Take share from established market leaders and become best-in-market

**Horizontal / Vertical Cladding**

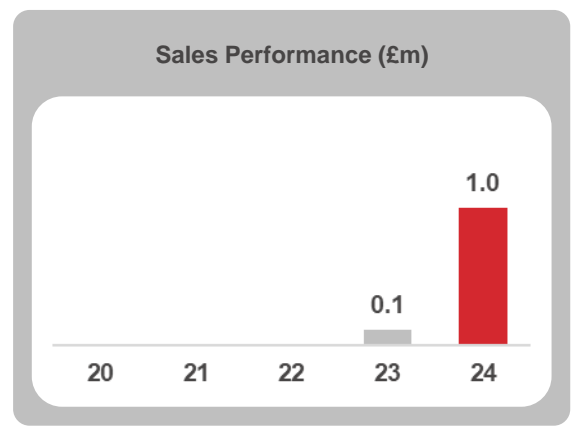
**High End Model**



**OUR AMBITION** Develop our innovative solution for homeowners to convert or extend property

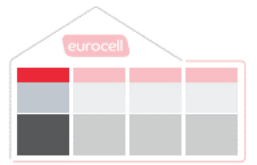
**Conservatory Conversion**

**New Build Warm Rooms**



# Digital Growth

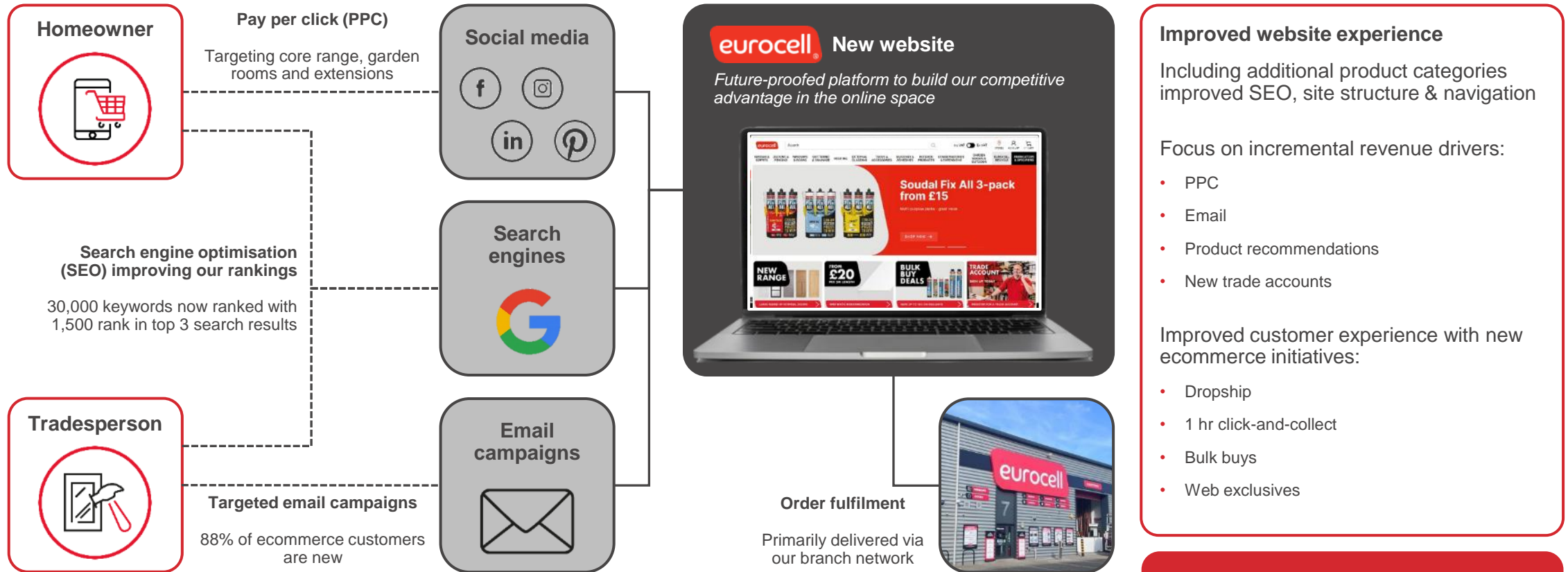
## Strategy Overview and Update



CUSTOMER GROWTH

### OUR AMBITION

Enhance our market leading digital proposition to build awareness of our products and home improvement solutions, driving new customers and incremental sales



Digital activity builds awareness of our brand, attracts new customers and drives traffic to our branches

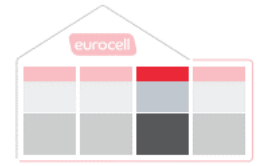
### Resulting in stronger web trading

Organic traffic is now ▲ 39% v 2023

B2C e-commerce sales £4.7m ▲ 57% v 2023

# People First

## Strategy Overview and Update



PEOPLE FIRST

### OUR AMBITION

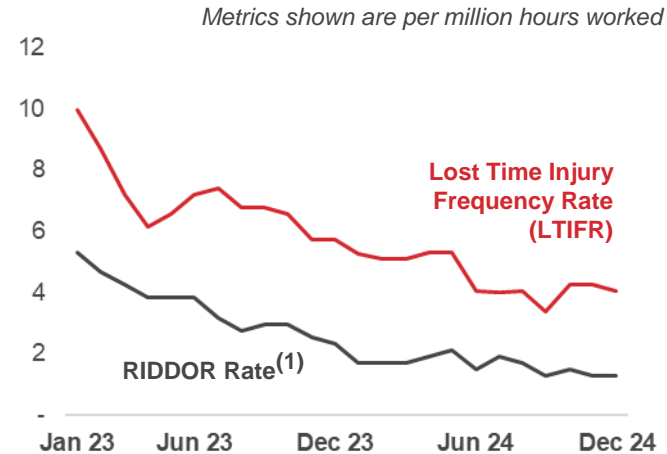
Eurocell will be a great place to work where talented, engaged and motivated colleagues work passionately to achieve clear business and personal goals

Launch of new **eurocell** people branding



Underpinned by a relentless focus on health and safety

### HEALTH AND SAFETY



### EMPLOYEE VALUE PROPOSITION

- Improving reward and recognition schemes
- Better onboarding and induction programmes
- Grading and salary / benefit framework in place
- “Eurocell & You” brand created
- New careers website – direct hires running at 85%
- Wellbeing framework launched in 2025

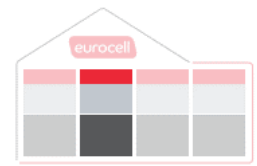
### ENGAGEMENT

- New internal communications cascade structure and calendar of events in place
- First externally administered engagement survey completed
- “Proud” awards introduced, driving group-wide recognition and embedding values
- Eurocell 50<sup>th</sup> year anniversary fundraising for Maggie’s charity
- 2% reduction in labour turnover in 2024

### GROWING TALENT

- Review completed with improvements prioritised on:
  - Use of apprenticeships
  - Succession planning
  - Leadership development, including Branch Manager and Team Leader programmes

(1) RIDDOR is the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013



# Business Effectiveness

## Strategy Overview and Update

### OUR AMBITION

A lean and efficient business that enables agility and enhances our profitability

### IT SYSTEM REPLACEMENT

Estimated cost of IT system replacement project in the region of £10m over 3 years 2024-26 (c.£2m in 2024, c.£6m in 2025 and c.£2m in 2026)

Branch system benefits



Shared benefits



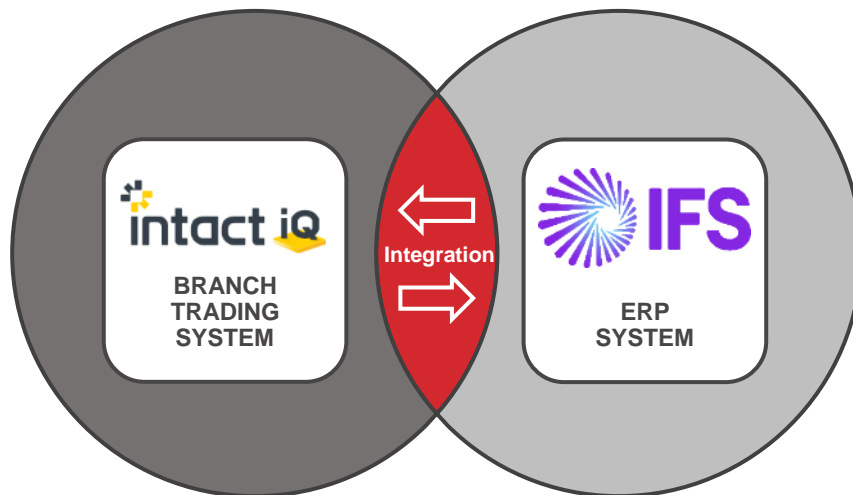
ERP system benefits



PROCESS SIMPLIFICATION

QUOTATION MANAGEMENT

DELIVERY MANAGEMENT AND TRANSPORT PLANNING



DATA TO DRIVE DECISION MAKING

IMPROVED MANAGEMENT INFORMATION

REMOVAL OF STANDALONE NON-INTEGRATED SYSTEMS

CONTINUOUS DEVELOPMENT

### CONTINUOUS IMPROVEMENT

Q1 2025 Branch Network restructuring in progress:

- Removing layer of operational management and reducing salesforce
- Expect to generate annualised savings of c.£2m

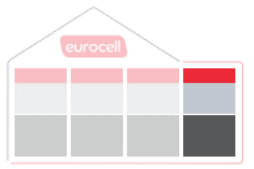
Targeting initiatives for:

- Reduced scrap and lower cost of poor quality
- Improved labour utilisation
- Better use of operational footprint
- Process innovation to drive material efficiency and yield improvements

Expecting customer growth initiatives to exploit spare manufacturing capacity

# ESG Leadership

## Strategy Overview and Update



ESG LEADERSHIP

### OUR AMBITION

Earn a reputation for being a truly responsible company

#### ▶ Target Net Zero by 2045

- Filed targets with SBTi<sup>(1)</sup> in Q1 2025 and published Transition Plan
- Scope 1 and 2 emissions reductions:
  - Transition to 100% renewable electricity
  - Conversion of commercial fleet to HVO<sup>(2)</sup> and company cars / vans to electric vehicles (EV)
- Scope 3 actions emissions reduction:
  - Optimise use of recycled material in primary extrusion processes (target 36% by 2030)
  - Longer-term – supplier engagement on their own science-based targets
  - Support progressive conversion to commercially viable low-carbon alternative to virgin PVC resin

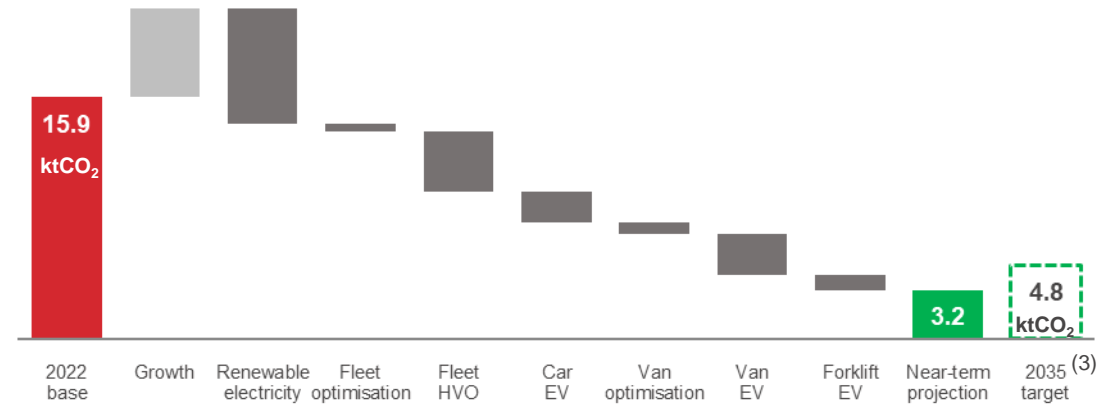
#### ▶ 2024 sustainability improvements

- Use of recycled material maintained at 32% in 2024 (2023: 32%)
- Installed 1.1MWp<sup>(3)</sup> solar system at extrusion facility (lifetime CO<sub>2</sub> saving of c.3,500t)
- Installation of 0.6MWp solar system at main distribution centre in progress
- Lower carbon PVC resin to be used in Modus profile beginning 2025
  - Embodied carbon 40% below EU average

(1) SBTi is Science Based Target initiative  
 (2) HVO is hydrotreated vegetable oil  
 (3) MWp is Megawatt peak  
 (4) From a 2022 base year

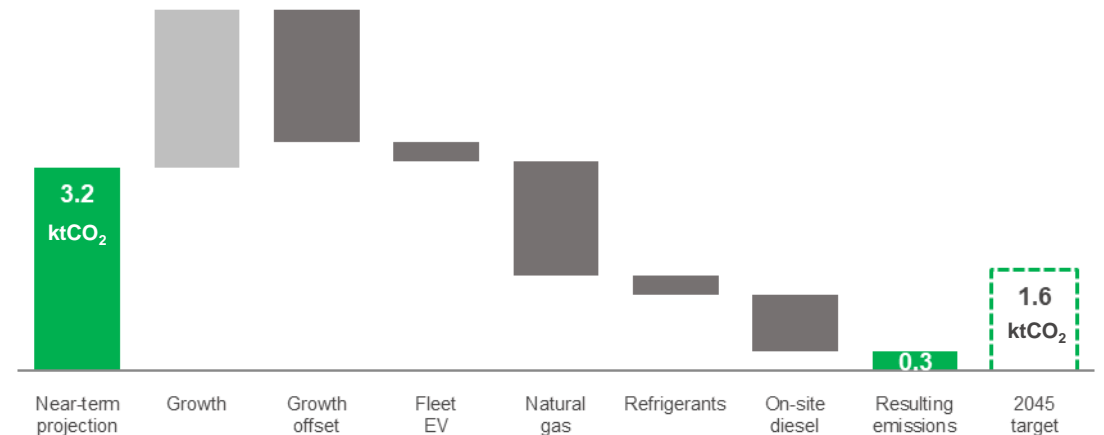
#### Transition Plan:

Near-term Target to Reduce Scope 1 and 2 Emissions 70% by 2034<sup>(4)</sup>



#### Transition Plan:

Long-term Target: Reduce Scope 1 and 2 Emissions 90% by 2045<sup>(4)</sup>



A photograph of a modern building facade featuring large glass windows and a balcony. The building has a clean, minimalist design with white walls and dark window frames. The balcony has a glass railing. The scene is set outdoors with some greenery visible in the background. The image is overlaid with a red geometric shape on the left and bottom right corners.

# ALUNET ACQUISITION

# Alunet Acquisition

## Overview

### ▶ Compelling strategic fit

- Addresses growing trend towards aluminium in residential fenestration
- Significantly strengthens position in composite doors
- Adds garage doors to product portfolio

### ▶ Four businesses acquired

- Alunet Systems, Comp Door, JDUK and UK Doors (Midlands)
- Strong management team, led by Steve Hudson
- c.200 employees

### ▶ Rapid growth since established in 2013

- Driven by great products, technical expertise and excellent customer service
- Intend to leverage Eurocell leading market positions in new build, trade fabrication and distribution to reach full potential

### ▶ Transaction highlights

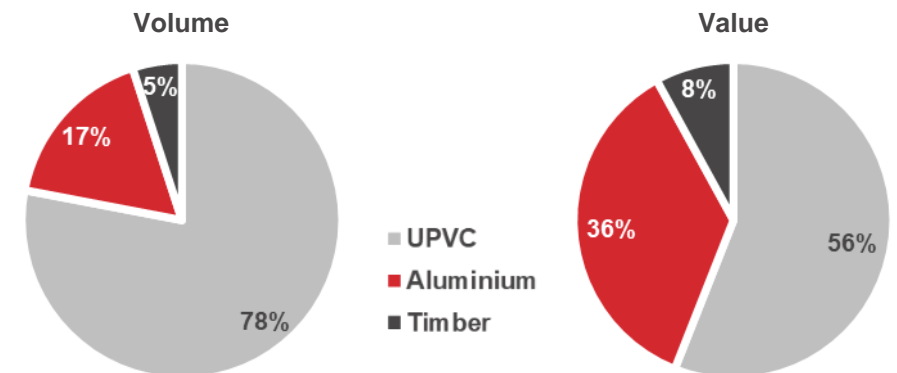
- Consideration of £29m, including initial payment of £22m
  - £1m in Eurocell plc shares, with the remainder funded from existing RCF facility
  - Deferred consideration of £7m payable in four annual instalments starting in 2026
  - 6.5x Alunet's 2024 EBITDA
  - Potential for performance related payments of a further £6m over the same period
  - Maximum total consideration of £35m is c.4x Alunet's projected 2028 EBITDA
- Expected to be accretive to Group underlying earnings for 2025
- Net debt forecast to be below 1.0x pre-IFRS 16 EBITDA at December 2025



### 2024 Financial Performance (Unaudited)

£m	2024
<b>Sales</b>	
Alunet Systems	16
Comp Door	15
JDUK and UK Doors (Midlands)	12
<b>Total sales</b>	<b>43</b>
<b>EBITDA</b>	<b>4.5</b>

### Aluminium Share of UK Door and Window Market



Source: Window and Door Market trends 2024 (WindowBASE and Tommy Trinder)

# Alunet Acquisition

Enhancing our Product Portfolio

New ranges

## eurocell Product Portfolio

## ALUNET Product Portfolio

Building products

rooline

Roofline and trim



roomline

Skirting and architrave



coastline

Composite cladding



Injections moulding



Window profiles

logik

Window system



modus

Window system



cavalok

Cavity closer



charisma

Sash window



Door systems



Panel door



dales doors

Composite door



syncro

Patio door



aspect

Bi-fold door



Conservatory roofs

equinox

Tiled roof system



skypod

Roof lantern



luma

Flat roof lantern



Iconiq

Aluminium roof lantern



Extended living

Garden rooms



Extensions



Window system



Door system



Solid core comp door



Market shift towards large extensions and flat roofs with patio / bi-fold doors – door sizes push the limits of PVC, favouring aluminium



Sectional garage door



Roller shutter garage door





# Alunet Acquisition

## Alunet Systems

**An innovative aluminium systems house focused on the residential sector, based in Dewsbury**

- ▶ **Aluminium becoming increasingly popular in the UK window and door market**
  - Driven by bi-fold doors, but now featuring in other fenestration products
  - Aluminium fabricators and installers increasing
- ▶ **Alunet has a full range of window and door solutions**
  - Including bi-fold and sliding patio doors, sold under the Aluna brand
  - 85% of sales are bi-fold / sliding patio doors
  - 70% of sales are to pure aluminium fabricators
- ▶ **Sources aluminium profile from key European-based extruders using Alunet tooling**
  - Exclusivity arrangements in place with principal supplier
- ▶ **Aluna whole house concept**
  - New Alunet window and Eurocell aluminium lantern launch in Spring 2025 – complete Aluna whole house concept
  - Sector leading proposition for Eurocell PVC fabricators who also fabricate aluminium, and for pure aluminium fabricators
- ▶ **Synergies**
  - Cross-selling – most Eurocell large PVC profile customers also fabricate aluminium
  - Window and door project is an opportunity to specify Alunet to fabricators supplying the Branch Network



# Alunet Acquisition

## Comp Door

**A fast-growing manufacturer of premium solid timber core entrance doors, based in Stoke-on-Trent**

- ▶ **Solid timber core composite doors are growing in share**
  - Sturdiness and rigidity reduces risk of warping and bowing
- ▶ **Comp Door technical leadership**
  - Becoming recognised as the trade's preferred choice
- ▶ **Combination of Comp Door and Vista creates the market leader**
  - Good (PVC), better (GRP composite) and best (solid core) offering
  - Cross-selling opportunity to fabricators and installers
- ▶ **Synergies**
  - Supply chain (PVC skins, hardware, seals, glue)
  - Transport
  - Leverage Eurocell digital marketing to create homeowner leads for installers
  - Promote Comp Door through the Branch Network



# Alunet Acquisition

JDUK and UK Doors (Midlands)

## Aluminium roller shutter and sectional garage doors for the trade

### ▶ JDUK

- Distributes insulated sectional and side-hung aluminium garage doors and components, based in Dewsbury
- Exclusive private-label arrangement with a European-based supplier for the UK

### ▶ UK Doors (Midlands)

- A manufacturer of roller shutter garage doors and continental roller shutters, based near Birmingham

### ▶ Complements Eurocell range of exterior home improvement products

### ▶ Synergies

- Cross-selling – many garage door installers are already Eurocell customers through the Branch Network
- Leverage Eurocell digital marketing to create homeowner leads for installers

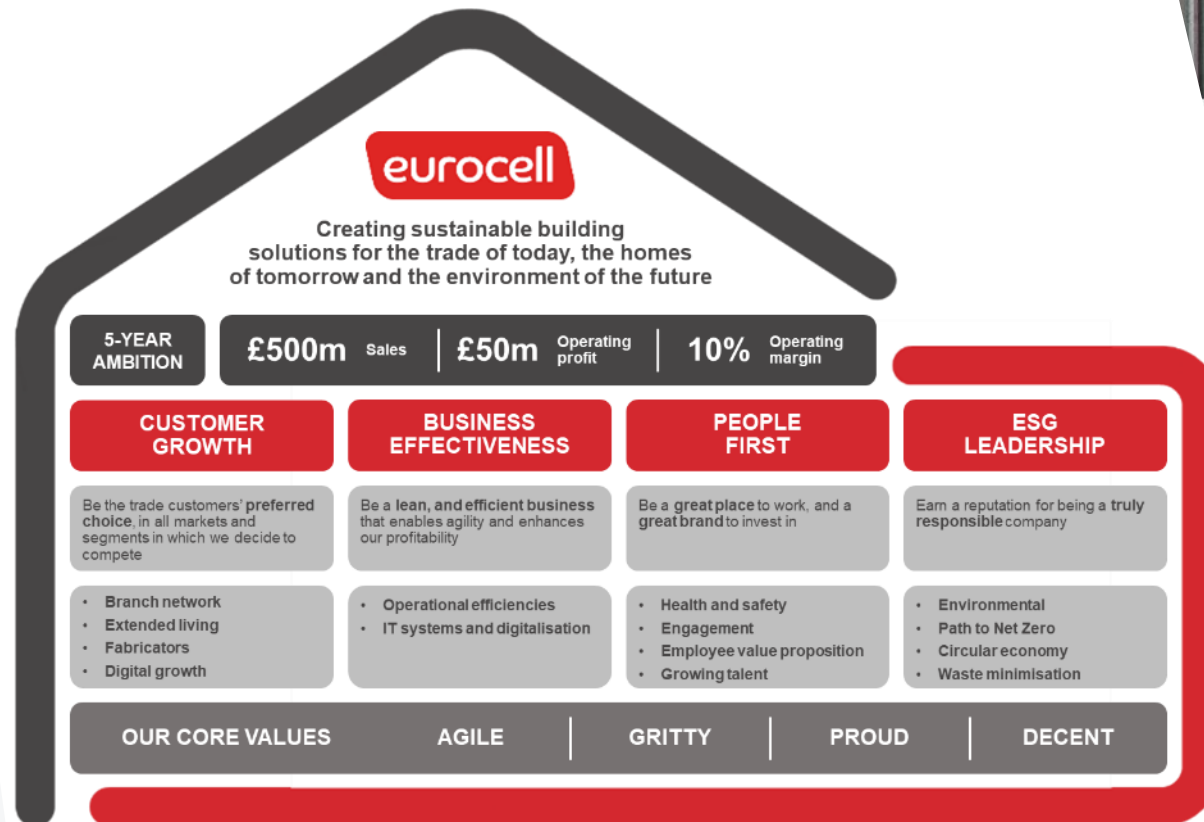


# Summary and Outlook

Increased profits in line with expectations

Good early momentum with strategic initiatives

Acquisition of Alunet is a compelling strategic fit





# APPENDIX

# Product Range

Standard products

Ranges of window profile and doors



Fascias, soffits and guttering



Traded goods



Made-to-order products

Skypod pitched skylights



Conservatories and Equinox tiled roofs



Syncro patio and Aspect bi-fold doors



# 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
  - Two-thirds trade fabricators, one-third new build
  - c.300 produce windows, trims cavity closer systems for customers
  - c.100 make patio doors and conservatories
- Foam PVC profiles to Branch Network 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)



# Branch Network 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 > 200 branches

## ▶ Main customers:

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





# Divisional Review

## 2024 Performance

### ▶ Profiles

- Sales down 6%, with volumes down 6%
  - Subdued RMI activity and a weak new build market
  - Cost of living pressures, interest rate increases and falling house prices have all had a significant adverse impact on our end markets
- Adjusted operating profit up 63%
  - Lower input costs and selling price increases
  - Partially offset by lower volumes plus labour and other cost inflation

### ▶ Branch Network

- Sales up 1%, with volumes up 3%
  - Underlying volumes down 3%, with homeowners holding back on discretionary expenditure against a backdrop of macro uncertainty
  - Overall sales were up, reflecting initial benefits of progress with our strategic initiatives for garden rooms, digital, windows and doors
- Adjusted operating profit down 27%
  - Increased competition for limited demand continuing to drive pressure on selling prices, plus overhead cost inflation
  - Overheads also include targeted investment to generate momentum in our strategic initiatives
  - Partially offset by lower input costs and selling price increases

### Profiles Division P&L

£m	2023	2024	Change
3 <sup>rd</sup> party revenue	154.9	146.1	▼ 6%
Inter-segmental revenue <sup>(1)</sup>	64.9	63.7	▼ 2%
<b>Total revenue</b>	<b>219.8</b>	<b>209.8</b>	<b>▼ 5%</b>
<b>Adjusted operating profit <sup>(2)</sup></b>	<b>11.9</b>	<b>19.4</b>	<b>▲ 63%</b>
<b>Operating profit</b>	<b>10.1</b>	<b>14.6</b>	<b>▲ 45%</b>

### Branch Network Division P&L

£m	2023	2024	Change
3 <sup>rd</sup> party revenue	209.6	211.8	▲ 1%
Inter-segmental revenue	0.4	0.5	▲ 25%
<b>Total revenue</b>	<b>210.0</b>	<b>212.3</b>	<b>▲ 1%</b>
<b>Adjusted operating profit <sup>(2)</sup></b>	<b>8.9</b>	<b>6.5</b>	<b>▼ 27%</b>
<b>Operating profit</b>	<b>8.2</b>	<b>5.1</b>	<b>▼ 38%</b>

(1) Sales of foam profile to Branch Network at transfer price

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

# Working Capital

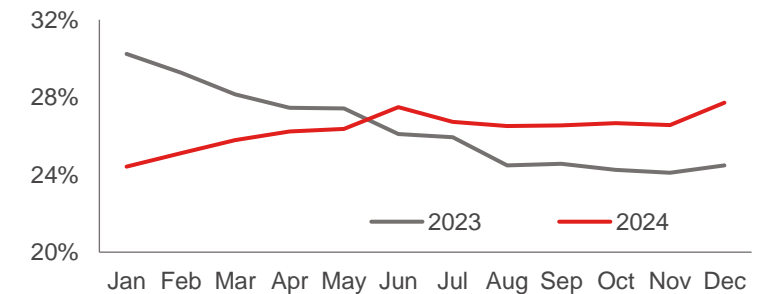
## Efficient Cash Flow Management

- ▶ **2024 outflow from working capital £0.2m (2023: inflow £13m)**
- ▶ **Stock days at 85 vs 84 at December 2023**
  - Stocks ▲ £0.5m, supports strategic growth initiatives
  - Follows optimisation programme in 2023 (£13m reduction in stocks)
- ▶ **Debtor days at 27 vs 27 at December 2023**
  - Receivables ▲ £3.4m
- ▶ **Creditors ▲ £3.7m since December 2023**
- ▶ **2025 guidance – outflow of c.£6m**
  - Impact of strategic growth initiatives and Alunet

### Key Working Capital Metrics

	Stock Days	Debtors Days
2023	84	27
2024	85	27

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



# Powerful Sustainability Credentials

## Leading UK-based Recycler of PVC Windows

### ▶ Improving % of recycled material consumed

- Use in primary extrusion maintained at 32% of consumption in 2024 (2023: 32%)
- Objective to increase to 36% of consumption by 2030
- Output also used in products made from 100% recycled material or sold to third parties

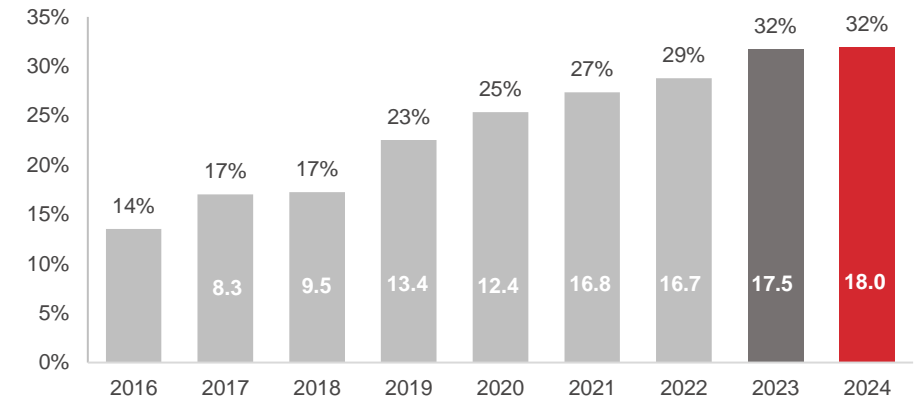
### ▶ Recycling drives substantial carbon and cost savings

- Estimate recycling operation saved c.44kt of carbon in 2023 vs the use of virgin PVC<sup>(1)</sup>
- c.3m end-of-life window frames saved from landfill in 2024
- Gross margin benefit from use of recycled material vs virgin compound

### ▶ Total waste recycled 69% in 2024 (2023: 76%)

- New applications for recycling operation waste products previously landfilled
- Substantially all scrap generated in extrusion is recycled

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 recyclate, derived from "Life Cycle Assessment of Re-cycling PVC Window Frames", Heinz Sticchothe, 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

# Environmental and Social

## Targets and KPIs

	KPI	2023 Result	2024 Result	Target	Link to UN SDGs
<b>Environmental – circular economy</b>					
<b>Waste to landfill</b>	% landfill	9%	2.5%	No more than 5% waste to landfill by 2025 and 1% by 2030	
<b>Waste recycled</b>	% recycled	76%	69%	Increase of 2% per annum in waste recycled (to 88% by 2025) then increase of 1% per annum thereafter (to 93% by 2030) vs 2020 baseline	
<b>Recycled material used in production</b>	% used	32%	32%	36% by 2030	
<b>Recycled material yield</b>	% generated	63%	62%	72% by 2030	
<b>Environmental – emissions, energy management and pollution</b>					
<b>Scope 1, 2 and 3 emissions (market-based)</b>	Absolute Scope 1, 2 and 3 emissions (Market-based)	188,199 tCO <sub>2</sub> e	183,299 tCO <sub>2</sub> e	Net Zero by 2045	
<b>Scope 1 and 2</b>	Absolute Scope 1 and 2 emissions (Market-based)	10,862 tCO <sub>2</sub> e	9,995 tCO <sub>2</sub> e	70% reduction by 2034	
<b>Scope 3</b>	Absolute Scope 3 emissions (Market-based)	177,300 tCO <sub>2</sub> e	177,305 tCO <sub>2</sub> e	37.5% reduction by 2034	
<b>Renewable electricity</b>	% renewable electricity used	94% total electricity	95% total electricity	More than 90% by 2025	 
<b>Social</b>					
<b>Health &amp; safety</b>	Lost-time injury rate	5.7 per 1m hours	4.1 per 1m hours	3.1 per 1m hours by 2026	
<b>Employee engagement and recruitment</b>	Labour turnover	27%	25%	Year-on-year reduction	  
<b>Employee satisfaction</b>	Annual survey response rate and Winning formula score	73% and n/a	70% and 59%	Year-on-year increase	
<b>Diversity</b>	Female employees	16.3%	16.9%	Year-on-year increase	
<b>Remuneration</b>	National Living Wage ('NLW')	All employees at or above NLW	All employees at or above NLW	All employees above NLW by 2023	
<b>Education</b>	Apprenticeships / Kickstarters	61	63	20% increase on 2020 base of 32 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

eurocell