

28 June 2019

The Alumasc Group plc (ALU.L) (the Group")

Update on Levolux strategy

Further to the Group's trading update on 14 June, the Board has now progressed its review of the optimal strategy for the continued development of Levolux as part of the broader Alumasc Group. The conclusions are set out below.

Levolux is a business with great future potential, both in the UK and international markets and is one of Alumasc's strongest brands.

The Board will focus the business where it believes it can clearly differentiate and add most value to customers and shareholders. This will involve developing the more profitable areas of the business, simplifying operational delivery and reducing risk with the key initial steps being to:

- combine Levolux solar shading, screening and balconies with the Group's roofing business in a new "Alumasc Building Envelope" division, providing integrated solutions for developers and specifiers seeking high quality roofing and facades systems. A new, collaborative divisional sales approach will increase Levolux's existing market reach and leverage existing strong customer relationships within the wider Group.
- focus on design and supply activities, with installation increasingly carried out by third party registered contractors as is the case in the rest of the Group. The vast majority of Levolux projects in the UK currently involve in-house installation which will in future only be offered where this service is particularly valuable to customers.
- invest in local technical sales resources to accelerate growth in the profitable Levolux business in North America, which currently generates revenues of circa £4 million p.a. on a design and supply only basis.
- optimise the utilisation of business locations across Alumasc to

drive synergy and efficiency within the Building Envelope division. This forms part of the Group's broader strategy set out in its 2019 interim report and will enable greater sharing of common support services.

Alongside these initiatives the Company will reduce the break-even level of sales by increasing contribution margins and controlling overheads.

Initiatives to effect these changes will begin immediately and are expected to be largely implemented by the end of the coming financial year. Consequently, the Board's expectations for underlying performance in the year to June 2020 are unchanged, although the expectation is that this re-positioning will enhance the prospects for the Group in the medium term.

This announcement contains inside information for the purposes of Market Abuse Regulation (Regulation (EU) No. 596/2014). The person responsible for making this announcement on behalf of the Company is Helen Ashton, Group Company Secretary.

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Notes to Editors:

Alumasc is a UK-based supplier of premium building products, systems and solutions. Almost 80% of group sales are driven by building regulations and specifications (architects and structural engineers) because of the performance characteristics offered.

The group has three business segments with strong positions and brands in their individual markets: Roofing & Water Management; Architectural Screening, Solar Shading & Balconies; and Housebuilding Products & Ancillaries.

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Company Announcement - General

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