Interim Results

Six months to 31 December 2024

Sustainability driving further growth

Contents

Alumasc Roofing – Hydrotech - Nucleus Building, Edinburgh

01.

Introducing Alumasc

Paul Hooper, Chief Executive

Alumasc Roofing – Hydrotech – White City Living

Three divisions, diverse range of products & markets

Building Products for a Sustainable Future

Water Management

Climate change resilience through urban water and stormwater management

Products:

- Rainwater management (gutters/downpipes)
- Architectural aluminium
- Building and surface water drainage
- Access covers

Building Envelope

Building decarbonisation/greening/ climate resilience through premium weatherproofing/insulation solutions, including blue, green and bio-solar roofs and carbon- absorbing membranes

Products:

- Modular flat and flat-to-pitched roofs
- Roof safety products
- Blue roofs
- Green roofs
- Bio-solar roofs

Housebuilding Products

Building decarbonisation through products focused on improving air-tightness and managing ventilation

Products:

- Broad range of housebuilding products

Clear and Well-Established Growth Strategy

Championing Sustainable Building Products

- ➢ Portfolio aligned with strategic growth markets
- ➢ Resource-efficient manufacturing
- ➢ Targeted product development
- ➢ Sustainability commitment recognised by LSE Green Economy Mark

Accelerating Organic Sales Growth

- ➢ Outperform general UK construction sector
  - Growing demand for products that improve energy efficiency and climate resilience
  - Supportive legislation
  - Trusted brands and premium products
  - Market-leading customer service and support
  - Target growth in niche international markets

Driving Margin Improvement

- ➢ Operating margin target 15-20%
- ➢ Continued focus on efficiency improvements
  - Process automation
  - Capability and capacity
  - Site consolidation
- ➢ Technology investment
  - Customer service and commercial decision-making supported by better data
- ➢ Realise acquisition synergies

Value-Accretive Investment

- ➢ Investment supported by cash generation and strong balance sheet
  - Strong cashflows through effective working capital management
  - Significant headroom
  - Capital and revenue investment to enhance future growth
  - Selective bolt-on acquisitions to accelerate ambitions

02.

H1 FY25 Overview

Paul Hooper, Chief Executive

ARP – Sentinel Deepflow Aluminium Gutter, Colonnade Square Swaged Aluminium Downpipe, Trueline Aluminium Fascia & Soffit - Lady Byron House, Knowle

H1 FY25 highlights

Delivery of strategic priorities driving market outperformance

Record H1 performance in challenging end market conditions

- Revenue +20% to £57.4m (H1 FY24: £47.8m)
- Underlying PBT* +19% to £7.5m (H1 FY24: £6.3m)
- Organic growth in all three divisions
- Excellent performance from ARP
- Strong cashflows (127% operating cash conversion) and balance sheet (0.3x leverage)
- Interim dividend increased to 3.50p (H1 FY24: 3.45p)

* A reconciliation of underlying to statutory profit measures is shown in the appendix

H1 FY25 highlights

Delivery of strategic priorities driving market outperformance

Successful execution of strategic and commercial priorities

- Organic revenue growth +8%
  - Strong overseas sales growth (+43%), assisted by acceleration of CLK order
  - Resilient domestic sales (+3%), outperforming challenging UK market
- Underlying operating margin* stable at 14.1%
- >80% of portfolio aligned with strong environmental growth drivers
- Successful relocation of access covers manufacturing to Halstead in December
- Significant headroom to support future growth

Clear line of sight on delivering growth ambitions

- Continued outperformance of UK construction market
- Future margin growth through demand recovery and operating efficiencies/acquisition synergies

* A reconciliation of underlying to statutory profit measures is shown in the appendix

03.

Financial Review

Simon Dray, Group Finance Director

Alumasc Roofing – Alumasc Inverted BluRoof – Fletcher Joseph – Student Roost – Nelson Street, Belfast
(Image credit: Chris Humphreys Photography)

Income statement summary
6 months to 31 December

	H1 FY25 £m	H1 FY24 £m	Change %
Revenue	57.4	47.8	+20.1%
Gross profit	21.6	17.9	
Gross margin %	*37.6%*	*37.5%*	
Sales, general & administration overheads	(13.5)	(11.2)	
Underlying operating profit*	8.1	6.7	+20.3%
Underlying operating margin %	*14.1%*	*14.1%*	
Net finance costs	(0.6)	(0.4)	
Underlying PBT*	7.5	6.3	+19.1%
Restructuring, relocation & other non-recurring items	(0.7)	(0.3)	
Acquisition costs	-	(0.3)	
Non-cash IAS19 pension/acquired IA amortisation charges	(0.3)	(0.1)	
PBT*	6.5	5.6	+16.8%
Underlying EPS (p)	15.8p	13.0p	+21.5%
Basic EPS (p)	13.6p	11.4p	+19.3%
Interim dividend per share (p)	3.50p	3.45p	+1.4%

Revenue +20%
- ARP contribution £5.7m
- Organic growth +8%
  - UK revenues resilient (+3%)
  - Strong export revenues (+43%)

Gross margin +0.1%
- Active management of costs and pricing

Underlying operating margin stable
- Cost management and volume increase mitigated overhead inflation

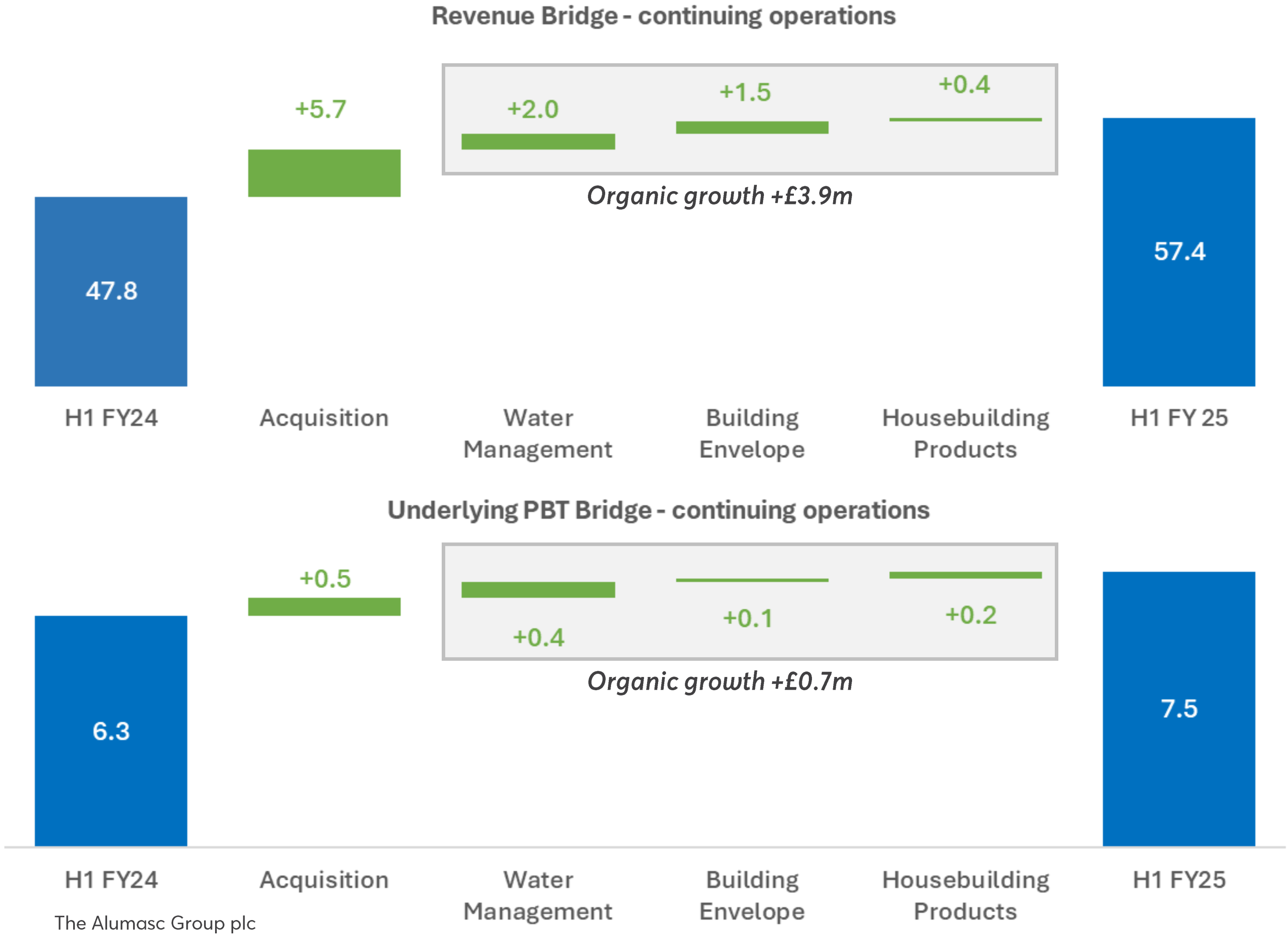
Underlying PBT +19%
- ARP contribution £0.5m
- Organic growth +11%

Underlying EPS +22%
- Underlying PBT +19%
- Underling tax rate 24% (H1 FY24: 25%)

Interim dividend per share 3.50p (H1 FY24: 3.45p)

* a reconciliation of underlying to statutory profit measures is included in the Appendix

Revenue and profit bridges
Six months to 31 December



Six month contribution from ARP acquisition

- Revenue £5.7m
- Underlying PBT £0.5m (after £0.3m attributable interest)

Organic growth across all three divisions

Underlying operating margin stable at 14.1%

- Future drivers towards 15-20% target range:
  - Self-help initiatives
  - Operational gearing effect from volume growth

Cashflow statement summary
Six months to 31 December

	H1 FY25 £m	H1 FY24 £m	Change £m
EBITDA*	9.8	8.3	+1.5
Change in working capital	1.1	1.7	
Pension deficit funding	(0.6)	(0.6)	
Cash generated by underlying operating activities	10.3	9.4	+0.9
Cash conversion	*127%*	*140%*	
Capital expenditure	(2.0)	(1.5)	
Interest	(0.6)	(0.3)	
Tax	(1.2)	(1.7)	
Lease principal repaid	(0.4)	(0.5)	
Non-underlying/other cash flows	(0.7)	(0.6)	
Free cash flow	5.4	4.8	+0.6
Acquisition of businesses	-	(6.5)	
Purchase of own shares	(0.1)	(0.4)	
Dividends	(2.6)	(2.5)	
Decrease/(increase) in net bank debt	2.7	(4.6)	
Net bank debt	(4.6)	(7.4)	
Average trade working capital % sales	14.8%	16.7%	

Strong cash performance

- Cash conversion 127% (H1 FY24: 140%)
- £1.1m inflow from working capital:
  - Significant working capital reductions over FY24
  - FY25 growth and supply chain challenges well-managed
  - Average TWC/sales 14.8% (H1 FY24: 16.7%)
- Pension deficit funding at £0.6m (H1 FY24: £0.6m)

Continuing to invest for future growth

Capital expenditure £2.0m (H1 FY24: £1.5m)

- Completion of access cover automation project (Halstead) – £0.4m
- Continued investment in NPD and process efficiency (Timloc) - £0.7m

Net bank debt £4.6m

- Gearing at 0.3x (H1 FY24 0.5x)

* EBITDA: Underlying operating profit before share-based payment charges, interest, tax, depreciation and amortisation

Balance sheet summary
at 31 December

	H1 FY25 £m	H1 FY24 £m	Change £m
Property, plant & equipment	21.5	19.1	+2.4
Intangible assets	19.1	18.8	+0.3
Working capital	10.8	11.4	(0.6)
Other net liabilities	(6.6)	(7.2)	+0.6
Capital invested	**44.8**	**42.1**	**+2.7**
Net debt bank	(4.6)	(7.4)	+2.8
Net debt lease	(5.3)	(4.8)	(0.5)
Pension obligations - surplus/(deficit)	3.3	(4.8)	+8.1
Deferred tax on pension obligations	(0.8)	1.2	(2.0)
Net assets	**37.4**	**26.3**	**+11.1**
ROI (post tax)*	**27.1%**	**24.6%**	

Bank facilities:

- £25m (+£20m accordion)
- Committed to August 2027

Net bank debt £4.6m:

- 0.3x gearing (covenant <2.5x)
- Substantial headroom to support growth ambition

Pension surplus increased to £3.3m:

- Higher bond yields and growth asset outperformance
- Approaching self-sufficiency target
- Next triennial due March 2025

Increased return on investment on improved capital efficiency

* Underlying post-tax operating profit divided by average capital invested for the previous 12 months

Our key financial performance indicators

	Organic revenue growth[1]	Underlying operating margin	Cash conversion[2]	Carbon reduction
Targets	>UK construction growth (2020 -2024: 0%) (2024: (3)% to (5)%)	15-20%	>100%	Further 42% reduction[3] by 2030 Scope 3 targets in place by end 2025
Results	FY19-24: +5.90% CAGR **HY25: +8.1% HY25**	FY19-24: +435 bps growth to 14.1% **HY25: 14.1%**	FY19-24: 93% average **HY25: 127%**	FY18-24: 70% reduction[3] **HY25: Scope 3 targets underway**

[1] Continuing operations, excluding acquisitions
[2] Underlying cash generated from operations as a percentage of operating profit
[3] GHG emission intensity, from scopes 1, 2 and business travel

04.

Operational Performance

Paul Hooper, Chief Executive

Alumasc Water Management – Gatic UltraSlot - Huelva Port, Andalusia

Water Management

	H1 FY25	H1 FY24
Revenue (£m)	29.6	22.0
Underlying* operating profit (£m)	4.7	3.5
Underlying* operating margin (%)	15.8%	16.0%
Operating profit (£m)	3.8	3.2

- Record H1 performance
  - Six months incremental contribution from ARP (acquired late Dec 2023)
  - Organic growth in revenue (+9%) and operating profit (+11%)
- Excellent export performance (+42%)
  - Faster than expected call-offs from significant CLK airport project
  - Growing pipeline of opportunities from expanded overseas sales team
- Resilient UK revenues
- Investment in leadership positions (new MD & export sales director)
- Margin support from H2, from automated access cover manufacturing at Halstead and further ARP synergies

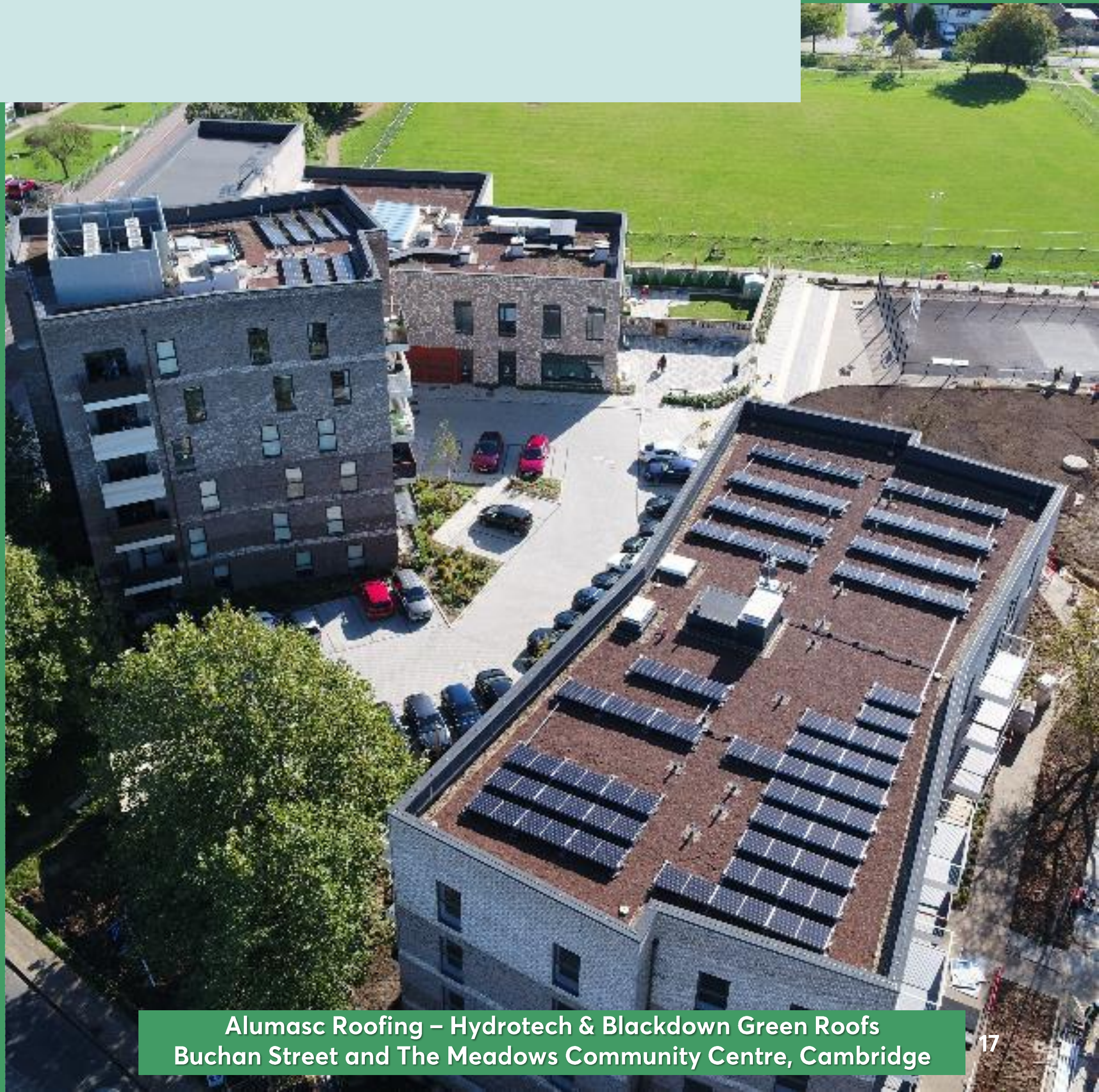
Alumasc Water Management – precision-engineered F900 access cover manufactured in Halstead

* a reconciliation of underlying to statutory profit measures is included in the Appendix

Building Envelope (Roofing)

	H1 FY25	H1 FY24
Revenue (£m)	20.2	18.7
Underlying* operating profit (£m)	2.5	2.4
Underlying* operating margin (%)	12.5%	12.8%
Operating profit (£m)	2.5	2.4

- Organic growth: +8% revenue, +6% operating profit
- Robust revenue growth
  - Market share gains
  - New product launches
- Underlying operating margin reflects:
  - Investments in sales capability and regional coverage
  - Building Safety Act compliance: product testing and training
- Product range and sustainability improvements
  - Metal roofing/standing seam, cold liquid systems and non-combustible insulation
  - Improving traction with larger multi-site projects



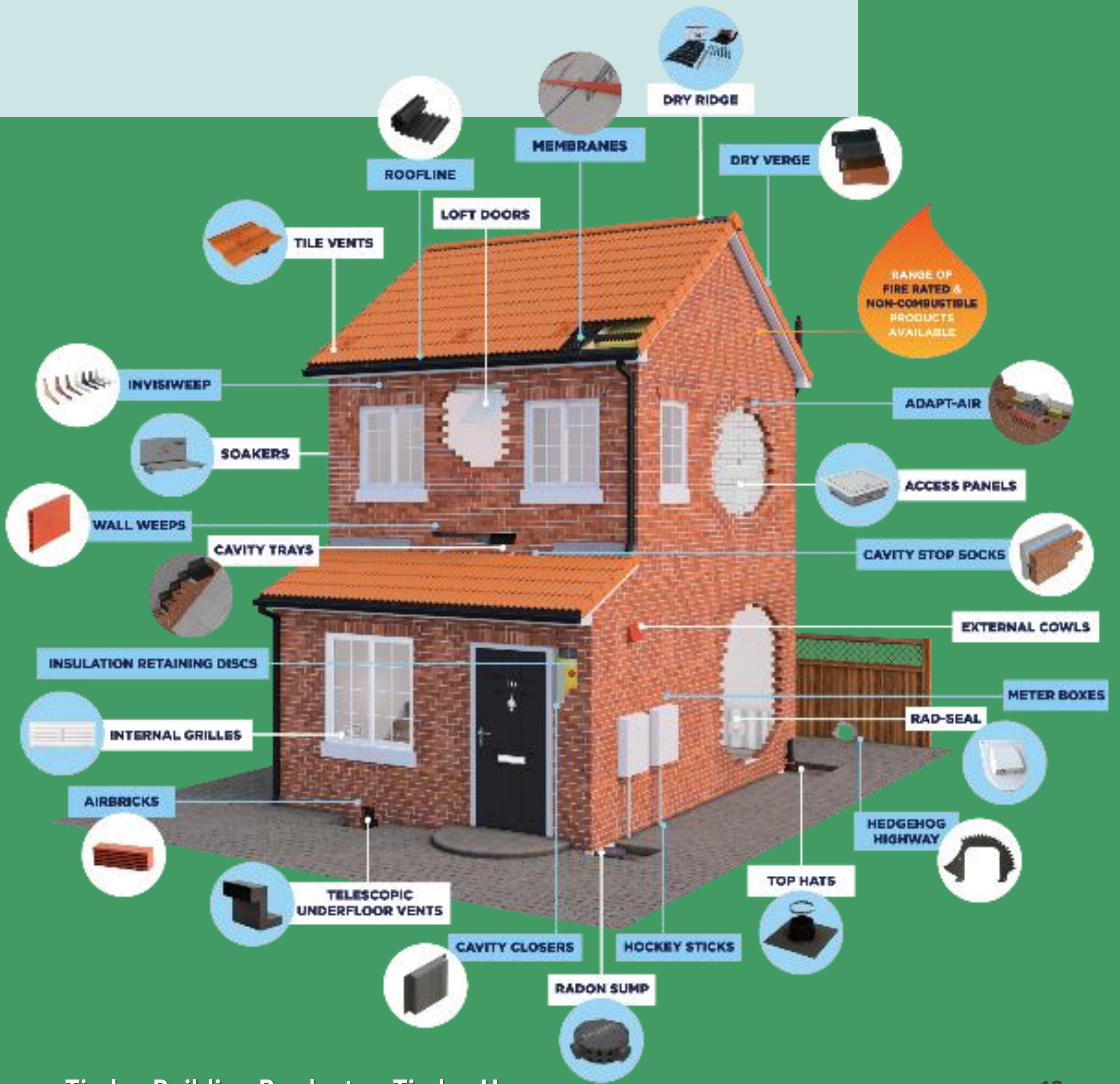
Alumasc Roofing – Hydrotech & Blackdown Green Roofs
Buchan Street and The Meadows Community Centre, Cambridge

* a reconciliation of underlying to statutory profit measures is included in the Appendix

Housebuilding Products (Timloc)

	H1 FY25	H1 FY24
Revenue (£m)	7.5	7.1
Underlying* operating profit (£m)	1.9	1.7
Underlying* operating margin (%)	25.0%	24.5%
Operating profit (£m)	1.9	1.7

- Record H1 performance
- Organic revenue (+6%) and profit (+8%) growth despite further declines in general UK housebuilding market
    - Market share gains from outstanding customer service
    - Further new product launches planned for H2
    - Further efficiencies and cost management; 25.0% underlying operating margin
- Well positioned to support demand recovery
    - Continued investment in cost- and energy-efficient manufacturing
    - Focus on sustainability supports drive for lower carbon homes
    - Substantial capacity for growth



Timloc Building Products – Timloc House

* a reconciliation of underlying to statutory profit measures is included in the Appendix

05.

Accelerating Our Growth

Paul Hooper, Chief Executive

Alumasc Water Management – Gatic UltraSlot and Access Covers – Moin Container Terminal, Limon Province, Costa Rica
Image Credit: APM Terminals

Strategic Priority
Accelerating organic sales growth - UK

Revenue Growth (UK)*: +3.4%

Outperformed challenging UK market (estimated c.5% decline**)

Attractive positions in markets supported by long-term growth drivers:

- 80% of product portfolio subject to regulations/legislation
- >80% of revenue derived from environmental solutions

Market share gains: well positioned for UK volume recovery

Wade – Linear Channel Drains
Eclipse Leisure Centre, Knowle Green, Staines-on-Thames
Image Credit: Willmott Dixon

* Organic, excluding contribution from acquisitions
** Experian UK construction forecast, Winter 2024

Strategic Priority
Accelerating organic sales growth - Overseas

GATIC
DRAINAGE & ACCESS COVERS

WADE
BUILDING DRAINAGE

Revenue growth (Exports): +42.9%

14% of Group revenue (H1 FY24: 12%)

- Acceleration of Chek Lap Kok (HK) airport work
- Investment in overseas sales resource: growing pipeline of opportunities

40 International Distributors

Traditional areas of strength:

- Hong Kong
- Singapore
- Middle East (emerging)

Growing presence:

- Middle East
- Latin America
- Philippines

* Organic, excluding contribution from acquisitions

Strategic Priority
Driving margin improvement

Medium term operating margin growth opportunities

FY19 – FY24: 435bp margin growth (9.8%-14.1%)

HY25 margin stable at 14.1%

Continual focus on costs, margins

Further investment in automation/efficiency

Dover site closure

- Completed in December 2024, annualised cost reduction £0.8m pa

ARP synergies

- Procurement and operational efficiencies; medium term target £0.5m pa

Operational leverage

- Margin accretion from volume growth
  - UK market recovery
  - Overseas growth

Strategic Priority
Championing sustainable building products

Building energy efficiency

Improving building energy efficiency with products that improve insulation and control insulation, absorb CO_2 and facilitate solar power generation

Regulatory drivers:

Future Homes Standard 2025

Building regulations part L (fuel and power conservation) and F (ventilation)

Technical standards (NHBC, Scottish)

Local authority planning regulations

Public sector decarbonisation plan

Urban water management

Climate change resilience through urban water and stormwater management

Regulatory drivers:

National Planning Policy Framework

- Flooding
- Climate Change resilience
- Fire Safety

Urban green spaces

Habitat recreation in urban environment to preserve biodiversity and improve occupant wellbeing

Regulatory drivers:

Biodiversity net gain

>80% of portfolio addresses markets with long term environmental growth drivers

Strategic Delivery
Value enhancing investment – organic growth

Investment for long term growth

Targeted investments in capability:

- Sales coverage in Building Envelope
- Senior management/overseas sales resource in Water Management
- Access covers automation in Water Management
- Efficiency/new product development in Housebuilding Products

Strong cashflows and balance sheet to support further investment

Timloc Building Products - InVentive Low Profile Plain & Slip Plain Tile Vents

Strategic Delivery
Value enhancing investment – M&A

M&A target characteristics
Bolt-on (to c.£20m EV)
Operating in Alumasc markets/close adjacents
Consistent with Group margin and cash generation targets
Immediately earnings accretive
Net debt: EBITDA < 1.5x
Environmentally efficient products
Scope to grow
Synergistic benefits

Case studies

Acquisition	Date	Cost	ROI (initial)	ROI (act/target)
Timloc	Sep 2004	£3.4m	8%	35%
Rainclear	Dec 2012	£0.7m	26%	111%
Wade	Jan 2018	£8.0m	18%	>30%[1]
ARP	Dec 2023	£10.0m	13%	>25%[2]

[1] after relocation of access covers manufacturing
[2] after delivery of initial synergies

Value creation through acquisition synergies and investment in Alumasc strategic growth drivers
Strong pipeline of opportunities

06.

Outlook

Paul Hooper, Chief Executive

Simon Dray, Group Finance Director

Outlook

- **After excellent H1:**
  - Expect continued resilient UK performance despite persistent demand headwinds
  - H2 export growth likely to normalise
  - Strategic progress on margin targets from further efficiency improvements
  - Minimal impact from NIC/NLW increase
    - £0.6m gross annual cost from April 2025
    - Expect to mitigate through structural cost reductions/efficiency gains/pricing adjustments
- **Demonstrated quality of businesses and capacity to deliver medium term growth plans:**
  - Diversity of end markets
  - Export potential
  - Strategic alignment with shift to sustainable construction
  - Product innovation, experienced management team, best in class service, operational excellence
- **Board remains confident in Group achieving its full year forecast**
- **Clear line of sight to deliver long-term shareholder value**

Thank you

www.alumasc.co.uk

Alumasc Water Management – AX Half-round Gutters/Swaged Downpipes; Skyline Architectural Aluminium Fascia/Soffits
Bentley Amateur Rugby League Football Club, Doncaster

07.

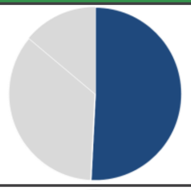
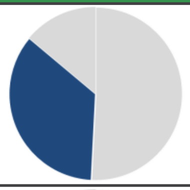
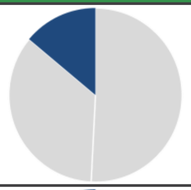
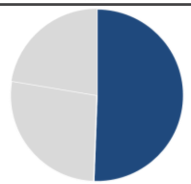
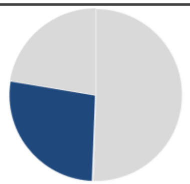
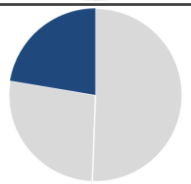
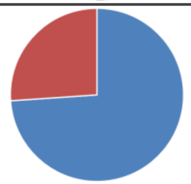
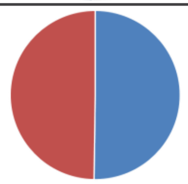
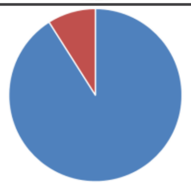
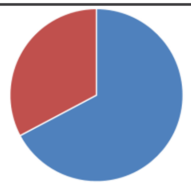
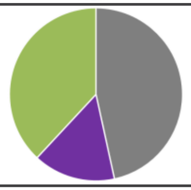
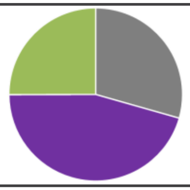
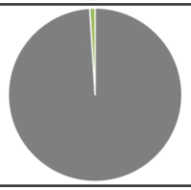
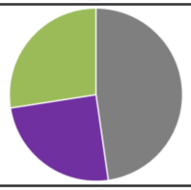
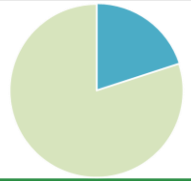
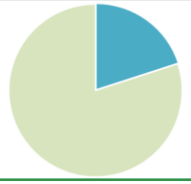
Appendices

ARP – Legacy Cast Aluminium Half Round Gutter & Colonnade Cast Collared Downpipe - Brasenose Cottage, Great Rollright

Appendix
Underlying to statutory profit reconciliation (£m)

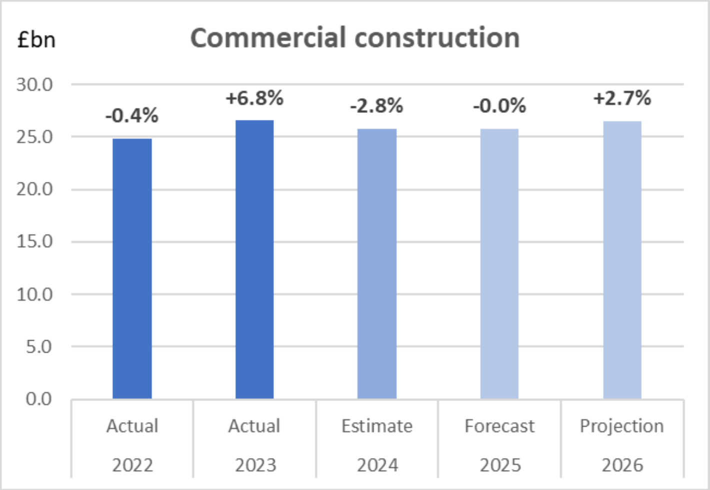
	H1 FY25		H1 FY24	
	Operating Profit £'000	Profit/(loss) Before Tax £'000	Operating Profit £'000	Profit/(loss) Before Tax £'000
Underlying profit	8.1	7.5	6.7	6.3
Amortisation of acquired intangible assets	(0.2)	(0.2)	–	–
Net IAS 19 defined benefit pension scheme costs	–	(0.1)	–	(0.1)
Acquisition costs	–	–	(0.3)	(0.3)
Restructuring and other non-recurring costs	(0.7)	(0.7)	(0.3)	(0.3)
Statutory profit	**7.2**	**6.5**	**6.1**	**5.6**

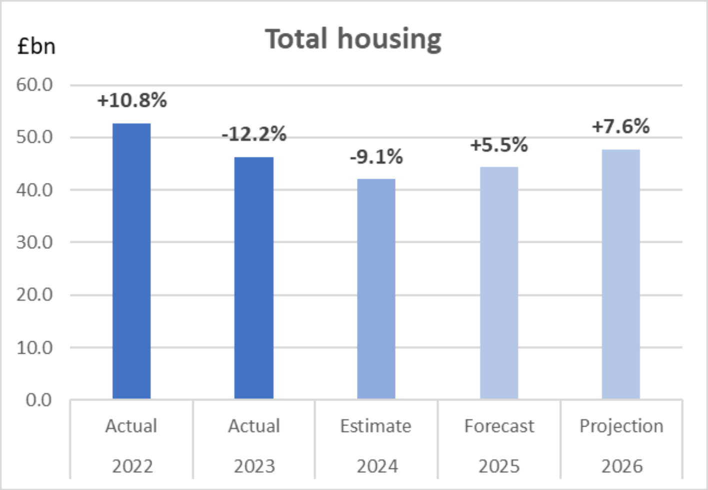
Appendix
Diversified end markets

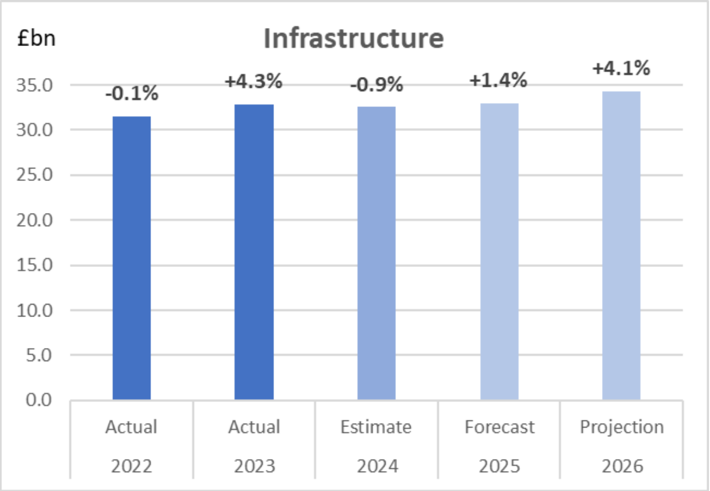
	Water Management	Building Envelope	Housebuilding Products	Group
% of Group revenue				>80% revenue derived from environmental products
% of Group profit				>80% revenue supported by legislation/regulations
Private vs Public				
Housebuilding vs Non-residential vs Commercial/infrastructure				
RMI vs New build				

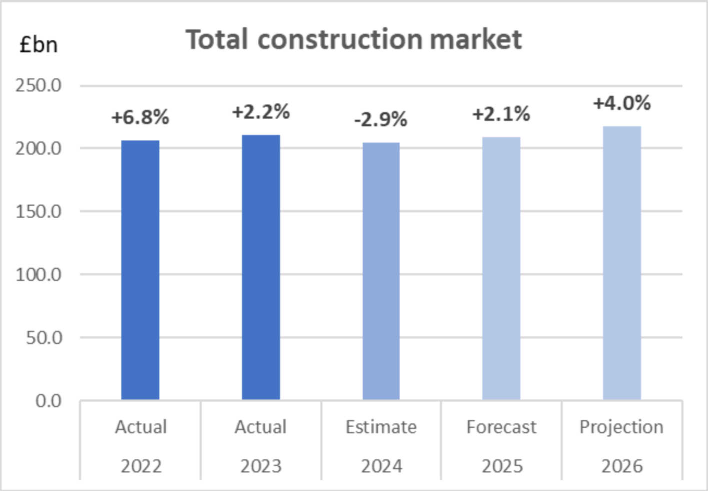
Allocation is based on proforma FY24 results including a full year of ARP contribution; data estimated/illustrative

Appendix
Industry forecasts









Source: CPA Winter 2024/25 forecasts

Appendix
Medium/long term structural growth drivers

Growth drivers	Building Envelope	Water Management	Housebuilding Products
Under-supply of new housing	√	√√	√√√
Ageing building stock	√√√	√√√	√
Demand for more sustainable materials	√√√	√√√	√√
Energy efficient buildings	√√√	√	√√√
Urban drainage/wastewater management plans	√√	√√√	√
Building resilience to impacts of climate change	√√√	√√√	√
Preservation of urban biodiversity	√√√	√	√
Fire regulations	√√√	√√√	√√√
Export sales growth	√	√√√	√

√ Somewhat supportive √ √ Supportive √ √ √ Strongly supportive