



Annual Results to 30 June 2024

Sustainability driving further
growth

Alumasc Roofing – Hydrotech Hot Melt and Derbigum Bituminous Membrane – Oldham Road, Manchester

Contents

01. Introducing Alumasc
02. FY24 Highlights & Overview
03. Financial Review
04. Business Review
05. Strategic Delivery
06. Outlook
07. Appendices





01.

Introducing Alumasc

Paul Hooper, Chief Executive



Alumasc Water Management – Skyline and Rainwater – Weston-Super-Mare General Hospital

Sustainability driving future growth



Market leadership: sustainable solutions to the global built environment:

>85% of products are sustainable, addressing challenges of climate change:

Building decarbonisation; Water management; Occupant wellbeing/urban biodiversity

Driving shareholder value through clear strategic growth objectives:

Championing Sustainable Building Products

Accelerating Organic Sales Growth; Driving Margin Improvement; Value-Accretive Investment

Significant long term growth drivers drive revenue generation : housing undersupply/ageing building stock; building decarbonisation; climate resilience; building safety

Supportive and progressive legislation

Targeted growth initiatives

Investment in technical sales capability

New product launches into adjacent markets

Geographical sales team expansion

Clear path to continued market outperformance and margin enhancement to 15-20% target

Volume growth (UK and export)

ARP synergies

New product development; Automation; Site consolidation; Further efficiency gains

Our environmental solutions



Water Management

Climate change resilience through urban water and stormwater management

Growth drivers:

Building legislation/regulations: conservation, attenuation and control of water; fire safety
Structural engineering specifications
Building regulations
Sustainable drainage



Building Envelope

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

Growth drivers:

Building legislation/regulations: energy efficiency; fire safety
Demand for sustainable roofing solutions (recycled/recyclable, carbon efficient)
Architectural specifications
Long term life cycle benefits



Housebuilding Products

Building decarbonisation through products focused on improving airtightness and managing ventilation

Growth drivers:

Housing undersupply
Building legislation/regulations: energy efficiency; fire safety
Ease of construction



02.

FY24 Highlights & Overview

Paul Hooper, Chief Executive

Alumasc Roofing – Hydrotech and Derbigum – Pall Mall, Liverpool



FY24 highlights

Delivery of strategic priorities driving market outperformance

Strong performance in challenging end market conditions

- Revenue +13% to £100.7m (FY23: £89.1m)
- Underlying PBT* +16% to record £13.0m (FY23: £11.2m)
- ARP acquisition performing well; further synergies expected from FY25
- Strong cashflow performance (120% operating cash conversion) and balance sheet (0.5x leverage)
- Proposed final dividend +6% to 7.3p, full year dividend +4% to 10.75p

Successful execution of strategic and commercial priorities

- Organic revenue growth +6.5%
- Underlying operating margin +50bps to 14.1%
- >80% of portfolio aligned with strong environmental growth drivers
- Further progress on net zero initiatives
- Significant headroom to support future growth
- Closure of Dover site planned for December 2024

Clear line of sight on delivering growth ambitions

- Continued outperformance of UK construction market
- Margin growth through demand recovery and self-help initiatives

Outperforming the UK construction market

Construction markets subdued

- Political and macroeconomic uncertainty
- Pressure on public finances
- Customer demand suppressed by inflation/high mortgage costs
- Private housing starts fell by 17.9% in 2023 and 11.0% in 2024*
- Latent housing demand remains strong

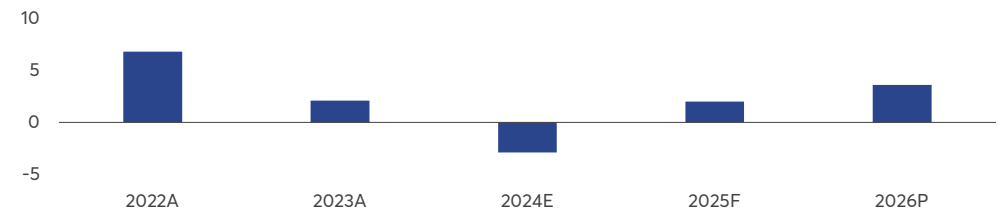
Improving outlook (interest rate cuts, Government support)

Sustainability drivers remain strong

- More resilient demand through cycle
- Outperformance supported by progressive legislation/regulations
 - Building decarbonisation
 - Urban water management/greening
 - Building safety

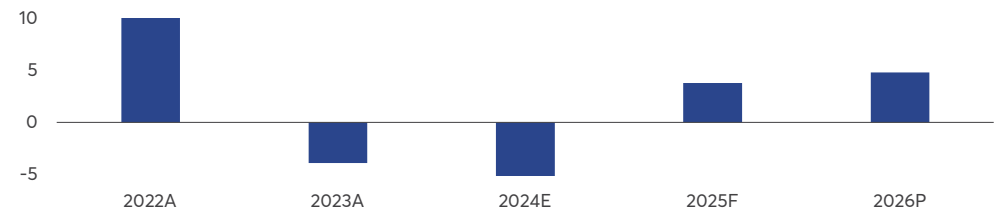
UK construction output

CPA Summer 2024 forecast, all work



UK housing output

CPA Summer 2024 forecast, private & public newbuild & RMI





03.

Financial Review

Simon Dray, Group Finance Director

Alumasc Water Management Solutions – Gatic F900 Recessed Duct Covers and Frames, Kai Tak Cruise Terminal in Hong Kong



Income statement summary

Year ended 30 June 2024

Continuing operations	FY24 £m	FY23 £m	Change %
Revenue	100.7	89.1	13.0%
Gross profit	38.3	32.7	
<i>Gross profit margin %</i>	38.0%	36.7%	
Sales, general & administration overheads	(24.1)	(20.6)	
Underlying operating profit*	14.2	12.1	17.6%
<i>Underlying operating margin %</i>	14.1%	13.6%	
Net finance costs	(1.2)	(0.9)	
Underlying PBT*	13.0	11.2	16.1%
Underlying tax charge	(3.4)	(2.3)	
Underlying PAT*	9.6	8.9	
Non-underlying items (after tax)	(0.9)	(0.6)	
PAT	8.7	8.3	
Underlying EPS (p)	26.9p	25.0p	7.6%
Basic EPS (p)	24.3p	23.3p	4.3%
Dividend per share (p)	10.75p	10.3p	4.4%

The Alumasc Group plc

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

Strong organic and inorganic growth

	Organic	Acquired	Total
Revenue	+6.5%	+6.5%	+13.0%
Underlying PBT	+10.6%	+5.5%	+16.1%

Gross margin 130bp above FY23

- Material prices stable/declining
- Active and disciplined price and cost management

Underlying operating margin 50bps above FY23

- Organic volume growth
- Investments in capability (sales, NPD)

Underlying tax rate 25.5% (FY23: 20.0%)

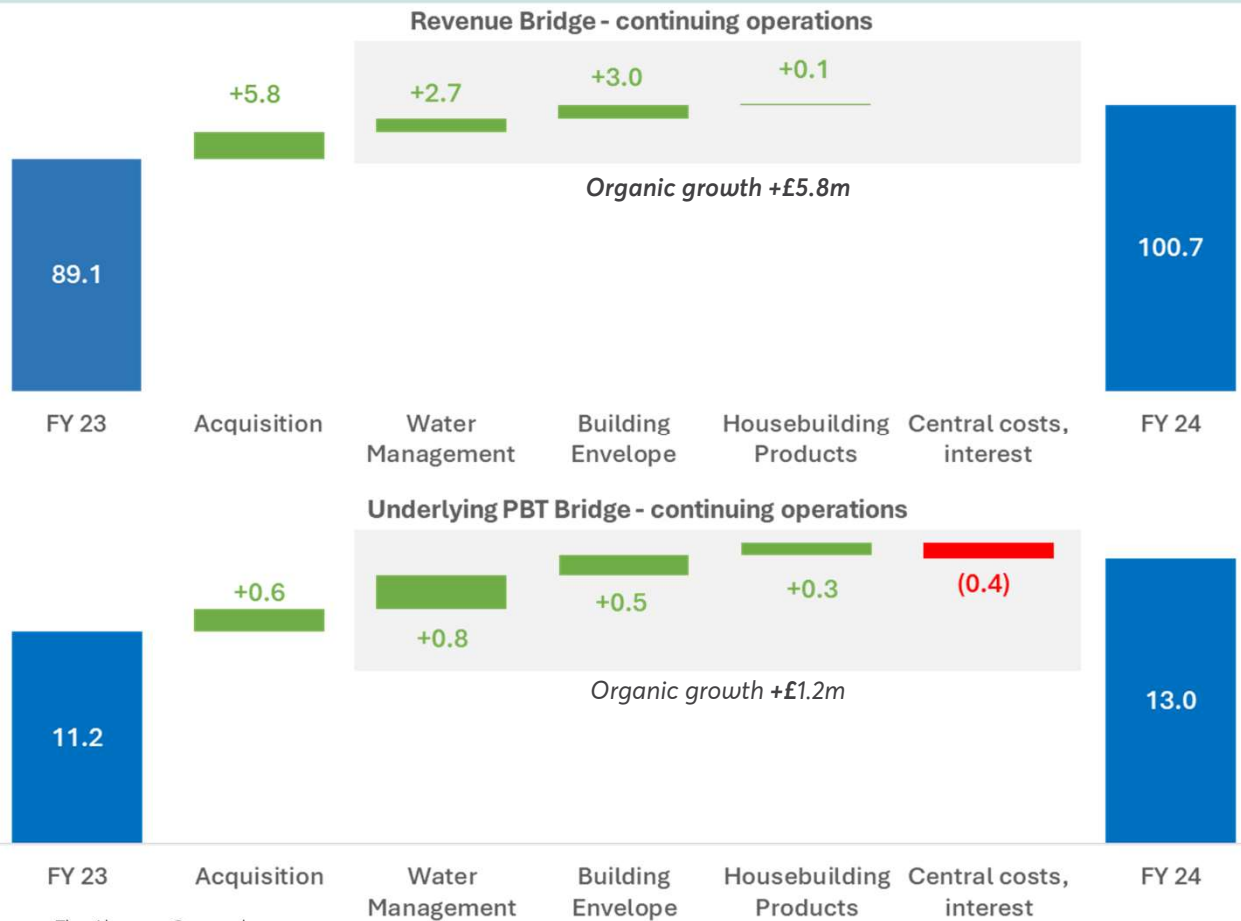
Underlying EPS +7.6%

Full year dividend per share 10.75p (FY23: 10.3p)

- Subject to shareholder approval at AGM
- Covered 2.5x by underlying earnings
- Consistent with progressive policy and 2.5-3.0x cover

Revenue and profit bridges

Year ended 30 June 2024



Six month contribution from ARP acquisition

- Revenue £5.8m
- Underlying PBT £0.6m (after £0.4m attributable interest)

Organic growth across all three divisions

Overall price inflation not significant

- Raw material prices largely stable/declining
- Active price and cost management ongoing

Cashflow statement summary

Year ended 30 June 2024

	FY24 £m	FY23 £m	Change £m
EBITDA from continuing operations*	17.4	15.2	+2.2
Change in working capital	0.9	(0.9)	
Pension deficit funding	(1.2)	(1.6)	
Cash generated by underlying operating activities	17.1	12.7	+4.4
<i>Cash conversion</i>	120%	105%	
Capital expenditure	(3.6)	(2.7)	
Interest	(1.1)	(0.8)	
Tax	(2.1)	(0.5)	
Lease principal repaid	(0.8)	(0.8)	
Non-underlying/other cash flows	(1.2)	(0.6)	
Free cash flow	8.3	7.3	+1.0
Acquisition of businesses	(8.5)	-	
Disposal of businesses	-	(1.7)	
Purchase of own shares	(0.5)	(0.1)	
Dividends	(3.7)	(3.6)	
Movement in net bank debt	(4.4)	1.9	
Net bank debt at year end	(7.2)	(2.8)	
Average trade working capital % sales	14.9%	19.1%	

Strong cash performance

- Cash conversion 120% (FY23: 105%)
- £0.9m inflow from working capital: growth and supply chain challenges well-managed
- Annual pension deficit funding at £1.2m (FY23: £1.6m)

Continuing to invest for future growth

Capital expenditure £3.6m (FY23: £2.7m)

- Investment in access cover manufacturing (Wade)
- ERP investment: >80% of Group on common platform

£8.5m net outflow on ARP acquisition

- Includes initial £8.5m and first £0.75m earnout, net of cash and WC adjustments
- Final £0.75m earnout payable January 2025

Net bank debt £7.2m

Balance sheet summary at 30 June 2024

	FY24 £m	FY23 £m	Change £m
Property, plant & equipment	21.2	18.2	
Intangible assets	19.3	10.6	
Working capital	11.8	11.0	
Other net liabilities	(6.4)	(2.8)	
Capital invested	45.9	37.0	+8.9
Net debt bank	(7.2)	(2.8)	
Net debt lease	(5.8)	(5.3)	
Pension obligations (net of tax)	0.6	(3.2)	
Net assets	33.5	25.7	+7.8
ROI – continuing operations (post tax)*	26.0%	26.1%	

Strong returns on invested capital

- Well in excess of WACC (c.11%)

Significant capacity for investment

- June 2024 EBITDA leverage 0.5x
- Facility commitment extended to August 2027

Continued pension de-risking

- £0.8m pre-tax IAS 19 surplus (FY23: £4.3m deficit)
- Investment strategy aiming to balance reducing volatility with asset growth potential
- Next triennial March 2025

Capital allocation priorities

Maintain debt
at prudent level

Invest in
organic growth

Regular and
progressive returns
to shareholders

Invest in
inorganic growth

Strong cash generation supports growth and shareholder returns

Debt leverage maintained below 1.5x EBITDA

Organic growth investment

- **Revenue:**
 - Technical sales/customer support
 - New product development
 - Overseas markets
- **Capital:**
 - Process automation
 - Systems for efficiency and commercial decision-making

Progressive dividend policy

- 2.5-3.0x covered by earnings

Inorganic investment

- Bolt-on M&A in existing or adjacent segments



04.

Business Review

Paul Hooper, Chief Executive



Alumasc Roofing – Hydrotech and Derbigum – Pall Mall, Liverpool

Water Management

Continuing operations	FY24	FY23
Revenue (£m)	48.3	39.8
Underlying operating profit (£m)	7.6	5.8
Underlying operating margin (%)	15.8%	14.5%
Operating profit (£m)	6.8	5.6

- Six months contribution from ARP
- Organic growth in revenue (+7%) and operating profit (+16%)
 - Strong growth in export sales
 - Follows investment in local technical sales representation
 - Significant CLK airport order expected to start shipping in FY25
 - UK sales resilient
 - Access cover demand robust
 - Drainage sales impacted by project delays
- Dover site closure planned for December 2024
 - Manufacturing automated and relocated to Wade (Halstead)
 - c. £0.8m annualised savings

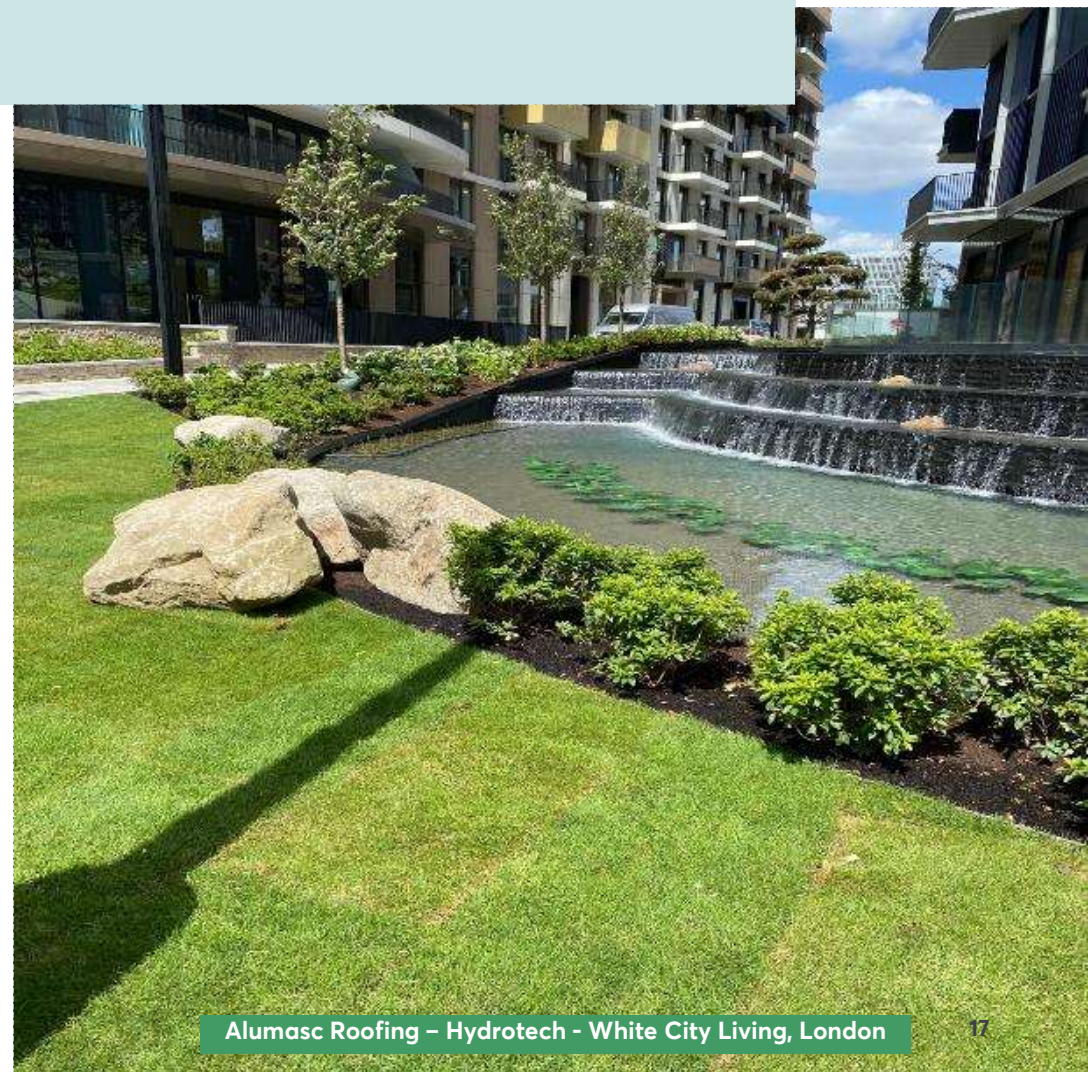


Alumasc Water Management – rainwater goods and window surrounds – Dukeries Homes, Lake View, Mansfield

Building Envelope

Continuing operations	FY24	FY23
Revenue (£m)	37.6	34.6
Underlying operating profit (£m)	4.6	4.1
Underlying operating margin (%)	12.3%	11.8%
Operating profit (£m)	4.6	4.1

- Organic growth: +9% revenue, +13% operating profit
 - Leveraging investment in technical sales and customer support
 - Increasing focus on enhanced sustainable roofing systems
 - Carbon-absorbing membranes
 - Bio-Solar systems
- Strategic focus
 - Long standing relationships with specifiers, surveyors, multi-site property owners, contractors and suppliers
 - High end specification work with low carbon systems
 - Excellent customer service and warranties



Housebuilding Products

Continuing operations	FY24	FY23
Revenue (£m)	14.8	14.7
Underlying operating profit (£m)	3.8	3.5
Underlying operating margin (%)	25.3%	23.9%
Operating profit (£m)	3.8	3.3

- Excellent performance in challenging market conditions
 - Lower housebuilding volumes offset by new product launches
- Operating margin at record 25%
 - Efficiency and cost control
 - Cost pass-through where required
 - Outstanding customer service
- Continued investment and focus on sustainability
 - Planned investments in automation, NPD and external sales resource
 - First carbon neutral building products manufacturer
- Well placed to benefit when housebuilding activity recovers

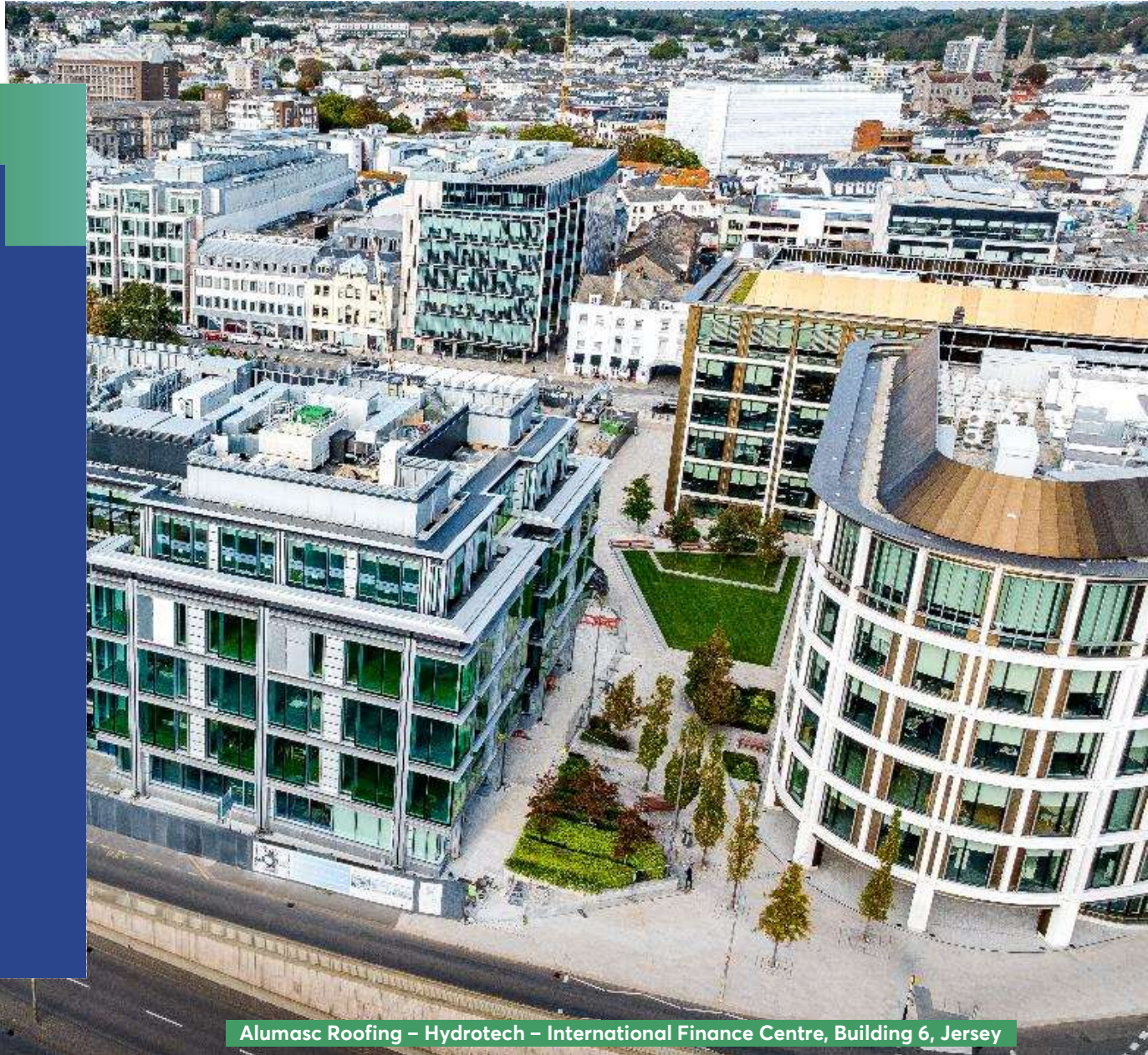




05.

Strategic Delivery

Paul Hooper, Chief Executive



Alumasc Roofing – Hydrotech – International Finance Centre, Building 6, Jersey

Strategic Pillars



Championing Sustainable Building Products

- Align portfolio 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

Strategic Delivery

Championing Sustainable Building Products



Product

>85% of portfolio aligned with strategic growth markets

- Building decarbonisation (construction and in use)
- Water management
- Occupant wellbeing/urban biodiversity

Planet

Cost- and resource-efficient

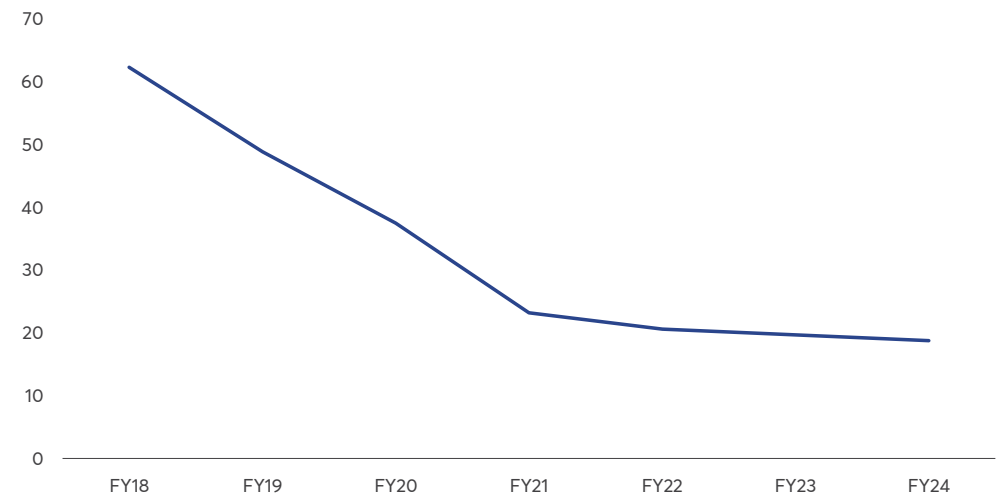
- Durable and low maintenance
- 36% recycled
- 81% recyclable

GHG emission reduction

- 70% reduction in emission intensity since 2018
- Science-based targets in place
- Scope 3 emissions calculated for 75% of Group

GHG emission intensity

tCO₂e, scope 1, 2 and business travel/£m revenue



Strategic Delivery

Accelerating Sales Growth

- **Another year of sectoral outperformance**
 - Organic sales growth **+6.5%**
 - UK construction* **(2.9)%**
 - UK sales resilient
 - Strong overseas sales growth
- **Significant long term growth drivers**
 - Long term housing undersupply/ageing UK building stock
 - Building legislation/regulations targeting
 - Decarbonisation
 - Climate resilience
 - Safety
 - Targeted export opportunities
- **Targeted growth initiatives**
 - Investment in technical sales capability
 - New product launches into adjacent markets
 - Geographical sales team expansion



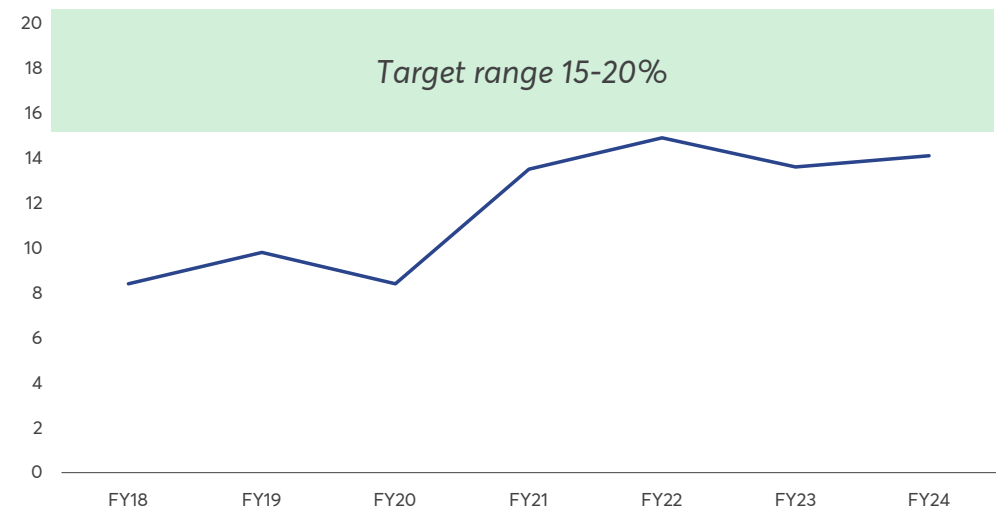
Strategic Delivery

Driving Margin Improvement

- 11% organic growth in UPBT
- 400bps increase in gross margin over last 5 years
- 14.1% operating margin, progressing towards 15-20% target range, driven by
 - Volume growth
 - Efficient and flexible manufacturing capacity
 - Leverage prior capability investments
- Future improvements driven by
 - Market recovery
 - Export sales growth
 - ARP synergies
 - New product development
 - Automation of access covers manufacturing
 - Further efficiency gains

Operating margin history

Continuing operations



Strategic Delivery

Value-Enhancing Investment

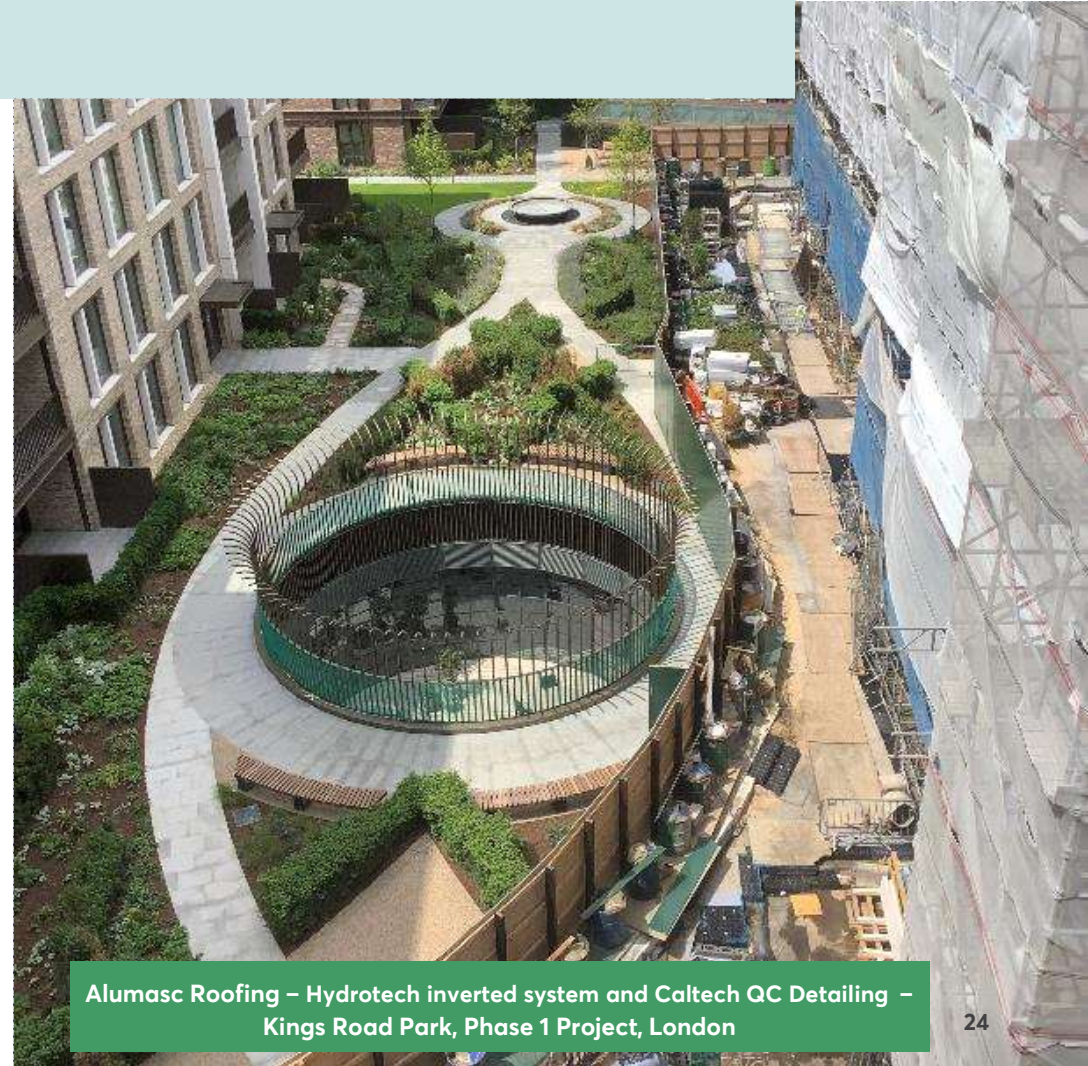
Organic

- Further targeted investment to support future growth
 - Sales/marketing capability, R&D/new product development
 - £3.6m of capital expenditure
 - Automation of covers manufacturing at Wade, Halstead
 - Investment in ERP/CRM systems to improve commercial decision-making

Inorganic

- Acquisition of ARP Group (December 2023)
 - Contributed 6.5% to FY24 revenue growth, 5.5% to UPBT growth (after interest)
 - £10m maximum cash and debt free consideration
 - Acquisition EBITDA multiple 7x, medium term target <5x
 - Synergies from
 - Products/routes to market
 - Procurement
 - Operations

June 2024 gearing 0.5x: significant headroom to deliver ambition



Alumasc Roofing – Hydrotech inverted system and Caltech QC Detailing – Kings Road Park, Phase 1 Project, London



06.

Outlook

Paul Hooper, Chief Executive

Simon Dray, Group Finance Director



Alumasc Roofing – Hydrotech – Stockport Exchange, Manchester

Outlook

- **Medium term drivers remain strong**
 - Supportive environmental and building safety regulations
 - Undersupply of new houses and age of UK building stock
 - Capabilities in place to exploit export opportunities
- **Clear line of sight on further delivery of strategic and commercial objectives**
 - Revenue outperformance from exposure to higher-growth environmental markets and export potential
 - Further margin improvements from Dover closure, ARP synergies and investments in ERP/CRM
 - Strong cashflows and balance sheet provides significant capacity for further investment
- **Positive momentum carried into new financial year**
- **Board confident of another year of growth**
- **Opportunity to deliver significant shareholder value as markets recover**



Thank you

www.alumasc.co.uk

Alumasc Water Management – Gatic Slotdrain and Rotobox Units, Rugby



06.

Appendices



Alumasc Water Management - ARP - Bespoke Aluminium Fascia, Copings and Colonnade Aluminium Downpipes - Irwin Place, The Moorings, Guernsey

Non-underlying items

Year ended 30 June 2024

	FY24		FY23	
	Operating Profit £'000	Profit Before Tax £'000	Operating Profit £'000	Profit Before Tax £'000
Underlying profit from continuing operations	14.2	13.0	12.1	11.2
Brand amortisation	(0.2)	(0.2)	(0.1)	(0.1)
Restructuring and other non-recurring costs	(0.5)	(0.5)	(0.3)	(0.3)
Acquisition expenses	(0.3)	(0.3)	(0.2)	(0.2)
Net IAS 19 defined benefit pension scheme costs	-	(0.2)	-	(0.1)
Statutory profit from continuing operations	13.2	11.8	11.5	10.5

- **Water Management reorganisation**

- Sales and commercial team reorganisation
- Automation of access cover manufacturing to Wade, Halstead; Dover site closure planned for December 2024
- Annualised saving £0.8m

• Costs: incurred and anticipated:	FY24	FY25	
Capital spend	£2.3m	£1.0m	Plant and building work at Halstead
Non-underlying costs	£0.5m	£0.8m	Legal, redundancy and site clean-up
Non-underlying income	-	£(0.8)m	Sale of Dover site

Diversified end markets

	Water Management	Building Envelope	Housebuilding Products	Group
% of Group revenue				<p>>85% revenue derived from environmental products</p> <p>>80% revenue supported by legislation/regulations</p>
% of Group profit				
Private vs Public				
Housebuilding vs Non-residential vs Commercial/infrastructure				
RMI vs New build				

Acquisition criteria

M&A target characteristics		ARP
Bolt-on (to c.£20m EV)	✓	Maximum £10m EV
Operating in Alumasc markets/close adjacents	✓	Rainwater management and architectural aluminium
Consistent with Group margin and cash generation targets	✓	Cash generative; pre-synergy returns in line with Alumasc's existing rainwater business
Immediately earnings accretive	✓	
Net debt: EBITDA < 1.5x	✓	Peak gearing expected to remain <1.0x
Environmentally efficient products	✓	Recycled, recyclable, durable and low maintenance
Scope to grow	✓	Long term market growth & cross-selling opportunities
Synergistic benefits	✓	Procurement and operational efficiencies