

# The Alumasc Group plc

Annual Results to 30 June 2021



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**Paul Hooper**  
Chief Executive

**Simon Dray**  
Group Finance Director



Alumasc Water Management Solutions – Skyline vertical panels with cut out for light signs, also fascia and soffit to ceilings – 10 Queen Street Place, London



Les Quennevais School

**01**  
**Overview of FY2021**

Levolux Limited – Infiniti Aluminium Aerofoil Fins & Trinita Brackets - Les Quennevais School, Jersey

## Very strong performance in all divisions, against a COVID-19 affected prior year:

- Revenues from continuing operations: £90.5m (2019/20 : £76.0m) : +19.0%
- Underlying operating profit £11.0m (2019/20 £4.2m) : +162%
- Underlying operating margin: 12.2% (2019/20 : 5.5%)
- Net Bank Debt of £0.9m (2020 : £4.3m). Headroom c.£23m
- Underlying EPS: 23.7p (2019/20 : 8.2p) : +189%
- Final dividend: 6.25p (2019/20 : 2.0p)
  - Full year dividend 9.5p (2019/20 : 2.0p)

## Delivery of strategic priorities:

- Levolux business improvement plan
- Cost efficient operating structure
- Investment and innovation to drive profitable growth
- Close alignment with sustainability agenda



Alumasac Roofing – Alumasac Self-Adhesive Olivine – North Tees Hospital

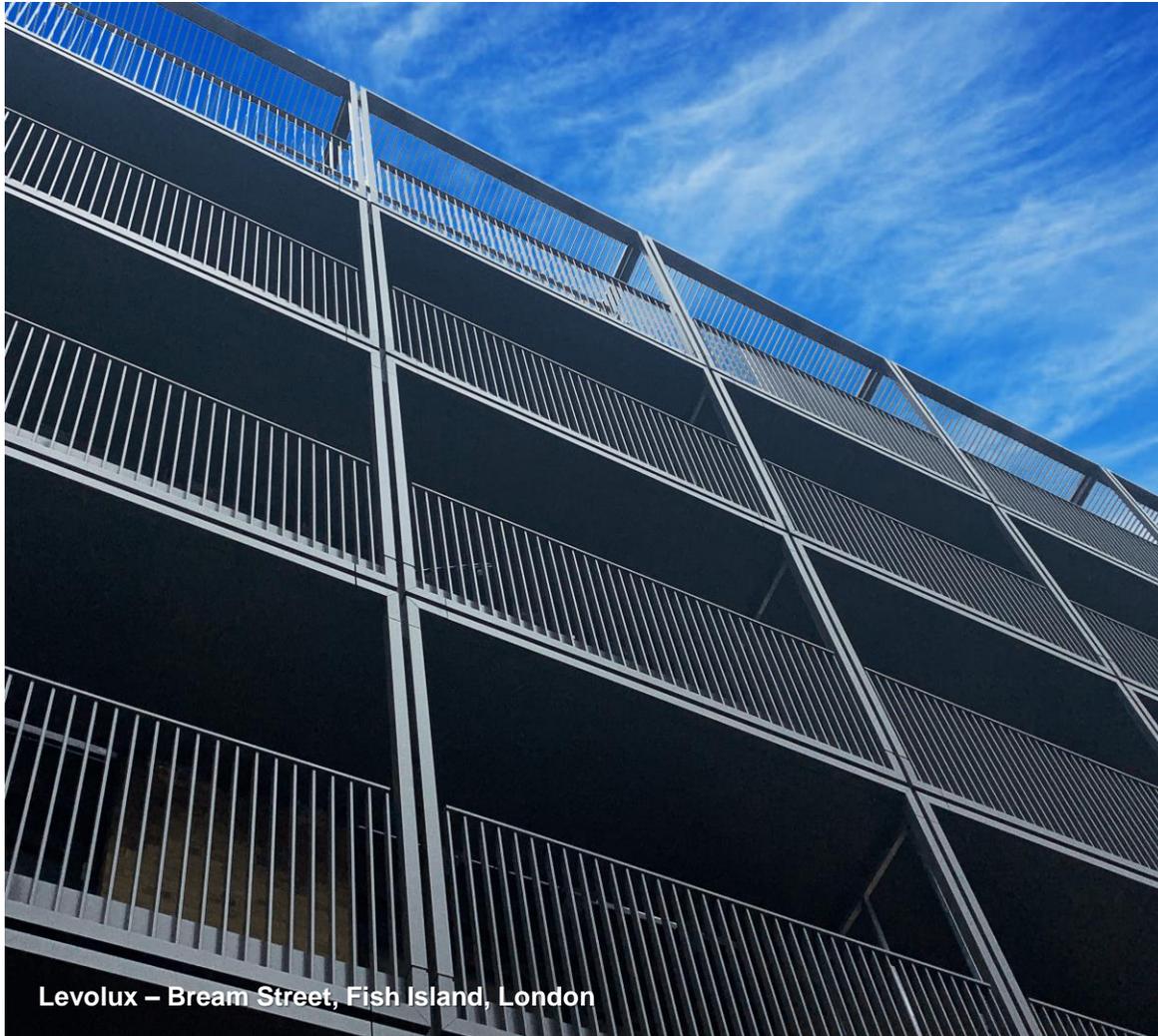


02

## Strategic Delivery

Blackdown Greenroofs – NatureMat® - Whitechapel Station

# Strategic delivery – Levolux business improvement plan



Levolux – Bream Street, Fish Island, London

## Targets

- Return business to sustainable profit as soon as possible
- Incorporate Levolux into the new Building Envelope division
- Focus on design & supply activities (install only where it adds value)
- Accelerate profitable growth in North American export business

## Delivery

- Following last year's significant restructuring (£2.5m annualised cost reduction vs FY19)
- Underlying operating profit : £1.4m turnaround from FY20 £0.9m loss
- Export sales +32% vs FY20. Additional experienced hire for US sales team (US sales +14%)
- Strengthening pipeline of opportunities going into FY22 (+27% vs PY)

# Strategic delivery – A cost-efficient operating structure



Gatic – UltraSlot Slotdrain - Dover Docks

- Reduction in operating sites from 10 to 6
- £3.1m annualised profit saving vs FY19
  - £2.4m recognised in FY20
  - Further £0.7m delivered in FY21
- Further Group synergies being explored

# Strategic delivery – Investment and innovation to drive profitable growth



Timloc – Rad-Seal Face-Fix

- Focus on key manufacturing businesses: Timloc, Wade, AWMS
- Timloc: capacity, machinery upgrade & automation
- Ongoing innovation with numerous new product launches
- Tooling investment in Water Management suppliers:
  - Improved manufacturing efficiency
  - Lower carbon footprint
  - Supply continuity ensured
- Key investment in sales reach for Building Envelope

# Strategic delivery – Closely aligned with sustainability agenda

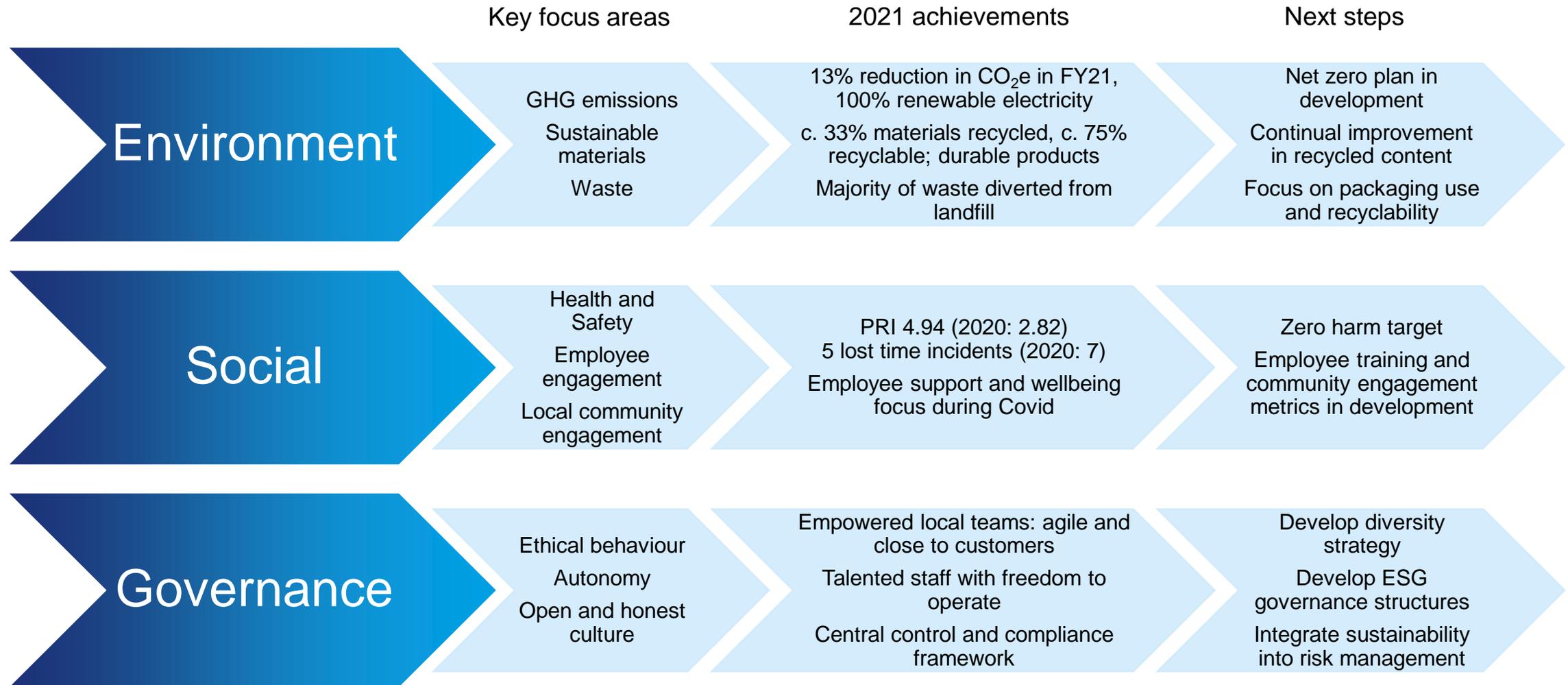


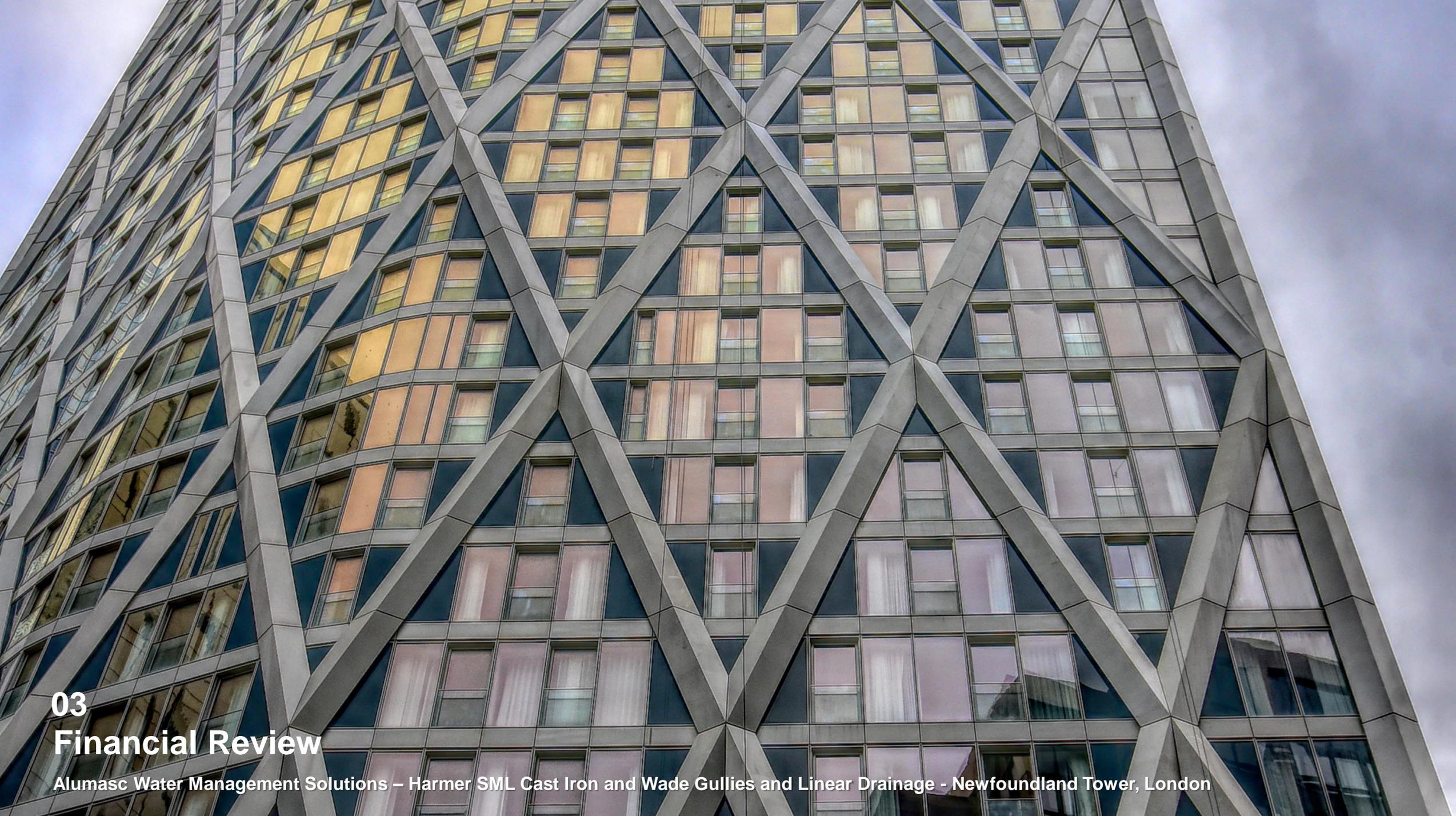
Alumasc Water Management Solutions – COP26 House

- Portfolio aligned to environmental growth drivers
  - c.80% of sales driven by building regulations
  - c.80% of sales from environmental solutions
- **Energy management** (Building Envelope, Housebuilding Products)
  - *Solar shading*
  - *Insulation/ventilation*
  - *Pre-manufactured products – reducing site energy consumption*
- **Urban drainage** (Water Management)
  - *Sustainable urban drainage system components*
  - *Stormwater resilience*
- **Owner/occupier quality of life & biodiversity** (Building Envelope)
  - *Urban green amenity spaces*
- Aligned with circular economy: sustainable materials and durable, recyclable products
- New product development aimed at environmental solutions: c.16% of FY21 sales from products launched in last 36 months

# Sustainability framework

Embedding sustainability into our business and strategy





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## Financial Review

Alumasc Water Management Solutions – Harmer SML Cast Iron and Wade Gullies and Linear Drainage - Newfoundland Tower, London

# Income statement summary

12 months to 30 June



	2021 £m	2020 £m	Change %
<b>Continuing operations:</b>			
<b>Revenue</b>	<b>90.5</b>	<b>76.0</b>	<b>+19%</b>
<b>Gross profit</b>	<b>32.5</b>	<b>22.6</b>	
Gross margin %	35.9%	29.7%	
<b>Sales, general &amp; administration overheads</b>	<b>(21.5)</b>	<b>(18.4)</b>	
<b>Underlying operating profit*</b>	<b>11.0</b>	<b>4.2</b>	<b>+164%</b>
Underlying operating margin %	12.2%	5.5%	
<b>Interest on borrowings &amp; leases</b>	<b>(0.5)</b>	<b>(0.5)</b>	
<b>Underlying PBT*</b>	<b>10.5</b>	<b>3.7</b>	<b>+187%</b>
Discontinued operations	-	0.3	
Restructuring & relocation costs	(0.1)	(0.8)	
Net IAS19 defined benefit pension scheme costs	(0.4)	(0.3)	
Other non-underlying items (net)	(0.2)	(0.2)	
<b>PBT*</b>	<b>9.8</b>	<b>2.7</b>	<b>+263%</b>
Underlying EPS (p)	23.7	8.2	+189%
Basic EPS (p)	21.2	6.3	+236%
Dividends per share (p)	9.5	2.0	+375%

\* A reconciliation of underlying profit from continuing operations to reported profits is at Appendix 1

www.alumasc.co.uk

# Revenue analysis

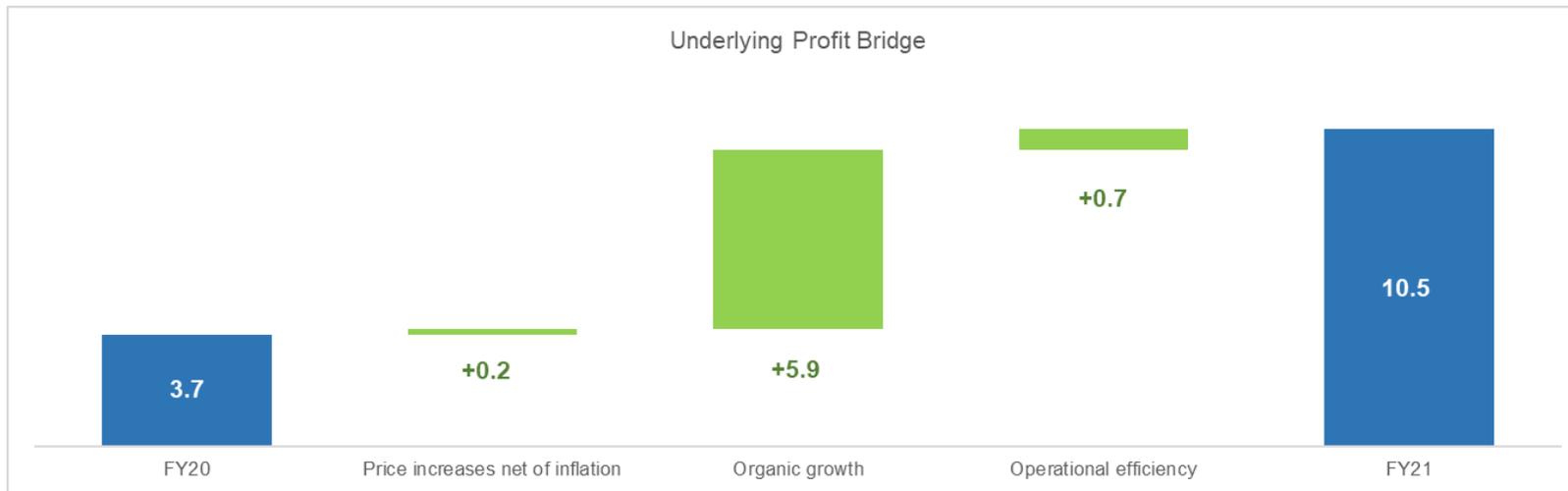
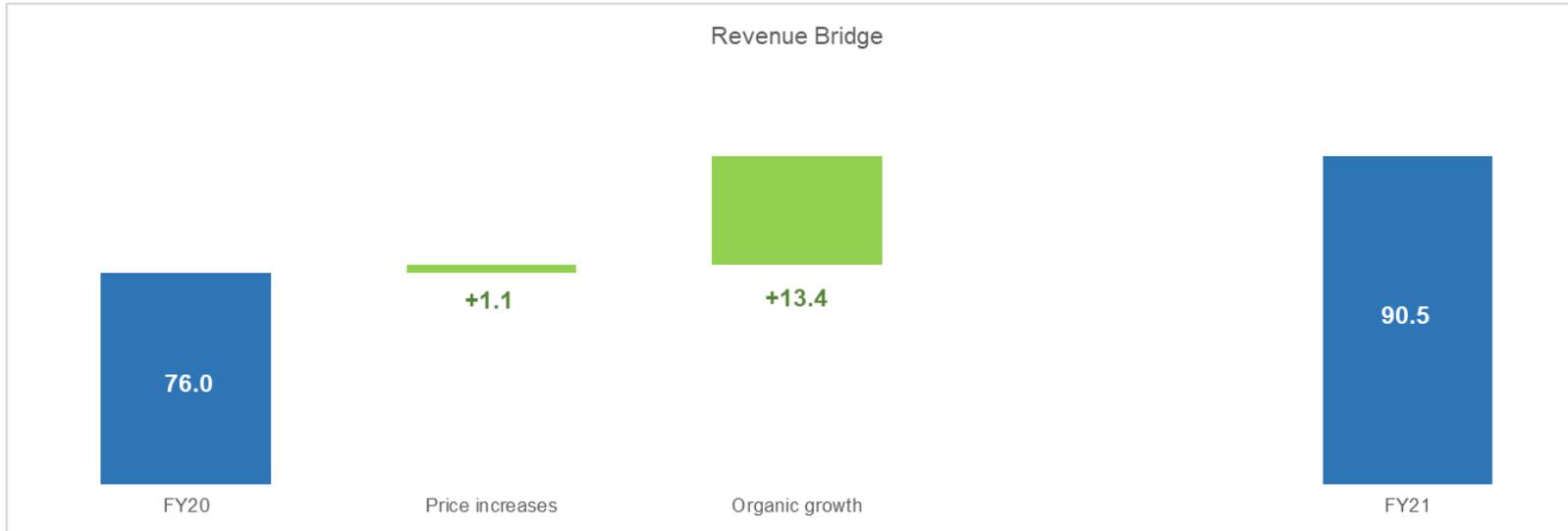
Year on year change as a percentage of total group revenues



% change 2020/21 versus 2019/20

	UK (c.85% of Group Revenues)	Export (c.15% of Group Revenues)	Total
Water Management	+18%	-2%	+14%
Building Envelope	+23%	+30%	+24%
Housebuilding Products	+22%	+38%	+22%
<b>Total Group</b>	<b>+21%</b>	<b>+10%</b>	<b>+19%</b>

# Revenue and Profit Bridge – FY20 to FY21 (£m)



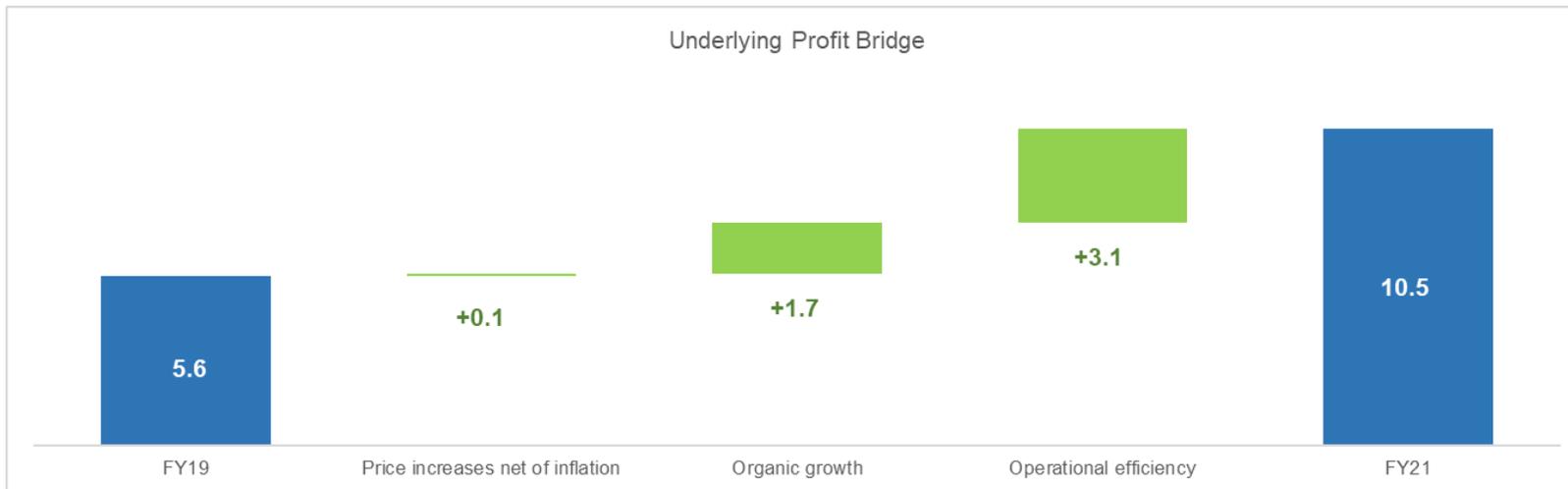
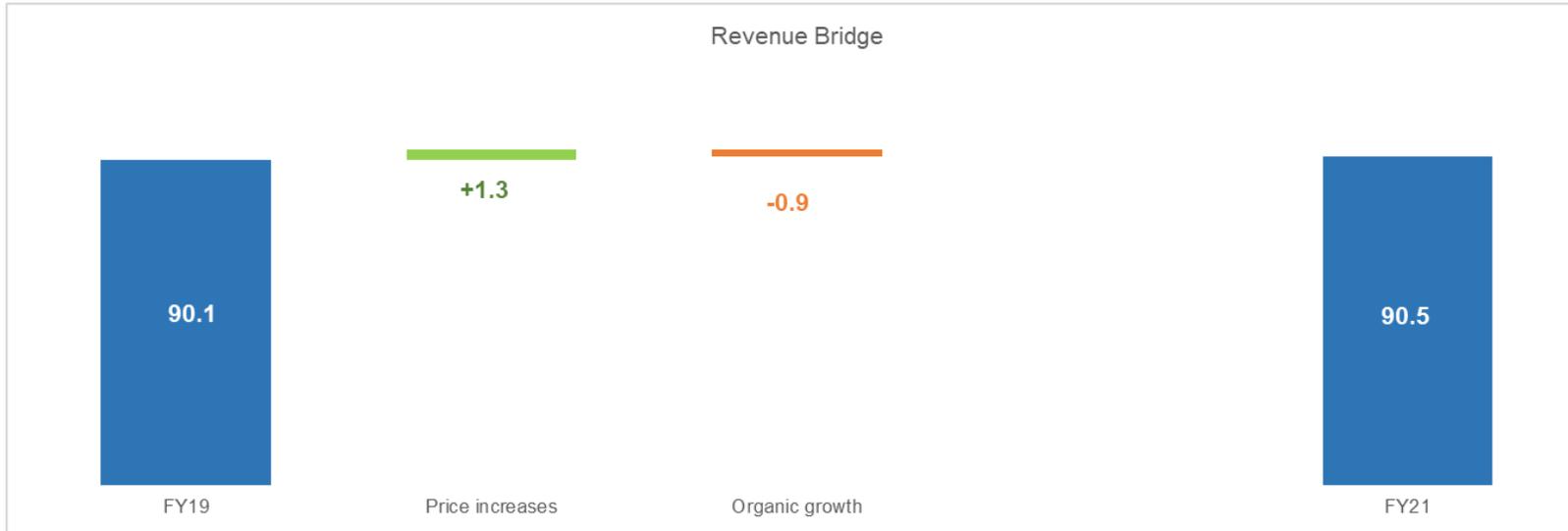
- Raw material and cost inflation passed through successfully

- Organic growth:

	Revenue	Profit
Levolux	-£(3.0)m	+£0.6m
Others	+£16.4m	+£5.3m

- Restructuring delivered further £0.7m of cost reductions

# Revenue and Profit Bridge – FY19 to FY21 (£m)



- Raw material and cost inflation passed through successfully
- Organic growth:
 

	Revenue	Profit
Levolux	-£(6.0)m	-£(1.0)m
Others	+£5.1m	+£2.7m
- Annualised restructuring benefit £3.1m

# Cash flow statement summary

12 months to 30 June



	2021 £m	2020 £m	Change £m
<b>EBITDA*</b>	<b>13.8</b>	<b>6.2</b>	<b>7.6</b>
Change in working capital	(0.7)	0.7	(1.4)
VAT (repayment)/deferral	(1.1)	1.8	(2.9)
<b>Operating cash flow</b>	<b>12.0</b>	<b>8.7</b>	<b>3.3</b>
Capital expenditure	(2.0)	(1.7)	(0.3)
Interest	(0.2)	(0.3)	0.1
Tax	(0.2)	(0.1)	(0.1)
Pension deficit funding	(2.6)	(2.3)	(0.3)
Finance lease payments	(0.9)	(0.5)	(0.4)
Dividends	(1.9)	(1.6)	(0.3)
<b>Sub-total</b>	<b>4.2</b>	<b>2.2</b>	<b>2.0</b>
Restructuring/reorganisation	(0.8)	(1.4)	0.6
<b>Net cash flow</b>	<b>3.4</b>	<b>0.8</b>	<b>2.6</b>
<b>Net bank debt at year end on balance sheet</b>	<b>0.9</b>	<b>4.3</b>	<b>3.4</b>
<b>Average trade working capital % sales</b>	<b>13.9%</b>	<b>17.7%</b>	

\* Underlying profit before interest, tax, depreciation and amortisation

# Balance sheet summary

at 30 June



	2021 £m	2020 £m	Change £m
Property, plant & equipment	17.2	16.9	0.3
Intangible assets	22.0	22.1	(0.1)
Working capital	9.4	8.7	0.7
Other net liabilities	(2.6)	(2.1)	(0.5)
<b>Capital invested</b>	<b>46.0</b>	<b>45.6</b>	<b>0.4</b>
Net debt – bank	(0.9)	(4.3)	3.4
Net debt - lease	(5.6)	(5.9)	0.3
Pension obligations (net of tax)	(3.4)	(15.6)	12.2
<b>Net assets</b>	<b>36.1</b>	<b>19.8</b>	<b>16.3</b>
<b>ROI – continuing operations (post tax)*</b>	<b>19.8%</b>	<b>7.2%</b>	

\* Underlying post tax operating profit divided by average capital invested for the year



# 04 Business Review

Alumasc Roofing – Boat Blocks, Birmingham

# Water Management



	2020/21	2019/20
Revenue (£m)	38.4	33.7
Underlying operating profit (£m)	6.1	4.8
Underlying operating margin (%)	15.9%	14.3%

- Broad exposure to housing and commercial markets
- Record £6.1m operating profit (16% ROS), £1.3m (27%) higher than PY
- Revenue growth of £4.7m (14%), with its online business growing 30%
- Water Management's performance was excellent and is indicative of the potential for the business as market conditions normalise
- July has started well with the carry forward of a strong order book (£6.7m, in-line with FY20)



Water Management – Skyline Fascia and Soffit System – The Sail, West Kirby, Wirral

# Building Envelope

	2020/21	2019/20
Revenue (£m)	41.0	33.2
Underlying operating profit / (loss) (£m)	4.3	(0.9)
Underlying operating margin (%)	10.4%	(2.8)%

- Sells principally into the high end UK commercial new build construction market with an increasing RMI sector
- Significant revenue increase of £7.8m (24%), all driven by the Roofing area of the business while, as planned, Levolux reduced
- Outstanding £5.2m operating profit improvement including a £1.4m turnaround at Levolux complemented by £3.8m improvement in Roofing
- Double digit underlying operating margin of 10.4% achieved
- 5 new Roofing sales people recruited
- Growth in external refurbishment work following COVID-19. Large market share gains achieved



Building Envelope – Levolux 9200 Aerofoil inverted infinity® system - The Londoner Hotel, Leicester Square

# Housebuilding Products (Timloc)



	2020/21	2019/20
Revenue (£m)	11.1	9.1
Operating profit (£m)	2.6	1.2
Operating margin (%)	23.0%	13.7%

- Timloc, our Housebuilding products Division, had an outstanding year growing its Revenue by 22% and its PBIT by 105% versus a COVID affected prior year
- New products launched including Rad-Seal face-fix, FR60 fire rated cavity closer and FRSTOP cavity stop socks
- Maintained its 100% OTIF record to customers in a challenging year
- Timloc continues to receive very positive feedback from its customers on its excellent service and promotes this through its '#TrustTimloc to deliver' strapline
- With its constant focus on improving efficiencies, new product development and customer service Timloc is well positioned to maximise opportunities presented by the housebuilding sector
- Long term growth drivers remain strong



Timloc Building Products



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## Outlook

Rainclear Systems – Galvanised Steel

The Board believes Alumasc remains well positioned to deliver sustainable earnings progression, underpinned by a clear strategy and strong market positions:

- Water Management benefiting from both its UK and export-focussed strategy, and a growing online offering
- Building Envelope entered the new year with a strong order book, supported by specification cross-selling and restructuring benefits
- Housebuilding Products continues to innovate and develop new products, against a favourable backdrop of structural UK housing shortage
- the major restructuring of the Levolux business within the Building Envelope Division

Further investment opportunities in:

- sales resource and manufacturing capacity
- bolt-on M&A to expand capabilities, product range and routes to market

YTD performance in line with management's expectations. We remain cognisant of the short-term disruption to supply chains, and continue to monitor them closely

Strong platform in place provides confidence for another year of progress

Thank you  
[www.alumasc.co.uk](http://www.alumasc.co.uk)

Levolux – Surfability





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## Appendices

Rainclear Systems – Galvanised Steel – Forest House

# Appendix 1 : Underlying To Statutory Profit Reconciliation



	2020/21		2019/20	
	Operating Profit £m	Profit Before Tax £m	Operating Profit £m	Profit Before Tax £m
<b>Underlying operating profit / profit before tax</b>	<b>11.0</b>	<b>10.5</b>	<b>4.2</b>	<b>3.7</b>
Brand amortisation	(0.2)	(0.2)	(0.2)	(0.2)
IAS19 costs	(0.2)	(0.4)	-	(0.3)
Restructuring & relocation costs	(0.1)	(0.1)	(0.8)	(0.8)
Profits / gains relating to discontinued operations	-	-	-	0.3
<b>Statutory operating profit / profit before tax</b>	<b>10.6</b>	<b>9.8</b>	<b>3.1</b>	<b>2.7</b>

# Appendix 2 : UK end user analysis 2020/21

