



## BRINGING POWER TO LIFE

2022  
FULL YEAR RESULTS  
MARCH 2023



# Agenda

Highlights

Financial Review

Business Review

Outlook

Q&A



**John Hornby**  
CEO



**Matt Webb**  
CFO

# Highlights

- **2022 results in line with January Trading Update:**

- Revenue: £206.3m
- Adjusted Operating Profit: £22.0m
- Adjusted EPS: 11.1p

- **Results reflect normalisation after a record 2021 performance:**

- Slowdown in Residential RMI demand post-lockdown
- Significant but temporary headwind from distributor customer destocking

- **Results remain well ahead of pre-pandemic levels:**

- Versus 2019:
  - Revenue +20%
  - Adjusted Operating Profit +22%
  - Adjusted EPS +44%
- Gained share in attractive markets



Note: 'Adjusted' has been used throughout this presentation and is defined in note 1 of the consolidated financial statements

## Highlights (continued)

- **Improving momentum in the second half:**

- Strong Non-Residential demand
- Resilient Professional Residential RMI demand
- Customer destocking nearing completion
- Gross margin improving and input costs reducing
- Strong cash generation
- Healthy balance sheet

- **Outlook:**

- 2023 trading in line with expectations
- Seeing expected tailwinds from improving trends in:
  - customer destocking
  - gross margin
  - input costs
- Slower Residential RMI market, as expected
- Comparatives get easier as the year progresses



**Well positioned to progress as market conditions improve**

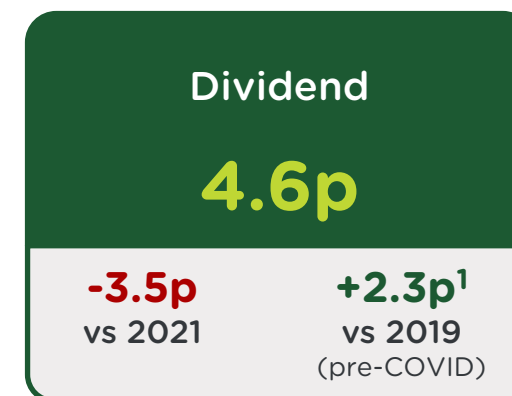
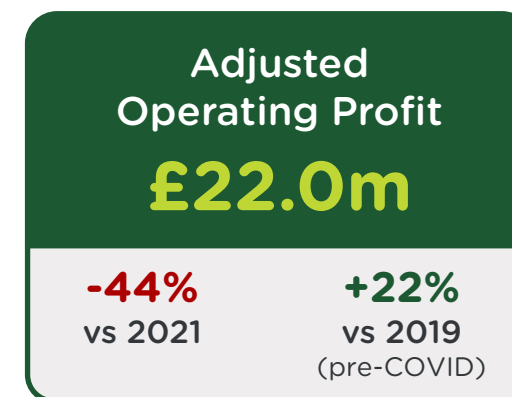
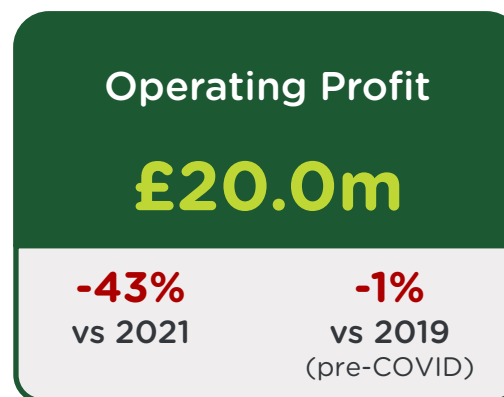
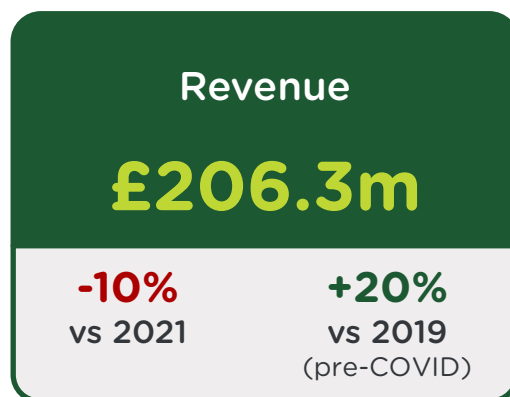


# FINANCIAL REVIEW

MATT WEBB  
CFO



# Financial highlights



1. 2019 restated to include a 1.7p final dividend for 2019 that was deferred and paid in 2020 due to COVID

# Income statement

Adjusted £m	2022	2021	2019
<b>Revenue</b>	<b>206.3</b>	<b>228.2</b>	<b>172.1</b>
Gross profit	74.3	84.7	62.3
Gross margin %	36.0%	37.1%	36.2%
Overhead costs	(52.3)	(45.7)	(44.3)
<b>Operating profit</b>	<b>22.0</b>	<b>39.0</b>	<b>18.0</b>
Operating margin %	10.7%	17.1%	10.5%
Net finance expense	(2.6)	(1.6)	(2.2)
<b>Profit before tax</b>	<b>19.4</b>	<b>37.4</b>	<b>15.8</b>
Tax	(2.2)	(6.2)	(3.7)
<b>Profit for the period</b>	<b>17.2</b>	<b>31.2</b>	<b>12.1</b>
<b>Basic EPS (p)</b>	<b>11.1p</b>	<b>20.2p</b>	<b>7.7p</b>

- **Revenue of £206.3m:**

- 9.6% lower than 2021 due to destocking
- 19.9% higher than 2019
- Gained market share during the pandemic

- **Gross margin of 36.0%:**

- Cost inflation appropriately managed
- Temporary headwind from destocking
- Improving as the year progressed

- **Overheads of £52.3m:**

- Acquisitions brought £5.4m of additional cost, net of closures
- £1.2m increase in existing overheads due to inflation, marketing investment and FX

- **Adjusted Operating Profit of £22.0m:**

- 44% lower than an exceptional 2021
- 22% higher than 2019, demonstrating long-term growth

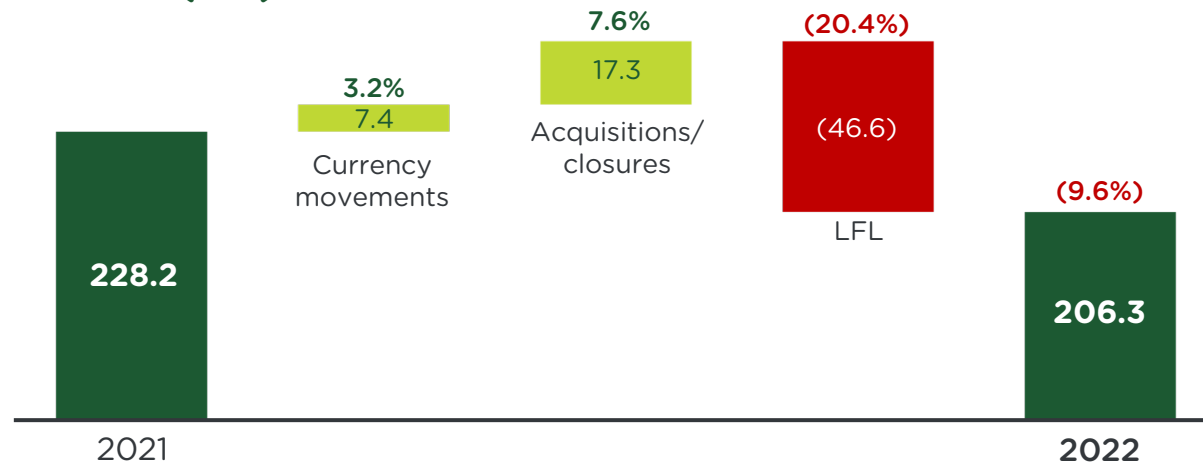
- **Adjusted tax rate of 11.3%:**

- Benefiting from optimisation in China
- c.15% absent one-off items

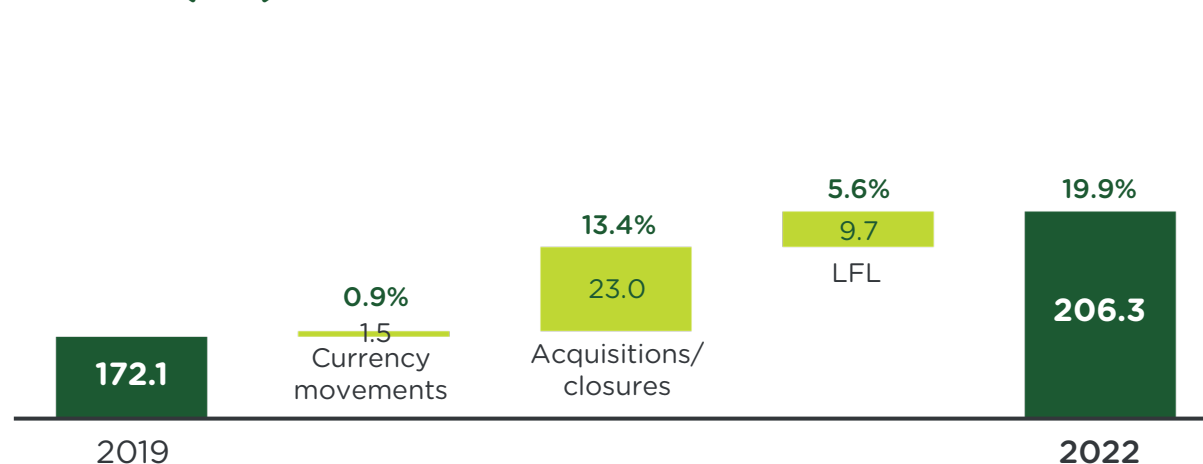
- **Adjusted EPS of 11.1p**

# Revenue bridge

## vs 2021 (£m)



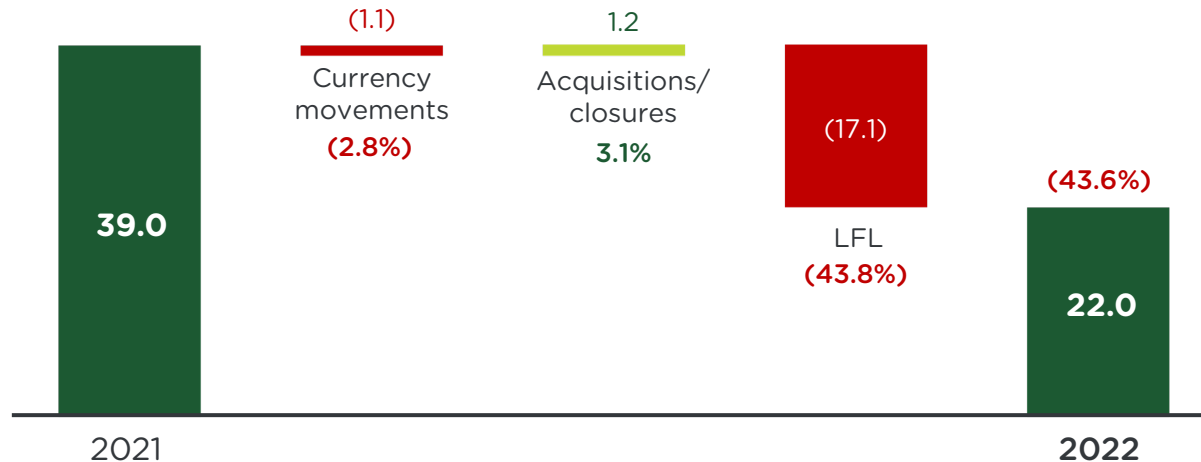
## vs 2019 (£m)



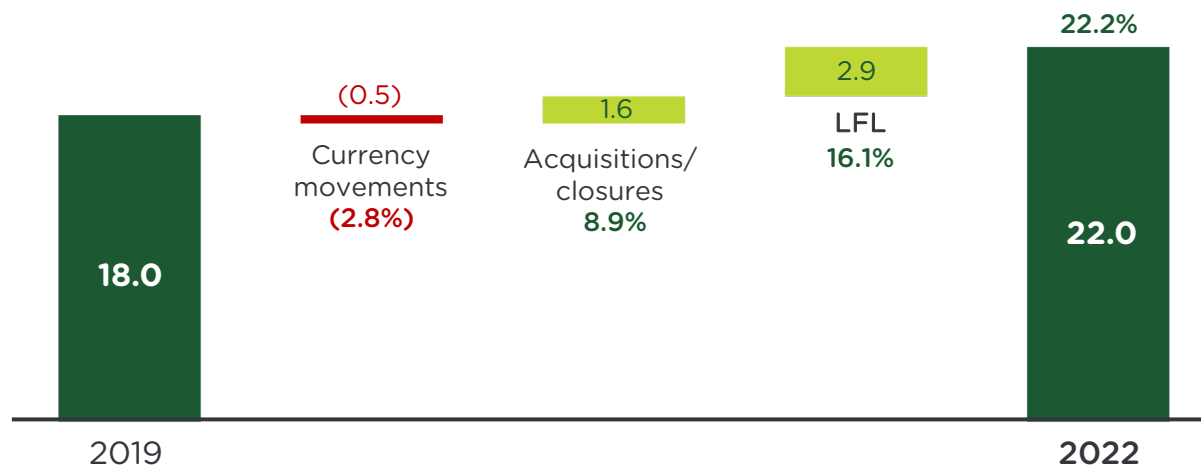
- **Revenue significantly impacted by customer stock movements:**
  - Stocked up in 2021
  - Stocked down in 2022
  - Responsible for the like-for-like ('LFL') decline
  - Destocking nearing completion
- **Absent customer stock movements, like-for-like revenue broadly flat:**
  - 9% selling price increase
  - 9% volume decline
  - Slowdown in Residential RMI, particularly DIY
  - Strong demand for energy saving LED lighting from non-residential / infrastructure markets
- **Solid progress made since 2019:**
  - Market share gained
  - Sales broadened
  - Margin enriched

# Adjusted Operating Profit bridge

## vs 2021 (£m)



## vs 2019 (£m)



- Customer stock movements responsible for LFL profit decline versus 2021
- Profit would have grown vs 2021 without customer destocking due to:
  - Inflation recovery
  - Mix enrichment
- Profitability will benefit as customer destocking ends
- Profit growth from acquisitions held back by loss incurred during closure of German operations (now complete)

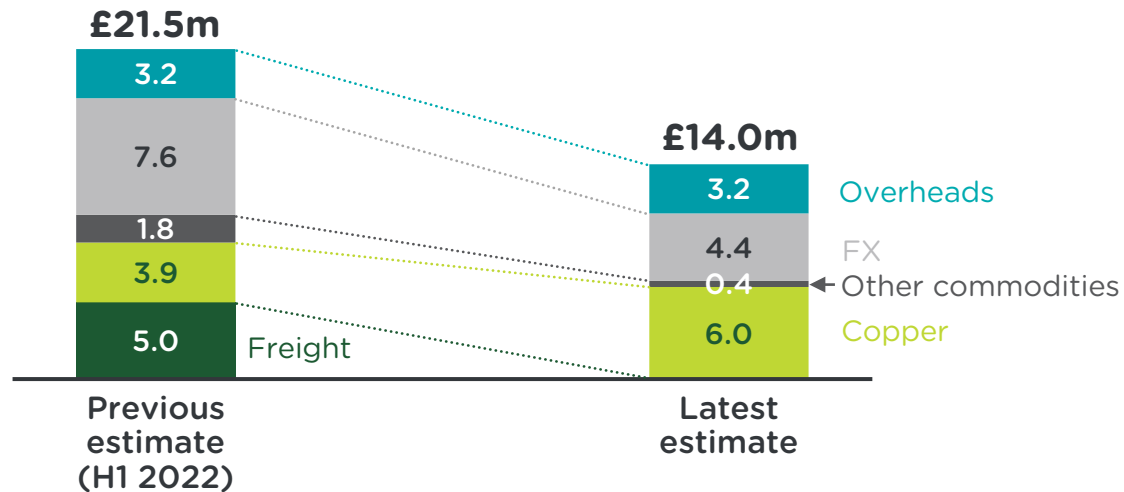
# Improving underlying momentum in H2

Adjusted £m	2022			2021		
	H1	H2	FY	H1	H2	FY
<b>Revenue</b>	<b>106.4</b>	<b>99.9</b>	<b>206.3</b>	<b>108.2</b>	<b>120.0</b>	<b>228.2</b>
Gross profit	36.2	38.1	74.3	41.7	43.0	84.7
Gross margin %	34.0%	38.1%	36.0%	38.5%	35.8%	37.1%
Overhead costs	(24.7)	(27.6)	(52.3)	(22.5)	(23.2)	(45.7)
<b>Operating profit</b>	<b>11.5</b>	<b>10.5</b>	<b>22.0</b>	<b>19.2</b>	<b>19.8</b>	<b>39.0</b>
Operating margin %	10.8%	10.5%	10.7%	17.7%	16.5%	17.1%

- Modest decline in Adjusted Operating Profit from H1 to H2
- Entirely driven by accelerated customer destocking (H1: c.£7m; H2: c.£13m)
- Underlying performance improved as the year progressed
- Driven by improvement in gross margin to 38.1%:
  - Full effect of price increases
  - Cost deflation
  - Good entry point for 2023

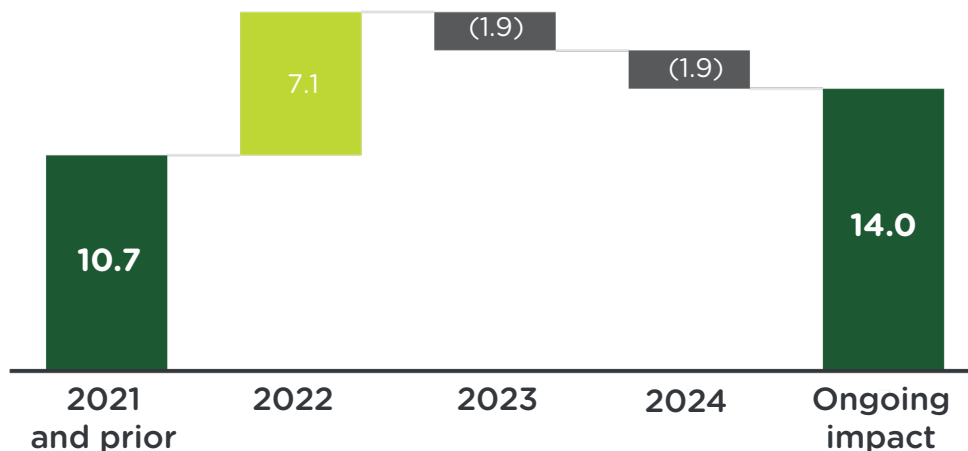
# Input cost inflation reducing

## Total annualised impact vs 2019 (£m) - By cost type



- **Estimate of annualised inflation impact reduced from £21.5m to £14.0m:**
  - Freight costs back to historic norms
  - Sterling stronger
  - Copper likely to remain structurally higher
- **Inflation fully recovered by selling price increases:**
  - All price increases now in place
  - Under recovery of inflation in 2021 and prior reversed in 2022
  - Tailwind to margin in 2023 from deflation at current prices

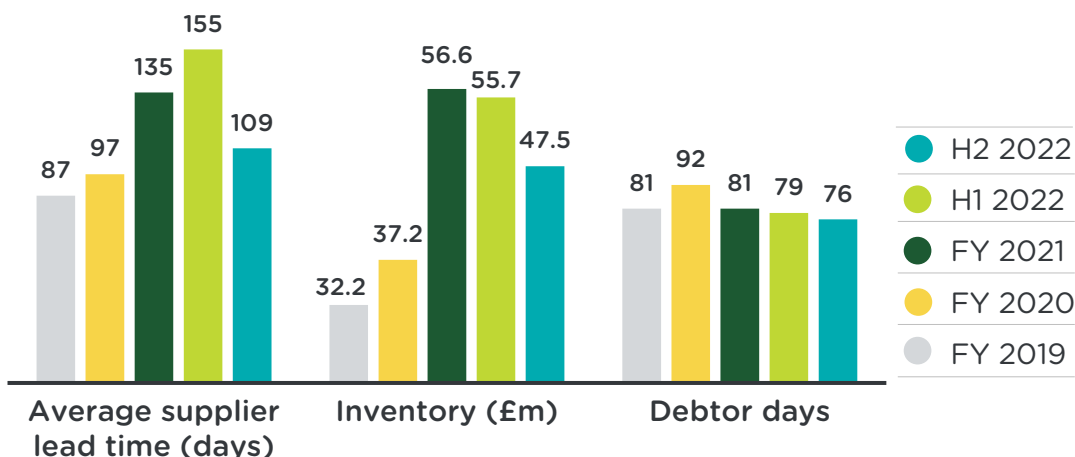
## Total annualised impact vs 2019 (£m) - By year of impact



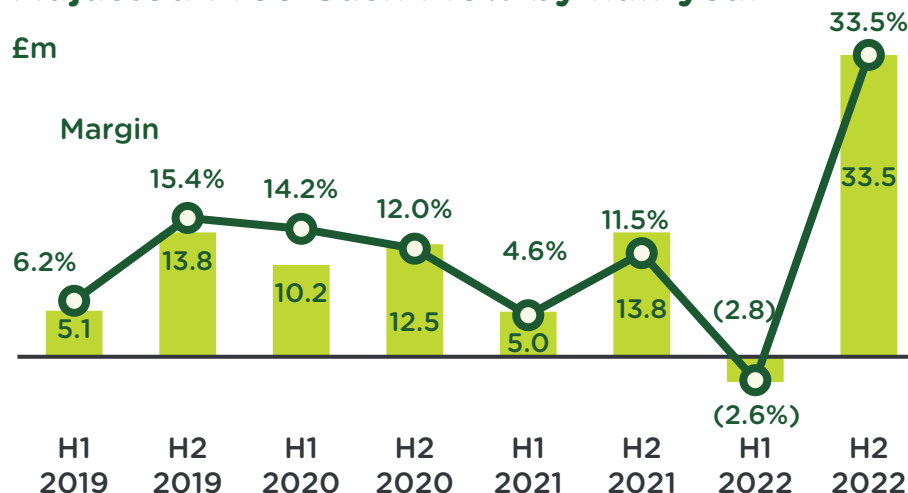
Note: Impact calculated at 2022 volumes. 2023 and 2024 impact calculated at latest prices

# Strong cash flow and deleveraging in H2

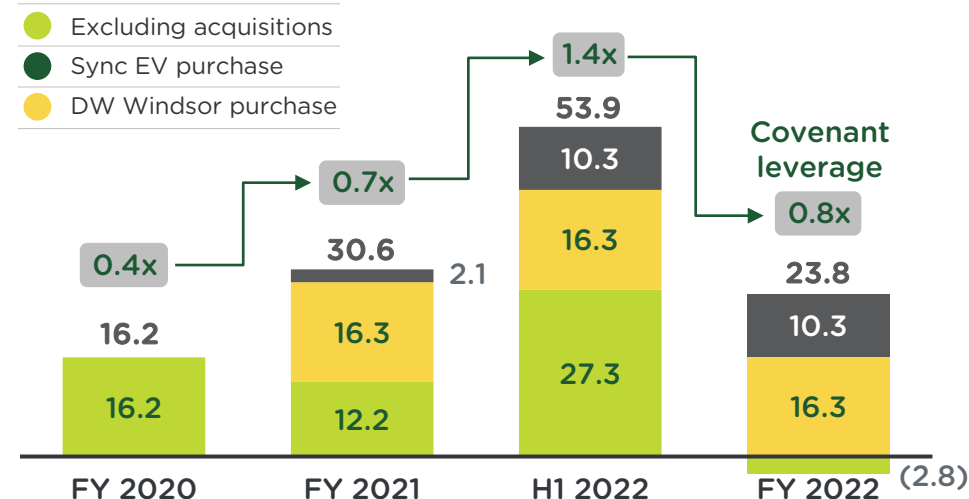
## Working capital management during pandemic



## Adjusted Free Cash Flow by half year



## Covenant Net Debt / (Cash) (£m)



- Supplier lead times normalising
- No material disruption experienced from China COVID exit wave
- Inventory reduced by c.£10m in H2, net of inflation impact, as targeted
- Generated Adjusted Free Cash Flow of £33.5m in H2
- Interest rate swaps in place
- Balance sheet in good shape

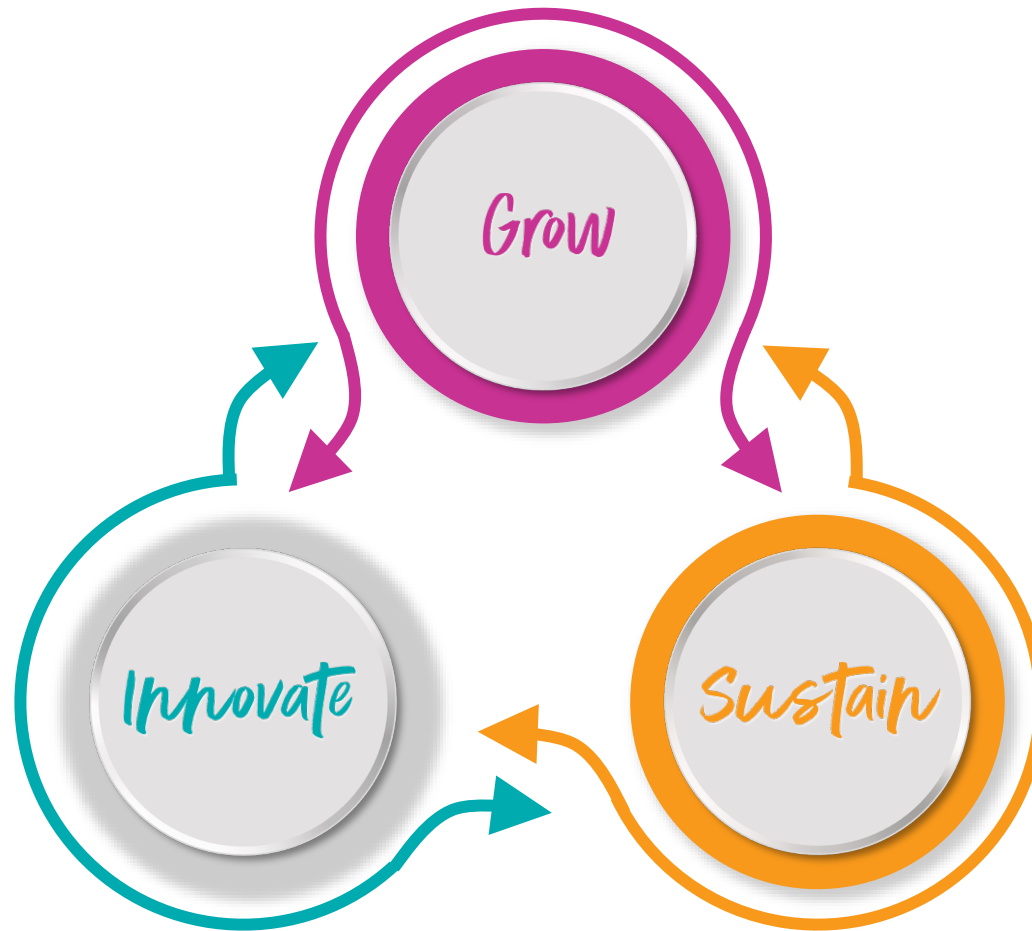
LUCECO

# BUSINESS REVIEW

JOHN HORNBY  
CEO



# Business Review



# Long-term market growth drivers remain

## 1. Regulatory change

### Driver

- New UK Wiring Regulations every c. 2 years
- Drives product replacement cycle
- More demanding regulations increase product values

### Impact

- +110%**  
increase in sales price of UK consumer unit since 2010 (ex. inflation)
- +60%**  
Increase in Luceco consumer unit sales during EICR regulation change

## 2. New technology

### Driver

- Consumers demand more technology and increased functionality
- Installers demand technologies that simplify installation
- Both drive up product value

### Impact



Plastic socket



**+800%**  
sales price difference



USB - A/C socket

## 3. Investment in built environment

### Driver

- Ageing housing stock
- Property appreciation
- Changing lifestyles (e.g. WFH, digital)

### Impact

- Av. annual growth since 1999:**
- UK house prices **+5.5% pa**
- UK Res. RMI spending **+4.0% pa**
- 4 million** UK homes below Decent Homes Standard
- 40%** of UK retail space needs re-purposing

## 4. Climate emergency

### Driver

- Electrification of transportation
- Electrification of domestic energy
- Permanent increase in electrical share of construction value

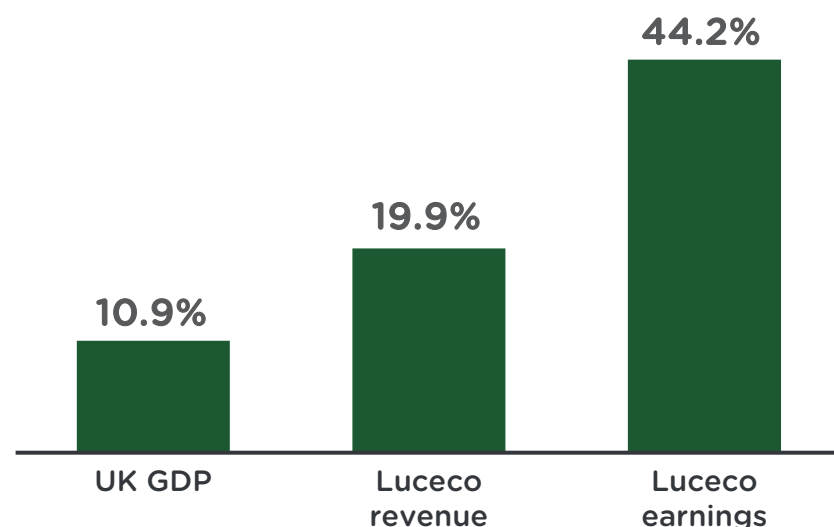
### Impact

- £1.4 trillion** investment required for UK to meet Net Zero
- 14 million** UK homes to install EV chargers
- 28 million** UK homes require low carbon heating solutions

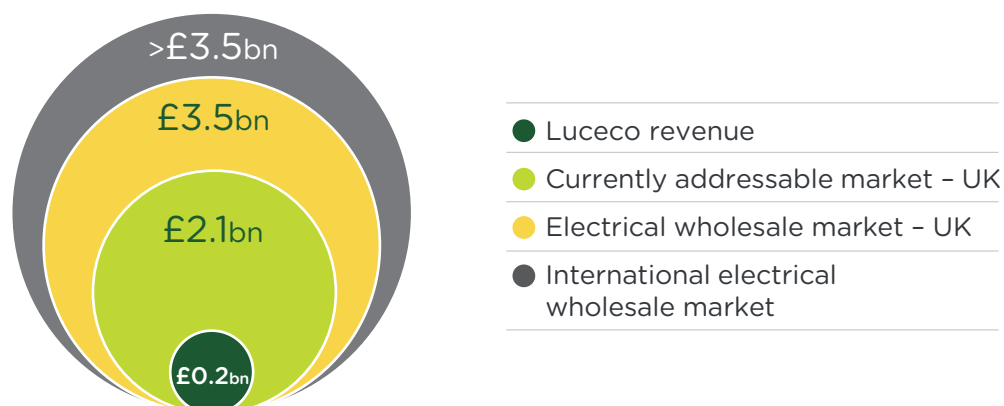


# Impact of recent growth

## Growth delivered: 2019 to 2022



## Growth potential



## Customer diversification

% Group revenue	2022	2019	Change
Retail	26%	35%	(9ppts)
Hybrid	19%	20%	(1ppts)
Professional Wholesale	27%	27%	-
Professional Projects	28%	18%	10ppts
	<b>100%</b>	100%	-

## Product diversification

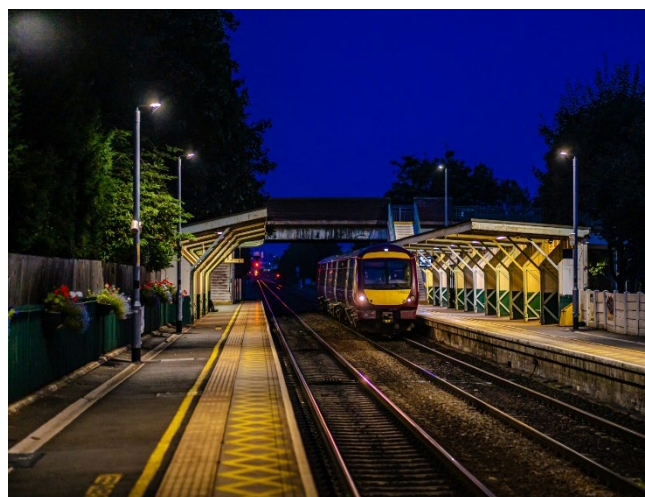
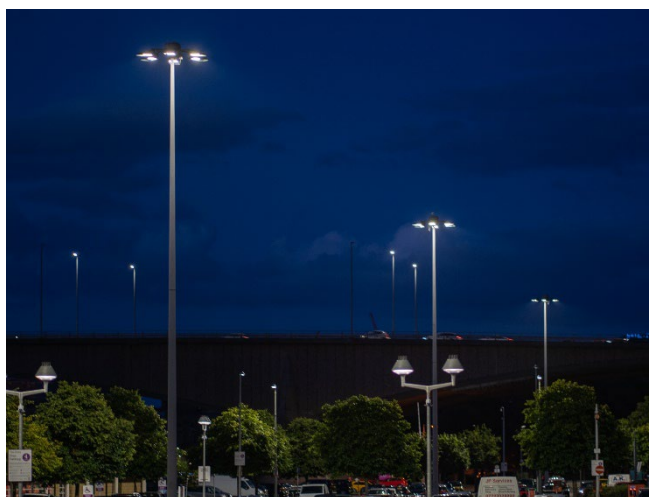
% Group revenue	2022	2019	Change
Wiring Accessories	36%	41%	(5ppts)
LED Lighting	39%	32%	7ppts
Portable Power	25%	27%	(2ppts)
	<b>100%</b>	100%	-

## Case study

# Kingfisher Lighting – EBITDA more than doubled in 5 years

Adjusted £m	2022	At acquisition (2017)	Change
<b>Revenue</b>	<b>17.7</b>	<b>12.1</b>	<b>5.6</b>
Gross profit	8.4	5.0	3.4
Gross margin %	47.5%	41.3%	6.2ppts
Overheads	(6.1)	(3.8)	(2.3)
<b>Operating profit</b>	<b>2.3</b>	<b>1.2</b>	<b>1.1</b>
Operating margin %	13.0%	9.9%	3.1ppts
EBITDA	2.7	1.3	1.4
Capital invested (CI)	8.8	9.8	(1.0)
<b>CI / EBITDA</b>	<b>3.3x</b>	<b>7.5x</b>	<b>(4.2x)</b>

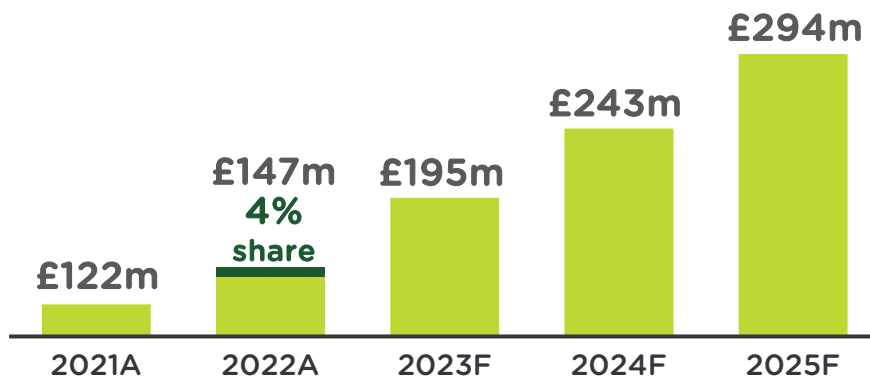
- Kingfisher Lighting acquired in September 2017
- Bought for £9.8m or 7.5x EBITDA
- EBITDA more than doubled in 5 years:
  - Product development and redesign
  - Entry into adjacent sectors
- Post synergies acquisition multiple reduced to 3.3x



## Case study

# Attractive growth prospects in EV charger market

### UK EV home charger market size

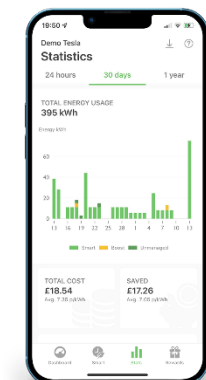


Source: SMMT EV vehicle sales data and management estimates

### Lucececo EV charger performance

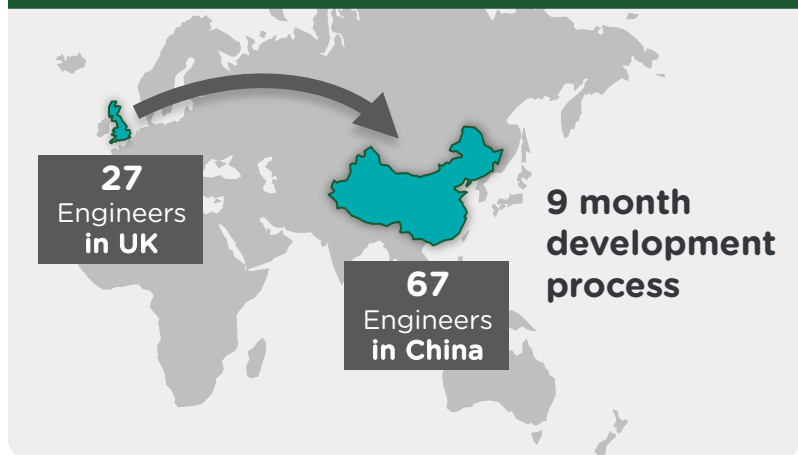
£m	2022	2021
<b>Revenue</b>	<b>5.4</b>	<b>1.0</b>
Gross profit	2.1	0.2
Gross margin %	38.8%	20.0%
Overhead costs	(1.1)	(0.1)
<b>Operating profit</b>	<b>1.0</b>	<b>0.1</b>
Operating margin %	18.5%	10.0%

- Lower power (Mode 2) chargers sold since 2019
- Sync EV acquisition in March 2022 provided entry into higher power, Smart (Mode 3) charger market
- Current 4% share of market forecast to be worth £12m by 2025
- Very earnings accretive growth
- **Product development plan:**
  - Single Phase Commercial - done
  - Three Phase Residential - Q3 2023
  - Three Phase Commercial - Q4 2023
  - On-street bollard - Q4 2023



# Strong pipeline of low risk, high impact innovation projects

## Product development



## Recent focus areas

Kingfisher Lighting

BG Smart!

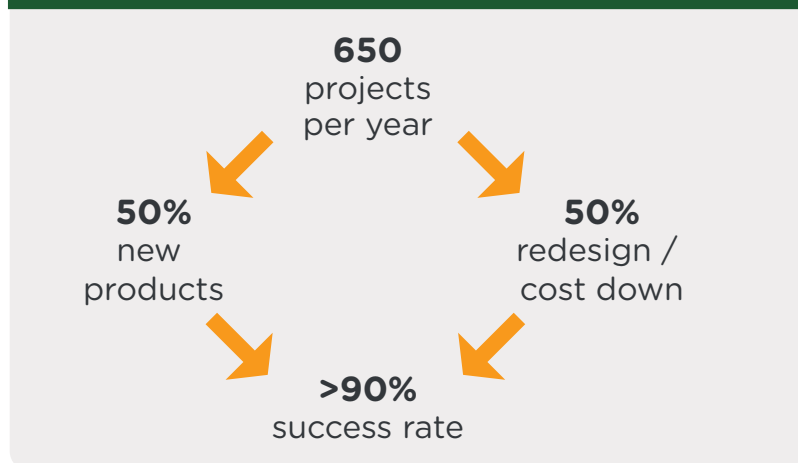
Residential EV

Packaging reduction

Office Power



## Activity



## Future focus areas

DW Windsor

Commercial EV

Green Home

3-Phase supply

## Case study BG Evolve



*Contemporary finishes for modern interiors*



- Contemporary design: slimline vibrant palette, colour matching service
- High-quality, clip-on faceplate in polycarbonate
- Backplate common with existing BG range
- USB/WiFi functionality added

**£100k**  
Development  
cost

**£3m**  
Expected  
annual sales

# Sustaining our long-term progress by focusing on Customers, Climate and People

## Customers

- **Renewed investment in contractor training:**
  - Recognition of the next generation via Top 30 Under 30 Awards; >1,000 applicants
  - >100 nationwide training seminars
  - Luceco Academy training portal launched; used by c.10,000 contractors in 2022

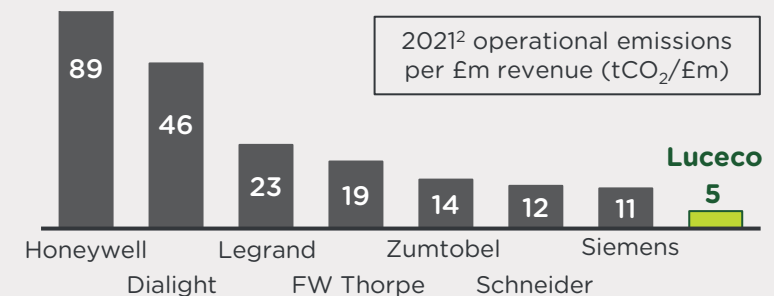


**LUCECO** **ACADEMY**



## Climate

- **Now operationally carbon neutral**
- **Lowest carbon intensity in our sector<sup>1</sup>:**



<sup>1</sup> Based on available emissions data

<sup>2</sup> Honeywell based on 2020 data

- **Committed to SBTi in July 2022 and received improved rating from CDP**



## People

**7.5%**  
median pay rise in 2022, 10% for lowest paid

**c.4,000**  
training sessions completed in 2022

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## OUTLOOK

JOHN HORNBY  
CEO



# Recent market trends

## Residential – DIY (c.30% of Group)

Indicator	vs 2019 (pre-COVID)	vs 6 months ago
<b>Barclaycard Consumer Spend Report</b> – Home Improvement Growth	+19.5%	-2.6ppts
<b>Housing transactions<sup>1</sup></b> – Growth in last quarter	-0.2%	-1.6ppts

<sup>1</sup> Leading indicator of future RMI activity

## Residential – Pro (c.30% of Group)

Indicator	vs 2019 (pre-COVID)	vs 6 months ago
<b>ONS Construction Output</b> – Residential RMI Growth	+13.7%	-0.8ppts
<b>FMB State of Trade Survey</b> – Contractor enquiries	-12 <sup>1</sup>	-15

<sup>1</sup> Shows Index at December 2022, not change since 2019. Positive number indicates majority of respondents reporting increase in enquiries in the quarter

## Non-residential (c.20% of Group)

Indicator	vs 2019 (pre-COVID)	vs 6 months ago
<b>ONS Construction Output</b> – Non-Residential RMI Growth	+16.2%	+4.5ppts
<b>RIBA Future Trends Index</b> – Architectural workloads	-8 <sup>1</sup>	-12

<sup>1</sup> Shows Index at December 2022, not change since 2019. Positive number indicates expectation of growth in architectural workload over the next three months

## Infrastructure (c.20% of Group)

Indicator	vs 2019 (pre-COVID)	vs 6 months ago
<b>ONS Construction Output</b> – Infrastructure Growth	+20.0%	+2.1ppts
<b>Purchasing Managers Index</b> – Civil Engineering Index Change	47 <sup>1</sup>	-7

<sup>1</sup> Shows Index at December 2022, not change since 2019. Number >50 indicates more respondents reported increased purchasing versus the previous month than those reporting decreased purchasing

# Outlook

- Trading in 2023 in line with expectations
- Seeing expected tailwinds from improving trends in:
  - customer destocking
  - gross margin
  - input costs
- Slower Residential RMI market, as expected
- Comparatives get easier as the year progresses

**Well positioned to progress as market conditions improve**



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## Q&A

JOHN HORNBY  
CEO

MATT WEBB  
CFO



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APPENDIX



# Company overview

## Our purpose

To help people harness power sustainably in everyday life

## What we sell

- **Designer and manufacturer of electrical products:**
  - Wiring Accessories
  - LED Lighting
  - Portable Power (incl. EV chargers)

## Who we sell to

- **Mix of consumer and professional end-users**
- **Sold through distribution with some direct professional end-user relationships**
- **Established customer base**
- **UK heritage**
- **More recent international expansion**

## 3 reasons to invest in us

- 01 We operate in attractive markets**
- 02 We have an advantaged business model**
- 03 We deliver compelling financial outcomes sustainably**

## Our strategy

Grow

Innovate

Sustain

## Our culture

Customer-driven

Team-focused

Bold and innovative

Principled

## Where we operate

- **UK:**
  - Telford: UK Distribution Centre & UK HQ
  - Mansfield: Kingfisher Lighting HQ
  - Hoddesdon: DW Windsor HQ
  - London: PLC HQ
- **China:**
  - Jiaxing, Zhejiang Province: Factory and Product Development Centre
- **Sales offices in Spain, UAE, Mexico & South Africa**
- **c. 1,750 employees worldwide**

## What we sell

### Wiring accessories – British General



UK market size	c.£500 m
Established	1941
UK market position / approx market share	#2 / 15%
Revenue as % of Group total <sup>1</sup>	36%
Revenue 3-year CAGR % <sup>2</sup>	2%
Operating margin <sup>1</sup>	19%
Product categories	Switches and sockets, Circuit protection, Weatherproof, Junction boxes, Cable management

1. 2022

2. 2019 to 2022 in constant currency



## What we sell

### Commercial power - Nexus



UK market size	c.£200 m
Established	2021
UK market position / approx market share	Recently established
Product categories	Decorative power & data modules, Cable management, Cables and connectors, Power distribution, Energy & user data management, Ergonomic accessories, Task lighting

nexus

## What we sell

### LED lighting - Luceco



UK market size	c £700 m
Established	2013
UK market position / approx market share	Top 10 / 4%
Revenue as % of Group total <sup>1,3</sup>	39%
Revenue 3-year CAGR % <sup>2,3</sup>	14% (4% organic)
Operating margin <sup>1,3</sup>	4%
Product categories	Residential interior, Residential exterior, Commercial interior, Commercial exterior, Work & site lighting

1. 2022

2. 2019 to 2022 in constant currency

3. For total LED Lighting segment (Luceco, Kingfisher Lighting and DW Windsor)

## What we sell

### LED lighting - Kingfisher



UK market size	c £100m
Established	1988
UK market position / approx market share	UK #4 / 15%
Revenue as % of Group total <sup>1,3</sup>	39%
Revenue 3-year CAGR % <sup>2,3</sup>	14% (4% organic)
Operating margin <sup>1,3</sup>	4%
Product categories	Private realm exterior lighting

1. 2022

2. 2019 to 2022 in constant currency

3. For total LED Lighting segment (Luceco, Kingfisher Lighting and DW Windsor)



## What we sell

### LED lighting – DW Windsor



UK market size	c £300m
Established	1975
UK market position / approx market share	UK #4 / 13%
Revenue as % of Group total <sup>1,3</sup>	39%
Revenue 3-year CAGR % <sup>2,3</sup>	14% (4% organic)
Operating margin <sup>1,3</sup>	4%
Product categories	Public realm exterior lighting

1. 2022

2. 2019 to 2022 in constant currency

3. For total LED Lighting segment (Luceco, Kingfisher Lighting and DW Windsor)

## What we sell

# Portable Power – Masterplug and BG Sync EV

















UK market size	c £250m
Established <sup>3</sup>	1988
UK market position / approx market share <sup>3</sup>	UK #1 / 40%
Revenue as % of Group total <sup>1</sup>	25%
Revenue 3-year CAGR % <sup>2</sup>	2% (-1% organic)
Operating margin <sup>1</sup>	9%
Product categories	Extension leads, Cable reels, Adaptors and accessories, EV Chargers

1. 2022

2. 2019 to 2022 in constant currency



# Who we sell to

Sales channel	Description	Example customers
<b>Retail</b>	DIY chains Pure play online Retail grocers	      
<b>Hybrid</b>	Chains selling to both professionals and consumers	 
<b>Professional Wholesale</b>	Chains selling to professionals only	    
<b>Professional Projects</b>	Sale agreed direct with professionals	<div>Electrical and general contractors</div> <div>Design &amp; Build Contractors Architects</div> <div>Lighting designers</div> <div>Housebuilders</div>

# Performance by segment

## Strong growth in each segment

### Wiring Accessories

	VS 2021	VS 2019
Revenue growth	<b>-29%</b>	<b>+5%</b>
Profit growth	<b>-52%</b>	<b>+9%</b>

**36%**

of Group revenue

**#2** in UK



**nexus**

### LED Lighting

	VS 2021	VS 2019
Revenue growth	<b>+29%</b>	<b>+50%</b>
Profit growth	<b>0%</b>	<b>+183%</b>

**39%**

of Group revenue

**Top 10** in UK

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### Portable Power

	VS 2021	VS 2019
Revenue growth	<b>-15%</b>	<b>+7%</b>
Profit growth	<b>-27%</b>	<b>+15%</b>

**25%**

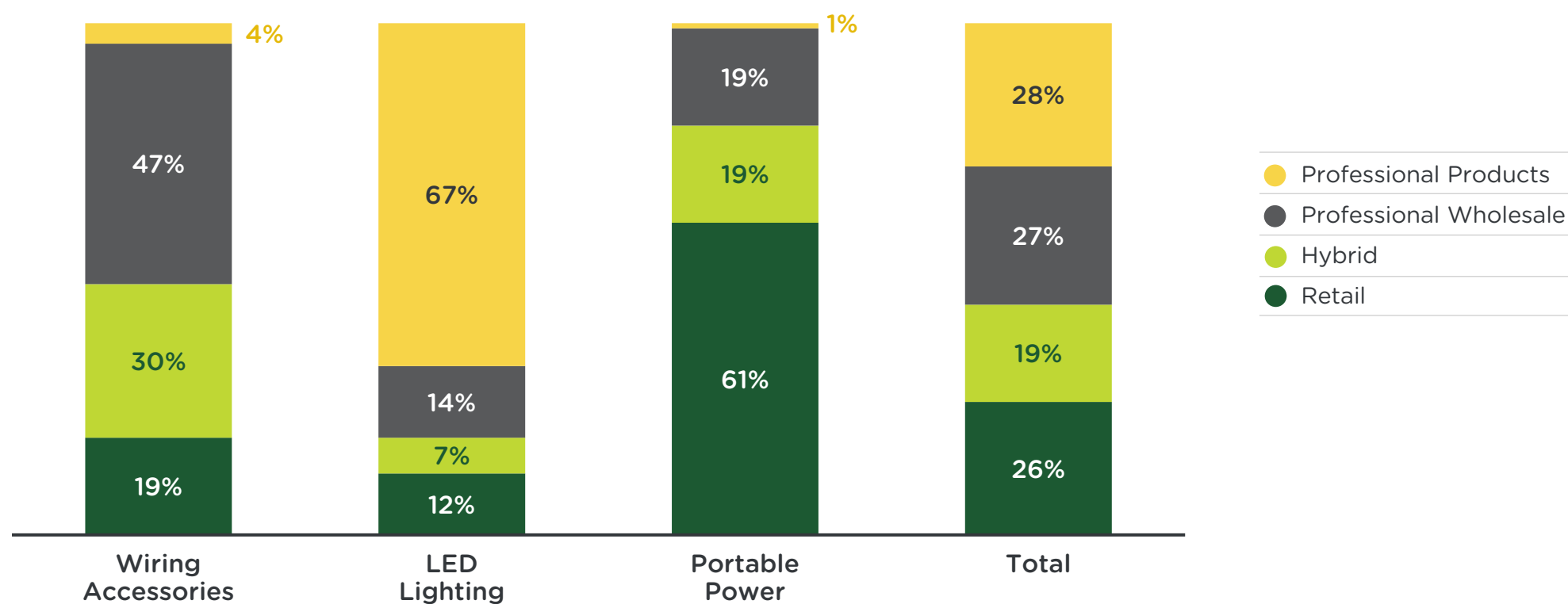
of Group revenue

**#1** in UK

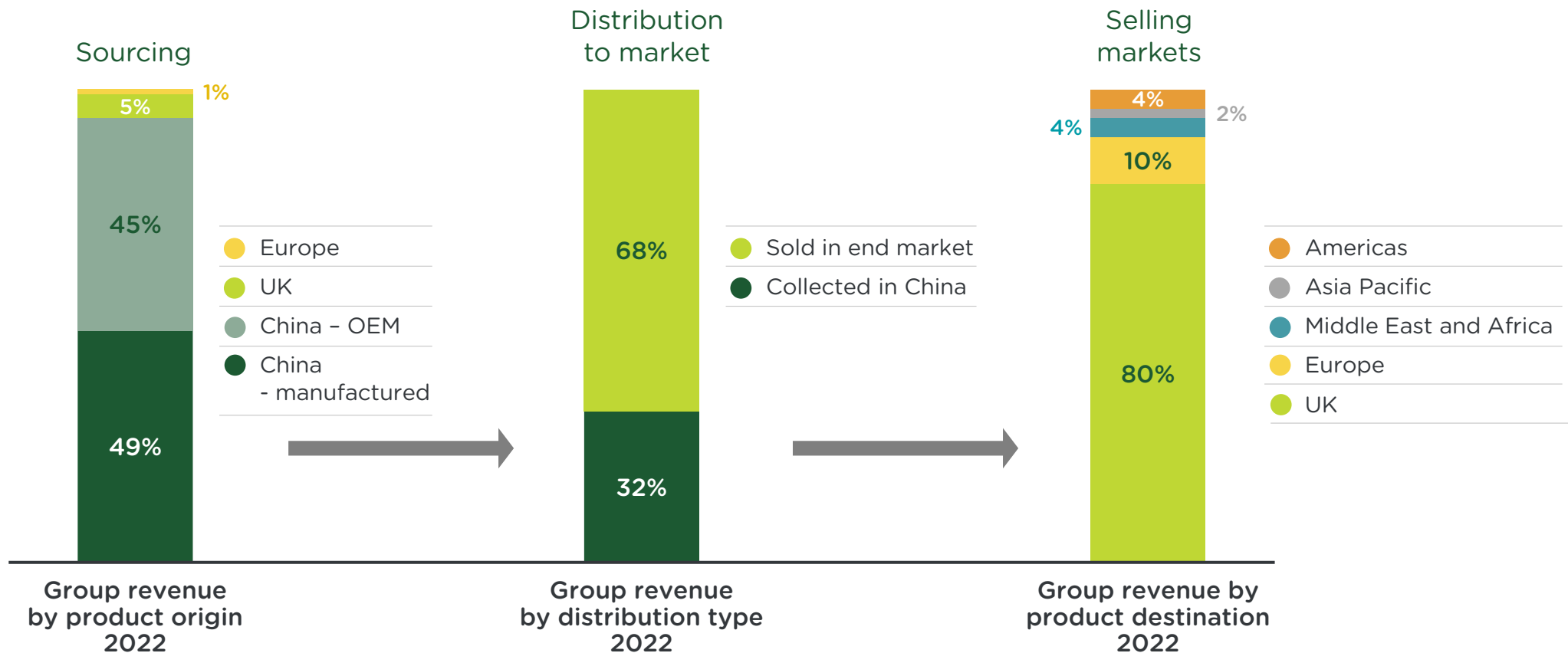


# Who we sell to

## Product segmental sales by sales channel (as % of total) - 2022



# Where we operate



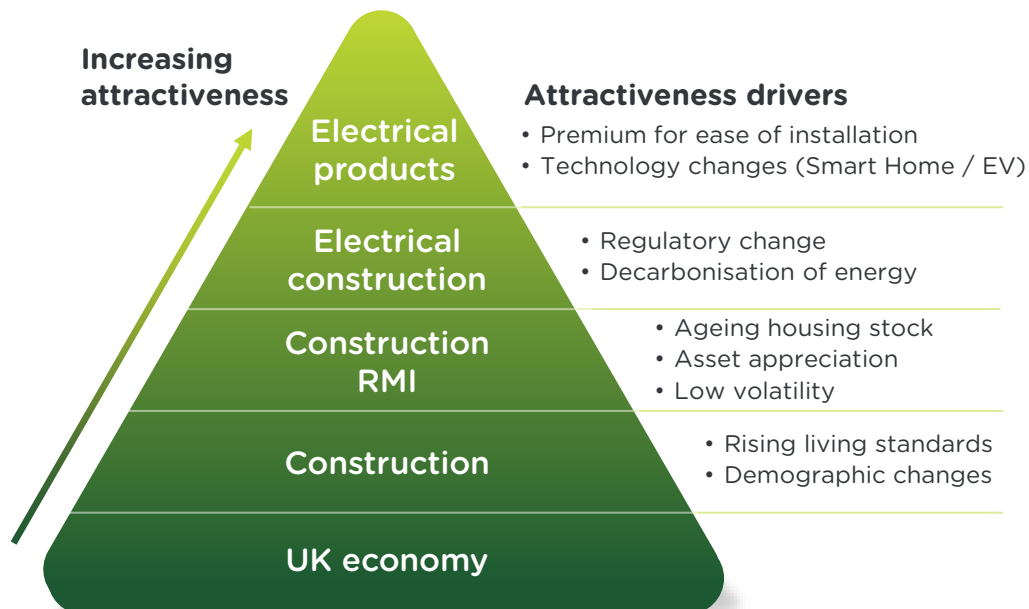
## Three reasons to invest

### 01 We operate in attractive markets

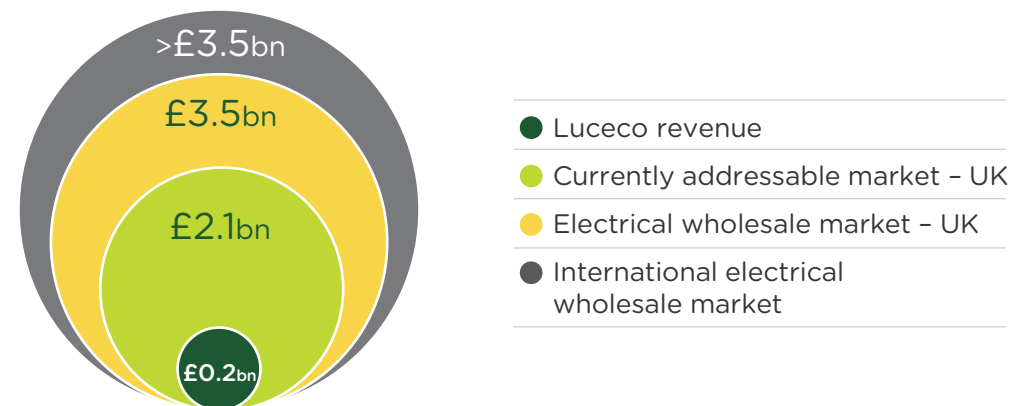
#### Strong positions . . .

Segment	UK market position
Wiring Accessories	#2
LED Lighting	Top 10
Portable Power	#1

#### . . . in attractive markets



#### . . . with significant growth potential



#### . . . augmented by sustainability

##### Our opportunity

**50%**  
% of **revenue from customers with published climate goals**

**£500bn**  
Cost of **decarbonizing UK residential energy**

**£500m**  
Expected size of the **EU charger market by 2025**

##### Our response

Carbon neutral operations in 2021 and 2022

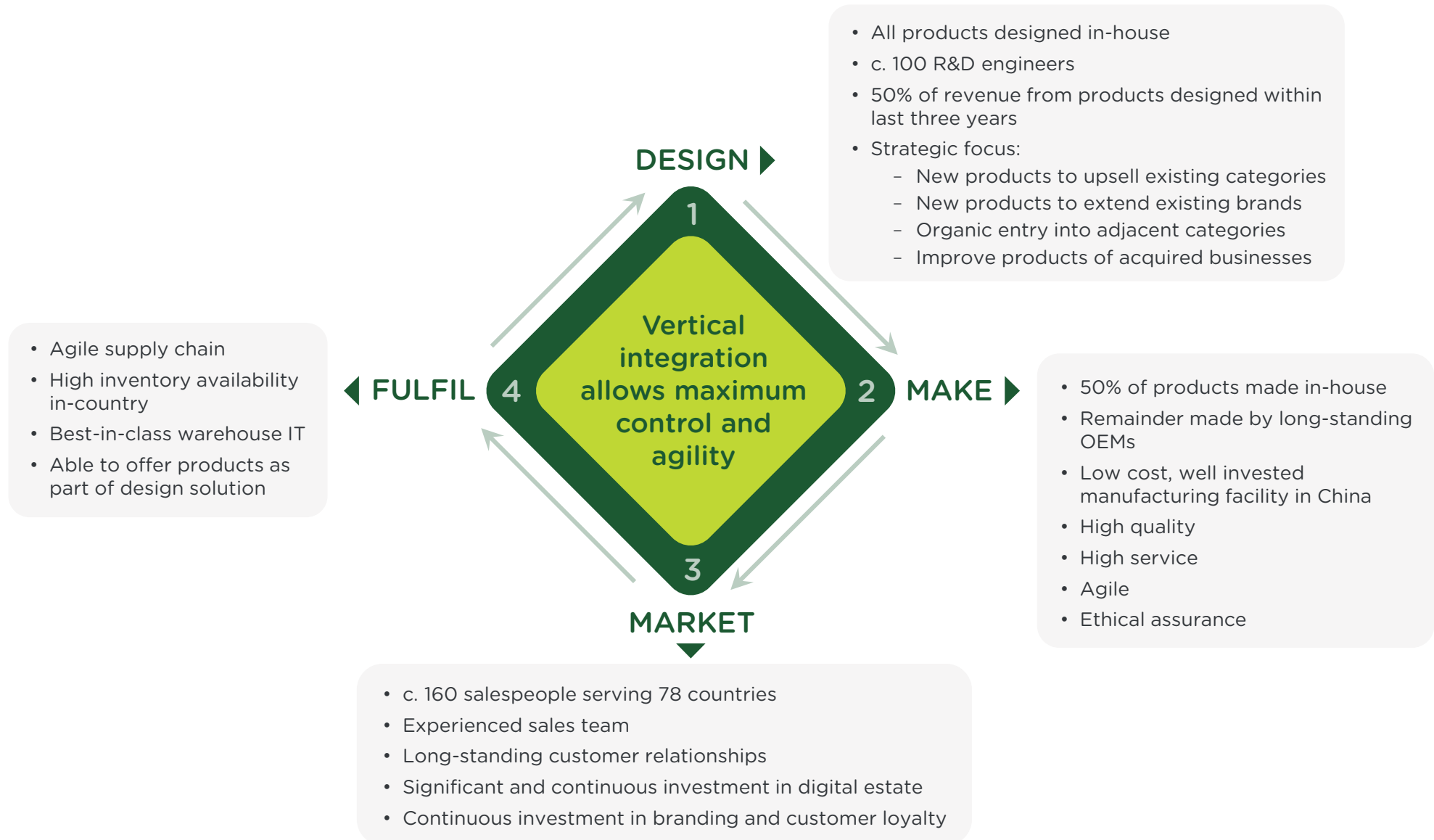
Joined CDP in 2021

Joined SBTi 2022

**£100m**  
of **revenue from low carbon products by 2025** (2022: £78m)

## Three reasons to invest

### 02 We have an advantaged business model



## Three reasons to invest

### 03 We deliver consistent and compelling financial outcomes

Component	Metric	Target <sup>1</sup>	2020 Results	2021 Results	2022 Results
<b>Revenue</b>	Total revenue growth	<b>&gt;5%</b>	2.4%	29.5%	(9.6)%
<b>Profit</b>	Adjusted Operating Margin %	<b>&gt;15%</b>	17.0%	17.1%	10.7%
<b>Cash</b>	Adjusted Operating Cash Conversion %	<b>&gt;100%</b>	113.7%	89.7%	198.6%
	Adjusted Free Cash Flow Margin %	<b>&gt;10%</b>	12.9%	8.2%	14.9%
<b>Dividends</b>	Earnings payout ratio	<b>40 to 60%</b>	40.0%	40.0%	41.4%
<b>Capex</b>	Net capital expenditure as % of revenue	<b>3 to 4%</b>	2.5%	2.8%	2.7%
<b>Capital structure and Returns</b>	Return on Capital Invested %	<b>&gt;20%</b>	35.7%	36.4%	18.2%
	Covenant Net Debt <sup>2</sup> : Covenant EBITDA	<b>1.0 to 2.0x</b>	0.4x	0.7x	0.8x
	Adjusted Net Cash Flow <sup>3</sup> as % of revenue	<b>&gt;5.0%</b>	8.6%	2.8%	8.4%

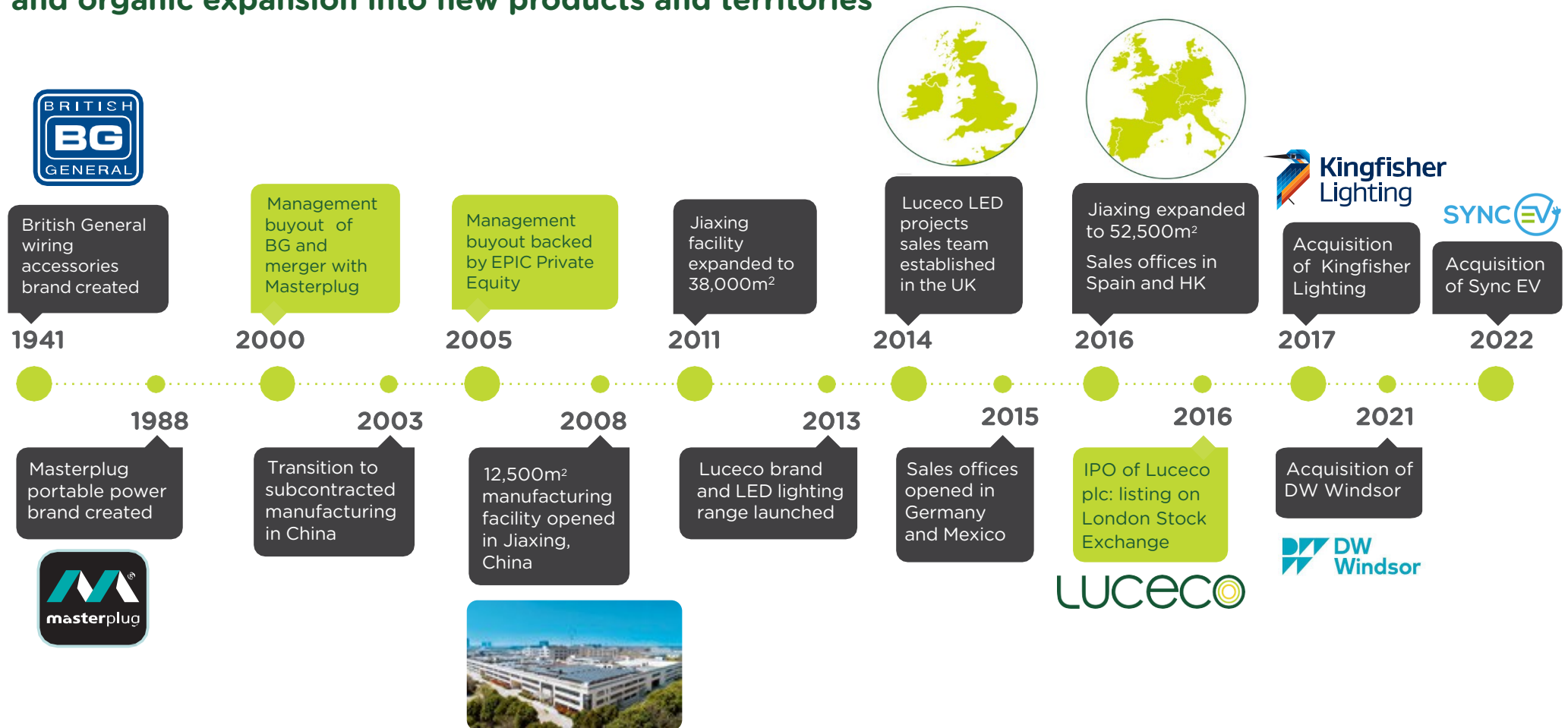
1. Expected performance range through the economic cycle for the existing business excluding the impact of future acquisitions

2. Covenant Net Debt excluded Finance Leases for bank purposes

3. Adjusted Free Cash Flow less dividends and EBT share purchases (i.e. cash remaining for acquisitions or capital returns)

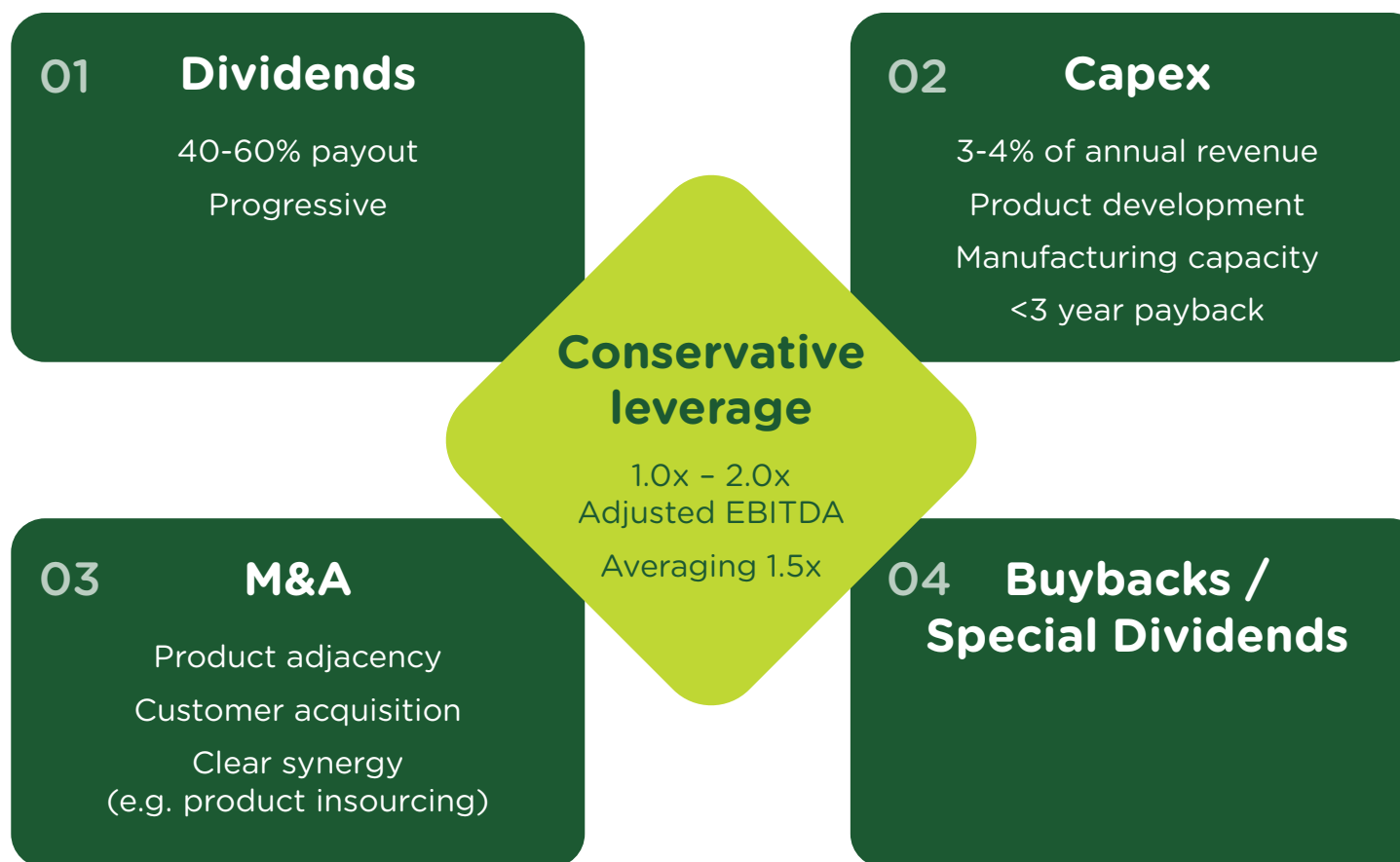
# Group history

The group has developed through business combinations and organic expansion into new products and territories



Corporate events

# Capital allocation policy



# 2013 to 2022 financials

Adjusted metrics

## Income Statement

£m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenue</b>	<b>65.6</b>	<b>82.3</b>	<b>103.1</b>	<b>133.7</b>	<b>167.6</b>	<b>163.9</b>	<b>172.1</b>	<b>176.2</b>	<b>228.2</b>	<b>206.3</b>
<i>Growth %</i>		25.5%	25.3%	29.7%	25.4%	(2.2%)	5.0%	2.4%	29.5%	(9.6)%
<b>Gross Profit</b>	<b>18.3</b>	<b>25.1</b>	<b>33.8</b>	<b>40.5</b>	<b>48.4</b>	<b>50.6</b>	<b>62.3</b>	<b>70.2</b>	<b>84.7</b>	<b>74.3</b>
<i>Gross Margin %</i>	27.9%	30.5%	32.8%	30.3%	28.9%	30.9%	36.2%	39.8%	37.1%	35.8%
Overheads	(12.4)	(16.7)	(16.7)	(26.0)	(33.7)	(42.1)	(44.3)	(40.2)	(45.7)	(52.3)
<b>Operating Profit</b>	<b>5.9</b>	<b>8.4</b>	<b>11.5</b>	<b>14.5</b>	<b>14.7</b>	<b>8.5</b>	<b>18.0</b>	<b>30.0</b>	<b>39.0</b>	<b>22.0</b>
<i>Operating Margin %</i>	9.0%	10.2%	11.2%	10.8%	8.8%	5.2%	10.5%	17.0%	17.1%	10.7%
Net finance expense	(3.7)	(2.9)	(3.2)	(2.8)	(1.9)	(2.2)	(2.2)	(1.3)	(1.6)	(2.6)
<b>Profit Before Tax</b>	<b>2.2</b>	<b>5.5</b>	<b>8.3</b>	<b>11.7</b>	<b>12.8</b>	<b>6.3</b>	<b>15.8</b>	<b>28.7</b>	<b>37.4</b>	<b>19.4</b>
Taxation	(0.9)	(1.0)	(2.5)	(2.5)	(2.3)	(1.7)	(3.7)	(4.7)	(6.2)	(2.2)
<i>Effective tax rate %</i>	40.9%	18.2%	30.1%	21.4%	18.0%	27.0%	23.4%	16.4%	16.6%	11.3%
<b>Profit After Tax</b>	<b>1.3</b>	<b>4.5</b>	<b>5.8</b>	<b>9.2</b>	<b>10.5</b>	<b>4.6</b>	<b>12.1</b>	<b>24.0</b>	<b>31.2</b>	<b>17.2</b>
<b>Basic EPS (p)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>6.4</b>	<b>6.5</b>	<b>2.9</b>	<b>7.7</b>	<b>15.5</b>	<b>20.2</b>	<b>11.1</b>

# 2013 to 2022 financials continued

Adjusted metrics

## Balance Sheet

£m	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>1</sup>	2022
Fixed assets	22.4	24.6	27.5	33.5	47.2	44.8	42.6	43.9	69.4	70.5
Inventory	14.0	23.8	26.2	35.4	44.2	32.8	32.2	37.2	56.6	47.5
Trade receivables	10.5	17.1	20.4	26.5	33.4	39.5	42.8	70.1	67.9	50.4
Trade payables	(13.2)	(21.8)	(23.1)	(35.4)	(49.6)	(26.7)	(22.1)	(39.7)	(38.8)	(24.2)
Net working capital	11.3	19.1	23.5	26.5	28.0	45.6	52.9	67.6	85.7	73.7
Other assets and liabilities	(1.8)	(1.5)	(1.8)	2.3	1.5	(17.0)	(21.0)	(22.8)	(29.3)	(28.1)
<b>Capital invested</b>	<b>31.9</b>	<b>42.2</b>	<b>49.2</b>	<b>62.3</b>	<b>76.7</b>	<b>73.4</b>	<b>74.5</b>	<b>88.7</b>	<b>125.8</b>	<b>116.1</b>
Net debt	(39.4)	(44.7)	(46.7)	(29.5)	(36.7)	(32.2)	(27.4)	(18.3)	(38.1)	(29.4)
<b>Net assets</b>	<b>(7.5)</b>	<b>(2.5)</b>	<b>2.5</b>	<b>32.8</b>	<b>40.0</b>	<b>41.2</b>	<b>47.1</b>	<b>70.4</b>	<b>87.7</b>	<b>86.7</b>
Non-recourse factoring					9.0	12.4	5.0	-	-	-
<b>Capital invested including factored receivables</b>	<b>31.9</b>	<b>42.2</b>	<b>49.2</b>	<b>62.3</b>	<b>85.7</b>	<b>85.8</b>	<b>79.5</b>	<b>88.7</b>	<b>125.8</b>	<b>116.1</b>
Return on Capital Invested					19.9%	9.9%	21.8%	35.7%	36.4%	18.2%

1. 2021 has been restated for the finalisation of acquisition accounting for DW Windsor

# 2013 to 2022 financials continued

Adjusted metrics

## Cash flow statement

£m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Profit	5.9	8.4	11.5	14.5	14.7	8.5	18.0	30.0	39.0	22.0
Depreciation & amortisation	1.4	1.9	2.6	3.2	4.4	6.5	7.9	6.1	6.7	7.1
<b>EBITDA</b>	<b>7.31</b>	<b>0.3</b>	<b>14.1</b>	<b>17.7</b>	<b>19.1</b>	<b>15.0</b>	<b>25.9</b>	<b>36.1</b>	<b>45.7</b>	<b>29.1</b>
Working capital	0.4	(8.8)	(5.8)	(11.3)	1.4	0.9	1.3	(2.0)	(10.7)	14.6
<b>Operating Cash Flow</b>	<b>7.7</b>	<b>1.5</b>	<b>8.3</b>	<b>6.4</b>	<b>20.5</b>	<b>15.9</b>	<b>27.2</b>	<b>34.1</b>	<b>35.0</b>	<b>43.7</b>
Capital expenditure	(2.6)	(3.6)	(5.3)	(7.6)	(10.0)	(4.7)	(3.6)	(4.4)	(6.4)	(5.6)
Interest paid	(2.8)	(3.6)	(3.5)	(3.0)	(1.9)	(2.2)	(2.1)	(1.3)	(1.7)	(2.7)
Tax paid	(0.6)	-	(1.0)	(1.3)	(3.1)	(1.3)	(2.6)	(5.7)	(8.1)	(4.7)
<b>Free Cash Flow</b>	<b>1.7</b>	<b>(5.7)</b>	<b>(1.5)</b>	<b>(5.5)</b>	<b>5.5</b>	<b>7.7</b>	<b>18.9</b>	<b>22.7</b>	<b>18.8</b>	<b>30.7</b>
<i>Free Cash Flow Margin %</i>	<i>2.6%</i>	<i>(6.9%)</i>	<i>(1.5%)</i>	<i>(4.1%)</i>	<i>3.3%</i>	<i>4.7%</i>	<i>11.0%</i>	<i>12.9%</i>	<i>8.2%</i>	<i>14.9%</i>
Acquisitions / Associate investment	—	—	—	—	(9.7)	—	—	—	(18.4)	(7.8)
Dividends	—	—	—	—	(1.8)	—	(1.9)	(4.9)	(11.2)	(10.9)
IPO proceeds / (share purchases)	—	—	(1.4)	24.3	(1.2)	—	(2.9)	(2.7)	(1.3)	(2.4)
IFRS 16 adoption impact / new leases	—	—	—	—	—	—	(3.1)	(1.0)	(5.4)	(0.8)
Factoring repayment / Adjusting items	—	0.4	0.9	(1.6)	—	(3.2)	(6.2)	(5.0)	(2.3)	(0.1)
<b>Movement in net debt</b>	<b>1.7</b>	<b>(5.3)</b>	<b>(2.0)</b>	<b>17.2</b>	<b>(7.2)</b>	<b>4.5</b>	<b>4.8</b>	<b>9.1</b>	<b>(19.8)</b>	<b>8.7</b>
Net debt b/f	(41.1)	(39.4)	(44.7)	(46.7)	(29.5)	(36.7)	(32.2)	(27.4)	(18.3)	(38.1)
Net debt c/f	(39.4)	(44.7)	(46.7)	(29.5)	(36.7)	(32.2)	(27.4)	(18.3)	(38.1)	(29.4)
Covenant Net Debt: Covenant EBITDA	5.4	4.3	3.3	1.7	1.9	2.1	0.9	0.4	0.7	0.8

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