

Transformation continues to deliver

Results for the six months ended 30 June 2019

6 September 2019



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Transformation continues to deliver



Meinie Oldersma
Chief Executive Officer

Today's agenda

- H1 2019 highlights
- Continuing the transformation
- Financial review of the period
- Current trading and outlook

H1 2019 highlights - increased profit and reduced debt

- Further operational and financial progress, despite falling construction activity
- Underlying PBT up 20% to £30.0m, underlying EPS up 23% to 3.7p
- Like-for-like sales down 3.8% reflecting weaker market conditions and focus on profitability
- Transition to smaller, more profitable base of business in SIG Distribution largely complete
- Gross margin up 70bps and operating costs lower
- Net debt down to £158.2m and headline financial leverage down to 1.4x (pre IFRS 16)
- Previously announced review of strategic options for Air Handling division well advanced
- Interim dividend of 1.25p per share

Our strategic vision

Capital Markets presentation, November 2017

Baseline growth

Growth in line with market

Our vision

To deliver significantly improved operational and financial performance as a leading European supplier of specialist building materials

Capital discipline

Balance sheet strength
Investment in core
Selective acquisitions

Our strategic levers

Customer service

Sales and service

Customer value

Pricing and product

Operational efficiency

Overheads and working capital

Key strategic enablers

Data

Deliver improved reporting, insight and ability to make informed decisions

IT

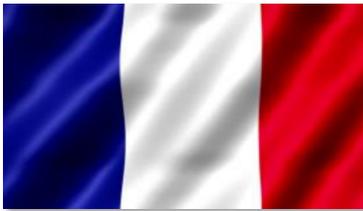
Optimise ways of working to deliver effective solutions focused on business priorities

Capability

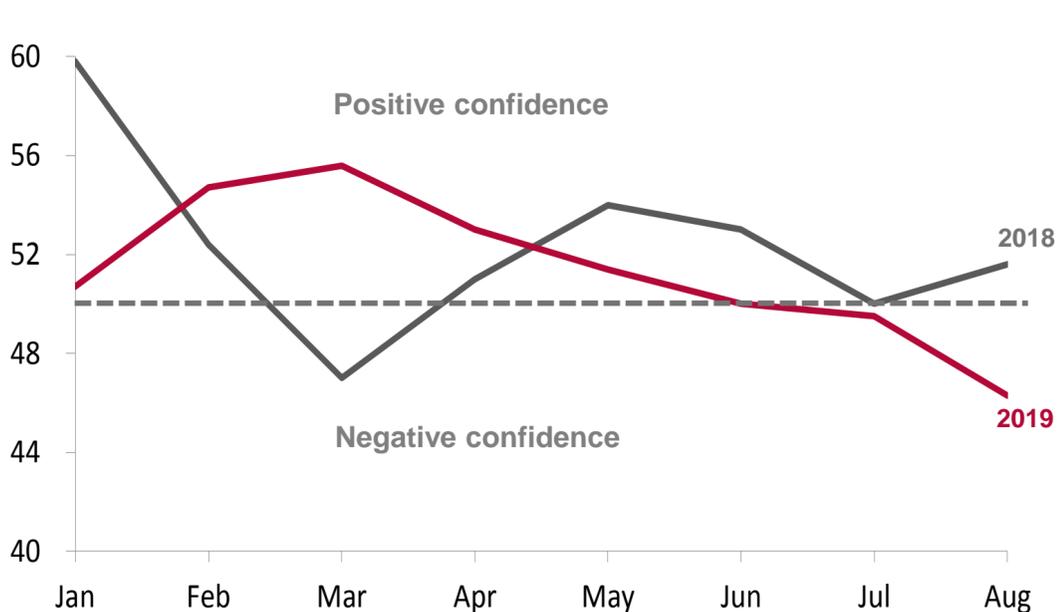
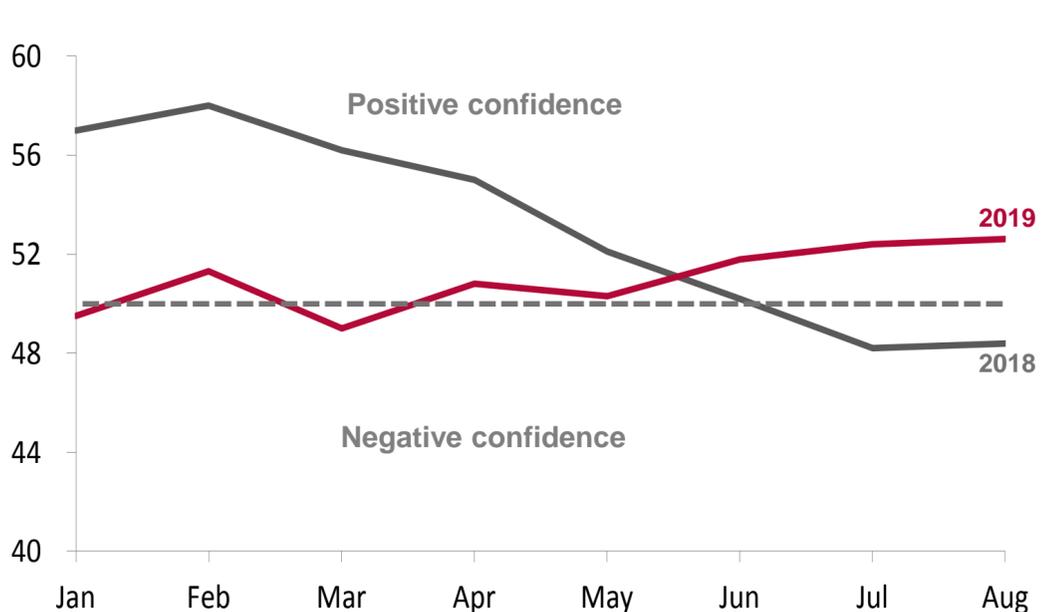
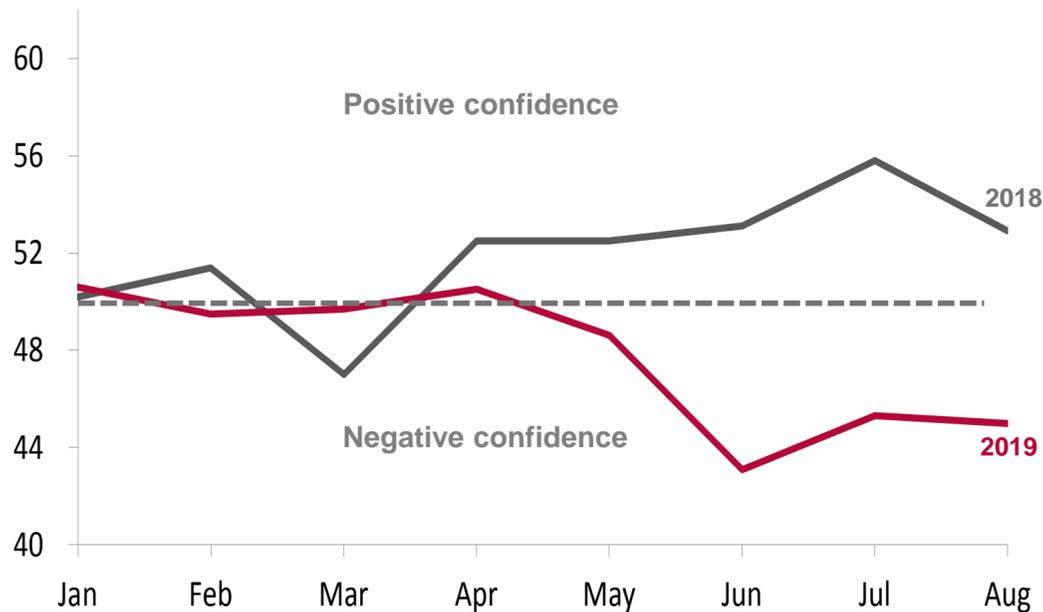
Raise talent levels across organisation, supported by specialist short term change management

Simplify, focus and deliver

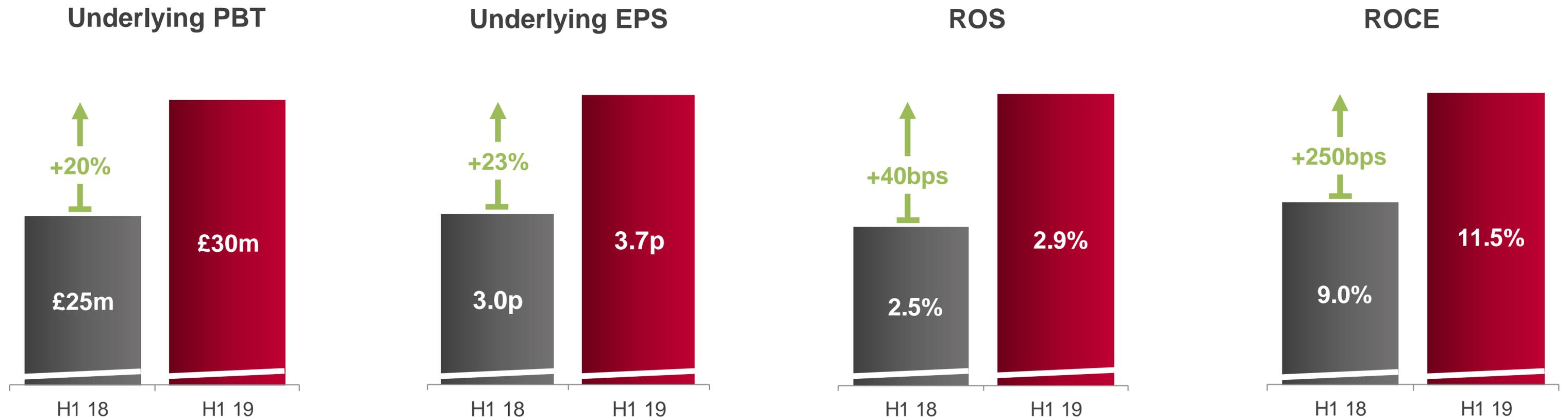
Market backdrop increasingly challenging



Construction PMI

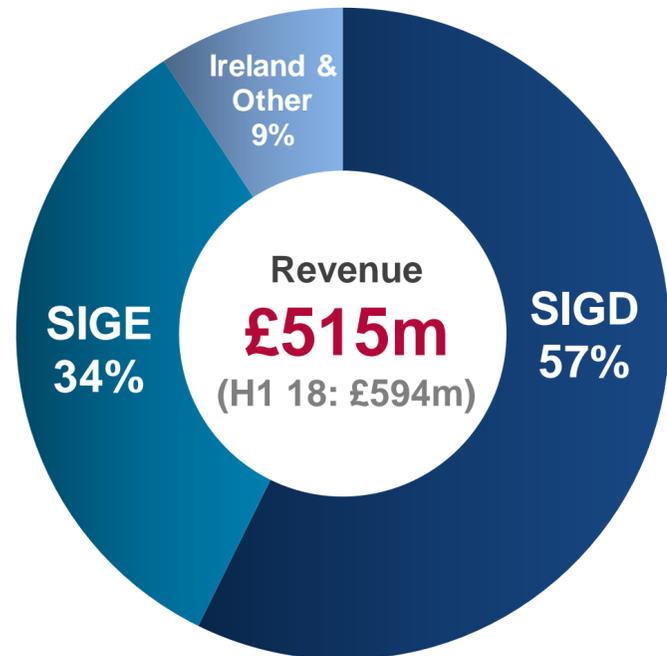


Transformation delivering increased profit

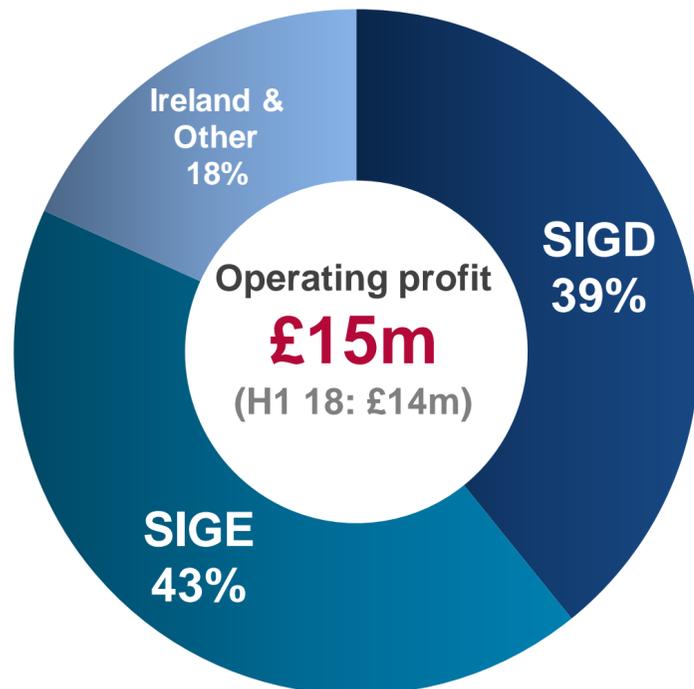


Note: Data represents underlying performance pre IFRS 16.

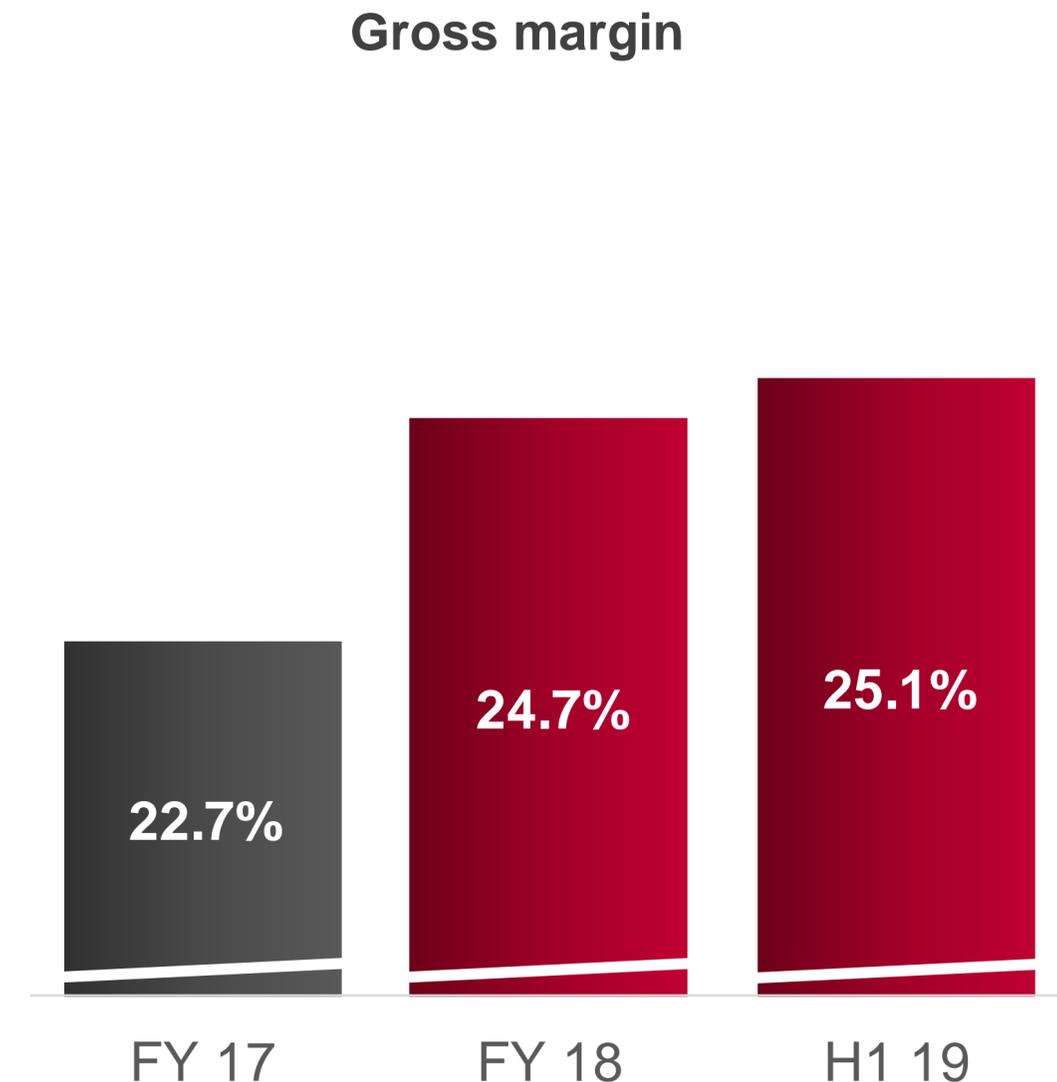
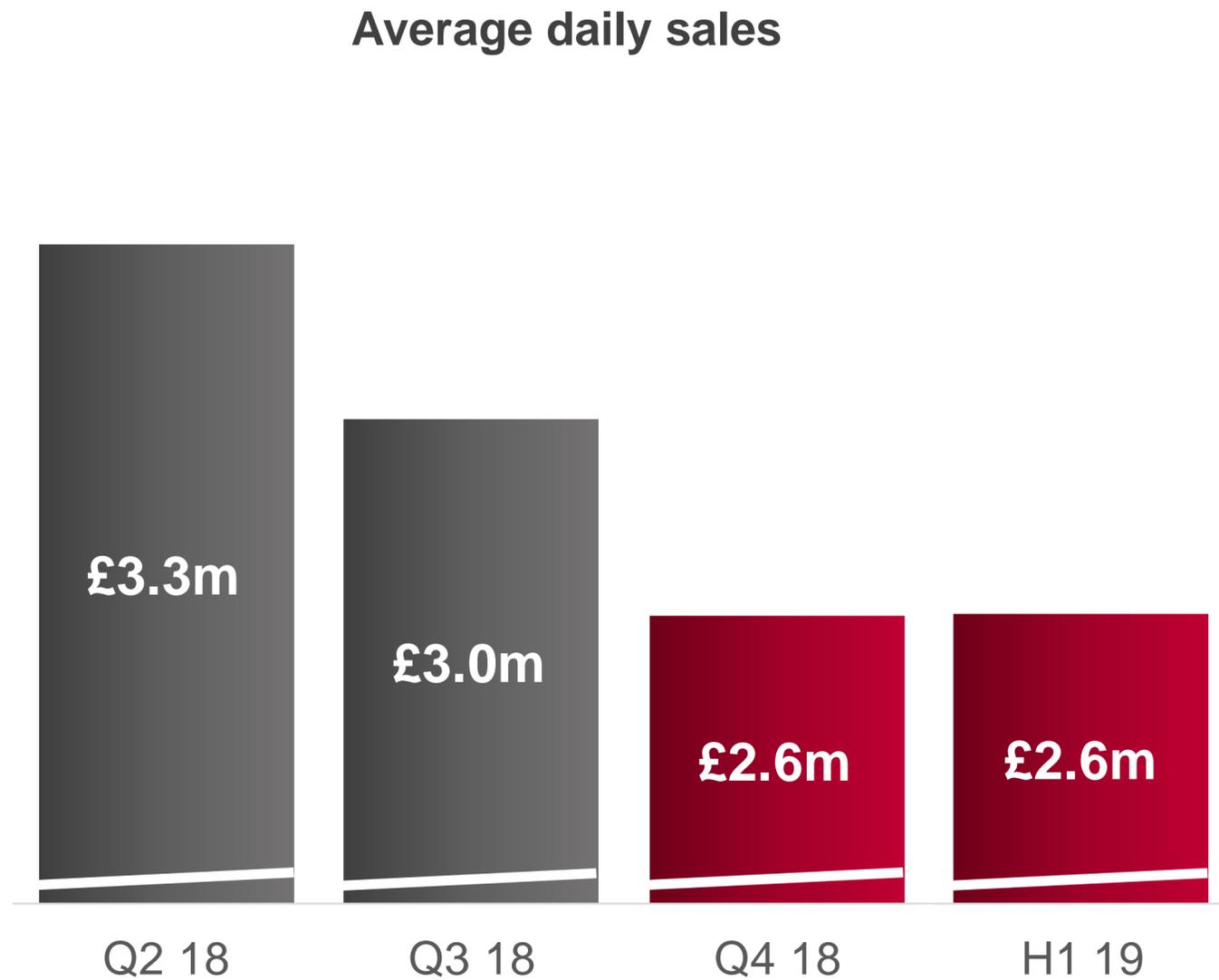
Further margin improvement in UK & Ireland



- LFL sales decline of 12.5% reflects weaker market conditions and focus on profitability over volume
- Gross margin up 150bps to 26.4%, with continued focus on pricing initiatives
- Operating costs down from £134m to £121m; SIGD and SIGE successfully transitioned to more integrated functional operating models. Operating profit up 4.2%
- LTM return on sales up to 4.4% (PY: 2.3%)
- Normal seasonality expected to deliver stronger H2 results, subject to macro-economic risk



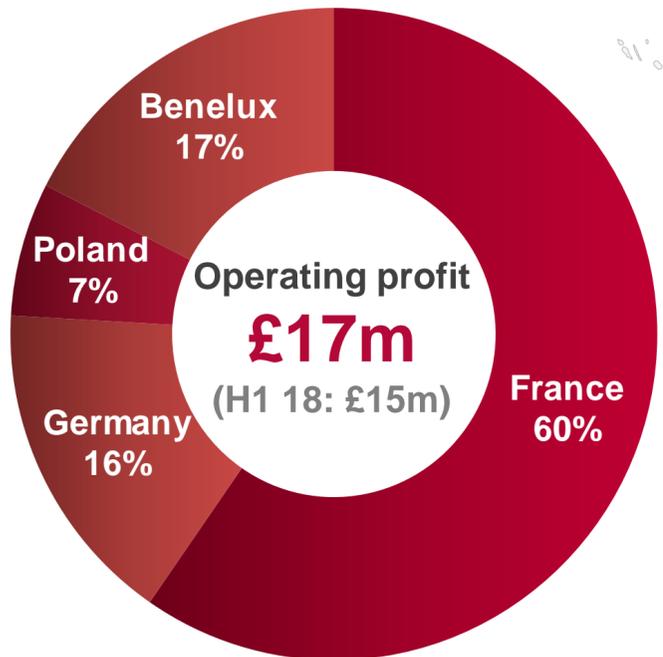
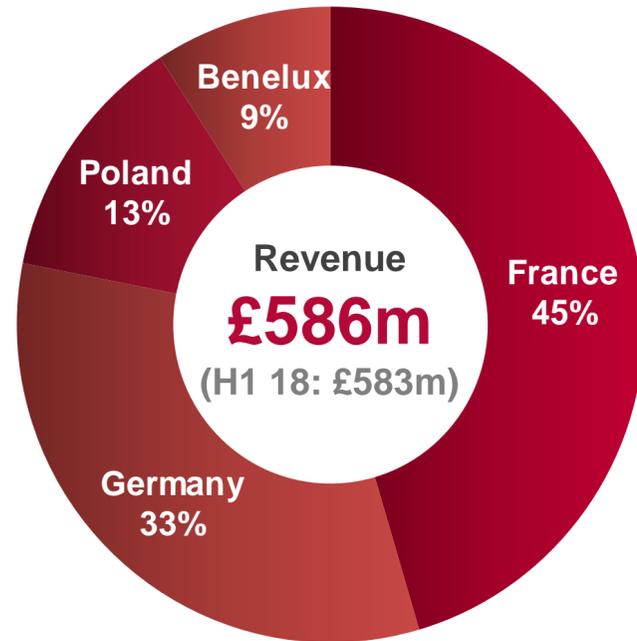
Transition in SIG Distribution largely complete



Smaller, more profitable continuing base of business

Note: Data represents underlying performance.

Transformation being rolled out across Mainland Europe



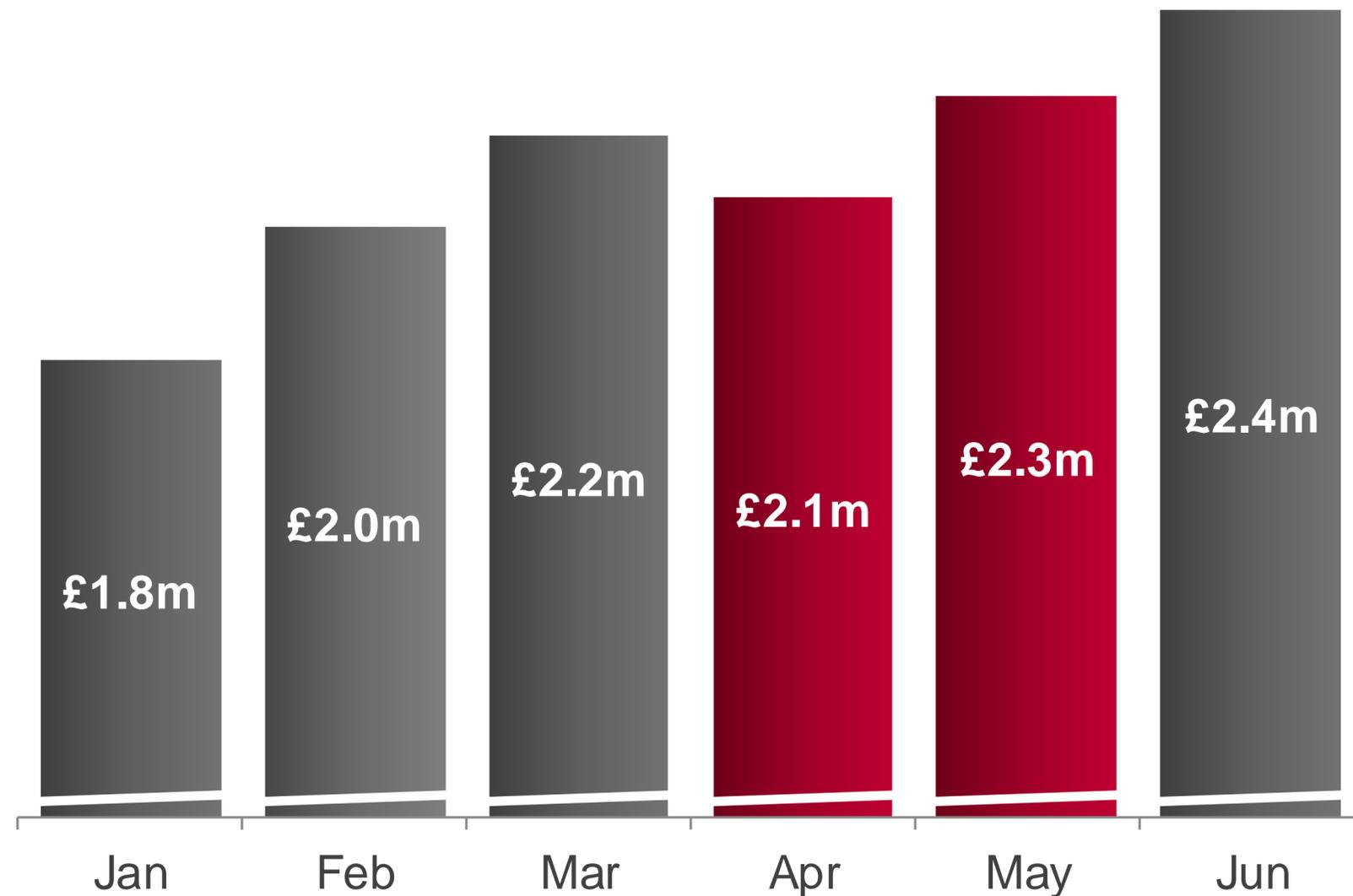
- Top line LFL growth of 2.1% driven by France and Poland; trading conditions weaker in Germany
- Ransomware attack in France disrupted revenues, gross margins and costs in April and May, though business now back on upward trend
- As a result, gross margin softened slightly at 24.5%; operating costs lower at £127m (H1 18: £131m) assisted by headcount reductions, principally in Germany. Operating profit 9.9% ahead
- LTM return on sales ahead by 30bps at 3.0% (PY: 2.7%), despite ransomware attack
- Transformation initiatives rolled out in France and Germany expected to deliver upside over the next twelve months



Note: Data represents underlying performance pre IFRS 16 and excludes central costs. LTM ROS excludes property profits.

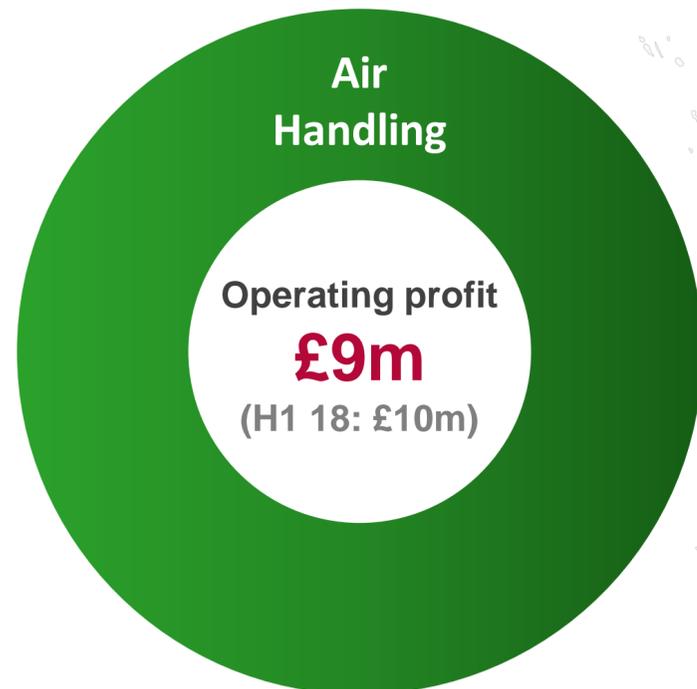
France back on upward trend following ransomware attack

Average daily sales



- Incident occurred on 12 April
- Core systems restored by mid May; all systems fully operational by end of May
- Tangible impact on April and May sales, gross margins and operating profit (c.£3m downside in France, including costs to remediate)
- Performance back on upward trend since May
- Forensic review, together with additional review procedures, have confirmed no ongoing impact

Strong growth in Air Handling

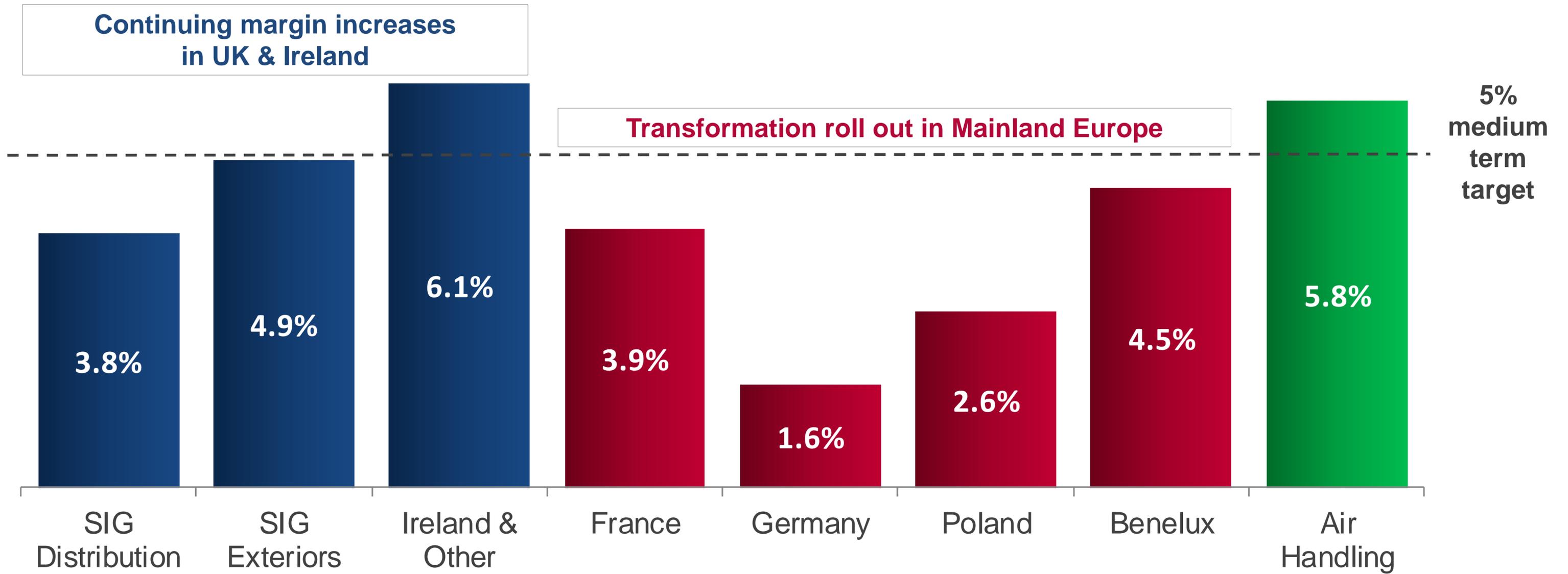


- First half year trading as combined Air Handling division, encompassing SIG Air Handling (Mainland Europe), Ouest Isol & Ventil (France) and SK Sales (UK)
- Strong H1 growth, with LFL sales up 7.6%
- Gross margin of 38.8% (H1 18: 37.8%)
- YoY reduction in operating profit of £1m reflecting impact of ransomware attack (additional c.£2m impact in OIV) and Q1 pre turnaround at SK Sales
- Previously announced review of strategic options well advanced. Further update when appropriate



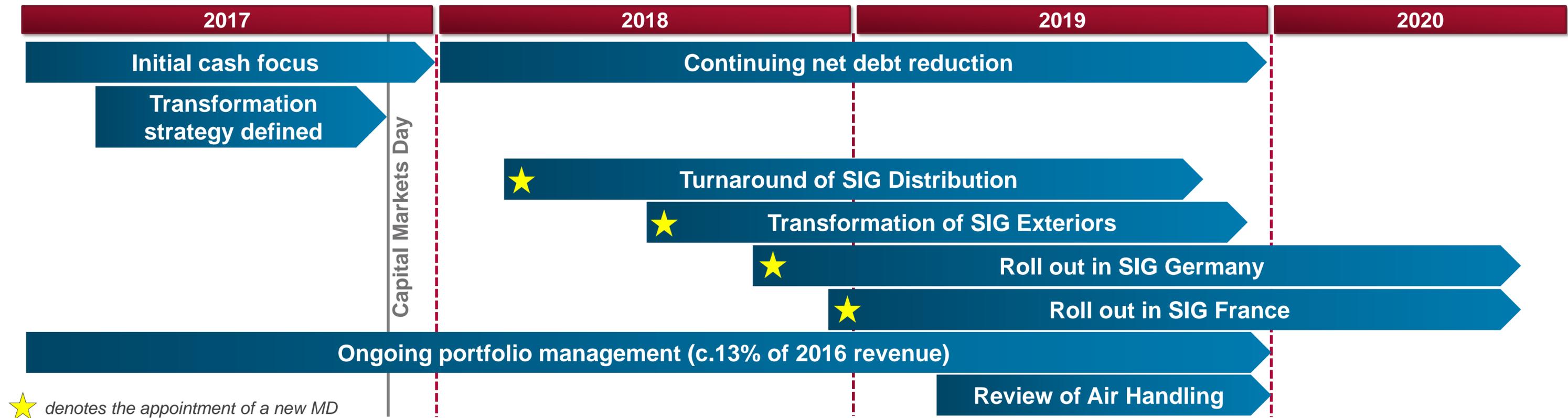
Progress towards ROS target

LTM Return on Sales (ROS)



Note: Data represents underlying performance pre IFRS 16 and excludes property profits and central costs.

Continuing the transformation



- Roll out of initiatives in Europe expected to deliver upside over next twelve months
- Target balance sheet within reach
- Review of strategic options for Air Handling well advanced
- One remaining peripheral business under review
- On track to deliver against medium term targets

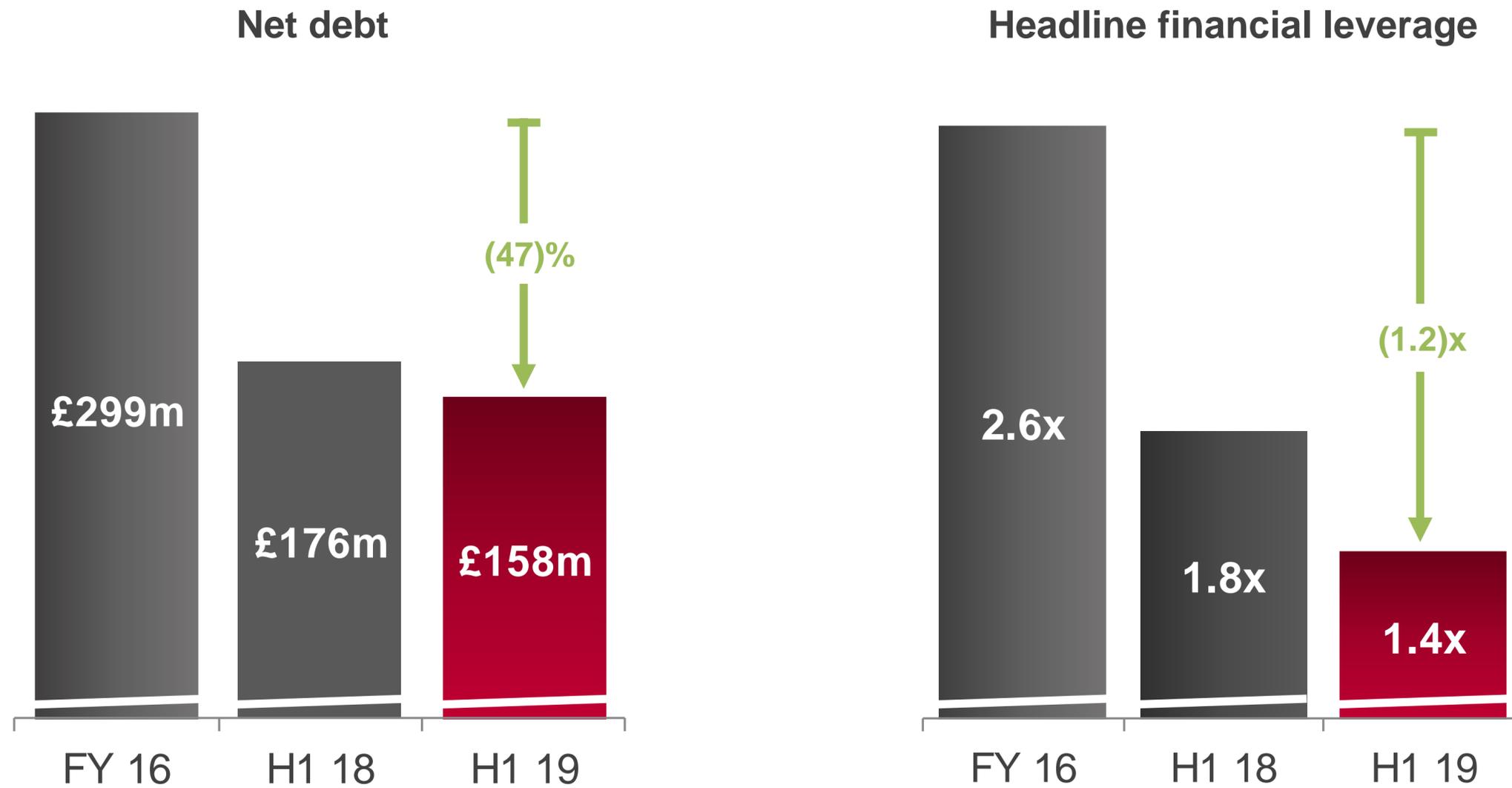
Work commencing to define long term vision

Financial review of the period



Nick Maddock
Chief Financial Officer

Transformation delivering reduced debt and leverage



Note: Data represents performance pre IFRS 16.

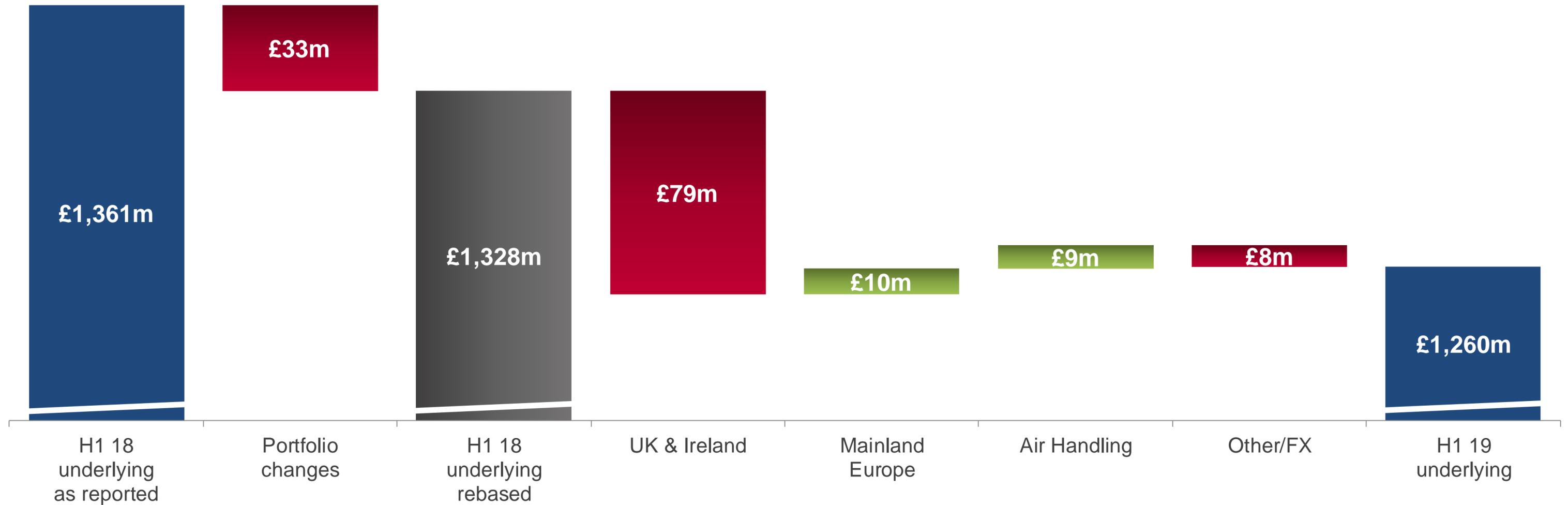
H1 2019 key financials

	H1 2019 (pre IFRS 16)	H1 2018	Change	H1 2019 (post IFRS 16)
Revenue	£1,260.1m	£1,327.5m	(5.1)%	£1,260.1m
LFL sales	(3.8)%	(0.1)%	n/a	(3.8)%
Gross margin	27.1%	26.4%	+70bps	27.1%
Operating profit	£36.5m	£33.0m	+10.6%	£39.9m
Profit before tax	£30.0m	£25.1m	+19.5%	£27.3m
Underlying earnings per share	3.7p	3.0p	+23.3%	3.4p
ROS	2.9%	2.5%	+40bps	3.2%
ROCE (post-tax)	11.5%	9.0%	+250bps	8.7%
Dividend per share	1.25p	1.25p	n/c	1.25p
Net debt (as at 30 Jun)	£158.2m	£176.1m	+10.2%	£449.0m
Headline financial leverage	1.4x	1.8x	+0.4x	2.5x

- LFL sales reflect weaker market conditions and focus on profitability over volume
- Gross margin improvement as pricing initiatives deliver results in UK
- Coupled with tighter cost discipline, provides 20% growth in PBT and 23% growth in EPS
- ROCE continues to improve, up 250bps to 11.5%
- Net debt down to £158.2m and headline financial leverage further reduced to 1.4x

Note: Data represents underlying performance. ROS excludes property profits. Headline financial leverage figure post IFRS 16 is provided for illustration purposes only, covenant leverage is calculated on a 'frozen' GAAP basis.

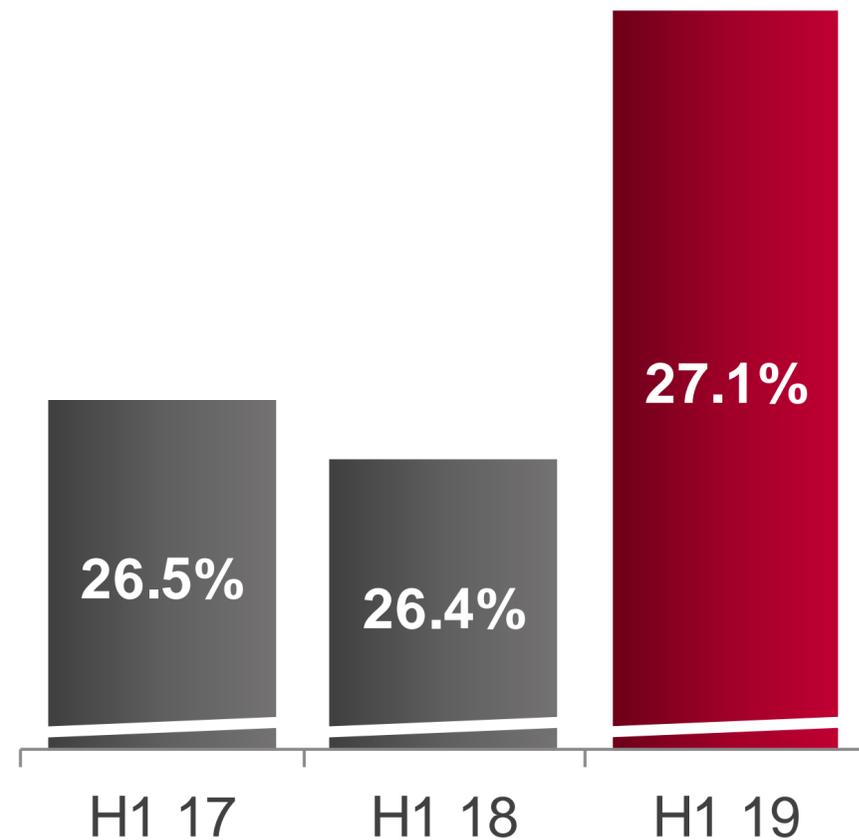
Underlying revenues...



...down 5.1%, principally reflecting UK

Financial progress - gross margin

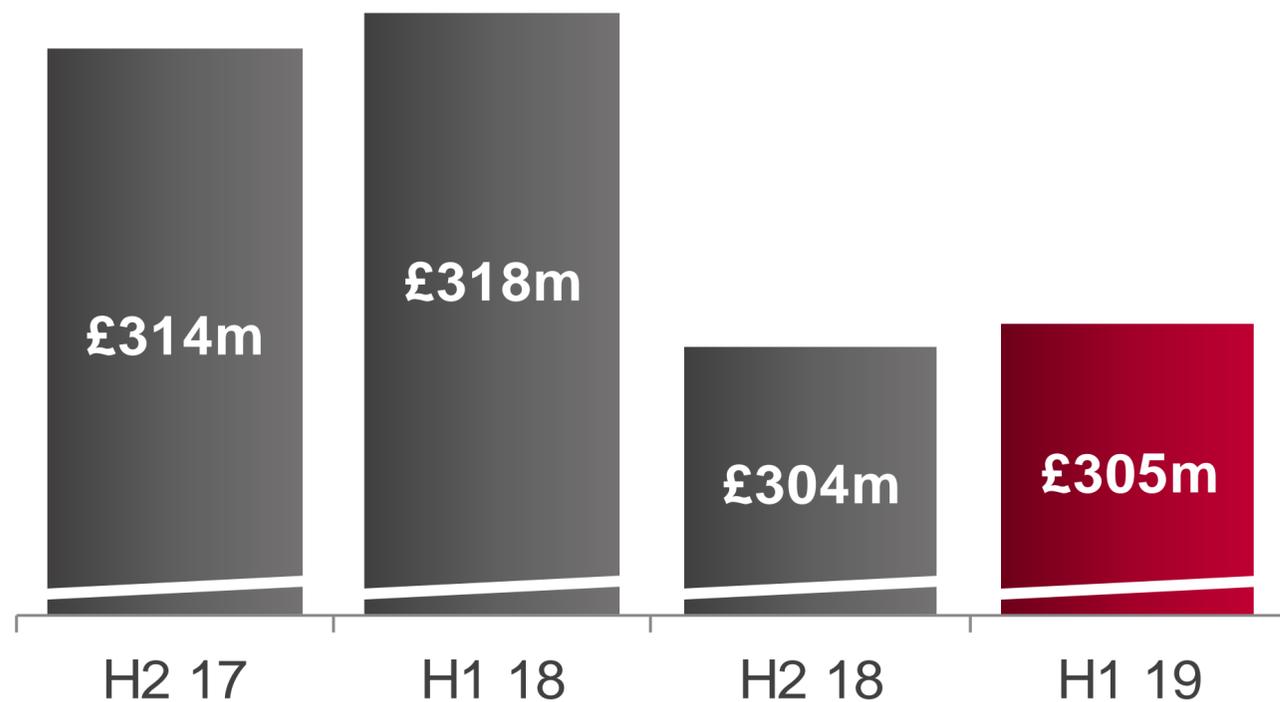
Gross margin



- H1 gross margin of 27.1%, with UK & Ireland delivering a significant step-up (+150bps), despite market backdrop
- Reflects enhanced pricing controls and continued focus on profitability over volume
- Further upside expected as pricing initiatives continue to roll out across the Group

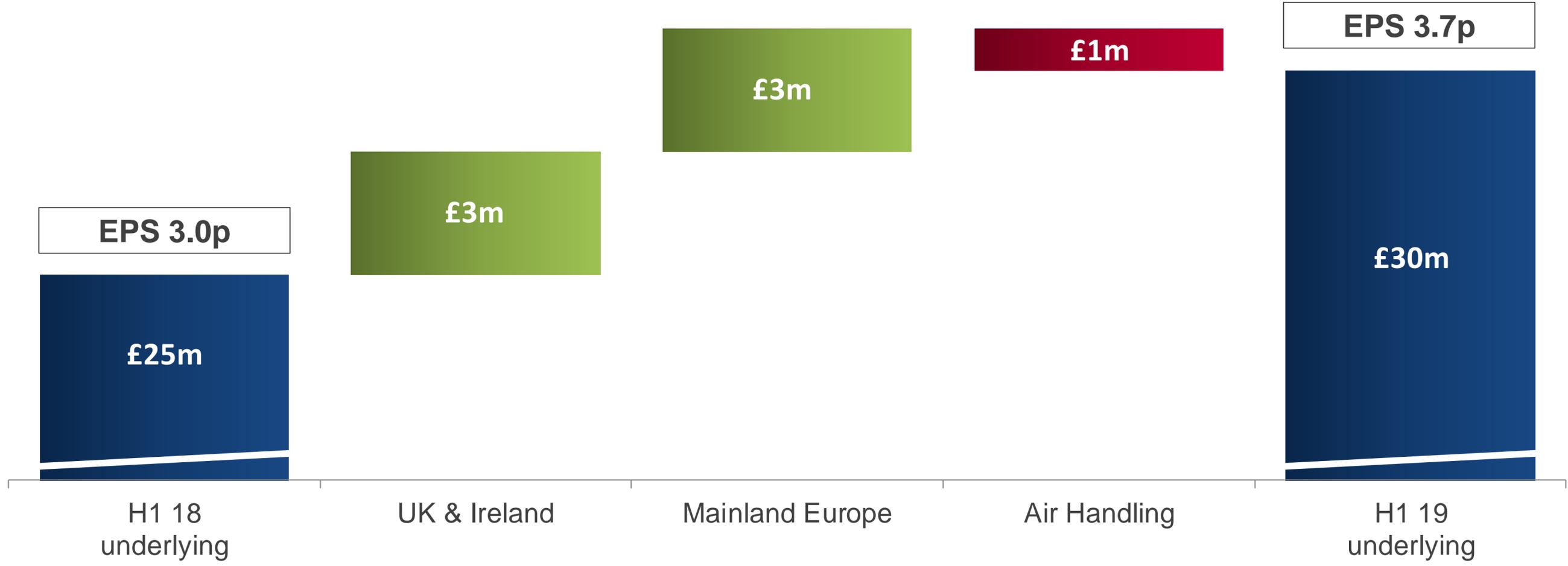
Financial progress - operating costs

Operating costs



- Operating costs remain under control
- Full year impact of 2018 initiatives in UK now being reflected:
 - Changes in operating models: integrated functional model at SIGD and hub & spoke at SIGE
 - Branch network consolidation and fleet optimisation
- Group headcount down to 8,080 at period end (H2 18: 8,478). Trading sites stable at 531 (H2 18: 538)
- Changes to operating models currently being implemented in France and Germany

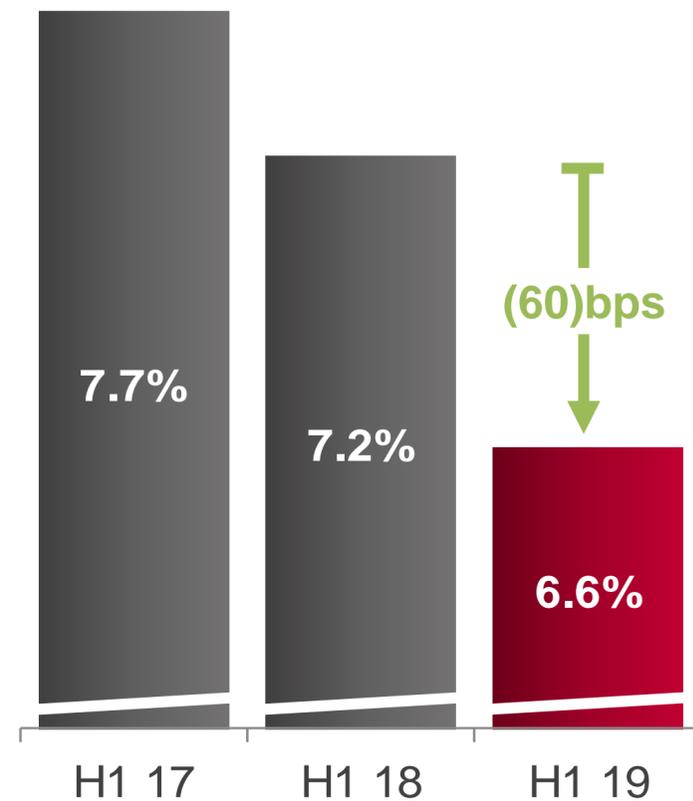
20% increase in underlying profit before tax...



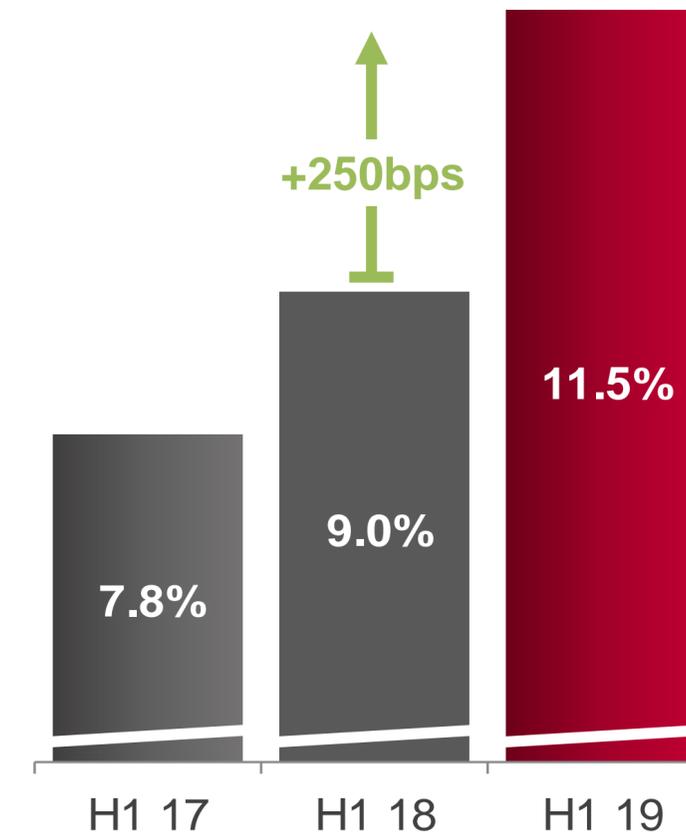
...as transformation continues to deliver

Financial progress - working capital and ROCE

Working capital as a % of sales



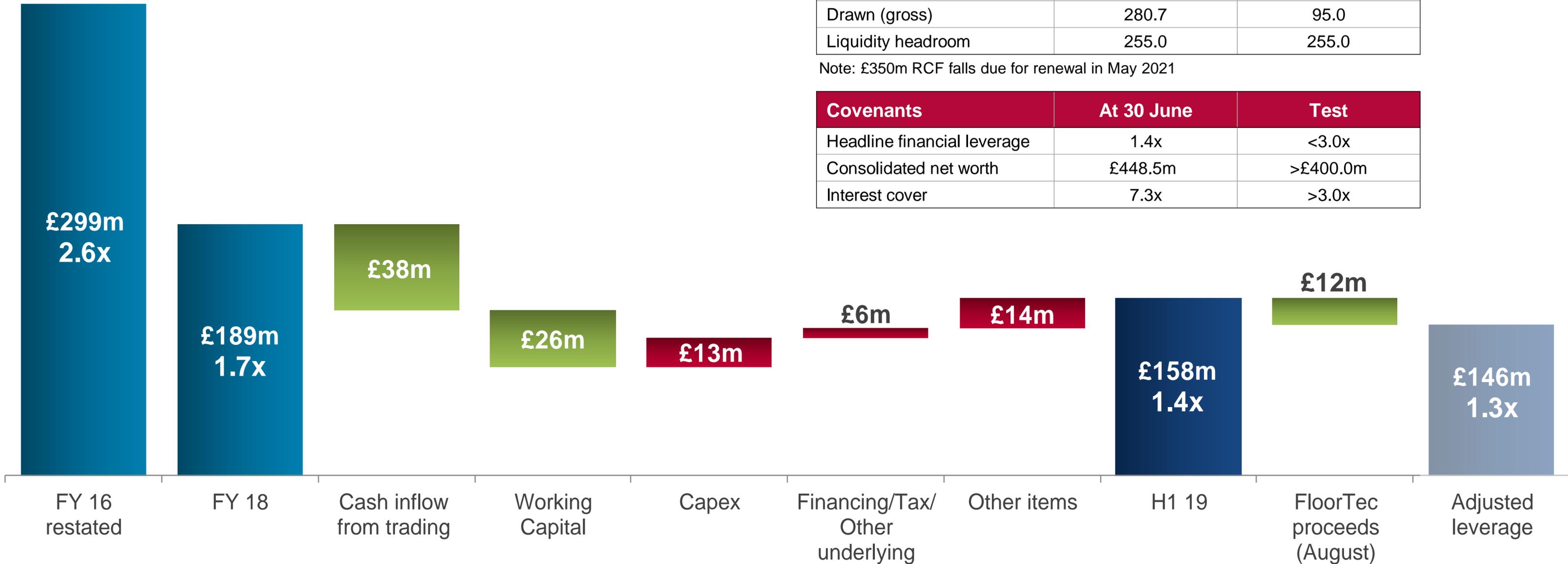
Return on Capital Employed



- Reduction of 60bps in working capital as a % of sales to 6.6%
- Continued focus on structural reductions in working capital, particularly inventory:
 - Centralisation of inventory management
 - Improved capability across inventory teams
 - Performance management and incentivisation
- Coupled with increased profit, delivered 250bps increase in ROCE to 11.5%

Note: Data represents underlying working capital to sales ratio. Stated net of debt factoring of £53m (H1 18: £60m).

Net debt and leverage continue to fall...



30 June 2019	Total £m	RCF £m
Facilities	535.7	350.0
Drawn (gross)	280.7	95.0
Liquidity headroom	255.0	255.0

Note: £350m RCF falls due for renewal in May 2021

Covenants	At 30 June	Test
Headline financial leverage	1.4x	<3.0x
Consolidated net worth	£448.5m	>£400.0m
Interest cover	7.3x	>3.0x

...with medium term target of <1.0x now within reach

Note: data presented pre IFRS 16. H1 19 net debt post IFRS 16 totals £449.0m (headline financial leverage 2.5x).

IFRS 16 impact on underlying results

	H1 19 (pre IFRS 16)	Impact of IFRS 16	H1 19 (post IFRS 16)
EBITDA	£51.9m	£32.0m	£83.9m
Underlying operating profit	£36.5m	£3.4m	£39.9m
Return on sales	2.9%	0.3%	3.2%
Net finance costs	£(6.5)m	£(6.1)m	£(12.6)m
Profit before tax	£30.0m	£(2.7)m	£27.3m
Right-of-use assets	-	£304.4m	£304.4m
Property, plant & equipment	£103.2m	£(22.1)m	£81.1m
Other assets	£1,216.1m	£4.0m	£1,220.1m
Total assets	£1,319.3m	£286.3m	£1,605.6m
Lease liabilities	£24.0m	£295.4m	£319.4m
Other liabilities	£846.8m	£(6.4)m	£840.4m
Total liabilities	£870.8m	£289.0m	£1,159.8m
Net assets	£448.5m	£(2.7)m	£445.8m
Net debt	£158.2m	£290.8m	£449.0m
Headline financial leverage	1.4x	1.1x	2.5x
Return on capital employed	11.5%	(2.8)%	8.7%

- Policy applied prospectively from 1 January 2019. There is no change to comparatives
- RCF covenants are calculated on a 'frozen' GAAP basis; medium term headline financial leverage target remains at <1.0x
- Continue to target 5% ROS and 15% ROCE on a pre IFRS 16 basis
- Will report both pre and post IFRS 16 headline financial metrics at the year end

Dividend

- Consistent with policy, we are declaring a 2019 interim dividend of 1.25p (2018: 1.25p)
- To be paid on 8 November to shareholders on register at close of 4 October



Stated policy to pay dividends in line with 2-3x earnings cover

Current trading and outlook



Meinie Oldersma
Chief Executive Officer

Current trading and outlook

- The significant improvements in the business during H1 19 have been made against a backdrop of challenging trading conditions in many of the Group's end markets
- There has been a marked deterioration in the level of construction activity in the UK as the year has progressed
- A number of key indicators are pointing to further weakening of the macro-economic backdrop, notably in the UK and in Germany
- We continue to see benefits from transformational initiatives across the Group's businesses. Coupled with the Group's normal seasonality, these are expected to deliver further upside in the second half of the year
- Political and macro-economic uncertainty continues to increase as we enter the traditionally strongest trading months of the year

We continue to monitor trading conditions closely and we are taking actions in anticipation of further market weakness

Summary

- Strong first half of 2019
- Transformation continues to deliver
- Increased profit and reduced debt
- Political and macro-economic uncertainty continues to increase

Questions?

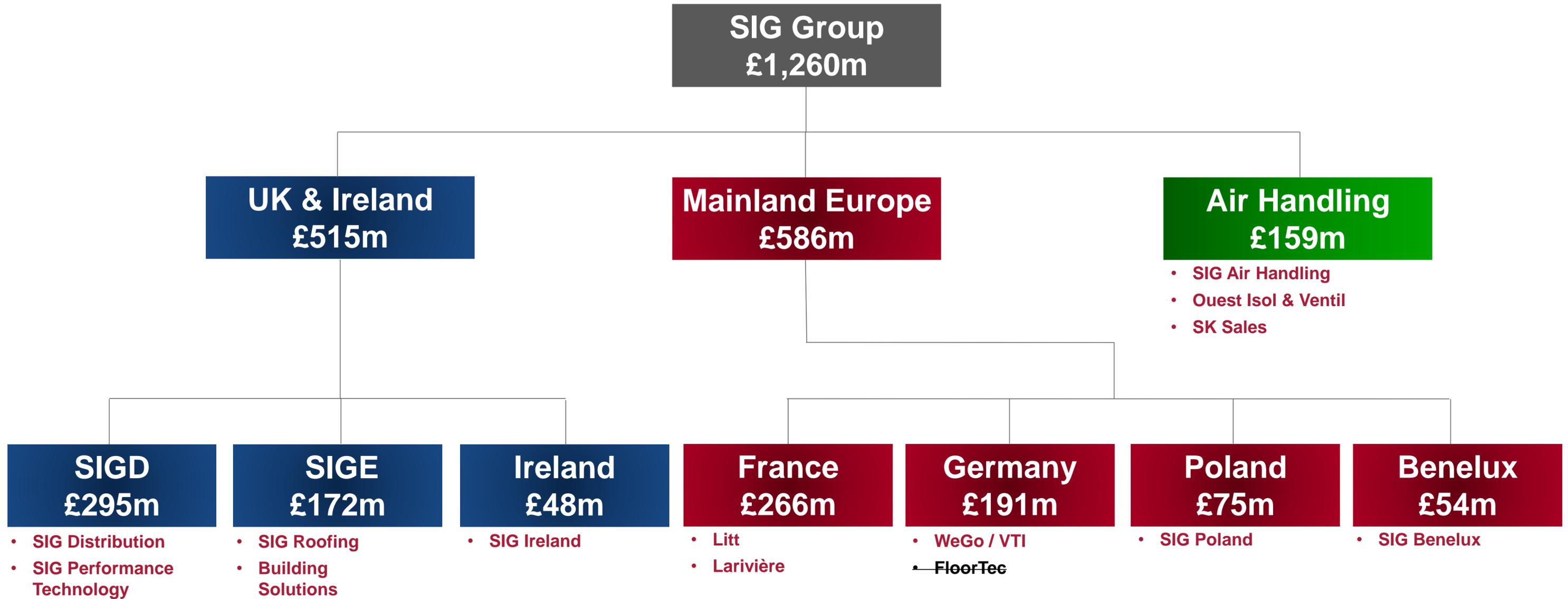




Appendix I

Supporting schedules

Ongoing portfolio management



Note: H1 19 revenue from underlying operations.

Analysis by line of business

			Specialist Distribution	Roofing Merchanting	Air Handling Solutions
Revenue	£m	Trading Sites	£m	£m	£m
SIG Distribution	£295.2	51	£295.2	-	-
SIG Exteriors	£171.9	122	-	£171.9	-
Ireland	£47.5	10	£47.5	-	-
UK & Ireland	£514.6	183	£342.7	£171.9	-
France	£266.3	147	£93.0	£173.3	-
Germany	£191.5	52	£191.5	-	-
Poland	£74.7	44	£74.7	-	-
Benelux	£53.7	14	£53.7	-	-
Mainland Europe	£586.2	257	£412.9	£173.3	-
Air Handling	£159.3	91	-	-	£159.3
Total revenue	£1,260.1	531	£755.6	£345.2	£159.3
Gross profit	£341.3	-	£189.6	£89.9	£61.8
Gross margin	27.1%	-	25.1%	26.0%	38.8%
Operating profit	£36.5	-	£21.0	£10.5	£9.0
Return on sales	2.9%	-	2.8%	3.0%	5.6%

Note: Data represents underlying performance pre IFRS 16. Group totals stated net of central costs. ROS excludes property profits.

Underlying financials by segment

UK & Ireland	Revenue	Change	LFL	Gross margin	Change	Operating profit	Change	ROS	Change	LTM ROS
SIG Distribution	£295.2m	(17.4)%	(16.6)%	25.1%	+170bps	£5.9m	7.3%	2.0%	+50bps	3.8%
SIG Exteriors	£171.9m	(7.1)%	(6.3)%	28.9%	+110bps	£6.3m	8.6%	3.7%	+60bps	4.9%
Ireland & Other	£47.5m	(7.9)%	(6.6)%	24.8%	(20)bps	£2.7m	(10.0)%	5.7%	(10)bps	6.1%
Total	£514.6m	(13.3)%	(12.5)%	26.4%	+150bps	£14.9m	4.2%	2.9%	+50bps	4.4%

Mainland Europe	Revenue	Change	LFL	Gross margin	Change	Operating profit	Change	ROS	Change	LTM ROS
France	£266.3m	2.4%	3.3%	23.4%	(170)bps	£9.9m	3.1%	3.7%	n/c	3.9%
Germany	£191.5m	(1.7)%	0.0%	27.7%	+50bps	£2.7m	3.8%	1.4%	+10bps	1.6%
Poland	£74.7m	3.5%	6.3%	20.3%	+90bps	£1.1m	266.7%	1.3%	+100bps	2.6%
Benelux	£53.7m	(3.1)%	(1.4)%	24.8%	+80bps	£2.9m	11.5%	5.4%	+90bps	4.5%
Total	£586.2m	0.6%	2.1%	24.5%	(50)bps	£16.6m	9.9%	2.8%	+20bps	3.0%

Air Handling	Revenue	Change	LFL	Gross margin	Change	Operating profit	Change	ROS	Change	LTM ROS
Air Handling	£159.3m	5.4%	7.6%	38.8%	+100bps	£9.0m	(10.0)%	5.6%	(100)bps	5.8%

Group	£1,260.1m	(5.1)%	(3.8)%	27.1%	+70bps	£36.5m	10.6%	2.9%	+40bps	3.5%
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Note: Data represents underlying performance pre IFRS 16. Group totals stated net of central costs. ROS figures exclude property profits.

H1 2019 Other items

£m	PBT	Cash impact
Underlying profit before tax pre IFRS 16	£30.0m	-
IFRS 16 impact	£(2.7)m	-
Underlying profit before tax post IFRS 16	£27.3m	-
Amortisation of acquired intangibles	£(4.1)m	-
Disposals/exits	£(1.2)m	£0.6m
Net restructuring costs	£(12.2)m	£(10.1)m
Strategic review costs of the Air Handling business	£(4.5)m	£(3.8)m
Other items	£(0.1)m	£(0.2)m
Statutory profit before tax	£5.2m	£(13.5)m

IFRS 16 impacts on cash flow

	H1 19 (pre IFRS 16)	Impact of IFRS 16	H1 19 (post IFRS 16)
Opening net debt	£(189.4)m	£(300.4)m	£(489.8)m
Cash inflow from trading	£24.8m	£32.0m	£56.8m
Decrease in working capital	£25.5m	£0.9m	£26.4m
Debt factoring	£3.2m	-	£3.2m
Net cash flow from operating activities	£53.5m	£32.9m	£86.4m
Interest and tax	£(11.4)m	-	£(11.4)m
Capital expenditure	£(13.1)m	-	£(13.1)m
Sale of property and assets	£3.9m	-	£3.9m
Disposals/exits	£0.6m	-	£0.6m
Acquisitions/contingent consideration	£(0.9)m	-	£(0.9)m
Increase in lease liabilities (non-cash) ¹	-	£(23.3)m	£(23.3)m
Other	£(1.4)m	-	£(1.4)m
Decrease in borrowings	£31.2m	£9.6m	£40.8m
Closing net debt	£(158.2)m	£(290.8)m	£(449.0)m

¹ Increase in lease liabilities (non-cash) consists of new leases and accrued finance costs during the period.

Impact of non-core businesses on 2018 comparatives

	H1 2018		FY 2018	
	Underlying PBT	Underlying revenue	Underlying PBT	Underlying revenue
Underlying Group as reported at H1 2018 results	£26.9m	£1,360.7m	-	-
SIG Cut Solutions	£0.3m	£(0.3)m	-	-
Roofspace	£(1.3)m	£(12.3)m	-	-
Proteus	£0.1m	£(1.7)m	-	-
Commercial Drainage	£0.3m	£(5.7)m	-	-
Restatement ¹	£(0.3)m	-	-	-
Underlying Group as reported at 2018 FY results	£26.0m	£1,340.7m	£75.3m	£2,683.2m
WeGo FloorTec	£(0.9)m	£(13.2)m	£(1.5)m	£(23.2)m
Restated at H1 2019 results	£25.1m	£1,327.5m	£73.8m	£2,660.0m

¹ Comprises the half year impact of the restatement in relation to the recognition of leasehold dilapidations provisions as included in the 2018 Annual Report and Accounts.

Number of trading sites

	31 Dec 2017	31 Dec 2018	Opened	Closed/ merged	Disposed	Transfer	30 Jun 2019
SIG Distribution	90	65	-	(2)	-	(12)	51
SIG Exteriors	134	122	-	-	-	-	122
Ireland & Other	10	10	-	-	-	-	10
UK & Ireland	234	197	-	(2)	-	(12)	183
France	207	204	-	(1)	-	(56)	147
Germany	59	56	-	(2)	(2)	-	52
Poland	49	45	-	(1)	-	-	44
Benelux	15	14	-	-	-	-	14
Mainland Europe	330	319	-	(4)	(2)	(56)	257
Air Handling	21	22	1	-	-	68	91
Group	585	538	1	(6)	(2)	-	531

Note: Air Handling includes 12 trading sites dedicated to SK Sales previously reported in SIG Distribution and 56 trading sites dedicated to Ouest Isol & Ventil previously reported in France.



Appendix II

Business overview

SIG Distribution

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£295.2m	£357.2m	(17.4)%
LFL sales	(16.6)%	(1.6)%	n/a
Gross margin	25.1%	23.4%	+170bps
Operating profit	£5.9m	£5.5m	+7.3%
ROS	2.0%	1.5%	+50bps
Trading sites *	51	67	(16)

*H1 2018 adjusted to exclude 12 sites (SK Sales), transferred to Air Handling (1 Jan 2019).

Key products

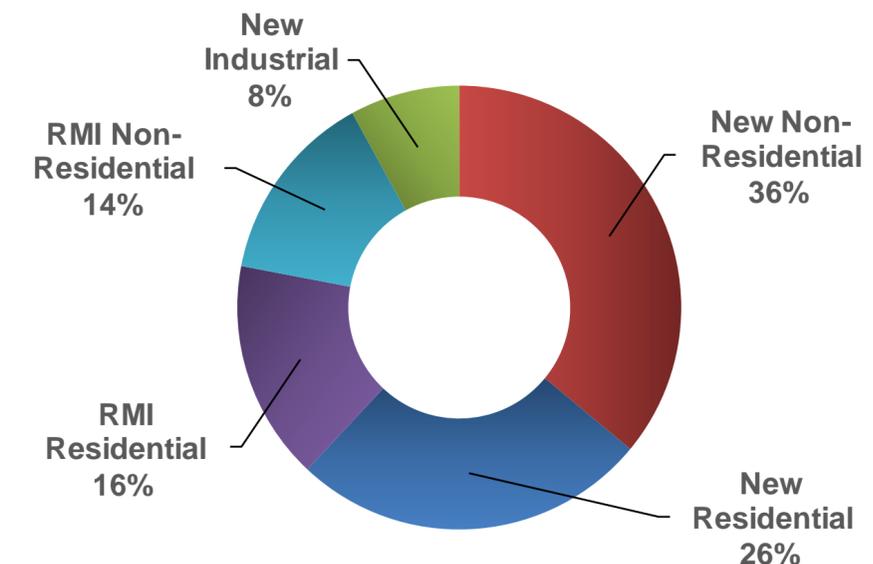
- Structural and technical insulation
- Dry lining/stud and track
- Construction accessories and fixings
- Ceiling tiles and grids
- Partition walls and doorsets



Business and key competitors

- Principally specialist distribution of insulation/interiors
- Clear UK leader with 14% share in consolidated market
- Key competitors:
 - CCF (Travis Perkins)
 - Minster (Saint Gobain)
 - Encon (MBO)

Markets



Note: Market share is company estimate. Data represents underlying performance pre IFRS 16. ROS figures exclude property profits.

SIG Exteriors

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£171.9m	£185.0m	(7.1)%
LFL sales	(6.3)%	(7.0)%	n/a
Gross margin	28.9%	27.8%	+110bps
Operating profit	£6.3m	£5.8m	+8.6%
ROS	3.7%	3.1%	+60bps
Trading sites	122	132	(10)

Key products

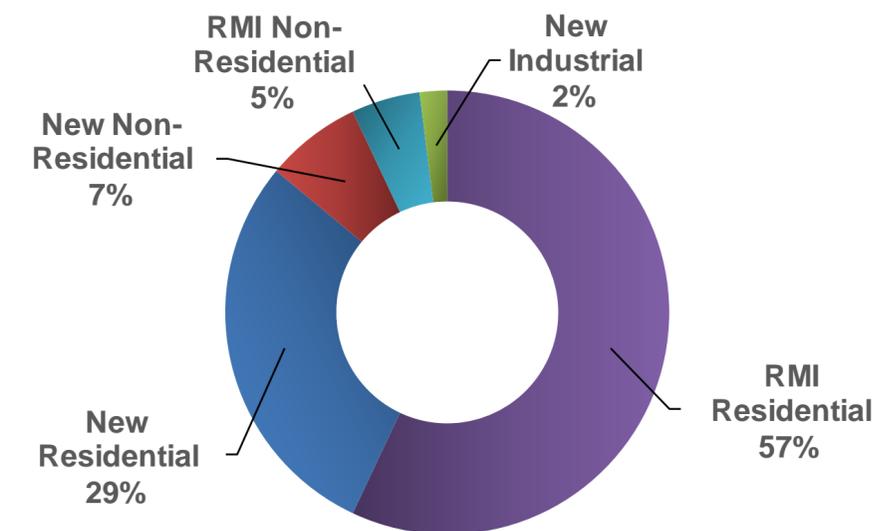
- Tiles, slates, membranes and battens
- Single-ply flat roofing systems
- Industrial roofing and cladding systems



Business and key competitors

- Principally roofing merchanting
- Clear UK leader and only national specialist with c.30% share in fragmented market
- Key competitors:
 - Burtons
 - Rinus
 - General builders' merchants
 - Other small independent roofing specialists

Markets



Ireland & Other

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£47.5m	£51.6m	(7.9)%
LFL sales	(6.6)%	9.8%	n/a
Gross margin	24.8%	25.0%	(20)bps
Operating profit	£2.7m	£3.0m	(10.0)%
ROS	5.7%	5.8%	(10)bps
Trading sites	10	10	n/c

Key products

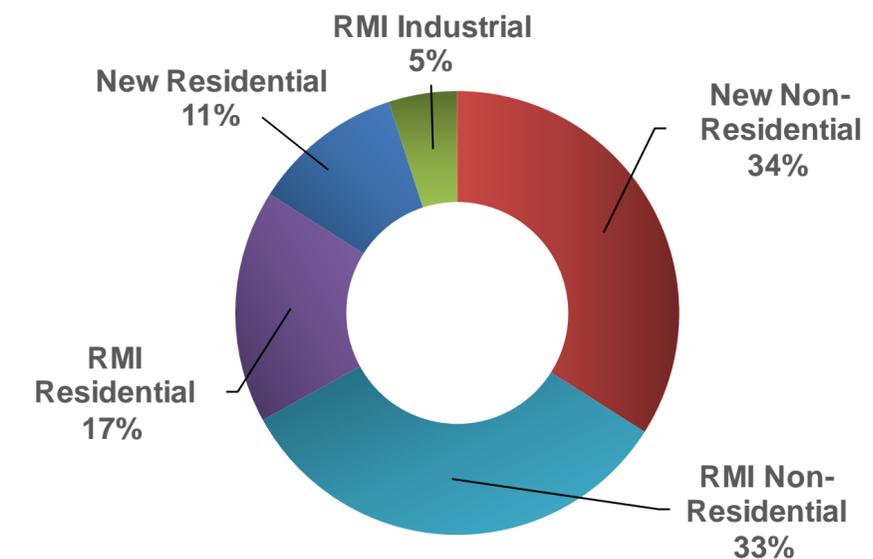
- Structural and technical insulation
- Dry lining
- Suspended ceilings
- Masonry support and waterproofing
- Tiles, slates and roofing accessories
- Cladding and façade systems



Business and key competitors

- Principally specialist distribution of interiors, insulation and construction accessories
- #1 Interiors (c.40% share); #2 Insulation (c.24% share); #1 Construction Accessories (c.26% share)
- Key competitors:
 - Tennants
 - Saint Gobain
 - Sitetech

Markets



Note: Market share is company estimate. Data represents underlying performance pre IFRS 16. ROS figures exclude property profits.

France - Litt

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£93.0m	£88.0m	5.7%
LFL sales	6.4%	1.3%	n/a
Gross margin	23.7%	27.7%	(400)bps
Operating profit	£5.7m	£4.2m	+35.7%
ROS	6.1%	4.8%	+130bps
Trading sites	38	38	n/c

Key products

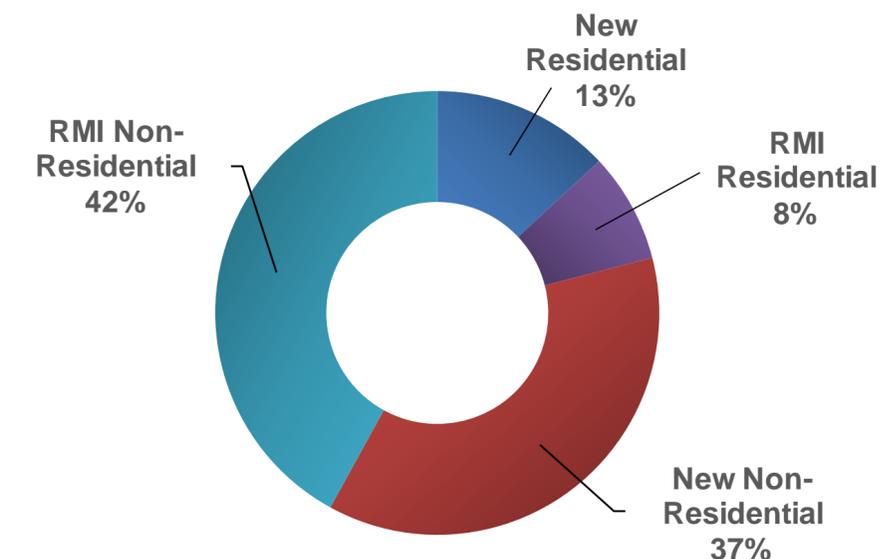
- Structural insulation, dry lining and partitions



Business and key competitors

- Specialist distribution of insulation/interiors
- #1 Ceilings (c.25% share); #3 Structural insulation/interiors (c.7% share)
- Key competitors:
 - Point P (Saint Gobain)
 - SFIC (Saint Gobain)
 - RESO
 - Chausson

Markets



France - Larivière

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£173.3m	£172.0m	0.8%
LFL sales	1.7%	(0.8)%	n/a
Gross margin	23.2%	23.7%	(50)bps
Operating profit	£4.2m	£5.4m	(22.2)%
ROS	2.4%	3.1%	(70)bps
Trading sites	109	114	(5)

Key products

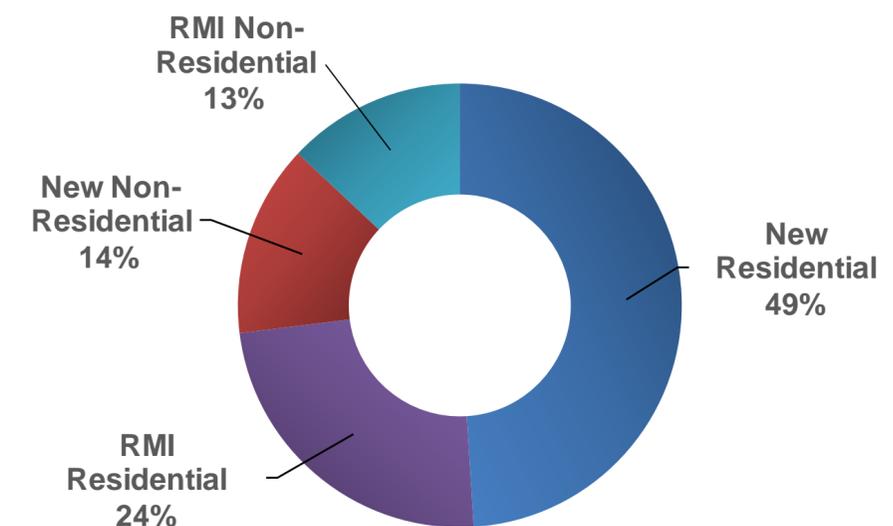
- Clay tiles, slates, metals, membranes, battens



Business and key competitors

- Roofing merchandising
- #1 Specialist roofing (c.17% share)
- Key competitors:
 - Point P (Saint Gobain)
 - SFIC (Saint Gobain)
 - L'asturienne (Saint Gobain)
 - Chausson

Markets



Germany

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£191.5m	£194.9m	(1.7)%
LFL sales	0.0%	1.2%	n/a
Gross margin	27.7%	27.2%	+50bps
Operating profit	£2.7m	£2.6m	+3.8%
ROS	1.4%	1.3%	+10bps
Trading sites	52	56	(4)

Key products

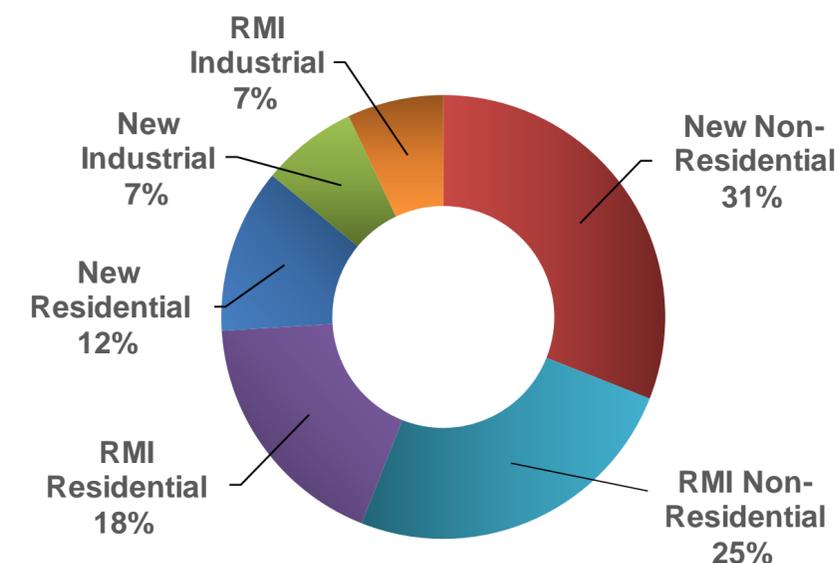
- Structural insulation and dry lining
- Ceiling tiles and grids
- Doors and frames
- Technical insulation



Business and key competitors

- Specialist distribution of insulation/interiors
- #1 Dry lining/ceilings (c.13% share); #1 technical insulation (c.15% share); #3 structural insulation (c.9% share)
- Relatively fragmented market
- Key competitors:
 - Raab Karcher (Saint Gobain)
 - Bauking (CRH)
 - Baywa
 - Baustoff & Metall
 - Small independent regional players

Markets



Poland

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£74.7m	£72.2m	+3.5%
LFL sales	6.3%	10.7%	n/a
Gross margin	20.3%	19.4%	+90bps
Operating profit	£1.1m	£0.3m	+266.7%
ROS	1.3%	0.3%	+100bps
Trading sites	44	43	+1

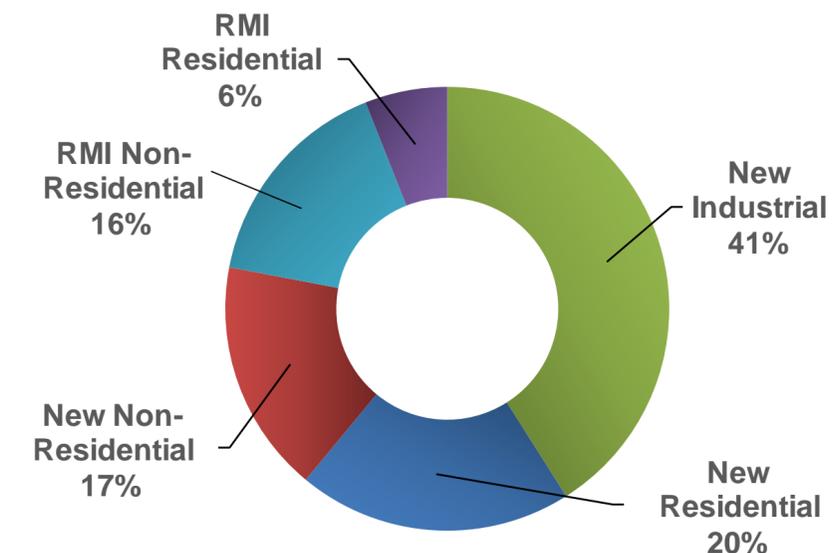
Key products

- Structural and technical insulation
- Dry lining
- Ceiling tiles and grids
- Plasters and construction chemicals
- Roofing felts and membranes

Business and key competitors

- Principally specialist distribution of insulation/interiors
- #1 structural insulation/interiors (c.12% share); #1 technical insulation (c.25% share)
- Key competitors:
 - 3W, AB Bechcicki (structural insulation)
 - Caldo Izolacja, Herbud (technical insulation)
 - PSB, GHB (Purchasing associations)

Markets



Benelux

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£53.7m	£55.4m	(3.1)%
LFL sales	(1.4)%	6.1%	n/a
Gross margin	24.8%	24.0%	+80bps
Operating profit	£2.9m	£2.6m	+11.5%
ROS	5.4%	4.5%	+90bps
Trading sites	14	15	(1)

Key products

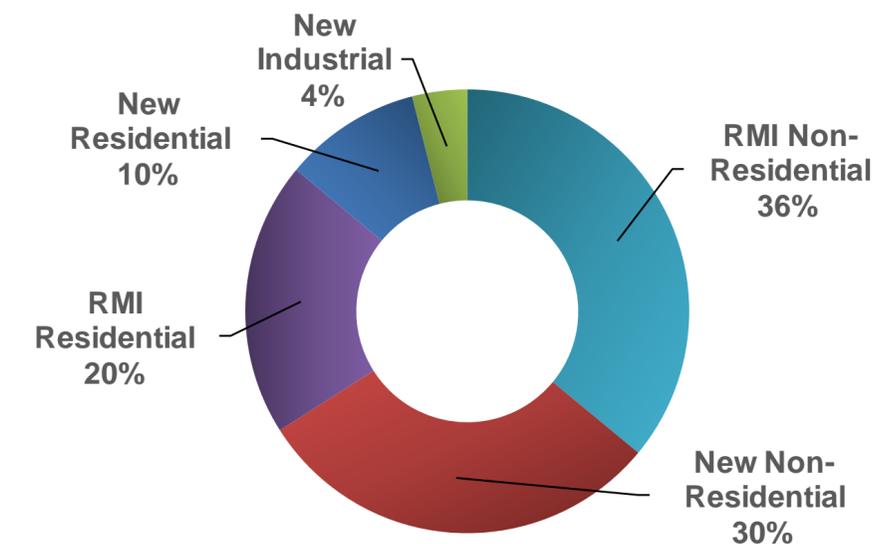
- Structural and technical insulation
- Wet plaster
- Dry lining
- Ceiling tiles and grids
- Stud and track



Business and key competitors

- Specialist distribution of insulation/interiors
- #1 technical insulation (c.25% share); #1 interiors (c.28% share)
- Key competitors:
 - Astrimex
 - Raab Karcher
 - Baustoff & Metall
 - IPCOM group

Markets



Air Handling

Underlying financials

	H1 2019	H1 2018	Change
Revenue	£159.3m	£151.2m	5.4%
LFL sales	7.6%	2.2%	n/a
Gross margin	38.8%	37.8%	+100bps
Operating profit	£9.0m	£10.0m	(10.0)%
ROS	5.6%	6.6%	(100)bps
Trading sites	91	86	+5

Business and key competitors

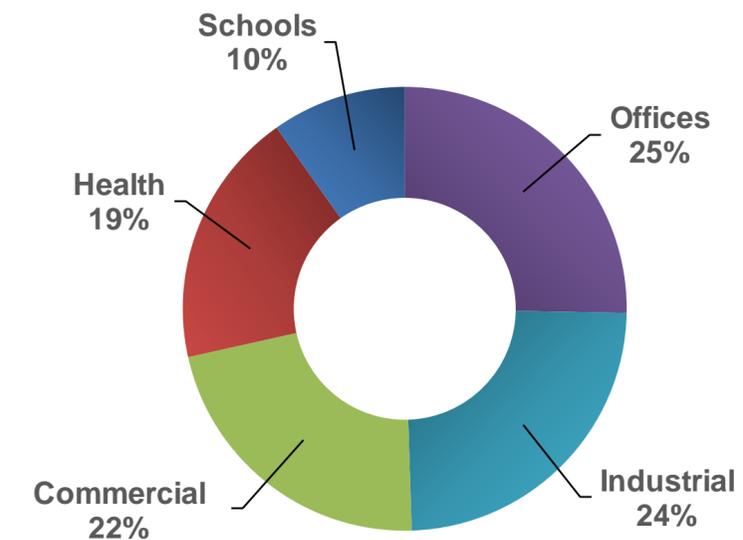
- Pan-European provider of Air Handling solutions
- Market supplied by manufacturers (55%), distributors (45%)
- Key competitors:
 - Systemair
 - Trox
 - Lindab
 - Swegon
 - Fläkt Group

Key products

- Air handling units and fans
- Ducts, components and fixings
- Volume and fire/smoke dampers
- Climate ceilings and controls
- Grills and diffusers



Markets



Note: Market share is company estimate. Data represents underlying performance pre IFRS 16 and includes SK Sales (12 sites) previously reported within SIG Distribution and Ouest Isol & Ventil (of 56 sites) which was previously reported within France. ROS figures exclude property profits.

Definition of terms

Underlying operations	Excludes businesses divested or closed, or which the Board has resolved to divest or close before 6 September 2019.
Like-for-like (LFL)	Sales per working day in constant currency, excluding acquisitions and disposals. Sales are not adjusted for branch openings or closures.
ROS	Underlying operating profit, excluding property profits divided by underlying revenue.
ROCE	Calculated on a rolling 12 month basis as underlying operating profit less tax, divided by average net assets plus average net debt.
Headline financial leverage	Ratio of closing net debt to underlying operating profit before depreciation and amortisation (“EBITDA”).
Opex as % of sales	Underlying operating costs as a percentage of underlying revenue.
Working capital as % of sales	Working capital to sales ratio, excluding impact of IFRS 16, is the ratio of closing working capital (including provisions but excluding pension scheme obligations) to annualised revenue (after adjusting for any acquisitions and disposals in the current and prior year) on a constant currency basis.
LTM ROS	Underlying operating profit excluding property profits, divided by underlying revenue, calculated on a rolling 12 month basis. Specifically, covering the 12 month period to June 2018 & June 2019 respectively.
Consolidated net worth	Consolidated net assets less non-controlling interests.