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Eurocell plc
28 January 2025

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EUROCELL PLC
("Eurocell" the "Group" or the "Company")
Year End Trading Update - Profits In Line With Expectations

Eurocell plc, the market leading, vertically integrated UK manufacturer, distributor and recycler of innovative window, door and PVC roofline products, provides the following update for the year ended 31 December 2024.

Summary

Trading conditions in our key markets have remained subdued, with challenging macroeconomic conditions and weak consumer confidence, further compounded by uncertainty following the Autumn Budget and high interest rates, impacting activity levels in both the repair, maintenance and improvement (RMI) and new build housing markets. We continue to focus on proactively managing costs and cash flow, and notwithstanding the market environment, we expect underlying profit before tax for the year ended 31 December 2024 to be in line with market expectations.

Whilst we expect the near-term market outlook to remain challenging, we are making good progress with the early stages of our five-year strategy. Our balance sheet is strong and the actions we have taken position us well to benefit when our end markets improve.

Trading Performance

Group sales for the year ended 31 December 2024 were £358 million, down 2% on the prior year. Comparisons by division were as follows:

Sales vs 2023	12 months to 31 Dec 2024
Total Group	-2%
Profiles	-6%
Branch Network	+1%

Profiles - reduced RMI activity and a continuing weak new build housing market.

Branch Network - although general RMI volumes in the branch network were down, overall sales were up on 2023, reflecting the initial benefits of progress with our strategic initiatives for garden rooms, windows, doors and ecommerce activity.

We are experiencing competitive pressure on selling prices in the branches, as well as overhead cost inflation across the business.

The Group has assessed the impact of the employers' National Insurance and National Living Wage changes announced in the Autumn Budget, which take effect from April 2025. We estimate additional costs of c.£3 million per annum, which we plan to offset through selling price increases and other management actions, including cost reduction.

We continue to focus on efficient working capital management and delivered solid cash flow generation for the year. As a result, pre-IFRS 16 net debt was £3.1 million at 31 December 2024, compared to net cash of £0.4 million at 31 December 2023.

Capital Allocation

We are committed to driving shareholder returns through a combination of a progressive ordinary dividend and supplementary distributions (currently via share buybacks) where appropriate, whilst always seeking to maintain a strong financial position.

Good cash flow management has underpinned the successful delivery of a £15 million share buyback programme in 2024, which is now substantially complete. The Board regularly reviews the case for supplementary distributions in the context of our financial position, our capital allocation priorities and market conditions.

Appointment of Chief Operating Officer

We are delighted to announce the appointment of Stuart Livingstone as Chief Operating Officer, responsible for our branch network operations and supply chain. He joined earlier this month from Howdens, where he was Trade Director. Prior to Howdens, Stuart worked for Pets at Home and Screwfix, where he was Director of Retail.

Notice of Results

We expect to publish our results for the year ending 31 December 2024 on 20 March 2025, at which time we will provide further guidance on the year ahead.

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