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Eurocell plc
20 March 2025

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EUROCELL PLC (Symbol: ECEL)

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Profits in line with expectations; Alunet acquisition in 2025 strengthens market position

Eurocell plc, the market leading, vertically integrated UK manufacturer, distributor and recycler of innovative window, door and roofline products, today announces its preliminary results for the year ended 31 December 2024.

Highlights

- Adjusted PBT up 32% on lower sales, driven by proactive gross margin management and reduced input costs
- Good progress with early stages of five-year strategy and remain well positioned for when markets recover
- Driving shareholder returns through a combination of a progressive ordinary dividend and share buybacks, with a new buyback of up to £5 million launched today
- Continuing focus on cost reduction, operational improvements and cash flow management
- Alunet acquisition in March 2025 is a compelling strategic fit

Key financial performance measures	**2024**	**2023**	**Change**
Revenue (£ million)	357.9	364.5	(2)%
Underlying measures [1]			
Adjusted operating profit (£ million)	22.8	18.4	24%
Adjusted profit before tax (£ million)	20.0	15.2	32%
Adjusted basic earnings per share (pence)	14.4	11.0	31%
Reported measures			
Operating profit (£ million)	16.6	14.9	11%
Profit before tax (£ million)	13.8	11.7	18%
Basic earnings per share (pence)	9.8	8.6	14%
Total dividends per share for the year (pence)	6.05	5.5	10%
Capital investment (£ million)	10.7	8.9	20%
Net cash generated from operating activities (£ million)	44.2	52.8	(16)%
Net debt (£ million) [2]	(62.5)	(58.2)	(7)%
Net (debt)/cash, pre-IFRS 16 (£ million) [2]	(3.1)	0.4	n/a

Resilient financial performance

- Group sales 2% below 2023, with volumes down 1%, driven by:
  - Profiles sales down 6%: reduced RMI[3] activity and a continuing weak new build housing market
  - Branch Network sales up 1%: although general RMI volumes were down, overall sales were up, reflecting the initial benefits of progress with strategic initiatives for garden rooms, windows, doors and e-commerce activity
- Adjusted profit before tax up 32% vs 2023
  - Proactive gross margin management combined with the benefit of lower input costs
  - Partially offset by lower sales volumes and competitive pressure on selling prices in the branches
  - Continued labour and other overhead cost inflation
  - Targeted investment to generate momentum in strategic initiatives
- Reported profit before tax up 18% vs 2023, after non-underlying items of £6.2 million[1]
- Continued focus on cash management, with net cash generated from operating activities of £44.2 million
  - Compares to net cash generated from operating activities of £52.8 million in 2023, which included a reduction in stocks of c.£13 million

- Strong balance sheet, with pre-IFRS 16 net debt of £3.1 million (31 December 2023: net cash of £0.4 million)
- Driving shareholder returns through a combination of a progressive ordinary dividend and share buybacks
  - Proposed final dividend of 3.85 pence per share, resulting in total dividends for the year of 6.05 pence per share, up 10% (2023: 5.5 pence per share)
  - £15 million share buyback programme which commenced in January 2024 now complete and a new buyback of up to £5 million launched today

Good early progress with strategic initiatives

- Branch network: 2 new branches opened in Q4 2024 and at least 7 planned for 2025
- Windows and doors sales initiative: 91 branches live on the programme at the end of 2024, with progressive roll-out across the remaining network in 2025
- Garden room sales: c.550 units sold in 2024 at a total value of £8.8 million (2023: c.300 units, £4.4 million)
- Digital growth: e-commerce sales increased to £4.7 million in 2024 (2023: £3.0 million)
- Business effectiveness: ongoing cost reduction and operational improvement programmes delivering annualised savings of at least £2 million
- ESG Leadership: strong on sustainability as the leading UK-based recycler of PVC windows, with the proportion of recycled material used in production maintained at 32% (2023: 32%)

Acquisition of Alunet

- Announced in March 2025, for an initial consideration of £29 million on a debt/cash free basis, funded largely from the Group's existing £75 million Revolving Credit Facility
  - Significantly strengthens our position in residential aluminium systems and composite doors and adds garage doors to our portfolio of home improvement products
  - Initial payment of £22 million and deferred consideration of £7 million payable in four annual instalments beginning in 2026, plus potential for performance related payments of up to £6 million over the same period
  - Expected to be accretive to the Group's underlying earnings for 2025, and pro forma net debt is expected to be below 1.0x pre-IFRS 16 EBITDA at 31 December 2025

Darren Waters, Chief Executive of Eurocell plc said:

"Our financial performance in 2024 was resilient, in the context of trading conditions that remained challenging. We delivered an increase of 32% in adjusted profit before tax, as we continued to proactively manage gross margin and benefited from a reduction in input cost pricing. Our cash generation was solid and our financial position remains strong, following completion of a £15 million share buyback programme.

"We invested to generate momentum with our strategy, and I am pleased with the good early progress we have made across a broad range of initiatives. The recent acquisition of Alunet is a compelling strategic fit for Eurocell: it addresses a growing trend towards aluminium fabrication across the fenestration sector, significantly strengthens our position in composite doors, and adds aluminium garage doors to our home improvement product portfolio.

"Demand in our core RMI market remains sluggish. We have seen some early signs of an improving picture in new build housing, albeit from a very low base. We will therefore continue to focus on cost reduction and operational improvements to drive efficiencies, to mitigate against the impact of a slower market recovery. We are confident in delivering another year of good progress in 2025, as we continue to execute on our growth strategy. The medium and long-term growth prospects for the UK construction market remain attractive and we are well positioned to drive sustainable growth in shareholder value."

Notes

(1) Non-underlying items of £6.2 million in 2024 include £2.2 million of costs relating to strategic IT projects, including costs classified as an expense as they use cloud computing, a £3.2 million non-cash right-of-use asset impairment charge and £0.8 million of acquisition costs. Non-underlying items of £3.5 million in 2023 include restructuring costs of £2.7 million and strategic IT project costs of £0.8 million.

(2) Net debt/cash is bank overdrafts, borrowings and lease liabilities less cash and cash equivalents. Pre-IFRS 16 net debt excludes lease liabilities and is provided as our financial covenants are measured on this basis.

(3) RMI is repair, maintenance and improvement.

Analyst presentation

There will be an audiocast presentation for analysts and investors at 9am today. The presentation can be accessed remotely via a live audiocast link as follows: https://streamstudio.world-television.com/782-2007-41185/en

Alternatively, you can join via conference call as follows:

Dial-in	+44 203 481 4247
Toll free	+44 800 260 6466

Toll free	+44 800 260 6466
Conference ID: Eurocell Full Year Results	1165122

A copy of the presentation will be made available from 7am on 20 March on the Group's website: https://investors.eurocell.co.uk/investors/

Following the presentation, a recording of the audiocast will also be made available on the Group's website (link above).

CHAIR'S STATEMENT

Introduction

The last twelve months saw the persistence of weak macroeconomic conditions and declining consumer confidence, leading to significant challenges in our markets. Against this backdrop, Eurocell launched an ambitious five-year strategy and the Group delivered a resilient financial performance, with adjusted profits in line with market expectations and ahead of 2023.

The progress we are making in the business is testament to the commitment, hard work and dedication of our teams in every part of the Group, and I would like to offer, on behalf of the Board, my sincere thanks to them all.

Financial performance

With demand more subdued than expected, resulting in revenues 2% below 2023, the Board was encouraged that our underlying profit expectations remained unchanged throughout 2024. Adjusted profit before tax was up 32% at £20.0 million (2023: £15.2 million), driven by proactive gross margin management and reduced input costs.

Reported profit before tax was up 18% at £13.8 million (2023: £11.7 million), after non-underlying items of £6.2 million, including the costs of our major business system replacement project, which remains on track for completion by mid-2026. The Chief Financial Officer's review includes full details of non-underlying items.

Adjusted basic earnings per share for the year were 14.4 pence (2023: 11.0 pence) and reported basic earnings per share were 9.8 pence (2023: 8.6 pence).

The business continued to generate solid cash flows, which supported completion of a £15 million share buyback programme launched in January 2024. Pre-IFRS 16 net debt at 31 December 2024 was £3.1 million (31 December 2023: net cash £0.4 million). We have a strong balance sheet and good liquidity, which enabled us to fund the acquisition of Alunet in March 2025 primarily from our existing debt facility.

Capital allocation

The Board is 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.

The Board proposes a final dividend of 3.9 pence per share, which results in total dividends for the year of 6.1 pence per share (£6.3 million), up 10% compared to 2023 (5.5 pence per share).

The £15 million share buyback programme which commenced in January 2024 is now complete and the Board has taken the decision to launch a new share buyback of up to £5 million today.

Strategy and acquisition of Alunet

At the beginning of 2024 we launched our new strategy, which identified a pathway to building a £500 million revenue business, generating a 10% operating margin, over a five-year period. The Board is pleased with the good early momentum with our strategic initiatives, which supports our confidence in achieving this ambitious target.

The recent acquisition of Alunet is a highly complementary fit for Eurocell, reflecting the growth of aluminium fabrication for windows and doors in the market. The acquisition protects our leadership position in fenestration by expanding the Group's aluminium offering, with a wider range of products and ownership of our own aluminium system, and improves our offering in composite doors. The Alunet team will strengthen the Group's management and I am delighted to welcome all 200 Alunet employees to the Eurocell Group.

The Chief Executive's Review includes an update on progress with our key strategic initiatives.

Board changes and governance

As previously announced, after nine years of service, Frank Nelson stepped down from the Board following the AGM in May 2024, and Kate Allum resigned from the Board in July 2024 to pursue other opportunities. Alison Littley assumed the role of Senior Independent Non-executive Director and Chair of the Remuneration Committee. I would assumed the role of Senior Independent Non-executive Director and Chair of the Remuneration Committee. I would like to thank Frank and Kate for their past contributions to the Group.

I can confirm that as a Board, we are committed to the highest standards of corporate governance and ensuring effective communication with shareholders.

Derek Mapp
Chair

CHIEF EXECUTIVE'S REVIEW

INTRODUCTION

Trading conditions in our key markets 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.

However, we continued to focus on proactively managing costs and cash flow, and notwithstanding the market environment, delivered profits for the year in line with market expectations and well ahead of 2023.

Further details of our financial and operating performance, together with an update on the early progress with implementation of our five-year strategy, which has been encouraging, plus the acquisition of Alunet in March 2025, are set out below.

FINANCIAL RESULTS

Sales for the year were £357.9 million, down 2% on 2023, with volumes 1% lower.

Adjusted profit before tax was £20.0 million, up 32% on 2023, driven by lower raw material and electricity costs, partially offset by the effect of lower volumes, competitive pressure on selling prices in the branches and higher overheads, which include labour cost inflation and investment to generate momentum in our strategic initiatives.

Net cash generated from operations was £44.2 million, reflecting a continued focus on cash management. This compares to net cash generated from operations of £52.8 million in 2023, which included a reduction in stocks of c. £13 million.

Further information on our financial performance is included in the Chief Financial Officer's Review.

OPERATIONAL PERFORMANCE

Production

Manufacturing performance was impacted by skilled labour shortages and unscheduled downtime caused by power outages and equipment breakdowns. In July we recruited a new Head of Manufacturing, who has stabilised output through process improvements and preventative maintenance. We are also engaging with providers of back-up power solutions to mitigate against the impact of unexpected power outages. We have a programme of initiatives to drive further operational improvements (see Business Effectiveness below) and expect these benefits to start to materialise in 2025.

Recycling

We are the leading UK-based recycler of PVC windows, saving the equivalent of c.3 million window frames from landfill each year. We maintained our use of recycled materials in production at 32%, level with 2023, driving lower carbon emissions and cost savings compared to the use of virgin material.

Recycling feedstock purchase prices peaked in 2023 but are now lower, reflecting the action we have taken to secure additional sources of supply.

Furthermore, we are finding more ways to minimise and utilise the waste product generated by our plants and expect to progressively reduce the amount sent to landfill over time.

Health and safety

The safety and well-being of our employees, contractors and branch customers is our number one priority.

Health and safety is the first agenda item for key internal meetings. We have enhanced the reporting of near misses and unsafe acts and conditions as part of a proactive approach to risk management, with the aim of reducing the likelihood of future workplace injuries. This, when combined with the effective and timely implementation of corrective and preventive action, supports our positive and improving safety culture.

Following good safety results in 2023, we have delivered another improved performance in 2024. Our Lost Time Injury

Frequency Rate ('LTIFR') was 4.1 in 2024, compared to 5.7 in 2023.

STRATEGY

At the beginning of 2024 we launched our ambitious new strategy, which reset our objectives for the business. We identified a pathway to building a £500 million revenue, £50 million operating profit business, generating a 10% operating margin, over the five-year period to December 2028. Our strategy is built around four pillars: Customer Growth, Business Effectiveness, People First and ESG Leadership. The following paragraphs summarise these pillars and the initiatives which support them, together with our early progress, which has been encouraging.

Customer Growth

Our aim is to become the trade customer's preferred choice in all markets and segments where we operate. We believe the biggest opportunity for growth is expansion of the branch network, including the sale of windows and doors plus our extended living spaces range, underpinned by an increased investment in digital marketing, to raise awareness of our products and home improvement solutions and acquire new customers.

Branch Network

We estimate that the optimum Branch Network size is at least 250 sites, which was confirmed in 2024 through modelling and analysis work with our location planning partner. This work identified an additional c.50 priority locations.

We opened 2 branches in Q4 2024 and ended the year with 212 sites in operation. We expect to open at least 7 branches in 2025, primarily in the South of England, and plan to add c.30 new sites over the next four years.

We will supplement the opening programme with several branch relocations, where the current site is sub-optimal in terms of size or location, and therefore a constraint to our growth objectives. Relocations of our Staples Corner and Greenford branches to a new site in Wembley, plus our Dewsbury branch, were completed in 2024.

New branches and relocations include a refreshed branch exterior and are supported with strong pre-opening recruitment and marketing campaigns.

Windows and doors

With our initiative to sell more windows and doors through the network, our target is to fill at least 50% of the available spare capacity in the estate over the five-year period, which equates to incremental annual sales of c.£35 million.

Following encouraging early results, we accelerated the site roll-out plan to end 2024 with 91 branches live on the programme. These branches delivered incremental window and door sales of £2.4 million in 2024. We plan to complete a progressive roll-out across the remaining network in 2025.

In 2024, in addition to the site roll-out, we focused on building up a dedicated supply chain to support the needs of the whole network. The project provides incremental growth opportunities for our fabricator partners, and we are working with them to secure additional capacity.

Extended living spaces

Extended living comprises garden rooms and extensions. We are leveraging a strong customer proposition and intelligent data-driven marketing to drive growth in these products. Based on encouraging progress so far, we are targeting incremental annual garden room and extension sales of c.£30 million over the five-year period.

Since launching the garden room range three years ago, we have built a strong market presence. In 2024, we delivered sales of £8.8 million (2023: £4.4 million), supported by the introduction of four new designs, and are well placed to capture further growth in 2025.

We launched our extensions range at the end of 2023, using modern methods of construction that join together in an innovative kit form, to create a cost-effective, energy-efficient building solution for homeowners looking to convert or extend their properties, with installation times of weeks rather than months. We sold over 30 extensions in 2024 with a value of £1.0 million, in line with our plans, and enquiry levels are growing steadily.

Profiles (fabricators)

In Profiles, following a period of strong growth up to 2023, we believe we are now the leading supplier of rigid PVC profile to the UK market. Our strategy is to protect our existing business and maintain our value-added service propositions that support customers. We will continue to leverage our leading position with housebuilders and commercial developers to ensure we maintain specifications to support a robust pipeline of work for our fabricator customers. We are recognised across the industry as the leading technical systems house and will continue to exploit this advantage too.

The windows and doors initiative also provides growth opportunities in Profiles, as it pulls through increased profile sales via fabricator partners and increased composite door sales through our entrance doors business (Vista Panels).

In addition, as described below, the recent acquisition of Alunet complements our proposition to fabricators, by providing a one-stop shop for PVC and aluminium door and window systems. We have already successfully recruited a number of existing PVC fabricators who will switch to Alunet in 2025, which underpins the cross-sell opportunity.

Digital growth

Following the launch of our new website in 2023, we have a futureproofed platform to build a competitive advantage in the online space, and an ambitious digital strategy to drive more relevant trade customer traffic to our website, as well as build homeowner brand awareness and become known for our extended living spaces range.

In 2024, we invested in our organic web traffic growth, increased our digital paid media and improved our use of AI to support customer targeting. We also developed our web proposition with extended ranges and initiatives, such as one hour click-and-collect. As a result, we have grown e-commerce sales, driven more homeowner leads to buy big ticket items such as garden rooms and extensions, and attracted new trade accounts to our branches, with 7,800 new spending accounts added in the year (2023: 4,400).

The growth we delivered in windows, doors and extended living spaces is described above. In addition to this, e-commerce sales increased to £4.7 million in 2024 (2023: £3.0 million) and we are confident that we will achieve further progress in 2025.

Business Effectiveness

Our objective is to make Eurocell a lean and efficient business. We are upgrading our business systems and streamlining structures and processes to increase efficiencies and improve customer experience. Given that the near-term market outlook is likely to remain challenging, we will prioritise cost reduction and operational improvements.

Systems replacement

As previously announced, we are in the process of replacing our Enterprise Resource Planning ('ERP') system, including a new trade counter system in the branch network.

We have selected Intact iQ as the new trade counter system, to transform the way we interact and transact with customers in the branches, primarily through process simplification (including electronic point-of-sale technology).

We have selected IFS Cloud as our new ERP system, to support all other functions of the business. IFS comes with built-in analytics to facilitate data-driven decisions and supports the integration of functions which currently operate on standalone systems, including customer relationship management.

The expected cost of the system replacement is in the region of £10 million over the 2024-2026 period. The implementation is on track and, as previously reported, we estimate the transition will be completed around mid-2026.

Continuous improvement, efficiencies and cost reduction

We are also embedding a continuous improvement philosophy, which has highlighted opportunities for efficiencies in the branch network, manufacturing and recycling operations.

For example, in January 2025, we began a restructuring of the Branch Network, by removing a layer of regional operational management and reducing the size of the salesforce. In parallel, we are upskilling branch managers, to drive better, faster decision making and greater ownership for branch performance. We expect to complete the restructuring by the end of Q1, generating an annualised saving of c.£2 million.

In our manufacturing and recycling operations, we intend to pursue opportunities to reduce scrap and premium labour costs, plus improve transport utilisation.

People First

With the People First pillar, our objective is to make Eurocell a great place to work, through a relentless focus on health and safety, an enhanced employee value proposition, improved levels of engagement and effective talent management.

For health and safety, we are focused on improving relevant leadership skills and providing appropriate safety education. We have made good progress, with strong safety results delivered in 2024 as described above.

For our employee value proposition, we are developing a wellbeing framework, new recognition schemes and better induction and onboarding programmes.

Key priorities for employee engagement include a new internal communications framework, colleague forums and stepping up community and charity work. In 2024 we completed our first externally administered employee engagement survey, with plans developed in response to findings.

Effective talent management includes talent development, succession planning and an increasing use of apprenticeships. We intend to launch a revised apprenticeship offer and a new leadership development framework, affiliated to the Institute of Leadership and Management.

ESG Leadership

Our ambition is to be seen as a leading responsible company. Eurocell is already a leader in PVC recycling, which prevents millions of old windows being sent to landfill. Looking ahead, we aim to excel in all areas of ESG.

We are working with CEN Group, a specialist ESG consultancy, to support the development of our ESG strategy and improve our ESG data and disclosures.

In 2024, we completed the work to determine a path to reach Net Zero by 2045. We have now submitted our targets to Science Based Targets Initiative ('SBTi') for independent verification and published our Transition Plan.

In 2025, we intend to progress decarbonisation initiatives in line with the Transition Plan. For Scope 1 and 2, the critical actions are increasing the proportion of renewable electricity we use, plus beginning the work to decarbonise our commercial fleet and other company vehicles. For Scope 3, our focus is to identify paths to increase recycling and explore options to increase the use of commercially viable lower carbon alternatives to PVC resin over time.

ACQUISITION OF ALUNET

In March 2025, we announced the acquisition of Alunet for consideration of £29 million on a debt/cash free basis. Full financial details of the transaction, including the potential for additional performance-related payments, are set out in the Chief Financial Officer's Review.

The acquisition advances Eurocell's strategy, significantly strengthening the Group's position in residential aluminium systems and composite doors, and adds aluminium garage doors to our portfolio of home improvement products.

For the year ended 31 December 2024, Alunet delivered unaudited revenue of £43 million and EBITDA of £4.5 million (on a pre-IFRS 16 basis). Alunet has grown rapidly since its establishment in 2016 and under Eurocell's ownership, we expect to leverage our leading market positions in new build, trade fabrication and distribution, to help the business reach its full potential.

The Alunet team, led by Chief Executive Steve Hudson, will strengthen the Group's management and Steve will join our Executive Committee. Alunet employs approximately 200 people and we are delighted to welcome them all to the Group.

SUMMARY AND OUTLOOK

Our financial performance in 2024 was resilient, in the context of trading conditions that remained challenging. We delivered an increase of 32% in adjusted profit before tax, as we continued to proactively manage gross margin and benefited from a reduction in input cost pricing. Our cash generation was solid and our financial position remains strong, following completion of a £15 million share buyback programme.

We invested to generate momentum with our strategy, and I am pleased with the good early progress we have made across a broad range of initiatives. In addition, the recent acquisition of Alunet is a compelling strategic fit for Eurocell.

Demand in our core RMI market remains sluggish. We have seen some early signs of an improving picture in new build housing, albeit from a very low base. We will therefore continue to focus on cost reduction and operational improvements to drive efficiencies, to mitigate against the impact of a slower market recovery. We are confident in delivering another year of good progress in 2025, as we continue to execute on our growth strategy. The medium and long-term growth prospects for the UK construction market remain attractive and we are well positioned to drive sustainable growth in shareholder value.

Darren Waters
Chief Executive

CHIEF FINANCIAL OFFICER'S REVIEW

	2024 £m	**2023 £m**
Revenue	**357.9**	**364.5**
Gross profit	188.3	173.8
Gross margin (%)	52.6%	47.7%
Overheads	(140.2)	(130.7)

Adjusted(1) EBITDA	**48.1**	**43.1**
Depreciation and amortisation	(25.3)	(24.7)
Adjusted(1) operating profit	**22.8**	**18.4**
Finance costs	(2.8)	(3.2)
Adjusted(1) profit before tax	**20.0**	**15.2**
Taxation	(4.6)	(2.9)
Adjusted(1) profit after tax	**15.4**	**12.3**
Adjusted(1) basic earnings per share (pence)	**14.4**	**11.0**
Non-underlying overheads	(6.2)	(3.5)
Tax on non-underlying items	1.3	0.8
Reported operating profit	**16.6**	**14.9**
Reported profit before tax	**13.8**	**11.7**
Reported profit after tax and profit for the year	**10.5**	**9.6**
Reported basic earnings per share (pence)	**9.8**	**8.6**

(1) See alternative performance measures.

INTRODUCTION

Market conditions remained challenging throughout 2024, resulting in sales modestly below the comparative period. However, we have proactively managed our gross margin, with lower input costs also driving 2024 profits ahead of 2023, despite labour inflation and investment in the cost base to generate momentum in our strategic initiatives.

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. Having completed a £15 million share buyback programme launched in January 2024, debt remains low. The Group has a strong balance sheet and good liquidity, which underpinned funding the acquisition of Alunet in March 2025, primarily from our existing debt facility. Alunet is an excellent strategic fit for Eurocell and is expected to support a step change in the Group's financial performance.

The encouraging early progress we have made with execution of our strategy, including the recent acquisition of Alunet, together with actions we continue to take on cost and cash flow strengthen our confidence in realising our ambitions, and we remain well positioned to take advantage of a recovery in our end markets, when it comes.

REVENUE

Group revenue for 2024 was £357.9 million, 2% lower than 2023 (£364.5 million), with volumes down 1%. Sales include the impact of selling price increases, but average sales pricing in the branch network remains lower than prior year (see Gross Margin and Divisional Performance below).

GROSS MARGIN

Gross margin for the year was 52.6%, up from 47.7% in 2023. Although increased competition for limited demand continues to drive pressure on selling prices in the branch network, we have benefited from a reduction in input cost pricing, including electricity, recycling feedstock, and PVC resin prices.

We operate a rolling 12-month forward hedging policy for electricity. In 2023 we were paying rates locked in during 2022, when wholesale prices peaked. We are now benefiting from the lower wholesale prices experienced in 2023.

For our recycling business, in 2023 a weaker RMI market and fewer window replacements restricted feedstock availability, resulting in a significant increase in purchase prices. However, we have made good progress securing additional sources of feedstock, which, alongside reduced demand and lower virgin resin prices, saw prices ease in 2024.

Whilst there are only a limited number of PVC resin and certain other key raw material suppliers, we have successfully identified alternative sources and introduced other initiatives to mitigate input cost pricing risk.

DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES (OVERHEADS)

Underlying overheads were £140.2 million, up 7% on 2023 (£130.7 million). We have continued to experience cost inflation, particularly for labour, which we have offset with selling price increases. Overheads also include investment to generate momentum in our strategic initiatives (see Divisional Performance below). These increases were partially offset by the annualisation of cost savings secured through our Q2 2023 restructuring and headcount reduction programme.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation was £25.3 million compared to £24.7 million in 2023.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are used alongside statutory measures to facilitate a better understanding of financial performance and comparison with prior periods, and in order to provide audited financial information against which the Group's bank covenants, which are all measured on a pre-IFRS 16 basis, can be assessed.

Adjusted EBITDA, adjusted operating profit and adjusted profit before tax all exclude non-underlying items. Adjusted profit after tax and adjusted earnings per share exclude non-underlying items and the related tax effect. Pre-IFRS 16 EBITDA is stated inclusive of operating lease rentals under IAS 17 Leases. Pre-IFRS 16 net debt is defined as total borrowings and lease liabilities less cash and cash equivalents, excluding the impact of IFRS 16 Leases.

We classify some material items of income and expense as non-underlying when the nature of the circumstances merit separate presentation. Alongside statutory measures, this facilitates a better understanding of financial performance and comparison with prior periods.

NON-UNDERLYING ITEMS

Non-underlying items for 2024 of £6.2 million include £2.2 million of strategic IT project costs, including cloud computing costs involving 'Software as a Service' arrangements and internal resourcing costs, which are expensed as incurred rather than being capitalised as intangible assets, a £3.2 million non-cash right-of-use asset impairment charge plus £0.8 million of acquisition costs in relation to Alunet.

Non-underlying items of £3.5 million in 2023 include restructuring costs of £2.7 million, comprising redundancy payments and related employee benefit termination costs in connection with our Q2 2023 restructuring, plus £0.8 million of strategic IT project costs.

Our strategic IT projects comprise a new customer-facing website and an employee management system (both now substantially complete) and, most significantly, the replacement of our Enterprise Resource Planning ('ERP') system. The expected cost of the system replacement is in the region of £10 million over the 2024-26 period. The implementation is on track and, as previously reported, we estimate the transition will be completed around mid-2026.

The right-of-use asset impairment charge arises following a dispute with the landlord at a secondary warehouse in Derbyshire, where there was significant deterioration to the flooring. Following legal advice, we terminated the lease. The landlord has contested the termination and issued proceedings for unpaid rent. We will shortly begin a mediation process, with the potential for a court case to follow. With the site not currently in condition for use and the outcome of the dispute uncertain, the lease asset has been impaired in full. The liability for future rentals (£3.1 million), remains on the balance sheet. The impairment may be reversed in future periods, or the liability released, depending on the outcome of the dispute.

DIVISIONAL PERFORMANCE - PROFILES

	2024 £m	**2023 £m**	**Change %**
Third-party revenue	**146.1**	**154.9**	**(6)%**
Inter-segmental revenue	63.7	64.9	(2)%
Total revenue	**209.8**	**219.8**	**(5)%**
Adjusted(1) operating profit	**19.4**	**11.9**	**63%**
Operating profit	**14.6**	**10.1**	**45%**

(1) Adjusted performance measures are stated before non-underlying items.

Profiles third-party revenue for the year was £146.1 million, 6% lower than 2023, reflecting reduced RMI activity and a continuing weak new build housing market. Cost-of-living pressures, interest rate increases and falling house prices have all had a significant adverse effect on our end markets.

Profiles adjusted operating profit for 2024 of £19.4 million was 63% above 2023, reflecting lower raw material and electricity costs, partially offset by lower sales volumes plus labour and other cost inflation.

Reported operating profit is stated after non-underlying costs of £4.8 million in 2024 (strategic IT projects, a non-cash right-of-use asset impairment charge and acquisition expenses) and £1.8 million in 2023 (restructuring costs).

DIVISIONAL PERFORMANCE - BRANCH NETWORK

	2024	**2023**	**Change**

	£m	£m	%
Third-party revenue	**211.8**	**209.6**	**1%**
Inter-segmental revenue	0.5	0.4	25%
Total revenue	**212.3**	**210.0**	**1%**
Adjusted(1) operating profit	**6.5**	**8.9**	**(27)%**
Operating profit	**5.1**	**8.2**	**(38)%**

(1) Adjusted performance measures are stated before non-underlying items.

Third-party revenues in the Branch Network were £211.8 million, 1% higher than 2023. 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 e-commerce activity.

Branch Network adjusted operating profit for 2024 was £6.5 million, 27% below 2023, reflecting competitive pressure on selling prices in the branches and higher overheads, which include labour and other cost inflation. Overheads also include investment to generate momentum in our strategic initiatives, such as marketing (pay-per-click), sales professionals and central order processing capability, and we expect to leverage this investment and improve margins as volumes grow.

Reported operating profit is stated after non-underlying costs of £1.4 million in 2024 (strategic IT projects) and £0.7 million in 2023 (restructuring costs).

FINANCE COSTS AND TAXATION

Finance costs for 2024 were £2.8 million (2023: £3.2 million).

The underlying tax charge for 2024 was £4.6 million (2023: £2.9 million). The total tax charge for 2024 was £3.3 million (2023: £2.1 million). The effective tax rate on underlying profit before tax for 2024 of 23.0% is lower than the standard rate of corporation tax of 25% due to Patent Box relief.

We were pleased to retain the Fair Tax Mark accreditation in 2024, reflecting our commitment to paying the right amount of tax at the right time.

PROFIT BEFORE TAX AND EARNINGS PER SHARE

Adjusted profit before tax for the year was £20.0 million compared to £15.2 million in 2023, up £4.8 million, driven by lower input costs, partially offset by the effect of lower volumes, margin pressure in the branches and higher overheads.

Reported profit before tax in 2024 was £13.8 million (2023: £11.7 million), reflecting the above less £6.2 million of non-underlying costs (2023: £3.5 million).

Adjusted basic earnings per share were 14.4 pence and diluted earnings per share for the year were 14.3 pence (2023: both 11.0 pence). Total basic earnings per share were 9.8 pence and total diluted earnings per share were 9.7 pence (2023: both 8.6 pence).

CAPITAL ALLOCATION, DIVIDENDS AND SHARE BUYBACK PROGRAMME

As set out in the Chair's Statement, the Board is 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.

We paid an interim dividend of 2.2 pence per share in October 2024. The Board proposes a final dividend of 3.9 pence per share, which results in total dividends for the year of 6.1 pence per share (£6.3 million), up 10% compared to 2023. The dividend will be paid on 23 May 2025 to shareholders registered at the close of business on 25 April 2025. The ex-dividend date will be 24 April 2025.

The £15 million share buyback programme which commenced in January 2024 is now complete, with 10.7 million shares repurchased. At 31 December 2024, 10.3 million shares had been repurchased for £14.5 million (including transaction costs), with 1.3 million shares held in treasury.

The Board has taken the decision to launch a new share buyback of up to £5 million today.

The retained earnings of Eurocell plc as at 31 December 2024 were £41.2 million (2023: £25.0 million). The Company takes steps to ensure distributable reserves are maintained at an appropriate level through intra-Group dividend flows.

CAPITAL EXPENDITURE

Capital expenditure for 2024 of £10.7 million (2023: £8.9 million) is largely maintenance in nature.

CASH FLOW

Net cash generated from operating activities was £44.2 million (2023: £52.8 million), including a net outflow from working capital of £0.2 million, comprised of increases in inventories (£0.5 million), receivables (£3.4 million) and payables (£3.7 million). This compares to a net inflow from working capital of £13.4 million in 2023, which included a major stock reduction programme. Net cash generated from operating activities also includes net tax paid in the year of £3.0 million (2023: £1.4 million).

Other cash flow items include payments for capital investments of £10.3 million (2023: £9.1 million), including the net movement on capital creditors of £0.4 million and financing costs paid of £0.7 million (2023: £1.4 million). The principal elements of lease payments of £14.4 million (2023: £13.8 million) are presented within cash flows arising from financing activities. The finance elements of lease payments were £2.1 million (2023: £1.8 million).

Dividends paid in the year were £6.1 million, being the 2023 final and 2024 interim payments (2023 dividends paid: £10.3 million).

NET CASH/DEBT

Net debt on a pre-IFRS 16 basis at 31 December 2024 was £3.1 million (31 December 2023: net cash of £0.4 million). Lease liabilities increased by £0.8 million. Reported net debt at 31 December 2024 was £62.5 million (31 December 2023: £58.2 million).

	2024 £m	2023 £m	Change £m
Cash	0.4	0.4	-
Bank overdrafts	(3.0)	-	(3.0)
Borrowings	(0.5)	-	(0.5)
Net (debt)/cash (pre-IFRS 16)	**(3.1)**	**0.4**	**(3.5)**
Lease liabilities	(59.4)	(58.6)	(0.8)
Net debt (reported)	**(62.5)**	**(58.2)**	**(4.3)**

ACQUISITION OF ALUNET

In March 2025, we announced the acquisition of Alunet for consideration of £29 million on a debt/cash free basis, comprising an initial payment of £22 million and deferred consideration of approximately £7 million payable in four annual instalments beginning in 2026. In addition, there is the potential for performance-related payments of up to £6 million over the same period. The initial and deferred consideration of approximately £29 million represents a multiple of 6.5x Alunet's EBITDA for the year ended 31 December 2024.

Additional contingent consideration may become payable, subject to an earnout mechanism, in four annual instalments beginning in 2026, based upon the EBITDA of Alunet in the preceding calendar year. The maximum of £6 million, if achieved, would result in a total consideration of £35 million, representing a multiple of c.4x Alunet's projected EBITDA for the year ended 31 December 2028.

Approximately £1 million of the initial consideration is in the form of ordinary shares in Eurocell plc and satisfied out of shares held in treasury, with the remainder payable in cash, funded from the Group's existing £75 million revolving credit facility.

The acquisition is expected to be accretive to the Group's underlying earnings for 2025, and pro forma net debt is expected to be below 1.0x pre-IFRS 16 EBITDA at 31 December 2025.

BANK FACILITY

Our activities are funded via our £75 million unsecured, sustainable Revolving Credit Facility, which matures in 2027. The facility is provided by Barclays, NatWest and Bank of Ireland, and is competitively priced. In terms of sustainability, modest adjustments to the margin are applied based on our achievement against annual targets for usage of recycled material in our products, waste recycled and carbon emissions. We operate comfortably within the terms of the facility and in compliance with our financial covenants, which are measured on a pre-IFRS 16 basis.

Michael Scott
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Year ended 31 December 2024			Year ended 31 December 2023		
		[1]Non-			[1]Non-	

	Note	Underlying £m	underlying £m	Total £m	Underlying £m	underlying £m	Total £m
Revenue	3	**357.9**	**-**	**357.9**	**364.5**	**-**	**364.5**
Cost of sales		(169.6)	-	(169.6)	(190.7)	-	(190.7)
Gross profit		**188.3**	**-**	**188.3**	**173.8**	**-**	**173.8**
Distribution costs		(25.7)	-	(25.7)	(25.3)	(0.1)	(25.4)
Administrative expenses		(139.8)	(6.2)	(146.0)	(130.5)	(3.4)	(133.9)
Other income (2)		-	-	-	0.4	-	0.4
Operating profit	3	**22.8**	**(6.2)**	**16.6**	**18.4**	**(3.5)**	**14.9**
Finance expense		(2.8)	-	(2.8)	(3.2)	-	(3.2)
Profit before tax	3	**20.0**	**(6.2)**	**13.8**	**15.2**	**(3.5)**	**11.7**
Taxation	4	(4.6)	1.3	(3.3)	(2.9)	0.8	(2.1)
Profit for the year and total comprehensive income		**15.4**	**(4.9)**	**10.5**	12.3	(2.7)	9.6
Basic earnings per share	5	**14.4p**		**9.8p**	**11.0p**		**8.6p**
Diluted earnings per share	5	**14.3p**		**9.7p**	**11.0p**		**8.6p**

(1) Non-underlying items are detailed in Note 2.

(2) Other income in 2023 relates to amounts received under the Group's Cyber Insurance Policy, net of excess paid, in respect of business interruption to the Group's continuing trading activities as a result of a cyber incident in July and August 2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	2024 £m	2023 £m
Assets		
Non-current assets		
Property, plant and equipment	60.5	59.9
Right-of-use assets	54.3	55.1
Intangible assets	14.6	15.8
Total non-current assets	**129.4**	**130.8**
Current assets		
Inventories	47.2	46.7
Trade and other receivables	45.8	45.3
Corporation tax	1.0	0.6
Cash and cash equivalents	0.4	0.4
Total current assets	**94.4**	**93.0**
Total assets	**223.8**	**223.8**
Liabilities		
Current liabilities		
Trade and other payables	(45.2)	(41.6)
Lease liabilities	(12.5)	(12.9)
Bank overdrafts	(3.0)	-
Provisions	(0.4)	(0.2)
Total current liabilities	**(61.1)**	**(54.7)**
Non-current liabilities		
Borrowings	(0.5)	-
Lease liabilities	(46.9)	(45.7)
Provisions	(1.3)	(1.1)
Deferred tax	(8.6)	(8.0)
Total non-current liabilities	**(57.3)**	**(54.8)**
Total liabilities	**(118.4)**	**(109.5)**
Net assets	**105.4**	**114.3**
Equity attributable to equity holders of the parent		
Share capital	0.1	0.1
Share premium account	22.2	22.2
Treasury shares	(2.0)	(0.1)
Share based payment reserve	2.3	0.9

Share-based payment reserve	2.3	0.9
Share buyback reserve	-	-
Retained earnings	82.8	91.2
Total equity	**105.4**	**114.3**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Cash generated from operations	7	47.2	54.2
Income taxes paid		(3.0)	(1.4)
Net cash generated from operating activities		**44.2**	**52.8**
Investing activities			
Purchase of property, plant and equipment		(10.2)	(9.0)
Purchase of intangible assets		(0.1)	(0.1)
Net cash flow arising on sale of business(2)		-	0.8
Net cash used in investing activities		**(10.3)**	**(8.3)**
Financing activities			
Purchase of own shares held as treasury shares		(1.9)	(0.7)
Share buyback		(12.6)	-
Exercise of share options		(0.1)	-
Proceeds/(repayment) of bank and other borrowings		1.0	(21.0)
Bank borrowings arrangement costs		-	(0.2)
Principal elements of lease payments		(14.4)	(13.8)
Finance elements of lease payments		(2.1)	(1.8)
Finance expense paid		(0.7)	(1.4)
Dividends paid to equity Shareholders	6	(6.1)	(10.3)
Net cash used in financing activities		**(36.9)**	**(49.2)**
Net decrease in cash and cash equivalents(1)		**(3.0)**	**(4.7)**
Cash and cash equivalents(1) at beginning of year		0.4	5.1
Cash and cash equivalents(1) at end of year		**(2.6)**	**0.4**

(1) Cash and cash equivalents includes bank overdrafts.

(2) Cash flows arising on sale of Security Hardware in 2022.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital £m	Share premium account £m	Treasury shares £m	Share-based payment reserve £m	Share buyback reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	**0.1**	**22.2**	**(0.1)**	**0.9**	**-**	**91.2**	**114.3**
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	10.5	10.5
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**10.5**	**10.5**
Contributions by and distributions to owners							
Exercise of share options	-	-	-	(0.1)	-	(0.2)	(0.3)
Share-based payments	-	-	-	1.5	-	-	1.5
Purchase of own shares	-	-	(1.9)	-	(12.4)	(0.2)	(14.5)
Cancellation of shares	-	-	-	-	12.4	(12.4)	-
Dividends paid	-	-	-	-	-	(6.1)	(6.1)
Total transactions with owners recognised directly in equity	**-**	**-**	**(1.9)**	**1.4**	**-**	**(18.9)**	**(19.4)**
Balance at 31 December 2024	**0.1**	**22.2**	**(2.0)**	**2.3**	**-**	**82.8**	**105.4**

Share- Share

		Share		based			
	Share capital £m	premium account £m	Treasury shares £m	payment reserve £m	buyback reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2023	**0.1**	**22.2**	**-**	**0.9**	**-**	**91.7**	**114.9**
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	9.6	9.6
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**9.6**	**9.6**
Contributions by and distributions to owners							
Exercise of share options	-	-	0.6	(0.8)	-	0.2	-
Share-based payments	-	-	-	0.8	-	-	0.8
Purchase of own shares	-	-	(0.7)	-	-	-	(0.7)
Dividends paid	-	-	-	-	-	(10.3)	(10.3)
Total transactions with owners recognised directly in equity	**-**	**-**	**(0.1)**	**-**	**-**	**(10.1)**	**(10.2)**
Balance at 31 December 2023	**0.1**	**22.2**	**(0.1)**	**0.9**	**-**	**91.2**	**114.3**

1 BASIS OF PREPARATION

The financial information for the year ended 31 December 2024 was approved by the Board on 19 March 2025. This financial information does not constitute the statutory accounts of the Company within the meaning of Section 435 of the Companies Act 2006, but is derived from those accounts, which have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

This information has been prepared under the historical cost method, using all standards and interpretations required for financial periods beginning 1 January 2024. The functional currency is Sterling, and the Financial Statements are presented in millions, unless otherwise stated. No standards or interpretations have been adopted before the required implementation date.

Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies. Statutory accounts for the year ended 31 December 2024 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The auditors have reported on those accounts. Their reports were not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Going concern

The Group funds its activities through a £75 million Revolving Credit Facility, provided by Barclays, NatWest and Bank of Ireland, which matures in May 2027. The facility includes two key financial covenants, which are tested at 30 June and 31 December on a pre-IFRS 16 basis. These are that net debt should not exceed 3 times adjusted EBITDA (Leverage), and that adjusted EBITDA should be at least 4 times the interest charge on the debt (Interest Cover).

At 31 December 2024 the Group has complied with all of its covenants, and it expects to do so for the next measurement period, being 30 June 2025, and going forward.

In assessing going concern, the Directors have considered financial projections for the period to December 2026, which is consistent with the Board's strategic planning horizon and reflects a period of at least 12 months from the date of approval of the Financial Statements. These forecasts have been compiled based on the best estimates of the Group's commercial and operational teams. This includes a severe but plausible 'Downside' scenario, which reflects demand for the Group's products being severely weakened.

In all scenarios tested, including sensitivities reducing sales forecasts to 10% below management's estimates for the period 2025 - 26, key raw material prices increasing by 33% over that period and both scenarios combined, the Group operates with significant headroom on its RCF facility and remains compliant with its original covenants.

After reviewing the Group's projected financial performance and financing arrangements, the Directors consider that the Group has adequate resources to continue operating and that it is therefore appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

Changes in accounting policies and disclosures applicable to the Company and the Group

The Group has applied the following amendments for the first time for the financial reporting period commencing 1 January 2024, with no material impact:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

The following new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The IFRIC agenda decision on segmental reporting was issued in July 2024. The Group is currently assessing relevant material items of income and expense for future disclosure within the segmental information.

These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 NON-UNDERLYING ITEMS

Amounts included in the Consolidated Statement of Comprehensive Income are as follows:

	2024 £m	**2023 £m**
Restructuring costs	-	2.7
Asset impairment charges	3.2	-
Strategic IT expenses	2.2	0.8
Acquisition costs	0.8	-
Non-underlying operating expenses	**6.2**	**3.5**
Taxation	(1.3)	(0.8)
Impact on profit after tax	**4.9**	**2.7**

Asset impairment charges

The right-of-use asset impairment charge arises following a dispute with the landlord at a secondary warehouse in Derbyshire, where there was significant deterioration to the flooring. Following legal advice, we terminated the lease. The landlord has contested the termination and issued proceedings for unpaid rent. A mediation process is expected to commence shortly, with the potential for a court case to follow if this is unsuccessful.

The Group determined that the landlord issuing legal proceedings represented an impairment trigger for the right-of-use asset, which had a net book value of £3.2 million at that time. With the site not currently in condition for use and the outcome of the dispute uncertain, the lease asset has been impaired in full (a non-cash item). The net book value of the lease liability at the balance sheet date is £3.1 million. The Group expects the landlord to incur the cost of remediation, and therefore no further liability has been recognised. The impairment may be reversed in future periods, or the liability released, depending on the outcome of the dispute.

Strategic IT expenses

Strategic IT expenses of £2.2 million (2023: £0.8 million) include cloud computing costs involving 'Software as a Service' arrangements and internal resourcing costs which are expensed as incurred rather than being capitalised as intangible assets.

Our strategic IT projects comprise a new customer-facing website and an employee management system (both now substantially complete) and, most significantly, the replacement of the Group's Enterprise Resource Planning ('ERP') system. Such items are considered to be non-underlying in nature because they relate to multi-year programmes to deliver strategic IT implementations which are material in size, with overall spend estimated to be in the region of £10 million over the 2024-26 period. The implementation is on track and, as previously reported, we estimate the transition will be completed around mid-2026.

Acquisition costs

In March 2025 the Group completed the acquisition of the Alunet Group. Acquisition-related expenses of £0.8 million were incurred in the process, comprising deal advisory, legal and due diligence costs.

Prior year restructuring costs

Restructuring costs in 2023 related to redundancy payments and related employee benefit termination costs, with 119 roles impacted at a one-off net cost of £2.7 million. These costs were classified as non-underlying as they related to roles that no longer exist within the organisation and therefore would not re-occur in future reporting periods. Also included is a credit of £0.2 million in respect of the release of a provision relating to a restructuring exercise announced in 2022 and completed in early 2023.

Impact on cash flow

Of the £6.2 million non-underlying expenses recognised, £1.9 million was settled in cash at 31 December 2024 and £3.2 million related to non-cash impairment charges. The remaining £1.1 million will be settled within the next twelve months.

Of the £3.5 million non-underlying expenses recognised in 2023, £3.2 million had been settled in cash at 31 December 2024. The remaining £0.3 million relates to non-cash asset impairment charges.

3 SEGMENTAL INFORMATION

The Group organises itself into a number of operating segments that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Internal reporting provided to the chief operating decision-maker, which has been identified as the executive management team including the Chief Executive and the Chief Financial Officer, reflects this structure.

The Group has aggregated its operating segments into three reported segments, as these business units have similar products, production processes, types of customer, methods of distribution, regulatory environments and economic characteristics:

- Profiles - extrusion and sale of PVC window and building products to the new and replacement window market across the UK. This segment includes Vista Panels, S&S Plastics and Eurocell Recycle North.
- Building Plastics (Branch Network) - sale of building plastic materials across the UK.
- Corporate - represents costs relating to the ultimate Parent Company and includes the assets and related amortisation in respect of acquired intangible assets.

Inter-segmental sales, which are eliminated on consolidation, are transacted at an arms' length basis and relate to manufactured products distributed by the Building Plastics division.

2024	Profiles £m	Building Plastics £m	Corporate £m	Total £m
Revenue				
Total revenue	209.8	212.3	-	422.1
Inter-segmental revenue	(63.7)	(0.5)	-	(64.2)
Total revenue from external customers	**146.1**	**211.8**	**-**	**357.9**
Adjusted EBITDA	**33.3**	**15.7**	**(0.9)**	**48.1**
Amortisation of intangible assets	-	-	(1.3)	(1.3)
Depreciation of property, plant and equipment	(7.5)	(1.3)	(0.8)	(9.6)
Depreciation of right-of-use assets	(6.4)	(7.9)	(0.1)	(14.4)
Adjusted operating profit/(loss)	**19.4**	**6.5**	**(3.1)**	**22.8**
Non-underlying operating expenses	(4.8)	(1.4)	-	(6.2)
Operating profit/(loss)	**14.6**	**5.1**	**(3.1)**	**16.6**
Finance expense				(2.8)
Profit before tax				**13.8**

2023	Profiles £m	Building Plastics £m	Corporate £m	Total £m
Revenue				
Total revenue	219.8	210.0	-	429.8
Inter-segmental revenue	(64.9)	(0.4)	-	(65.3)
Total revenue from external customers	**154.9**	**209.6**	**-**	**364.5**
Adjusted EBITDA	**25.5**	**17.4**	**0.2**	**43.1**
Amortisation of intangible assets	-	-	(1.7)	(1.7)
Depreciation of property, plant and equipment	(7.3)	(1.2)	(0.8)	(9.3)
Depreciation of right-of-use assets	(6.3)	(7.3)	(0.1)	(13.7)
Adjusted operating profit/(loss)	**11.9**	**8.9**	**(2.4)**	**18.4**
Non-underlying operating expenses	(1.8)	(0.7)	(1.0)	(3.5)
Operating profit/(loss)	**10.1**	**8.2**	**(3.4)**	**14.9**

Finance expense	(3.2)
Profit before tax	**11.7**

2024	**Profiles £m**	**Building Plastics £m**	**Corporate £m**	**Total £m**
Additions to plant, property, equipment and intangible assets	7.1	2.7	0.9	10.7
Segment assets	122.3	84.0	17.5	223.8
Segment liabilities	(53.2)	(48.9)	(7.2)	(109.3)
Borrowings				(0.5)
Deferred tax liability				(8.6)
Total liabilities				(118.4)
Total net assets				**105.4**

2023	**Profiles £m**	**Building Plastics £m**	**Corporate £m**	**Total £m**
Additions to plant, property, equipment and intangible assets	6.9	1.5	0.5	8.9
Segment assets	126.9	78.5	18.4	223.8
Segment liabilities	(53.3)	(43.7)	(4.5)	(101.5)
Deferred tax liability				(8.0)
Total liabilities				(109.5)
Total net assets				**114.3**

Geographical information

	Revenue 2024 £m	**Non-current assets 2024 £m**	**Revenue 2023 £m**	**Non-current assets 2023 £m**
United Kingdom	355.8	129.4	362.5	130.8
Republic of Ireland[1]	2.1	-	2.0	-
Total	**357.9**	**129.4**	**364.5**	**130.8**

[1] The net book value of non-current assets in the Republic of Ireland was less than £50,000 in both years.

4 TAXATION

	2024 £m	**2023 £m**
Current tax expense		
Current tax on profits for the year	3.0	2.0
Adjustment in respect of prior years	(0.3)	(1.1)
Total current tax	**2.7**	**0.9**
Deferred tax expense		
Origination and reversal of temporary differences	0.4	0.4
Adjustment in respect of prior years	0.2	0.8
Total deferred tax	**0.6**	**1.2**
Total tax expense	**3.3**	**2.1**

The reasons for the difference between the actual current tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2024 £m	**2023 £m**
Profit before tax	**13.8**	**11.7**
Expected tax charge based on the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)	3.4	2.7
Taxation effect of:		

Expenses not deductible for tax purposes	0.6	0.4
Patent Box claims	(0.4)	(0.5)
Deferred tax impact of share-based payments	0.4	0.1
Adjustments in respect of prior years	(0.3)	(1.1)
Tax effect of accelerated capital allowances	(1.0)	(0.7)
Current tax expense	**2.7**	**0.9**

The reasons for the difference between the total tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2024 £m	2023 £m
Profit before tax	**13.8**	**11.7**
Expected tax charge based on the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)	3.4	2.7
Taxation effect of:		
Expenses not deductible for tax purposes	0.4	0.2
Patent Box claims	(0.4)	(0.5)
Adjustments in respect of prior years	(0.1)	(0.3)
Total tax expense	**3.3**	**2.1**

Some expenses incurred, such as certain legal and entertainment costs, are not allowable for tax purposes and are therefore not deducted from taxable income when calculating the Group's tax liability.

Capital allowances are tax reliefs for the expenditure the Group makes on fixed assets. The difference between the accounting treatment of fixed assets for tax and accounting purposes gives rise to temporary difference recognised within deferred tax.

The Group recognises a current tax asset in respect of relief claimed under the Patent Box when the inflow of economic benefits arising from that asset is virtually certain, deemed to be the submission of a claim to HM Revenue and Customs.

Changes in tax rates and factors affecting the future tax charge

There was no change to the rate of UK corporation tax in the year. The mainstream rate of UK corporation tax increased from 19% to 25% from April 2023, giving rise to a blended standard rate of 23.5% in 2023.

There are no material uncertain tax provisions.

Tax included in Other Comprehensive Income

The tax charge arising on share-based payments within Other Comprehensive Income is £nil (2023: £nil).

Based on the current investment plans of the Group, and assuming the rates of capital allowances on capital expenditure continue into the future, the vast majority of the deferred tax liability is expected to unwind over a period of greater than one year.

Tax residency

Eurocell plc and its subsidiaries are all registered in the United Kingdom and are resident in the UK for tax purposes, except as described below.

The Group has two branches in the Republic of Ireland, with combined annual revenues of c.£2.1 million (2023: £2.0 million), total assets of less than £50,000 (2023: less than £50,000) and nine (2023: eight) full time employees. For tax purposes these two trading locations form a single branch within Eurocell Building Plastics Limited, and therefore any profits generated are subject to tax in the Republic of Ireland. Profits generated during the year contribute less than 5% of the overall Group profits (2023: less than 5%). The tax charge in relation to the Group's Republic of Ireland operations in 2024 is €600 (2023: €nil) and tax payments of €600 were made during the year (2023: €nil). The reason for the difference between the tax charge for the year and the standard rate of corporation tax in Ireland applied to the profits for the year is due to utilisation of losses brought forward. No deferred tax assets are recognised on unutilised losses due to the uncertainty of future profits in the Republic of Ireland (2023: none).

5 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. Adjusted earnings per share excludes the impact of non-underlying items.

Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options. In the event that a loss is recorded for the period, share options are not considered to have a dilutive effect.

During the year the company entered into multiple share buyback programmes totalling £15 million. As at 31 December 2024, the cash outflow in regard to these schemes totalled £14.5 million (including transactional costs), equivalent of 10,287,011 shares.

	2024 £m	2023 £m
Profit attributable to ordinary shareholders excluding non-underlying items	15.4	12.3
Profit attributable to ordinary shareholders	10.5	9.6

	Number	Number
Weighted average number of shares - basic	106,455,702	111,885,083
Dilutive impact of share options granted	1,339,708	53,451
Weighted average number of shares - diluted	107,795,410	111,938,534

	Pence	Pence
Basic earnings per share	9.8	8.6
Adjusted basic earnings per share	14.4	11.0
Diluted earnings per share	9.7	8.6
Adjusted diluted earnings per share	14.3	11.0

6 DIVIDENDS

	2024 £m	2023 £m
Dividends paid during the year		
Interim dividend for 2024 of 2.2p per share (2023: 2.0p per share)	2.3	2.2
Final dividend for 2023 of 3.5p per share (2022: 7.2p per share)	3.8	8.1
	6.1	10.3
Dividends proposed		
Final dividend for 2024 of 3.9p per share	4.0	-
Final dividend for 2023 of 3.5p per share	-	3.8
	4.0	3.8

7 RECONCILIATION OF PROFIT AFTER TAX TO CASH GENERATED FROM OPERATIONS

	2024 £m	2023 £m
Profit after tax	**10.5**	**9.6**
Taxation (Note 4)	3.3	2.1
Finance expense	2.8	3.2
Operating profit	**16.6**	**14.9**
Adjustments for:		
Depreciation of property, plant and equipment	9.6	9.3
Depreciation of right-of-use assets	14.4	13.7
Amortisation of intangible assets	1.3	1.7
Impairment of tangible and right-of-use assets	3.2	0.3
Loss on disposal of property, plant and equipment	0.4	-
Share-based payments	1.5	0.8
(Increase)/decrease in inventories	(0.5)	13.2
(Increase)/decrease in trade and other receivables	(3.4)	6.0
Increase/(decrease) in trade and other payables	3.7	(5.8)
Increase in provisions	0.4	0.1
Cash generated from operations	**47.2**	**54.2**

8 ALTERNATIVE PERFORMANCE MEASURES

The Group uses alternative performance measures alongside statutory measures to facilitate a better understanding of financial performance and comparison with prior periods, and in order to provide audited financial information against which the Group's bank covenants, which are all measured on a pre-IFRS 16 basis, can be assessed.

EBITDA is defined as operating profit before depreciation and amortisation charges. Pre-IFRS 16 EBITDA is stated inclusive of operating lease rentals under IAS 17 Leases.

Adjusted EBITDA, profits and earnings per share exclude non-underlying items. Adjusted profit measures allow users of the Financial Statements to better understand financial performance in the year by removing certain material items of income and expense that are unusual due to their nature or infrequency, thus facilitating better comparison with prior periods.

Covenants are assessed on a pre-IFRS 16 adjusted EBITDA, continuing basis.

	2024	2023

	2024 £m	2023 £m
Operating profit	16.6	14.9
Depreciation and amortisation	25.3	24.7
EBITDA	**41.9**	**39.6**
Non-underlying items	6.2	3.5
Adjusted EBITDA	**48.1**	**43.1**
Operating lease rentals under IAS 17	(16.3)	(15.2)
Pre-IFRS 16 adjusted EBITDA	**31.8**	**27.9**

Pre-IFRS 16 total net debt/(cash) is defined as total borrowings and lease liabilities less cash and cash equivalents and deferred consideration, excluding the impact of leases recognised under IFRS 16 Leases.

	2024 **£m**	**2023** **£m**
Total net debt	62.5	58.2
Lease liabilities	(59.4)	(58.6)
Pre-IFRS 16 net debt/(cash)	**3.1**	**(0.4)**

9 EVENTS AFTER THE BALANCE SHEET DATE

In March 2025 the Group completed the acquisition of Alunet for consideration of £29 million on a debt/cash free basis, comprising an initial payment of £22 million and deferred consideration of approximately £7 million payable in four annual instalments beginning in 2026.

Additional contingent consideration of up to £6 million may become payable, subject to an earnout mechanism, in four annual instalments beginning in 2026, based upon the EBITDA of Alunet in the preceding calendar year. The maximum of £6 million, if achieved, would result in a total consideration of £35 million.

Approximately £1 million of the initial consideration is in the form of ordinary shares in Eurocell plc and satisfied out of shares held in treasury, with the remainder payable in cash, funded from the Group's existing £75 million revolving credit facility.

Also, on 19 March 2025, the Group approved a further share buyback programme of up to £5 million, to begin immediately.

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