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Epwin Group PLC
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Epwin Group Plc

9th April 2025

This announcement contains inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended).Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Epwin Group Plc

Final results for the year ended 31 December 2024

Well placed after another year of strong profit growth and strategic delivery

Epwin Group Plc (AIM: EPWN) ("Epwin" or the "Group"), the leading manufacturer of energy efficient and low maintenance building products, with significant market shares, supplying the Repair, Maintenance and Improvement ("RMI"), new build and social housing sectors, announces its audited full year results for the year ended 31 December 2024.

Financial highlights

£m	2024	2023
Revenue	324.0	345.4
Underlying operating profit[1]	26.2	25.5
Underlying operating margin[1]	8.1%	7.4%
Statutory operating profit	28.5	20.7
Adjusted profit before tax[1]	19.0	18.0
Profit before tax	21.3	13.2
Basic EPS	11.75p	6.41p
Adjusted EPS[1]	10.12p	9.71p
Dividend per share for the year	5.10p	4.80p
Pre-tax operating cash flow	42.1	39.7
Covenant net debt[2]	15.4	14.4
Covenant net debt to adjusted EBITDA[2]	0.5x	0.5x
Underlying operating cash conversion[3]	161%	156%

[1] Adjusted for amortisation of acquired other intangible assets, share-based payments expense and other non-underlying items.

[2] Covenant net debt and covenant net debt to adjusted EBITDA are pre-IFRS 16 measures.

[3] Underlying operating cash conversion is pre-tax operating cash flow as a percentage of underlying operating profit.

- Strong trading performance, marginally ahead of expectations, demonstrating adaptability despite challenging economic environment:
  - Significant improvement in underlying operating margin to 8.1% (2023: 7.4%)
  - Responsible management of balance between volume and margin, alongside sharp focus on operational efficiency, delivering underlying operating profit 3% ahead of a strong prior year comparative
  - Revenues behind a strong 2023 comparative, as expected, as a result of lower PVC input prices reducing previously levied surcharges and subdued demand in the Group's core markets
  - H2 saw an improving trend, with monthly revenues ahead of their prior year comparatives since start of September

- Strong cash generation and robust financial position enabling growing shareholder returns:
    - Pre-tax operating cash flow increased by 6% to £42.1 million (2023: £39.7 million)
    - Covenant net debt of £15.4 million (2023: £14.4 million), 0.5x adjusted EBITDA, stated after:
        - £3.0 million cash cost of acquisitions
        - £14.1 million shareholder returns via increased dividends and the extended share buyback programme
    - £60 million headroom on banking facilities, which have been extended to August 2027, to support the Group's growth and development strategy
    - Proposed final dividend of 3.00 pence per share, resulting in a total dividend for 2024 of 5.10 pence per share (2023: 4.80 pence per share), an increase of 6% over 2023

Operational and strategic highlights

- Continued delivery of our strategy:
    - Operational improvement:
        - Sharp focus on operational and manufacturing efficiency driving significant margin improvement
        - Increased inter-divisional collaboration to leverage footprint, manufacturing capabilities and technical expertise
        - Roll-out of consolidated IT system across distribution network completed, commercial and operational benefits starting to be realised
    - Completion of three bolt-on acquisitions for combined consideration of £3.0 million:
        - Bolt-on acquisitions expanding the geographical reach of trade counter network in Scotland, for combined consideration of £1.7 million
        - Acquisition of a further GRP moulding business for £1.3 million, solidifying market position
        - Healthy pipeline of potential acquisitions
    - New product development:
        - Continued expansion of product range with complementary products
        - Recycled materials usage continues to increase, following investment in recent years
    - Sustainability:
        - First UK cellular PVC manufacturer and first UK GRP manufacturer to obtain certified Environmental Product Declarations ("EPDs"), the gold standard for environmental transparency and accountability - 5 products received EPDs in the year with more undergoing verification for 2025
        - Continued focus on energy usage, production efficiency and increased processing of recycled materials

Current trading and outlook - in line with the Board's expectations

- Trading in Q1 2025 has been in line with the Board's expectations, with revenues exceeding prior year comparatives, continuing the trend since September 2024, despite ongoing subdued market conditions
- While short-term macroeconomic uncertainty remains, another strong year of financial performance demonstrates the resilience of the Group's business model and core markets, and ability to navigate market conditions
- Actions taken on operational efficiency, combined with our well-invested operations and robust business model means we are well-positioned as markets recover
- Accordingly, the Board remains confident in the Group's strategy and its ability to execute in 2025
- Positive medium and long-term RMI market drivers remain:
    - Shortage of new and affordable homes, with the Government committing to increase the number of homes built
    - Poorly maintained, underinvested and ageing UK housing stock
    - Increasing concern about the quality of social housing and private rental property
    - Net zero targets driving need to decarbonise the UK housing stock and improve the energy efficiency of homes

Jon Bednall, CEO of Epwin, commented:

"For a fourth consecutive year, the Group has delivered improved financial performance, meeting or exceeding market expectations despite a challenging market backdrop. This year has again demonstrated the exceeding market expectations despite a challenging market backdrop. This year has again demonstrated the resilience of the Group's strategy and operating model, as well as the dedication and expertise of all of my Epwin colleagues. Once again I thank them for rising to the challenge and for the good progress we have continued to make."

"In the first quarter of 2025 we are trading in line with our expectations. We remain confident in the Group's future prospects and expect to make further strategic progress this year, despite the ongoing macroeconomic and fiscal headwinds."

Contact information

Epwin Group Plc Jon Bednall, Chief Executive Chris Empson, Group Finance Director	07885 447944
Shore Capital (Nominated Advisor and Joint Broker) *Corporate Advisory* Daniel Bush / Harry Davies-Ball *Corporate Broking* Fiona Conroy	0207 408 4090
Zeus Capital Limited (Joint Broker) Dominic King / Nick Searle	0203 829 5000
MHP Reg Hoare / Matthew Taylor / Finn Taylor	07885 447944 epwin@mhpgroup.com

Forthcoming dates:

Ex-dividend date	15 May 2025
Dividend record date	16 May 2025
Annual General Meeting	23 May 2025
Dividend payment date	9 June 2025

About Epwin

Epwin is the leading manufacturer of energy efficient and low maintenance building products, with significant market shares, supplying the Repair, Maintenance and Improvement ("RMI"), new build and social housing sectors.

The Company is incorporated, domiciled and operates principally in the United Kingdom.

Information for investors can be accessed www.epwin.co.uk/investors

Chair's Statement

In my first year as Chair of the Board of Directors, I am pleased to be able to report another year of strong performance as the Group once again navigated a subdued market backdrop to deliver a result that marginally exceeded market expectations and demonstrated the resilience of the business model and strategy.

This year marked 10 years since the Group's IPO and admission to AIM. The team are proud of the progress made and the performance of the Group over that period, which is testament to the strength of the business model, our focus on long-term sustainable growth via our core strategic objectives and consistent delivery. The efforts and commitment of our hard-working employees has, as ever, been crucial and I would like to thank them, on behalf of the Board and our shareholders, for their efforts again this year.

Adapting to market conditions - delivering a strong performance in challenging conditions

In 2024, the Group once again exceeded its profit expectations and continued its strong cash generation, demonstrating its ability to adapt to adverse market conditions and the resilience of our multi-brand, multi-channel business model. Full year revenues of £324.0 million (2023: £345.4 million) represented a 6% reduction compared to the prior year, due to the impact of softening PVC prices reducing previously levied surcharges and as a result of subdued trading conditions in our core markets due to challenging macroeconomic conditions impacting activity levels in the repair, maintenance and improvement ("RMI") and new build housing markets. However, H2 saw an improving trend and, since the start of September, monthly revenues have encouragingly all been slightly ahead of their respective 2023 comparatives.

Underlying operating profit increased by 3%, from an exceptionally strong comparative, to £26.2 million (2023: £25.5 million). This represents a significant enhancement in margin, of 70 basis points, as a balanced and disciplined approach has been taken to pricing and volume alongside a sharp focus on productivity and operational efficiency to control costs. Statutory operating profit was also ahead at £28.5 million (2023: £20.7 million), impacted by one-off non-underlying items in both the current and prior year.

Strong cash generation continued this year, with pre-tax operating cash flow increasing to £42.1 million (2023: £39.7 million) and covenant net debt at the year end, better than expected, at £15.4 million (2023: £14.4 million) after the £3.0 million cash cost of acquisitions and £14.1 million returned to shareholders via share buybacks and dividends. The strength of the Group's financial position and significant headroom on our banking facilities, in excess of £60 million at year end, continues to provide us with the capacity and flexibility to drive our long-term strategy and ensures the Group is well-placed for the recovery of our core markets, which are primed for growth.

Evolving in line with our strategy - to drive long-term growth

The Board considers that the Group's strategic objectives remain appropriate and ensure the Group is well-positioned for long-term growth. The Group has continued to evolve as we invested in, and delivered on, our core strategic objectives, which are centred on operational improvement, product and materials development, cross-selling and business development supported by selective value-enhancing acquisitions and a focus on developing our inherently strong sustainability credentials.

During the year, we made good progress across all of our core operational objectives to ensure the continued evolution and improvement of the Group, including:

- Bolt-on acquisitions of £3.0 million completed in 2024, expanding the geographical coverage of our trade counter network in Scotland and solidifying our market position in glass-reinforced plastic ("GRP") mouldings
- Significant margin improvement resulting from a focus on operational fundamentals and cost control to drive efficiencies in our manufacturing operations
- Increased use of PVC recyclate in place of virgin PVC in our extrusion operations
- Roll-out of consolidated IT system across our distribution network completed as planned in H1 2024, with commercial and operational benefits starting to be realised
- Continued expansion of cross-selling activity through our distribution network, to maximise routes to market for the Group's manufactured products, particularly in relation to fenestration and GRP products

The Group continues to make progress with developing a meaningful and positive sustainability framework and targets, while delivering on our sustainability agenda in support of our wider strategy. We continue to focus on reducing the carbon footprint of our operations, primarily through actions to further minimise waste and energy usage; reducing the carbon footprint of our products, through increased use of recycled raw materials; and contributing to a circular economy, through the reprocessing of post-consumer and post-industrial waste.

It is important to reiterate the inherent sustainability credentials of our low maintenance, long-life, energy efficient building products and we continue to believe we have an important role to play in the decarbonisation of the UK's housing stock and in addressing the ongoing shortage of affordable and sustainable homes.

Delivering shareholder value - results, dividends and share buybacks

We continue to deliver excellent value for our shareholders, our core purpose as an AIM-listed business, by progressing our strategy; consistently meeting or beating market profit expectations, even in challenging conditions; and being strongly cash generative, enabling us to invest for future growth alongside returning capital to shareholders through dividends and buybacks.

In November 2023, the Group announced the commencement of a share buyback programme for the repurchase of up to 3 million ordinary shares for cancellation, which was extended in April 2024 for a further 3 million shares, and again in September 2024 for a further 5 million shares, as our robust balance sheet and strong cash generation provided the opportunity to take advantage of market conditions to repurchase shares at attractive levels and return additional funds to shareholders. The buyback is progressing, and we anticipate completing the current programme in Q2 2025. During the year to 31 December 2024, 8.8 million ordinary shares have been repurchased and cancelled, including 0.8 million issued under the Group's SAYE scheme, at a total cost of £7.8 million.

Taking into account the outlook for the Group, and our strong financial position, the Board declared an interim dividend of 2.10 pence per share (2023: 2.00 pence per share), which was paid to shareholders in October 2024. The Board is recommending a final dividend for 2024 of 3.00 pence per share (2023: 2.80 pence per share) to be paid on 9 June 2025 to shareholders on the register on 16 May 2025. This full year dividend of 5.10 pence per share (2023: 4.80 pence per share), represents an increase of 6% over the prior year and is in line with the Board's stated policy of a dividend that is approximately twice covered by adjusted profit after tax.

The Group intends to continue returning capital to shareholders both by way of our ongoing dividend policy and the buyback programme, while continuing to invest in the Group's strategy.

Corporate governance

The Board of Directors, including myself as Chairman, acknowledges the importance of the ten principles set out in the QCA Code and details of our compliance with the Code can be found in the Corporate Governance section of the 2024 Annual Report and Accounts as well as on the corporate website.

Board changes

As announced in last year's report, as part of our ongoing review of board composition, and in an effort to increase the breadth of skills and experience across the Board, we were pleased to appoint Kathy Callaghan as Non-Executive Director from 10 April 2024. Kathy has brought a wealth of experience to the Board, most recently from Rotork Plc where she was Group HR Director and a member of the executive team and board ESG committee with responsibility for global HR, communications and external affairs.

Well-placed for the future - medium and long-term drivers continue to be strong

The Group's trading performance during 2024 has been resilient, delivering strong operating profit and cash flow in a challenging trading environment to beat market profit expectations once again.

As we begin 2025, we expect market conditions to remain unchanged in the short term driven by macroeconomic headwinds and compounded by the measures taken in the 2024 Autumn Budget, resulting in uncertainty regarding GDP growth, inflation and the number and timing of Bank of England base rate reductions. The effect of the Employers' National Insurance and National Living Wage changes announced in the Autumn Budget, taking effect from April 2025, will cost the Group an annualised c.£3 million, which we plan to manage through pricing and cost reduction, in order to meet the Board's performance expectations.

The Group is well-positioned to navigate such market conditions, strengthened by operational improvements and strategic progress made during 2024. Our broad product range, diverse customer base and operations, long-standing supplier relationships and strong balance sheet continue to provide a large measure of resilience against short-term headwinds.

The medium to long-term drivers of our markets remain positive, and we believe they are primed for growth. The UK is still facing a severe shortage of new and affordable homes and we are encouraged that the Government has reinforced commitments to housebuilding targets and easing planning constraints. Meanwhile, the UK's existing housing stock is the oldest and worst-maintained in Europe, with increasing concerns about energy performance, and the Group's sustainable building products have a clear role to play in the upgrading and decarbonisation necessary to improve standards and meet net zero commitments.

Despite the current macroeconomic outlook, we remain confident of executing our strategy and believe we are well-placed for the eventual recovery of our core markets, where the medium and long-term drivers continue to be strong.

Stephen Harrison

Chair

9 April 2025

Highlights from 10 years on AIM		
Evolution of the Group Expanding our range of sustainable building products and materials capabilities, growing our portfolio of trusted brands and routes to market, progressing on our sustainability journey, completing value-enhancing acquisitions and investing in our strategy and business model	**Cash generation** £242m *Cash flow generated, enabling us to invest in line with our strategy. No additional funds raised since IPO*	**Capital investment** £84m *Maintaining best- in-class manufacturing facilities, developing our products and materials technology, expanding our branch network and ensuring the Group is well-placed for the future*
Acquisitions £65m *Thirteen acquisitions completed, from bolt-on acquisitions expanding our geographical reach to larger acquisitions that enhance our materials capabilities and expand our product offer*	**Dividends and buybacks** £72m *Returned to our shareholders in dividends and buybacks, enabled by our consistent performance, strong cash generation and robust balance sheet*	**Total shareholder return** 52% *Compared with AIM All-Share TSR of -6% over the same period*

Strong trading performance

The Group is pleased to report continued strong performance, as we again delivered improved profit, against a market backdrop that continues to be challenging. Demand remained subdued in the new build and RMI markets throughout the year, driven by ongoing macroeconomic challenges and uncertainty regarding the timing and outcome of the General Election and subsequent budget. Against this difficult backdrop, the Group once again demonstrated our ability to adapt as we continued our track record of meeting or beating market profit expectations, while making significant strategic and operational progress across the business.

As a result of end market conditions, and due to the impact of lower PVC input prices reducing previously levied surcharges, revenue reduced by 6% to £324.0 million compared to a very strong comparative (2023: £345.4 million).

Underlying operating profit increased by 3% to £26.2 million (2023: £25.5 million), as underlying operating margin improved by 70 basis points. This reflects both our strong operational focus and our responsible approach to pricing in a competitive market as we continue to balance volume and profitability, with our trade counter businesses in particular experiencing pressure on margins during the year.

The Group continued to see inflationary pressures easing, with some moderation of key input costs, including electricity and PVC resin prices. However, wage inflation will continue to be a factor in 2025. The increases to Employers' National Insurance and the National Living Wage announced by the Government in the Autumn Budget, and taking effect from April 2025, will cost the Group an annualised c.£3 million, before taking account of any impact on other pay differentials. The Group is confident in its ability to manage these additional unforeseen costs by making adjustments to its operational footprint and through pricing in order to meet the Board's performance expectations.

Operational highlights

Operational efficiency

Against a challenging market backdrop and as market-wide volumes softened compared to the prior period, the Group maintained a sharp focus on operational efficiency and cost reduction initiatives. Industry-leading manufacturing performance and continually improving working practices contributed to enhanced operating profit margins.

Across our key manufacturing locations, materials efficiency and scrap rates continue to be closely monitored alongside quality indicators. We strive for operational excellence and during the year saw an improvement across all metrics from already strong starting points, driven by a focus on the fundamentals, promoting a culture of continuous improvement supported by the engagement of our employees. We were also able to maintain our high standards of customer service, while continuing to optimise inventory levels, to offer competitive lead times, with a low level of back orders across our product range.

During the year, we saw progress in cross-Group collaboration and a sharing of initiatives and best practice across our operations. This collaboration has seen an improvement in manufacturing efficiency and yield, increased leverage of the Group's operational footprint, and a greater focus on cross-selling opportunities.

Recycling

Increasing the volume of PVC waste recycled through our operations and increasing the use of recycled material within our own products remain core areas of focus for the Group. Investment in expanding the capacity and margins of our recycling operation was completed in 2023. The delivery and commissioning of co-extrusion tooling during 2023 and 2024 has enabled the Group to incorporate a greater proportion of recycled material into our fenestration, rainwater and decking products. As well as enhancing the sustainability credentials of our products, the Group now has the ability to vary the balance between recycled and virgin PVC for certain products, increasing the robustness of our raw material supply chain and acting as a partial hedge against material cost increases.

Health and safety

The safety and wellbeing of our employees is our key operational priority and we strive for continuous improvement in health and safety standards across all operations. Health and safety-related KPIs are closely monitored by the main and divisional boards. We continue to encourage our employees to report all incidents and near misses, even when minor, as part of a proactive approach to risk management and to promote an open and blame-free culture where health and safety is continually improving. As reported in 2023, following a deterioration in the accident frequency rate ("AFR"), a Group-wide exercise was undertaken during the year to reinforce training and to ensure safe process is adhered to, focussing on the most common accident types. As a result, we were pleased that our AFR decreased to 2.2 per 100,000 hours worked (2023: 4.4), well below industry benchmarks. Disappointingly, there was a small increase in the number of RIDDOR injuries during the year to 14 (2023: 11). While this remains low for a manufacturer of our scale, and lost time accidents were lower than 2023, the occurrence of any injury is always unwelcome, and we ensure that all incidents are thoroughly investigated and appropriate actions taken. The recording and reporting of accidents remains critical to understanding the level of risk and adherence to process in our operations, and KPIs continue to be monitored closely by management and the Board.

Value-enhancing acquisitions

Completion of selective, value-enhancing acquisitions remains a core part of the Group's strategy and there continues to be a healthy pipeline of further potential acquisitions that the Group may seek to progress. Alongside the integration of recent acquisitions into the Group, to ensure synergies and benefits envisaged at acquisition are fully realised, we continued to progress and complete new transactions.

During the period, the Group spent £3.0 million on selective bolt-on acquisitions; £1.7 million expanding the geographical coverage of our trade counter network in Scotland and £1.3 million strengthening our market position in GRP moulding.

We made further progress on the integration of Poly-Pure within the Group, alongside increased use of recycled PVC in our extrusion operations. We have developed the processes and infrastructure for the collection of post-industrial PVC material from our own manufacturing and fabrication businesses, as well as our fabricator customers, for reprocessing by Poly-Pure, enhancing our ability to source high-quality as our fabricator customers, for reprocessing by Poly Pure, enhancing our ability to source high quality recycling infeed.

Progress with consolidation of activities and leverage of the Group's operational footprint
As reported in 2023, we commenced the roll-out of a consolidated IT system across our distribution network, which has grown significantly through acquisition, and this completed as planned during H1 2024. The single system and trading solution, Intact iQ, is delivering the expected benefits of improved information flow, enabling more streamlined reporting and simplified monitoring of KPIs, with enhanced functionalities at a branch level to support sales. The system is providing a number of benefits including CRM technology for improved lead generation and pipeline management; transport management and delivery scheduling capabilities; enhanced ability to monitor and control pricing; and improved reporting and analytics to monitor branch performance.

We continue to leverage the Group's large operational footprint and employee base, which affords flexibility, to optimise our manufacturing processes and make efficient use of excess capacity. During the year, we continued to develop the use of our Scunthorpe site, which has a large footprint and highly capable local workforce, as a centre of manufacturing expertise to increase capacity across some of the Group's core product ranges, establishing a centre for GRP moulding production and expanding the processing of recycled material at the site during the year.

Product and materials development
Broadening our product portfolio and continually improving our products to ensure they remain at the forefront of the market remains a priority for the Group. We work closely with our customers so that our actions are informed by their feedback. During the year we added further products to our core PVC and aluminium ranges and enhanced the opportunities to both utilise in house, and sell externally, reprocessed materials.

Sustainability
The Group continues to focus on sustainability in all respects, ensuring that our operations and our products enable us to contribute to the UK's wider sustainability goals alongside consistently delivering a financial performance that ensures sustainable long-term growth and enables us to deliver sustainable returns to our shareholders. Environmental targets remain most relevant to the Group as an energy-intensive manufacturer of scale.

As we develop an increasingly accurate picture of our Scope 3 emissions and establish a viable path to net zero for the Group, an inherently complex task due to the diverse nature of the Group's operations and significant data collection requirements, it remains clear that our largest source of emissions is the purchase of raw materials, in particular PVC resin. We also recognise the importance of the environmental footprint of our own operations. Therefore, we continue to believe that the best and most meaningful sustainability strategy is reducing our Scope 1 and 2 emissions through energy efficiency improvement and fleet optimisation. On Scope 3 emissions, we are continuing to work with our key suppliers to understand their sustainability plans, while at the same time reducing waste within our manufacturing process and increasing the use of recycled materials in place of virgin materials in our extrusion operations.

Our growing recycling activities enable us to contribute to a circular economy through our involvement in the end-of-life treatment of PVC building products in the UK, ensuring they avoid landfill. Alongside using the reprocessed material in the Group's manufacturing processes, we continue to supply PVC recyclate to external customers, helping them to achieve their sustainability aims and enabling us to be a key player in the increasingly important UK market for recycled PVC.

Market overview and outlook
The Group operates in a highly fragmented market, with a diverse range of customers in the UK construction industry, mainly serving the private and public housing RMI and new build sectors, in addition to social housing, commercial and leisure.

The market backdrop in 2024 continued to be challenging, with subdued RMI activity and a weak new build housing market, compounded by a wait-and-see attitude from both businesses and consumers to the General Election and subsequent budget. The Construction Products Association ("CPA"), in its *Industry Forecasts 2025-2026* (published January 2025), estimated there was a 4% reduction in output for private housing RMI and a 9% reduction in output for private housing new build. In the RMI market, macroeconomic uncertainty and cost of living pressures resulted in homeowners holding back on discretionary expenditure. The new build market showed some signs of improvement compared to the low point of Q4 2023, but elevated interest rates continued to impact affordability and demand. We again demonstrated our ability to adapt to adverse conditions, to deliver a strong performance, with underlying operating profit 3% higher than 2023. This was driven by the resilience of our core markets and business model, and also by a sharp focus on operational efficiencies and improvements to drive a significant enhancement in profit margin.

As we begin 2025, there are positive market drivers across our core markets, which are expected to return to modest growth. However, macroeconomic headwinds remain in the form of uncertainty regarding GDP growth, inflation and the number and timing of Bank of England base rate reductions. These could in turn result in elevated mortgage rates and weak consumer confidence continuing. Our expectation is that markets will continue to be challenging in the short term. The Group is well-placed to navigate such short-term uncertainty, and we remain confident of achieving profit expectations and continuing to invest in long-term growth.

Private housing RMI

Market expectations
Private housing RMI is now the second largest construction sector having reached historic high levels in the post-pandemic period. Prospects are brighter after a sluggish 2024, although recovery is likely to be gradual. The CPA forecasts a rise of 3% in 2025 and 4% in 2026, driven by sustained real wage growth, reducing interest rates, house price inflation and improving consumer confidence. Increased property transactions, potentially impacted by a rush to complete transactions prior to stamp duty threshold changes on 1 April 2025, should also drive RMI activity, as improvements are typically made within 6-9 months of a move, while house price inflation could increase the incentive to invest in the home as an asset. However, two years of significant inflation combined with short-term macroeconomic uncertainty

asset. However, two years of significant inflation combined with short-term macroeconomic uncertainty, heightened by the Autumn Budget, means consumers remain cautious and, in the short term, we expect conditions to remain challenging.

Response and longer-term outlook

- Group well-prepared for challenging market conditions, strengthened by actions taken during 2024 on operational efficiency and strategic developments
- Strong market positions with high-quality, energy efficient products and a national distribution network to service the market effectively
- Multi-brand, multi-channel market approach maximises trading opportunities
- Diverse product range and customer base provides resilience
- Continued investment in new product development to ensure our product offer remains attractive to customers

Private new build housing

Market expectations

The CPA expects private housing output to rise by 6% in 2025 and 8% in 2026, following significant falls in completions in 2022 and 2023. There was a gradual recovery in the market during 2024, after hitting its nadir in Q4 2023, and it is encouraging to see positive signs of intent from the Government on house building and easing of planning restrictions. A combination of real wage growth, easing inflation and lower mortgage rates should improve affordability and result in housing market demand continuing to pick up, albeit from a low base. However, downside risks remain regarding the number and timing of base rate cuts during 2025, and the subsequent impact on mortgage rates.

Response and longer-term outlook

- Strong position as the market leader in GRP building components, solidified by in-year acquisition
- Long-standing relationships with national and regional housebuilders
- Market-leading product offering providing benefits to our housebuilder customers
- Medium and long-term drivers remain strong as the chronic undersupply of housing continues, with a significant increase in the rate of housebuilding needed to meet new government targets

Public housing RMI and new build

Market expectations

Social housing RMI is increasingly considered to be a priority and there is a growing focus on decarbonisation and energy efficiency, alongside the need for urgent improvements to the general condition of the existing public housing stock. Increasing awareness among tenants and the wider public around the need for general maintenance and improvements should result in housing associations and local authorities diverting more spending towards their existing stock, which would benefit the Group's social housing-facing businesses. Although increased repairs and maintenance expenditure is expected over 2025, the overall funding pot remains limited. With growth limited by financially constrained local authorities and housing associations, the CPA is forecasting modest growth of 2% in public housing RMI in 2025 and 2026.

Response and longer-term outlook

- Long-term drivers remain strong, with underinvestment in the social housing stock, much of which does not yet meet minimum EPC requirements
- Sustainability matters of particular importance to social housing providers and local authorities - the Group is well-placed, with strong environmental and sustainability credentials

Summary

In 2024, the Group again delivered a strong performance, demonstrating its resilience and ability to adapt and deliver in challenging market conditions, while making significant strategic and operational progress that positions the Group well for the future. Looking ahead to 2025, there are positive signs and modest growth expected by the latest CPA forecasts across our core markets, however risk remains in the form of macroeconomic headwinds and we anticipate that end markets will continue to be challenging in the short term. Nevertheless, our strategic priorities remain unchanged. Our focus will continue to be on operational efficiency, completion and integration of value-enhancing acquisitions, product and materials development and cross-selling and business development, alongside continued commitment to our sustainability goals. We are confident in the medium and long-term growth drivers and prospects for the Group and our ability to navigate current market conditions.

Jonathan Bednall

Chief Executive Officer

9 April 2025

Financial Review

- *Strong trading performance, marginally ahead of market expectations, demonstrating adaptability in* *challenging macroeconomic conditions*

- *Significant margin improvement driven by operational efficiency and responsible pricing*
- *Strong cash generation and robust balance sheet*
- *£14.1 million returned to shareholders via dividends and the extended share buyback programme*

Key financials

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Revenue	**324.0**	**345.4**
Underlying operating profit	**26.2**	**25.5**
Share-based payments expense	(0.6)	(0.7)
Amortisation of acquired other intangible assets	(1.0)	(1.0)
Goodwill impairment	-	(4.2)
Contingent consideration adjustment	3.9	1.1
Operating profit	**28.5**	**20.7**
Underlying operating margin	**8.1%**	**7.4%**
Operating margin	**8.8%**	**6.0%**

Revenue of £324.0 million was 6% lower than a strong comparative of £345.4 million, as a result of lower PVC input prices reducing previously levied surcharges and demand remaining subdued in the new build and RMI marketsthroughout the year, as widely reported across the sector. Competitive pricing pressures have been a factor in some parts of the business, particularly our distribution network, and the Group continues to take a balanced approach to pricing to protect both profit margins and market share.

Underlying operating profit increased by 3% to £26.2 million (2023: £25.5 million), representing a significant enhancement in underlying operating margin, which improved by 70 basis points over the prior year, to 8.1% (2023: 7.4%), as a result of a sharp focus on operational efficiencies and cost control, as well as a stable and relatively benign PVC price.

The Group has continued to see inflationary pressures easing, with some moderation of key input costs, including electricity and PVC resin prices. However, wage inflation will continue to be a factor in 2025 due to the increases to Employer's National Insurance and the National Living Wage announced in the Autumn Budget in October 2024. As a result, the Group continues to implement pricing actions where and when necessary.

Reportable segments

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Revenue		
Extrusion and Moulding	192.8	210.3
Fabrication and Distribution	131.2	135.1
Total	**324.0**	**345.4**
Underlying segmental operating profit		
Extrusion and Moulding	24.5	21.6
Fabrication and Distribution	5.3	7.4
Underlying segmental operating profit before corporate costs	**29.8**	**29.0**
Corporate costs	(3.6)	(3.5)
Underlying operating profit	**26.2**	**25.5**
Non-underlying items	2.3	(4.8)
Operating profit	**28.5**	**20.7**

Extrusion and Moulding

- Revenues decreased by 8% in comparison to 2023, driven by lower PVC input prices reducing previously levied surcharges and reduced volumes due to subdued conditions in the private housing RMI and new build markets, which have been hampered by macroeconomic uncertainty and the impact of elevated mortgage interest rates on housing market activity

- Steps taken by the business, during 2023 and continuing in 2024, on pricing and operational efficiency, as well as the impact of lower surcharges, have resulted in a significant improvement in underlying operating margin to 12.7% (2023: 10.3%)

Fabrication and Distribution

- Revenues decreased by 3% compared to the prior year, predominantly driven by reduced volumes in our distribution network, as cost of living pressures and macroeconomic uncertainty led homeowners to hold back on discretionary expenditure. This was partially offset by our social housing-facing fabricators, who saw improved demand

- Increased competition for subdued demand continues to put pressure on margins in the distribution network. The Group's approach continues to be focussed on balancing profitability and market share protection through disciplined and responsible pricing

Non-underlying items

Net non-underlying income of £2.3 million (2023: £4.8 million expense) was excluded from operating profit in arriving at underlying operating profit. Non-underlying items included: £1.0 million (2023: £1.0 million) relating to the amortisation of brand and customer relationship intangible assets recognised on acquisitions; share-based payments expense of £0.6 million (2023: £0.7 million) in respect of the Long-Term Incentive Plan ("LTIP") and Save As You Earn ("SAYE") schemes; and £nil relating to the impairment of goodwill (2023: £4.2 million); offset by an adjustment to contingent consideration of £3.9 million (2023: £1.1 million).

The adjustment to the contingent consideration liability relates to the Poly-Pure acquisition of 2022. Lower virgin PVC resin pricing has impacted the market economics of PVC recyclate and initial delays in capital equipment programmes have additionally impacted the near-term profitability of the business, resulting in a reduction in the fair value of the recognised contingent consideration liability when compared to the prior year. The acquisition continues to progress in line with our long-term plans and accelerates delivery of the Group's sustainability strategy, enabling the Group to increase the proportion of recycled material within our products and to develop the external market for recycled materials, while also increasing the robustness of the Group's PVC supply chain and providing a margin protection when PVC prices are high.

Cash flow

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Pre-tax operating cash flow	**42.1**	**39.7**
Tax paid	(1.1)	(2.1)
Acquisitions	(3.1)	(1.8)
Net capital expenditure	(8.0)	(8.6)
Interest on borrowings	(2.7)	(3.1)
Net repayment of borrowings	(0.1)	(5.5)
Lease payments	(15.0)	(14.3)
Exercise of share options	0.8	-
Purchase of own shares for cancellation	(7.8)	(0.3)
Dividends	(6.9)	(6.6)
Decrease in cash and cash equivalents	**(1.8)**	**(2.6)**
Opening cash and cash equivalents	12.5	15.1
Closing cash and cash equivalents	**10.7**	**12.5**
Borrowings	(24.6)	(24.6)
Lease assets	4.8	5.2
Lease liabilities	(93.2)	(92.5)
Closing net debt	**(102.3)**	**(99.4)**
Covenant net debt[1]	**(15.4)**	**(14.4)**

[1] Covenant net debt represents a pre-IFRS 16 measure, see note 9 for a reconciliation of net debt to covenant net debt.

Cash flow

The Group remained strongly cash generative, with a pre-tax operating cash flow of £42.1 million (2023: £39.7 million). This included a net cash outflow from working capital for 2024 of £2.5 million (2023: £5.3 million). During the year, payments totalling £0.1 million (2023: £1.8 million) were made in respect of deferred consideration, being the final payment of deferred consideration relating to the acquisition of PBS in 2021, and we spent £3.0 million (2023: £nil) on bolt-on acquisitions which expand our trade counter network and GRP moulding business. Net capital expenditure was £8.0 million (2023: £8.6 million) as the Group continues to invest in line with its strategic objectives alongside ongoing replacement of plant and machinery as needed.

Lease payments of £15.0 million (2023: £14.3 million) were higher than during 2023 due to the impact of rent reviews and lease renewals during 2023 and 2024. Net interest paid for the period of £2.7 million (2023: £3.1 million) represented a reduction on the prior year due to easing interest rates and a focus on treasury management to maintain a lower level of borrowings. During the year, there was an outflow of £0.1 million (2023: £5.5 million) in respect of borrowings, representing the fees to exercise the option to extend the Group's banking facilities for a further year to August 2027. There was a net cash inflow of £0.8 million as a result of the exercise of options under the Group's SAYE and LTIP schemes.

Share buyback

In November 2023, the Group announced the commencement of a share buyback programme for the repurchase of up to 3 million ordinary shares of 0.05 pence each for cancellation, which was extended on 10 April 2024 for a further 3 million shares, and again on 11 September 2024 for a further 5 million shares, as our strong cash generation and balance sheet provided the opportunity to take advantage of market conditions to repurchase shares at attractive levels and return additional funds to shareholders. The buyback is progressing, and we anticipate completing the current programme in Q2 2025. During the year, we repurchased and cancelled 8.0 million shares under the buyback programme at a total cost of £7.2 million. In addition, 0.8 million shares issued under the SAYE scheme were repurchased and cancelled, at a cost of £0.6 million.

In total, we repurchased and cancelled 8,769,953 ordinary shares in the year to 31 December 2024, representing 6.1% of the issued share capital at the start of the year.

Dividends

Taking into account the outlook for the Group, and our strong financial position, the Board declared an interim dividend of 2.10 pence per share (2023: 2.00 pence per share), which was paid to shareholders in October 2024. The Board is recommending a final dividend for 2024 of 3.00 pence per share (2023: 2.80 pence per share) to be paid on 9 June 2025 to shareholders on the register on 16 May 2025. This full year dividend of 5.10 pence per share (2023: 4.80 pence per share), represents an increase of 6% over the prior year, before taking into account the reduction in share capital, and is in line with the Board's policy of paying a dividend that is approximately twice covered by adjusted profit after tax.

The Group intends to continue returning capital to shareholders both by way of our ongoing dividend policy and the buyback programme, alongside continued investment in the Group's manufacturing infrastructure and our long-term strategy.

Net debt

Covenant net debt was £15.4 million as at 31 December 2024 (2023: £14.4 million), better than expectations, representing a covenant net debt to adjusted EBITDA ratio of 0.5x. Cash generation has remained strong and the year end net debt position was delivered after £3.0 million cash cost of acquisitions and returning a total of £14.1 million to shareholders, including £6.9 million in ordinary dividends and an additional £7.2 million by way of share buybacks. Our banking covenants, tested on a quarterly basis, require a covenant net debt to adjusted EBITDA ratio of less than 3.0x We maintained significant headroom on our banking covenants during the year.

Bank facilities

The Group has banking facilities on a two-bank, syndicated basis with Barclays and HSBC. The facilities comprise a sustainability-linked revolving credit facility of £65 million, where modest adjustments to the margin are applied based on the Group's achievement against annual targets relating to PVC recycling and energy intensity ratio, and an overdraft of £10 million. During the period, the Group extended its facility for a further year, to August 2027, and retains the option to extend to August 2028. The Group retains significant financial headroom, which at 31 December 2024 was in excess of £60 million, enabling us to continue investing in long-term sustainable growth.

Christopher Empson

Group Finance Director

9 April 2025

Consolidated Income Statement and Other Comprehensive Income

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Revenue	2	**324.0**	**345.4**
Cost of sales		(210.1)	(231.4)
Gross profit		**113.9**	**114.0**
Distribution expenses		(39.9)	(42.0)
Administrative expenses		(45.5)	(51.3)
Underlying operating profit		**26.2**	**25.5**
Share-based payments expense	3	(0.6)	(0.7)
Amortisation of acquired other intangible assets	3	(1.0)	(1.0)
Goodwill impairment	3	-	(4.2)
Contingent consideration adjustment	3	3.9	1.1
Operating profit		**28.5**	**20.7**
Finance costs	5	(7.2)	(7.5)
Profit before tax		**21.3**	**13.2**
Taxation	6	(4.7)	(3.9)
Profit for the year and total comprehensive income		**16.6**	**9.3**

Earnings per share		**pence**	**pence**
Basic	7	11.75	6.41
Diluted	7	11.57	6.31

Consolidated Balance Sheet

Equity		
Ordinary share capital	0.1	0.1
Share premium	14.2	13.0
Merger reserve	25.5	25.5
Retained earnings	65.2	63.5
Total equity	**105.0**	**102.1**

as at 31 December 2024

	2024 £m	2023 £m
Assets		
Non-current assets		
Goodwill	90.9	89.0
Other intangible assets	5.3	5.9
Property, plant and equipment	36.4	35.4
Right of use assets	70.0	68.8
Lease assets	4.2	4.7
	206.8	**203.8**
Current assets		
Inventories	38.2	37.4
Trade and other receivables	37.0	35.8
Lease assets	0.6	0.5
Income tax receivable	-	0.7
Cash and cash equivalents (excluding bank overdraft)	10.7	13.1
	86.5	**87.5**
Total assets	**293.3**	**291.3**
Liabilities		
Current liabilities		
Bank overdraft	-	0.6
Lease liabilities	12.5	10.7
Trade and other payables	59.2	59.4
Income tax payable	1.5	-
Deferred and contingent consideration	1.1	0.1
Provisions	0.9	1.1
	75.2	**71.9**
Non-current liabilities		
Other interest-bearing loans and borrowings	24.6	24.6
Lease liabilities	80.7	81.8
Contingent consideration	2.8	7.2
Provisions	2.4	2.5
Deferred tax liability	2.6	1.2
	113.1	**117.3**
Total liabilities	**188.3**	**189.2**
Net assets	**105.0**	**102.1**

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Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Total £m
Balance as at 1 January 2023	**0.1**	**13.0**	**25.5**	**62.5**	**101.1**
Comprehensive income					
Profit for the year	-	-	-	9.3	9.3
Total comprehensive income	**-**	**-**	**-**	**9.3**	**9.3**

Transactions with owners recorded directly in equity					
Purchase of own shares	-	-	-	(2.4)	(2.4)
Share-based payments expense	-	-	-	0.7	0.7
Dividends	-	-	-	(6.6)	(6.6)
Total transactions with owners	**-**	**-**	**-**	**(8.3)**	**(8.3)**
Balance as at 31 December 2023 and 1 January 2024	**0.1**	**13.0**	**25.5**	**63.5**	**102.1**
Comprehensive income					
Profit for the year	-	-	-	16.6	16.6
Total comprehensive income	**-**	**-**	**-**	**16.6**	**16.6**
Transactions with owners recorded directly in equity					
Exercise of share options	-	1.2	-	(0.4)	0.8
Purchase of own shares (see note 10)	-	-	-	(8.2)	(8.2)
Share-based payments expense	-	-	-	0.6	0.6
Dividends (see note 8)	-	-	-	(6.9)	(6.9)
Total transactions with owners	**-**	**1.2**	**-**	**(14.9)**	**(13.7)**
Balance as at 31 December 2024	**0.1**	**14.2**	**25.5**	**65.2**	**105.0**

Consolidated Cash Flow Statement

for the year ended 31 December 2024

		2024 £m	2023 £m
Cash flows from operating activities			
Profit for the year		**16.6**	**9.3**
Adjustments for:			
Depreciation, amortisation and impairment		19.3	24.6
Contingent consideration adjustment		(3.9)	(1.1)
Loss on disposal of fixed assets		0.1	0.1
Net finance costs		7.2	7.5
Taxation		4.7	3.9
Share-based payments expense		0.6	0.7
Operating cash flow before movement in working capital		**44.6**	**45.0**
(Increase)/Decrease in inventories		(0.1)	3.7
Decrease in trade and other receivables		0.3	4.7
Decrease in trade and other payables		(2.2)	(13.4)
Decrease in provisions		(0.5)	(0.3)
Pre-tax operating cash flow		**42.1**	**39.7**
Tax paid		(1.1)	(2.1)
Net cash inflow from operating activities		**41.0**	**37.6**
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired		(3.0)	-
Payment of deferred and contingent consideration		(0.1)	(1.8)
Acquisition of fixed assets		(8.0)	(8.6)
Net cash outflow from investing activities		**(11.1)**	**(10.4)**
Cash flow from financing activities			
Interest on borrowings		(2.7)	(3.1)
Repayment of borrowings		(7.6)	(15.5)
Drawdown of borrowings		7.5	10.0
Net interest on lease liabilities		(3.6)	(3.4)
Net repayment of lease liabilities		(11.4)	(10.9)
Exercise of share options		0.8	-
Purchase of own shares	*10*	(7.8)	(0.3)
Dividends paid	*8*	(6.9)	(6.6)
Net cash outflow from financing activities		**(31.7)**	**(29.8)**
Net decrease in cash and cash equivalents		**(1.8)**	**(2.6)**
Cash and cash equivalents at the beginning of year		12.5	15.1
Cash and cash equivalents at end of year		**10.7**	**12.5**
Secured bank loans		(24.6)	(24.6)

Lease assets		4.8	5.2
Lease liabilities		(93.2)	(92.5)
Net debt at end of year	*9*	**(102.3)**	**(99.4)**

1. Basis of preparation

Whilst the financial information included in this Preliminary Announcement has been prepared on the basis of UK-adopted International Accounting Standards ("Adopted IFRSs"), this announcement does not itself contain sufficient information to comply with Adopted IFRSs.

The Group expects to publish full consolidated financial statements in April 2025. The financial information set out in this Preliminary Announcement does not constitute the Group's consolidated financial statements for the years ended 31 December 2024 or 2023 but is derived from those financial statements which were approved by the Board of Directors on 9 April 2025. The auditor, RSM UK Audit LLP, has reported on the Group's consolidated financial statements and the report was unqualified and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

The statutory financial statements for the year ended 31 December 2024 have not yet been delivered to the Registrar of Companies and will be delivered following the Company's Annual General Meeting.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Group financial statements are prepared on the historical cost basis except where UK-adopted International Accounting Standards require an alternative treatment.

The Group financial statements have been prepared and approved by the directors in accordance with UK-adopted International Accounting Standards.

The Group's accounting policies are set out in the 2023 Annual Report and Accounts and have been applied consistently in 2024.

Going concern

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements, which indicate that, taking account of reasonably possible downsides including the ongoing anticipated impact of current macroeconomic factors on the operations and its financial resources, the Group and Parent Company will have sufficient funds to meet their liabilities as they fall due for that period.

The Board continues to closely monitor the macroeconomic environment, including housing market activity, inflation and Bank of England interest rate announcements. The Group balance sheet remains robust with significant financial headroom on committed banking facilities, which were extended during the year through to August 2027. There remains an option to extend for a further year to August 2028. The banking facilities comprise a £65 million revolving credit facility and £10 million overdraft facility. The Group has traded profitably throughout 2024, and to the date of this announcement, and its financial position remains strong, with net debt better than expectations at the year end and maintaining ongoing significant headroom on its banking facilities and covenants.

The Group prepares, and the Board reviews, detailed budgets and forecasts, which it has confidence in achieving in a normal business environment. The Directors have prepared cash flow, facility headroom and financial covenant forecasts for a period of at least 12 months from the date of approval of these financial statements. The Directors considered the financial resources of the Group, as well as its forecasts and severe but plausible stress test scenarios.

The Group starts 2025 with significant headroom on its banking facilities and the forecasts show that there is sufficient liquidity and headroom to ensure compliance with all covenants throughout the going concern period.

Consequently, the Directors are confident that the Group and Parent Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2. Segmental reporting

Segmental information is presented in respect of the Group's reportable operating segments in line with IFRS 8: Operating Segments, which requires segmental information to be disclosed on the same basis as it is viewed internally by the Chief Operating Decision Maker. The Chief Operating Decision Maker is considered to be the Board of Directors.

Operating segments	Operations
Extrusion and Moulding	Extrusion and marketing of PVC and aluminium window profile systems, PVC cellular roofline and cladding, rigid rainwater and drainage products as well as Wood Plastic Composite ("WPC") and aluminium decking products. Moulding of Glass Reinforced Plastic ("GRP") building components. Reprocessing of PVC building materials.
Fabrication and Distribution	Fabrication, marketing and distribution of windows and doors, cellular

Fabrication and Distribution — Fabrication, marketing and distribution of windows and doors, cellular roofline, cladding, rainwater, drainage and decking products.

	2024	2023
	£m	£m
Revenue from external customers		
Extrusion and Moulding - total revenue	232.2	250.5
Inter-segment revenue	(39.4)	(40.2)
Extrusion and Moulding - external revenue	**192.8**	**210.3**
Fabrication and Distribution - total revenue	131.3	135.2
Inter-segment revenue	(0.1)	(0.1)
Fabrication and Distribution - external revenue	**131.2**	**135.1**
Total revenue from external customers	**324.0**	**345.4**
Segmental operating profit		
Extrusion and Moulding	24.5	21.6
Fabrication and Distribution	5.3	7.4
Segmental operating profit before corporate costs	**29.8**	**29.0**
Corporate costs	(3.6)	(3.5)
Underlying operating profit	**26.2**	**25.5**
Non-underlying items (see note 3)	2.3	(4.8)
Operating profit	**28.5**	**20.7**

3. Non-underlying items

Operating profit is stated after (crediting)/charging the following non-underlying items:

	2024	2023
	£m	£m
Share-based payments expense	0.6	0.7
Amortisation of acquired other intangible assets	1.0	1.0
Goodwill impairment	-	4.2
Contingent consideration adjustment	(3.9)	(1.1)
Non-underlying items	**(2.3)**	**4.8**

Share-based payments expense

The share-based payment expense of £0.6 million (2023: £0.7 million) comprises *IFRS 2: Share-based payment* charges of £0.5 million (2023: £0.4 million) in respect of the Long-Term Incentive Plan and £0.1 million (2023: £0.3 million) in respect of the SAYE schemes.

Amortisation of acquired other intangible assets

Amortisation of brand and customer relationship intangible assets of £1.0 million (2023: £1.0 million) acquired through business combinations.

Contingent consideration adjustment

The contingent consideration adjustment of £3.9 million (2023: £1.1 million) related to the contingent consideration payable in respect of the Poly-Pure acquisition. Benign virgin PVC resin pricing has impacted the external market for PVC recyclate, impacting the profitability of the business and resulting in a reduction in the fair value of the contingent consideration liability recognised compared to the prior year.

4. Acquisitions

During year the Group completed three bolt-on acquisitions for total consideration of £3.0 million comprising: two acquisitions, for total consideration of £1.7 million, extending the geographical coverage of its distribution network and the acquisition of a GRP moulding business for £1.3 million.

The following table summarises the consideration paid and the provisional fair values of the assets and liabilities acquired at the acquisition date.

	Fair values on acquisition		
	GRP	Distribution	Total
	£m	£m	£m
Recognised amounts of identifiable assets and liabilities acquired:			
Property, plant and equipment	0.5	-	0.5

Property, plant and equipment	[illegible]		[illegible]
Right-of-use assets	-	0.5	0.5
Inventories	0.4	0.3	0.7
Trade and other receivables	1.3		
		0.2	1.5
Trade and other payables	(1.2)	(0.4)	(1.6)
Lease liabilities	-	(0.5)	(0.5)
Fair value of assets acquired	**1.0**	**0.1**	**1.1**
Goodwill	0.3	1.6	1.9
Total consideration	**1.3**	**1.7**	**3.0**
Consideration			
Cash consideration	1.3	1.7	3.0
Total consideration	**1.3**	**1.7**	**3.0**

The goodwill recognised of £1.9 million represents the know-how of the workforce, plus the potential for cross-selling and synergies that exist as a result of vertical integration with, and the larger scale of, the Epwin Group.

5. Finance costs

	2024 £m	2023 £m
Interest expense on borrowings	2.8	3.1
Amortisation of loan fees	0.1	0.3
Contingent consideration: Discount unwind on liabilities	0.6	0.7
Provisions: Discount unwind on liabilities	0.1	-
Net interest on lease liabilities	3.6	3.4
Total finance costs	**7.2**	**7.5**

6. Taxation

	2024 £m	2023 £m
Current tax		
Current period	3.5	2.5
Prior period	(0.2)	(0.6)
Total current tax charge	**3.3**	**1.9**
Deferred tax		
Current period	1.1	1.8
Prior period	0.3	0.2
Total deferred tax charge	**1.4**	**2.0**
Total tax charge	**4.7**	**3.9**

UK corporation tax is calculated at 25% (2023: 23.5%) of the estimated assessable profit for the year.

The Group's totalincome tax charge is reconciled with the weighted average rate of UK corporation tax for the year of 25% (2023: 23.5%) as follows:

	2024 £m	2023 £m
Profit before tax	21.3	13.2
Tax at standard UK corporation tax rate of 25% (2023: 23.5%)	5.3	3.1
Factors affecting the charge for the period:		
Expenses not deductible	0.2	1.2
Non-taxable income	(0.8)	-
Benefit of previously unrecognised tax losses	(0.1)	-
Prior period	0.1	(0.4)
Total tax charge	**4.7**	**3.9**

7. Earnings per share ("EPS")

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares has been adjusted for the issue and cancellation of shares during the period.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, plus the dilutive potential ordinary shares arising from share options in issue at the end of the period.

EPS summary	2024 pence	2023 pence
Basic EPS	11.75	6.41
Diluted EPS	11.57	6.31

Number of shares	2024 No.	2023 No.
Weighted average number of ordinary shares (basic)	141,288,788	145,142,133
Effect of share options in issue	2,241,918	2,300,457
Weighted average number of ordinary shares (diluted)	**143,530,706**	**147,442,590**

8. Dividends

	2024 £m	2024 pence per share	2023 £m	2023 pence per share
Previous year final dividend	4.0	2.80	3.7	2.55
Current year interim dividend	2.9	2.10	2.9	2.00
	6.9		**6.6**	

The Board is recommending a final dividend of 3.00 pence per share in respect of the financial year ended 31 December 2024.

9. Net debt

	2024 £m	2023 £m
Cash and cash equivalents	10.7	12.5
Secured bank loans	(24.6)	(24.6)
Lease assets	4.8	5.2
Lease liabilities	(93.2)	(92.5)
Net debt	**(102.3)**	**(99.4)**
Add back: Lease liabilities	93.2	92.5
Deduct: Lease assets	(4.8)	(5.2)
Deduct: Finance lease liabilities	(1.5)	(2.3)
Covenant net debt	**(15.4)**	**(14.4)**

The banking facilities available to the Group are a £65 million sustainability-linked revolving credit facility and a £10 million overdraft facility, secured on the assets of the Group. The revolving credit facility was extended during the period by a further year, to August 2027. There remains an option to extend the term for a further year to August 2028. The lenders have a fixed and floating charge over the assets of the Group.

10. Purchase of own shares

The table below presents a reconciliation of purchase of own shares between the consolidated statement of changes in equity and the consolidated cash flow statement:

	2024 £m	2023 £m
Included in the consolidated statement of changes in equity	**(8.2)**	**(2.4)**
Payments in relation to prior year financial liabilities	(2.1)	-
Outstanding amount recognised as financial liabilities	2.5	2.1
Included in the consolidated cash flow statement	**(7.8)**	**(0.3)**

In November 2023, the Group announced the commencement of a share buyback programme for the repurchase of up to 3 million ordinary shares for cancellation. The programme was extended on 10 April 2024 for the repurchase of a further 3 million ordinary shares and on 11 September 2024 for the repurchase of up to a further 5 million ordinary shares. As at 31 December 2024, 2,396,676 million ordinary shares had been repurchased and cancelled in relation to the third buyback programme, at a total cost of £2.5 million. A liability of £2.5 million in respect of the remaining 2,603,324 shares to be repurchased is included in Trade and other payables.

During the year ended 31 December 2024, 8,769,953 shares were repurchased and cancelled. 8,039,953 of

During the year ended 31 December 2024, 8,769,953 shares were repurchased and cancelled, 8,029,953 of which were in relation to the share buyback programmes and 740,000 of which were shares that had been issued under the Group's SAYE scheme.

11. Cautionary statement

This Report contains certain forward-looking statements with respect of the financial condition, results, operations and business of Epwin Group Plc. Whilst these statements are made in good faith based on information available at the time of approval, these statements and forecasts inherently involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause the actual result or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this Report should be construed as a profit forecast.

12. Annual General Meeting

The Annual General Meeting of the Company will be held on 23 May 2025 at Epwin Group Plc, Friars Gate, 1011 Stratford Road, Solihull, B90 4BN.

If you wish to attend the AGM in person, please pre-register your intention to do so by emailing epwin@mhpc.com. Please state 'Epwin Group Plc: AGM' in the subject line of the email and include your full name and investor code (if available), by no later than 10.30am on 20 May 2025.

To facilitate the answering of any questions that shareholders have, or would normally raise, during the course of the AGM, shareholders are requested to submit any questions that they may have via email, in good time, ahead of the meeting to epwin@mhpc.com. Please include a Shareholder Reference Number in any correspondence.

13. Electronic communications

The full Annual Report and Accounts for the year ended 31 December 2024 are to be published on the Company's website, together with the Notice convening the Company's 2025 Annual General Meeting by 1 May 2025. Copies will also be sent out to those shareholders who have elected to receive paper communications. Copies can be requested by writing to the Company Secretary, Epwin Group Plc, Friars Gate, 1011 Stratford Road, Solihull, B90 4BN or email to investors@epwin.co.uk.

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