

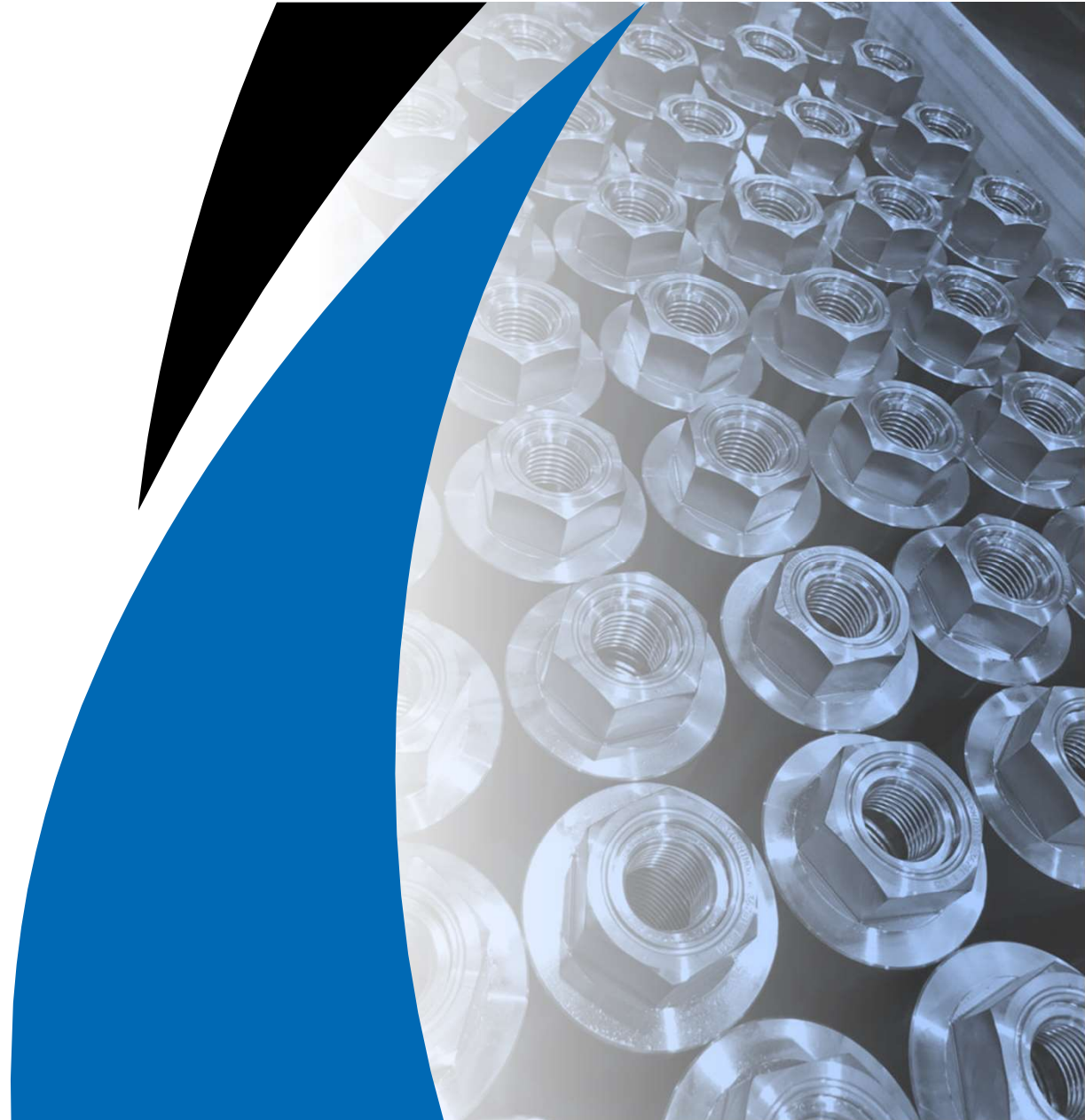


Q1 2024 UNAUDITED FINANCIAL REPORT

**USD 40m Senior secured
bond issue**

30 May, 2024

www.whitworthmidco.com





SUMMARY

- > Whitworth Midco plc acquired the LoneStar Group on the 8th March 2023. Financial information for Q1 2024 and the financial position at 31 December 2023 is presented on a consolidated basis at the level of Whitworth Midco plc. Comparatives including certain pre-acquisition financial information are presented on a pro forma basis.
- > All financial data is unaudited, unless otherwise stated.
- > **Q1 trading**
 - Q1 2024 revenue of c.£49.0m, a decrease of c.3.4% on Q1 2023, at a gross margin of c.33.0%, with the majority of the revenue decrease driven by the MENA-APAC region and the Americas, partly offset by an increase in the Europe region.
 - Q1 2024 EBITDA of c.£6.8m was down c.20.6% on the prior year, with the decrease again primarily driven by the Americas and MENA-APAC while the Europe EBITDA was ahead of the prior year comparative period.
 - Reported LTM sales and EBITDA on a pro forma basis of c.£191.0m and c.£27.6m respectively as at 31 March 2024.

- > **Order intake and order book**
 - Order book at 31 March 2024 was c.£51.1m (up from c.£45.1m at 31 December 2023) with order intake in Q1 2024 at c.£55.1m, c.5.7% ahead of Q1 2023 order intake of c.£52.2m.
- > **Balance sheet**
 - Net assets at 31 March 2024 amounted to c. £31.5m.
 - As at 31 March 2024, the Group recorded a cash balance of c.£11.7m with financial debt consisting of term loan, revolver and bond of c.£55.2m (including c.£31.7m relating to the bond).
- > **Cash flow**
 - Q1 2024 cash flow reflects operating cash flow (OCF) generation of c.£3.3m in Q1 2024 being c.48% of Q1 2024 EBITDA.
 - Overall net cashflow of c.£3.3m for Q1 2024.
- > **Covenant**
 - Leverage Ratio at 31 March 2024 of c.1.6x with Consolidated Net Debt of c.£44.0m and LTM EBITDA of c.£27.6m.

Notes: Consolidated Net Debt figure excludes c.£0.5m of cash collateral held as Security for covenant purposes. On a balance sheet basis net debt is c.£43.5m.

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PROFIT AND LOSS



Summary P&L

	Q1 2024		
	Actual	Prior Year	
	£'000	£'000	Var
Net Revenue	49,020	50,768	-3.4%
Cost of sales	(32,839)	(32,951)	-0.3%
<i>% of Net revenue</i>	<i>67.0%</i>	<i>64.9%</i>	<i>2.1%</i>
Gross Profit	16,181	17,818	-9.2%
Gross Margin	33.0%	35.1%	-2.1%
Operating Expenses	(9,943)	(9,818)	1.3%
<i>% of Net revenue</i>	<i>20.3%</i>	<i>19.3%</i>	<i>0.9%</i>
Add: depreciation	542	536	1.0%
EBITDA	6,779	8,537	-20.6%
<i>% Net Margin</i>	<i>13.8%</i>	<i>16.8%</i>	<i>-3.0%</i>
Depreciation	(542)	(536)	
EBITA	6,238	8,000	-22.0%
Loan Amortisation	(49)		
Goodwill Amortisation	(874)		
FX gain / (loss)	(213)		
Management Fees	(37)		
Exceptional Costs	(712)		
Net Interest	(1,581)		
Corporation Taxes	(822)		
Net Income	1,949		
<i>% of Net revenue</i>	<i>4.0%</i>		
Interest on shareholders loan notes	(491)		
Net Income	1,458		
<i>% of Net revenue</i>	<i>3.0%</i>		

	YTD 2024		
	Actual	Prior Year	
	£'000	£'000	Var
Net Revenue	49,020	50,768	-3.4%
Cost of sales	(32,839)	(32,951)	-0.3%
<i>% of Net revenue</i>	<i>67.0%</i>	<i>64.9%</i>	<i>2.1%</i>
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	LTM	FY23
	Actual	Actual
	£'000	£'000
Net Revenue	190,970	192,719
Cost of sales	(126,214)	(126,326)
<i>% of Net revenue</i>	<i>66.1%</i>	<i>65.5%</i>
Gross Profit	64,756	66,393
Gross Margin	33.9%	34.5%
Operating Expenses		
<i>% of Net revenue</i>		
Add: depreciation		
EBITDA	27,646	29,404
<i>% Net Margin</i>	<i>14.5%</i>	<i>15.3%</i>
Depreciation		
EBITA		
Loan Amortisation		
Goodwill Amortisation		
FX gain / (loss)		
Management Fees		
Exceptional Costs		
Net Interest		
Corporation Taxes		
Net Income		
<i>% of Net revenue</i>		
Interest on shareholders loan notes		
Net Income		
<i>% of Net revenue</i>		

Consolidated P&L

- > Whitworth Midco plc acquired the LoneStar Group on 8th March 2023. Prior Year, LTM and FY23 figures to EBITDA are presented on a pro forma basis.
- > Q1 2024 revenue of c.£49.0m, a decrease of c.3.4% on Q1 2023 with the majority of the decrease driven by the MENA-APAC and the Americas, partly offset by an increase in the Europe region.
- > Gross profit margin was c.33.0%, down from c.34.5% in the prior year, in part driven by the decrease in revenue.
- > Q1 2024 EBITDA of c.£6.8m was down c.20.6% on Q1 2023. For reference Q1 2023 EBITDA was c.£8.5m, Q2 2023 c.£7.0m, Q3 2023 c.£7.8m and Q4 2023 c.£6.0m.

Notes: Prior year and LTM results are prepared on a pro-forma basis and after FY23 audit adjustments.

BALANCE SHEET



Balance Sheet £'000	Dec-23	Mar-24
Cash	8,403	11,708
Trade Receivables	32,045	33,889
Other Receivables	1,227	2,209
Inventory	47,932	47,796
Total Current Assets	89,606	95,602
Plant , Property and Equipment	7,531	7,876
Other non current assets	10,120	9,246
Total Assets	107,257	112,724
Trade Accounts Payable	(17,536)	(15,579)
VAT	1,484	748
Other Payables	(1,888)	(1,978)
Accrued Expenses	(12,536)	(14,707)
Income tax payable	327	6
Interest accrual	(284)	(345)
Total Current Liabilities	(30,433)	(31,856)
<u>Non Current Liabilities</u>		
Deferred tax Asset	5,150	5,196
Other Non Current Liabilities		
Total Non Current Assets / Liabilities	5,150	5,196
Total Liabilities	(25,283)	(26,660)
<u>Financial Debt</u>		
Term Loans	(38,919)	(38,061)
Revolver	(14,401)	(17,161)
Capitalised debt fees	684	635
Deferred consideration	0	0
Total Financial Debt	(52,636)	(54,586)
Net Assets	29,337	31,478

Consolidated Balance Sheet

- > The adjacent table presents the unaudited consolidated balance sheet on a post-acquisition basis.
- > Please note that certain balances reflect adjustments made through the 2023 statutory accounts process including tax, intangibles and capitalisation of certain costs in relation to the transaction/ financing.
- > The issued bond makes up c.£31.7m within the c.£38.1m of term loans in the balance sheet at 31 March 2024.

Notes: Financial Debt excludes bonds/guarantees.

CASH FLOW



	<u>Q1 2024</u>
	<u>£'000</u>
EBITDA	6,779
Movement in WC	(1,651)
FX on WC	257
Total	(1,394)
Capex	(864)
Operating Cash Flow (pre Exceptionals)	4,522
Exceptional Costs	(712)
Management Fees	(37)
Corporation Taxes	(500)
Operating Cash Flow	3,272
Net interest payments	(1,520)
Long term debt	1,612
Total Debt Service	92
FX/Other Movement	(59)
Net Cash Flow	3,305
Opening Cash	8,403
Net Cash Flow	3,305
Closing Cash	11,708

Consolidated Cash Flow

- > The adjacent table presents the consolidated cash flow of Whitworth Midco plc.
- > Underlying cash generation before exceptional costs and tax was c.£4.5m for Q1 2024 (c.67% of EBITDA). Operating cash flow, after exceptional costs and tax, of c.£3.3m represented c.48% conversion of EBITDA.
- > Overall net cashflow of c.£3.3m for Q1 2024. Long term debt inflow of c.£1.6m reflects some drawdown on the group's existing ABL facility.

Notes: Post-acquisition cash flow presented only following the acquisition of the LoneStar Group by Whitworth Midco plc on 8th March 2023.



THANK YOU

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