

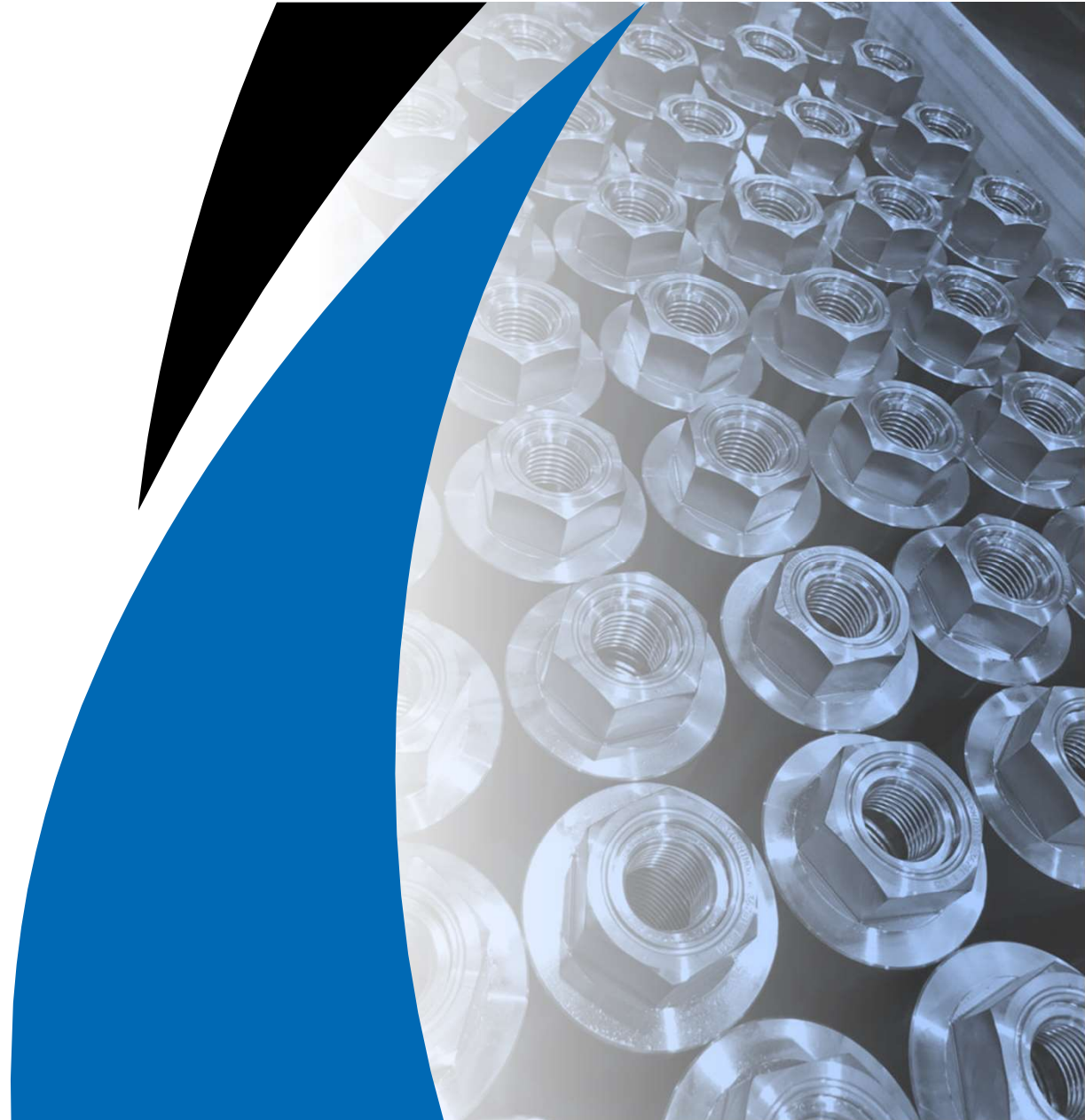


Q3 2024 UNAUDITED FINANCIAL REPORT

**USD 40m Senior secured
bond issue**

29 November, 2024

www.whitworthmidco.com





SUMMARY

- > Whitworth Midco plc acquired the LoneStar Group on the 8th March 2023. Financial information for Q3 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.
- > Note that on 1 October 2024 the group completed the acquisition of Tachart Limited.
- > **Q3 trading**
 - Q3 2024 revenue of c.£51.7m, an increase of c.£1.9m/c.3.9% on Q3 2023, at a gross margin of c.31.3%, with the revenue increase vs Q3 2023 driven by the Americas, partly offset by a decrease in the Europe region.
 - Q3 2024 EBITDA of c.£7.15m was down c.£0.7m/c.8.6% on Q3 2023, with the decrease driven by Europe with the reduction in Europe EBITDA partly offset by the Americas EBITDA being ahead of the prior year comparative period.
 - Reported LTM sales and EBITDA on a pro forma basis of c.£197.6m and c.£27.8m respectively as at 30 September 2024.

- > **Order intake and order book**
 - The group order book at 30 September 2024 was c.£47.3m (down from c.£52.6m at 30 June 2024) with order intake in Q3 2024 at c.£46.4m, c.7.4% behind Q3 2023 order intake of c.£50.1m. LTM order intake of c.£198.1m as at 30 September 2024.
- > **Balance sheet**
 - Net assets (pre Subordinated shareholder loans) at 30 September 2024 amounted to c.£35.2m. Net assets after Subordinated shareholder loans at 30 September 2024 was c.£18.3m.
 - As at 30 September 2024, the Group recorded a cash balance of c.£6.6m with financial debt consisting of term loan, revolver and bond of c.£53.1m (including c.£29.9m relating to the bond).
- > **Cash flow**
 - Q3 2024 cash flow reflects operating cash flow (OCF) inflow of c.£2.4m in Q3 2024, after c.£1.1m of capital expenditure.
 - Overall net cash outflow of c.£1.9m for Q3 2024 and net cash outflow of c.£1.8m for YTD 2024.
- > **Covenant**
 - Leverage Ratio at 30 September 2024 of c.1.8x with Consolidated Net Debt of c.£46.8m and adjusted LTM EBITDA for covenant purposes (after adjusting for excess exceptionals) of c.£26.3m.

Notes: Consolidated Net Debt figure excludes c.£0.3m of cash collateral held as Security for covenant purposes. On a balance sheet basis net debt (excluding subordinated shareholder loans) was c.£46.5m as at 30 September 2024.

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PROFIT AND LOSS



Summary P&L

	Q3 2024		
	Actual	Prior Year	
	£'000	£'000	Var
Net Revenue	51,740	49,811	3.9%
Cost of sales	(35,540)	(32,708)	8.7%
<i>% of Net revenue</i>	68.7%	65.7%	3.0%
Gross Profit	16,200	17,103	-5.3%
Gross Margin	31.3%	34.3%	-3.0%
Operating Expenses	(9,628)	(9,820)	-2.0%
<i>% of Net revenue</i>	18.6%	19.7%	-1.1%
Add: depreciation	576	539	6.9%
EBITDA	7,148	7,822	-8.6%
<i>% Net Margin</i>	13.8%	15.7%	-1.9%
Depreciation	(576)	(539)	
EBITA	6,572	7,283	-9.8%
Loan Amortisation	(49)		
Goodwill Amortisation	(874)		
FX gain / (loss)	397		
Management Fees	(38)		
Exceptional Costs	(1,161)		
Net Interest	(1,544)		
Corporation Taxes	(845)		
Net Income	2,460		
<i>% of Net revenue</i>	4.8%		
Interest on shareholders loan notes	(332)		
Net Income	2,128		
<i>% of Net revenue</i>	4.1%		

	YTD 2024		
	Actual	Prior Year	
	£'000	£'000	Var
Net Revenue	152,435	147,578	3.3%
Cost of sales	(103,183)	(96,449)	7.0%
<i>% of Net revenue</i>	67.7%	65.4%	2.3%
Gross Profit	49,252	51,129	-3.7%
Gross Margin	32.3%	34.6%	-2.3%
Operating Expenses	(29,213)	(29,365)	-0.5%
<i>% of Net revenue</i>	19.2%	19.9%	-0.7%
Add: depreciation	1,684	1,594	5.7%
EBITDA	21,723	23,358	-7.0%
<i>% Net Margin</i>	14.3%	15.8%	-1.6%
Depreciation	(1,684)	(1,594)	
EBITA	20,039	21,764	-7.9%
Loan Amortisation	(147)		
Goodwill Amortisation	(2,621)		
FX gain / (loss)	125		
Management Fees	(113)		
Exceptional Costs	(2,918)		
Net Interest	(4,643)		
Corporation Taxes	(2,628)		
Net Income	7,096		
<i>% of Net revenue</i>	4.7%		
Interest on shareholders loan notes	(1,217)		
Net Income	5,879		
<i>% of Net revenue</i>	3.9%		

	LTM	FY23
	Actual	Actual
	£'000	£'000
Net Revenue	197,575	192,719
Cost of sales	(133,059)	(126,326)
<i>% of Net revenue</i>	67.3%	65.5%
Gross Profit	64,516	66,393
Gross Margin	32.7%	34.5%
Operating Expenses		
<i>% of Net revenue</i>		
Add: depreciation		
EBITDA	27,769	29,404
<i>% Net Margin</i>	14.1%	15.3%
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 YTD and FY23 figures to EBITDA are presented on a pro forma basis.
- > Q3 2024 revenue of c.£51.7m, an increase of c.3.9% on Q3 2023, with the revenue increase driven by the Americas, partly offset by a decrease in the Europe region.
- > Gross profit margin was c.31.3% in Q3 2024, down from c.34.3% in Q3 2023, primarily driven by a decrease in gross margin %age in Europe.
- > Q3 2024 EBITDA of c.£7.15m was down c.£0.7m/c.8.6% on Q3 2023, with the decrease driven by Europe with the reduction in Europe EBITDA partly offset by the Americas EBITDA being ahead of the prior year comparative period.

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

BALANCE SHEET



Balance Sheet £'000	Dec-23	Mar-24	Jun-24	Sep-24
Cash	8,403	11,708	8,504	6,613
Trade Receivables	32,045	33,889	38,215	36,601
Other Receivables	1,227	2,209	3,262	2,626
Inventory	47,932	47,796	48,952	50,686
Total Current Assets	89,606	95,602	98,933	96,526
Plant, Property and Equipment	7,531	7,876	9,549	9,923
Other non current assets	10,120	9,247	8,374	7,500
Total Assets	107,257	112,725	116,855	113,948
Trade Accounts Payable	(17,536)	(15,579)	(16,689)	(16,036)
VAT	1,484	748	1,504	1,039
Other Payables	(1,888)	(1,978)	(1,153)	(1,216)
Accrued Expenses	(12,536)	(14,707)	(14,427)	(13,649)
Income tax payable	327	6	16	(803)
Interest accrual	(284)	(345)	(337)	(344)
Total Current Liabilities	(30,433)	(31,856)	(31,086)	(31,010)
<u>Non Current Liabilities</u>				
Deferred tax Asset	5,150	5,196	5,187	4,883
Other Non Current Liabilities				
Total Non Current Assets / Liabilities	5,150	5,196	5,187	4,883
Total Liabilities	(25,283)	(26,660)	(25,900)	(26,126)
<u>Financial Debt</u>				
Term Loans	(38,919)	(38,061)	(36,881)	(34,003)
Revolver	(14,401)	(17,161)	(20,631)	(19,143)
Capitalised debt fees	684	635	586	538
Deferred consideration	0	0	0	0
Total Financial Debt	(52,636)	(54,586)	(56,925)	(52,608)
Net Assets (pre Subordinated shareholder loans)	29,337	31,479	34,031	35,214
(shown as shareholder loans within equity in management accounts)	(15,721)	(16,212)	(16,596)	(16,928)
Net Assets (post Subordinated shareholder loans)	13,616	15,267	17,435	18,286

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.£29.9m within the c.£34.0m of term loans in the balance sheet at 30 September 2024.

Notes: Subordinated shareholder loans are shown as shareholder loans within equity for management account purposes, are subordinated to the bond and are excluded from the debt figure for bond covenant calculation purposes. Financial Debt excludes bonds/guarantees.

CASH FLOW



	Q3 2024	FY24 YTD
	£'000	£'000
EBITDA	7,148	21,723
Movement in WC	(387)	(9,324)
FX on WC	(1,737)	(1,535)
Total	(2,124)	(10,859)
Capex	(1,137)	(4,246)
Operating Cash Flow (pre Exceptionals)	3,887	6,618
Exceptional Costs	(1,161)	(2,919)
Management Fees	(38)	(113)
Corporation Taxes	(307)	(1,779)
Operating Cash Flow	2,381	1,807
Net interest payments	(1,536)	(4,583)
Long term debt	(2,170)	1,798
Total Debt Service	(3,706)	(2,785)
FX/Other Movement	(565)	(812)
Net Cash Flow	(1,891)	(1,789)
Opening Cash	8,504	8,403
Net Cash Flow	(1,891)	(1,789)
Closing Cash	6,613	6,613

Consolidated Cash Flow

- > The adjacent table presents the consolidated cash flow of Whitworth Midco plc.
- > Underlying operating cash flow before exceptional costs and tax was a c.£3.9m inflow for Q3 2024 and a c.£6.6m inflow (c.30% of EBITDA) for 2024 YTD. Operating cash flow, after exceptional costs and tax, of c.£2.4m inflow in Q3 2024 and c.£1.8m inflow for 2024 YTD.
- > Exceptionals costs of c.£2.9m for FY24 YTD include c.£1.9m in respect of site moves.
- > Overall net cash outflow of c.£1.8m for 2024 YTD. Long term debt inflow of c.£1.8m YTD reflects the net drawdown on the group's existing ABL facility after scheduled term loan repayments.



THANK YOU

CONTACT US

Jon Ainsworth
CFO

jon.ainsworth@lonestargroup.com

www.whitworthmidco.com