

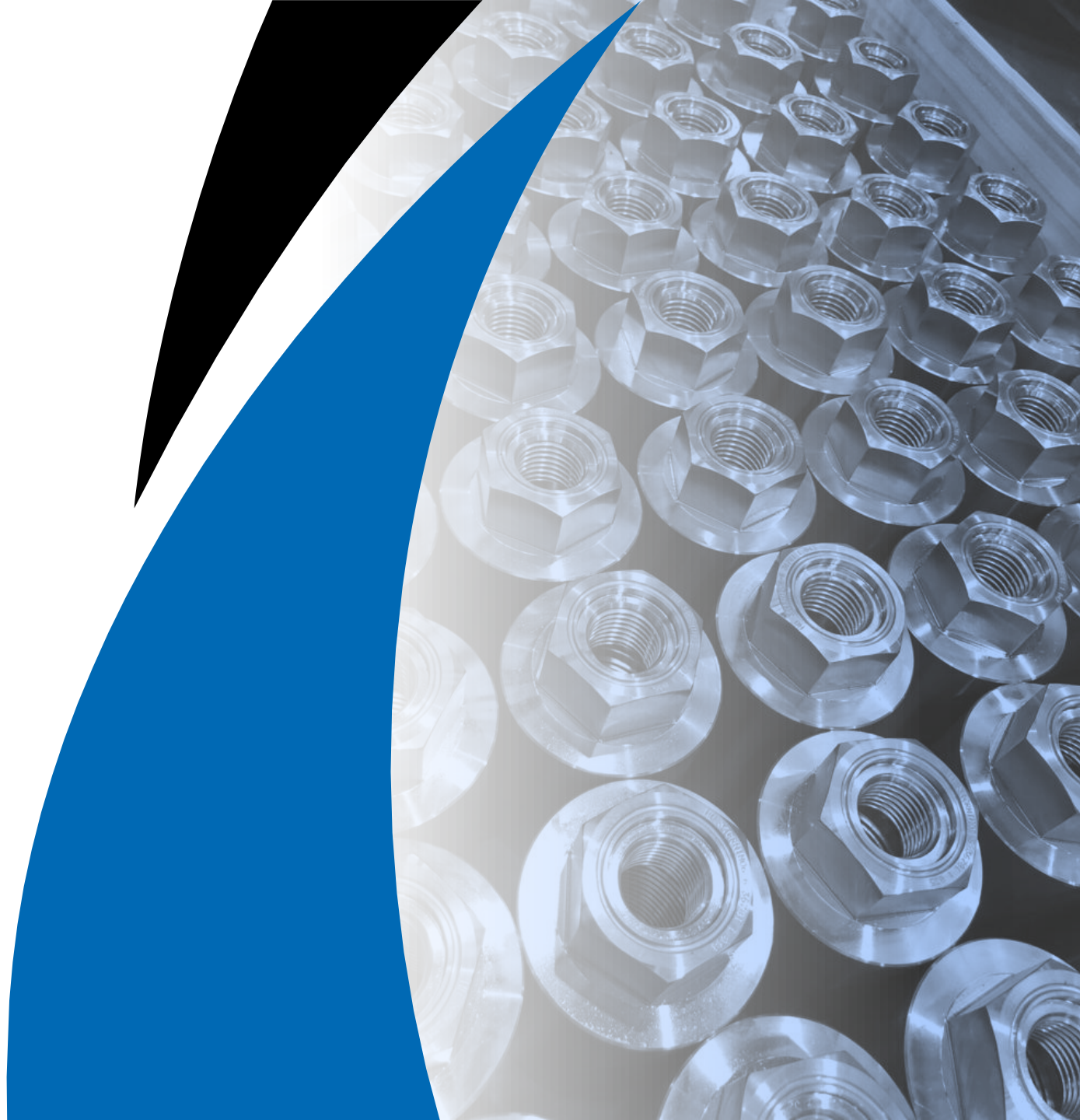


Q2 2024 UNAUDITED FINANCIAL REPORT

**USD 40m Senior secured
bond issue**

22 August, 2024

www.whitworthmidco.com



SUMMARY



- > Whitworth Midco plc acquired the LoneStar Group on the 8th March 2023. Financial information for Q2 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.
- > **Q2 trading**
 - Q2 2024 revenue of c.£51.7m, an increase of c.9.9% on Q2 2023, at a gross margin of c.32.6%, with the majority of the revenue increase vs Q2 2023 driven by the Americas and Europe, partly offset by a decrease in the MENA-APAC region.
 - Q2 2024 EBITDA of c.£7.8m was up c.11.4% on Q2 2023, with the increase again primarily driven by the Americas and Europe while the MENA-APAC EBITDA was behind the prior year comparative period.
 - Reported LTM sales and EBITDA on a pro forma basis of c.£195.6m and c.£28.4m respectively as at 30 June 2024.

- > **Order intake and order book**
 - Order book at 30 June 2024 was c.£52.6m (up from c.£51.1m at 31 March 2024) with order intake in Q2 2024 at c.£53.2m, c.4.2% ahead of Q2 2023 order intake of c.£51.1m. LTM order intake of c.£201.7m as at 30 June 2024.
- > **Balance sheet**
 - Net assets (pre shareholder loans) at 30 June 2024 amounted to c. £34.0m. Net assets after subordinated shareholder loans at 30 June 2024 was c.£17.4m.
 - As at 30 June 2024, the Group recorded a cash balance of c.£8.5m with financial debt consisting of term loan, revolver and bond of c.£57.5m (including c.£31.6m relating to the bond).
- > **Cash flow**
 - Q2 2024 cash flow reflects operating cash flow (OCF) outflow of c.£3.8m in Q2 2024, including c.£2.2m of capital expenditure.
 - Overall net cash outflow of c.£3.2m for Q2 2024 and net cash inflow of c.£0.1m for YTD 2024.
- > **Covenant**
 - Leverage Ratio at 30 June 2024 of c.1.7x with Consolidated Net Debt of c.£49.3m and LTM EBITDA of c.£28.4m.

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.£49.0m as at 30 June 2024.

Disclaimer

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PROFIT AND LOSS



Summary P&L

	Q2 2024		
	Actual	Prior Year	
	£'000	£'000	Var
Net Revenue	51,675	46,999	9.9%
Cost of sales	(34,804)	(30,790)	13.0%
<i>% of Net revenue</i>	<i>67.4%</i>	<i>65.5%</i>	<i>1.8%</i>
Gross Profit	16,871	16,208	4.1%
Gross Margin	32.6%	34.5%	-1.8%
Operating Expenses	(9,641)	(9,727)	-0.9%
<i>% of Net revenue</i>	<i>18.7%</i>	<i>20.7%</i>	<i>-2.0%</i>
Add: depreciation	566	518	9.2%
EBITDA	7,796	6,999	11.4%
<i>% Net Margin</i>	<i>15.1%</i>	<i>14.9%</i>	<i>0.2%</i>
Depreciation	(566)	(518)	
EBITA	7,230	6,481	11.6%
Loan Amortisation	(49)		
Goodwill Amortisation	(874)		
FX gain / (loss)	(59)		
Management Fees	(38)		
Exceptional Costs	(1,045)		
Net Interest	(1,518)		
Corporation Taxes	(960)		
Net Income	2,687		
<i>% of Net revenue</i>	<i>5.2%</i>		
Interest on shareholders loan notes	(394)		
Net Income	2,293		
<i>% of Net revenue</i>	<i>4.4%</i>		

YTD 2024

	YTD 2024		
	Actual	Prior Year	
	£'000	£'000	Var
Net Revenue	100,695	97,767	3.0%
Cost of sales	(67,643)	(63,741)	6.1%
<i>% of Net revenue</i>	<i>67.2%</i>	<i>65.2%</i>	<i>2.0%</i>
Gross Profit	33,052	34,026	-2.9%
Gross Margin	32.8%	34.8%	-2.0%
Operating Expenses	(19,585)	(19,545)	0.2%
<i>% of Net revenue</i>	<i>19.4%</i>	<i>20.0%</i>	<i>-0.5%</i>
Add: depreciation	1,108	1,055	5.0%
EBITDA	14,575	15,536	-6.2%
<i>% of Net revenue</i>	<i>14.5%</i>	<i>15.9%</i>	<i>-1.4%</i>
Depreciation	(1,108)	(1,055)	
EBITA	13,467	14,481	-7.0%
Loan Amortisation	(98)		
Goodwill Amortisation	(1,747)		
FX gain / (loss)	(272)		
Management Fees	(75)		
Exceptional Costs	(1,757)		
Net Interest	(3,099)		
Corporation Taxes	(1,783)		
Net Income	4,636		
<i>% of Net revenue</i>	<i>4.6%</i>		
Interest on shareholders loan notes	(885)		
Net Income	3,751		
<i>% of Net revenue</i>	<i>3.7%</i>		

LTM

	LTM	
	Actual	FY23
	£'000	£'000
Net Revenue	195,646	192,719
Cost of sales	(130,228)	(126,326)
<i>% of Net revenue</i>	<i>66.6%</i>	<i>65.5%</i>
Gross Profit	65,419	66,393
Gross Margin	33.4%	34.5%
Operating Expenses		
<i>% of Net revenue</i>		
Add: depreciation		
EBITDA	28,443	29,404
<i>% of Net revenue</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 YTD, LTM and FY23 figures to EBITDA are presented on a pro forma basis.
- > Q2 2024 revenue of c.£51.7m, an increase of c.9.9% on Q2 2023, with the majority of the revenue increase driven by the Americas and Europe, partly offset by a decrease in the MENA-APAC region.
- > Gross profit margin was c.32.6% in Q2 2024, down from c.34.5% in Q2 2023, in part driven by a decrease in margin in Europe.
- > Q2 2024 EBITDA of c.£7.8m was up c.11.4% on the prior year, with the increase again primarily driven by the Americas and Europe while the MENA-APAC EBITDA was behind the prior year comparative period.

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

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.£31.6m within the c.£36.7m of term loans in the balance sheet at 30 June 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



	Q2 2024	FY24 YTD
	£'000	£'000
EBITDA	7,796	14,575
Movement in WC	(7,286)	(8,937)
FX on WC	(55)	202
Total	(7,341)	(8,735)
Capex	(2,246)	(3,109)
Operating Cash Flow (pre Exceptionals)	(1,791)	2,731
Exceptional Costs	(1,046)	(1,758)
Management Fees	(38)	(75)
Corporation Taxes	(972)	(1,472)
Operating Cash Flow	(3,846)	(574)
Net interest payments	(1,527)	(3,047)
Long term debt	2,356	3,968
Total Debt Service	829	921
FX/Other Movement	(187)	(246)
Net Cash Flow	(3,204)	101
Opening Cash	11,708	8,403
Net Cash Flow	(3,204)	101
Closing Cash	8,504	8,504

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.£1.8m outflow for Q2 2024 but a c.£2.7m inflow (c.19% of EBITDA) for 2024 YTD. Operating cash flow, after exceptional costs and tax, of c.£3.8m outflow in Q2 2024 and c.£0.6m outflow for 2024 YTD.
- > Exceptionals costs of c.£1.76m for FY24 YTD include c.£1.2m in respect of site moves.
- > Overall net cashflow of c.£0.1m for 2024 YTD. Long term debt inflow of c.£4.0m reflects drawdown on the group's existing ABL facility.



THANK YOU

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