



Introduction to Tyman

April 2024





Business overview

Introduction

Key information at a glance

Market capitalisation

c.£600m

As at 1 April 2024

Index

FTSE250

FTSE4Good

Sustainability

23%

% of 2023 revenues generated from products with positive UN SDG impact in use

Revenue

£657.6m

12 months to 31 December 2023

Adjusted operating profit

£84.4m (12.8% margin)

12 months to 31 December 2023

Employees

c.3,600

As at 31 December 2023

Our offer

A comprehensive range of high quality, innovative products supported by value-added services

The portfolio covers all aspects of the hardware and sealing solutions required for doors and windows, and a full suite of solutions for roof, wall and floor access in residential and commercial buildings.



Key



Window and door hardware



Seals and extrusions



Smartware and automation



Access solutions

Our value proposition

Tyman enhances the comfort, sustainability, security, safety & aesthetics of living and working spaces

Our products and solutions **comprise just c.10-15% of the installed cost** of a window or door but deliver significant value to the end user



Comfort



Ventilation

Weatherproofing

Soundproofing



Sustainability



Energy Efficiency of Buildings

Longevity of Buildings



Security



Locking/Deterrent

Monitoring



Safety



Fall Prevention

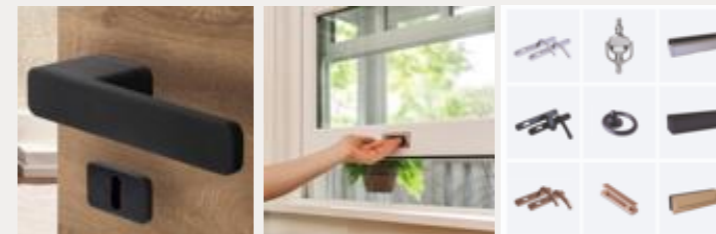
Hurricane Solutions

Fire Protection

Safe Access



Aesthetics



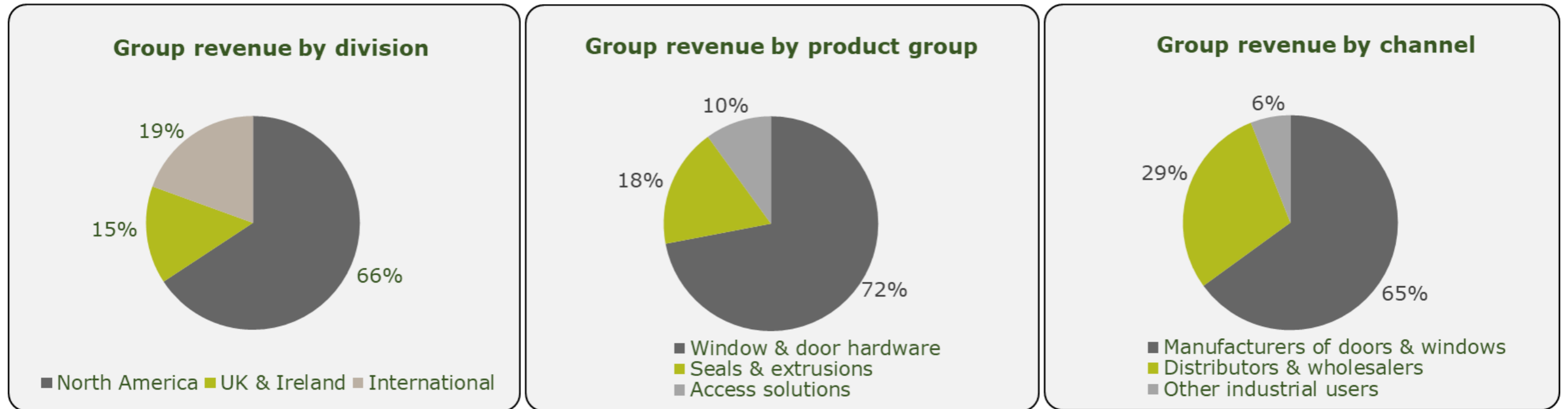
Look

Feel

Suiting

Group revenue analysis

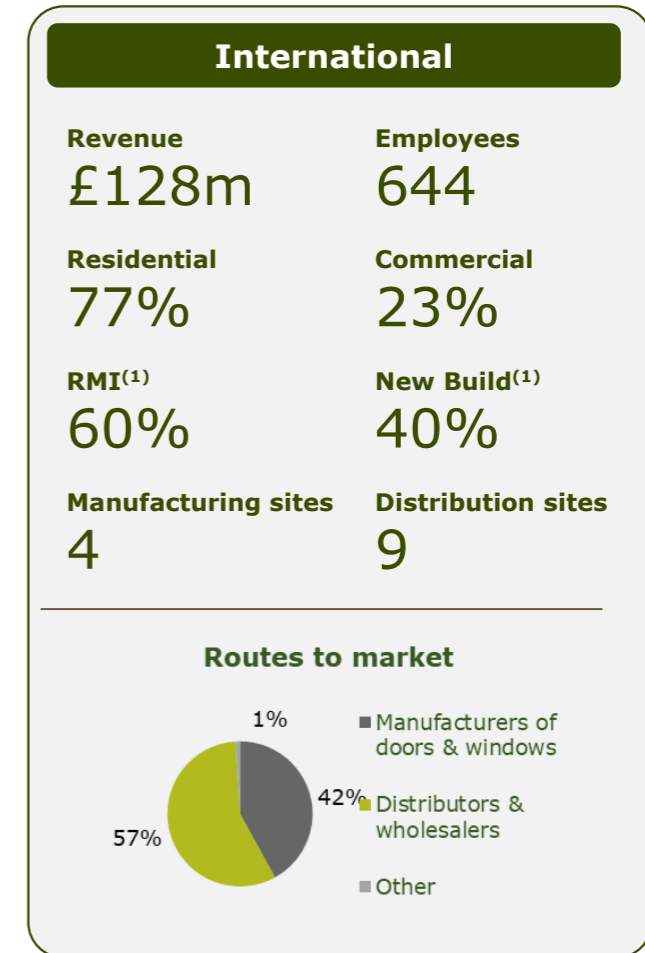
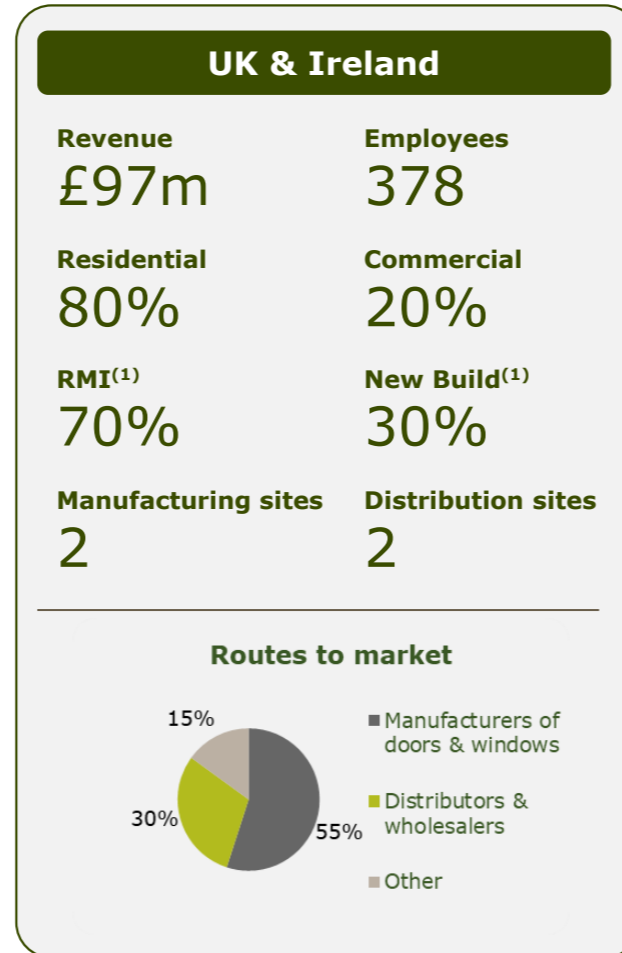
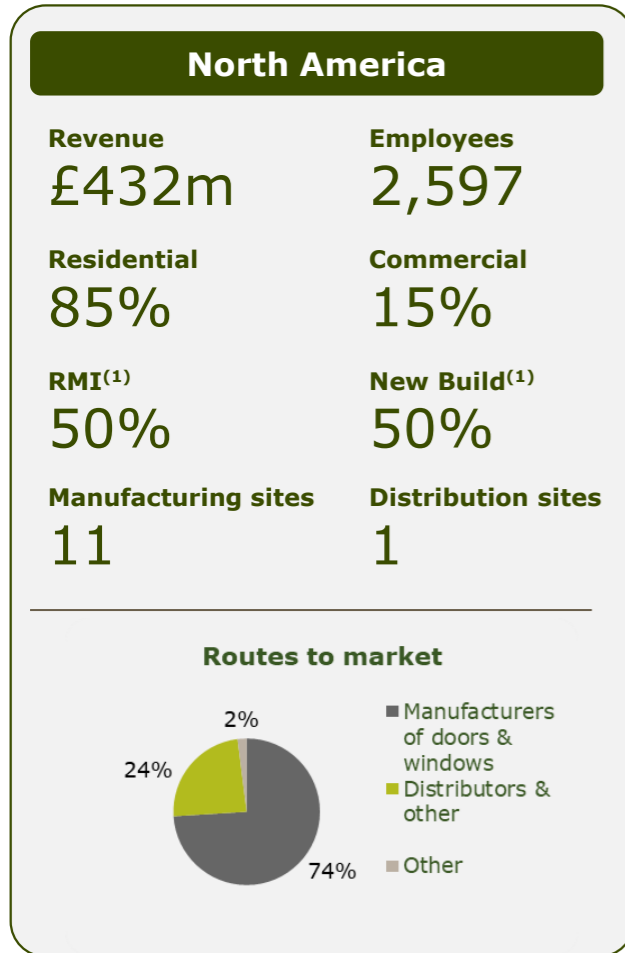
Revenue by division, product group and channel



* Above data based on 2023 actuals

Our divisions

Regional groupings of the same fundamental capabilities



¹ Company estimates

* All above data based on 2023



Investment Case

Favourable structural growth trends

Tyman's sizeable target markets are expected to benefit from strong growth drivers

Long-term megatrends provide favourable tailwinds ...



Demographic & Social Change



Sustainable Future



Technology Disruption

... supported by Tyman's attractive value proposition ...



Comfort



Sustainability



Security



Safety



Aesthetics

... and structural industry drivers



Undersupply of housing



Ageing housing stock



Remodelling Spending

Leading position in attractive US residential housing market

Market share of c. 40-45% in North American window and door hardware categories that we participate in

17.1 million new homes needed in the 2020's

24 million single family homes will reach "prime remodelling" age by 2027

30% increase in household formation in 2020's vs. 2010's

This represents a long-term tailwind driving new construction and building products demand

12.7m

households formed

2.3m

teardowns

1.7m

undersupplied homes

500k

new second homes

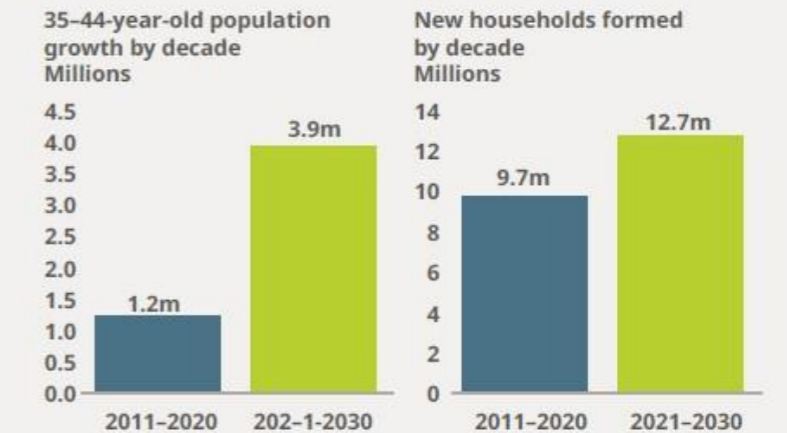
Source: John Burns Research and Consulting LLC

Single family homes in "Prime Remodel" years



Source: US Census Bureau; John Burns Research and Consulting, LLC

Demographics is a powerful long-term tailwind for housing



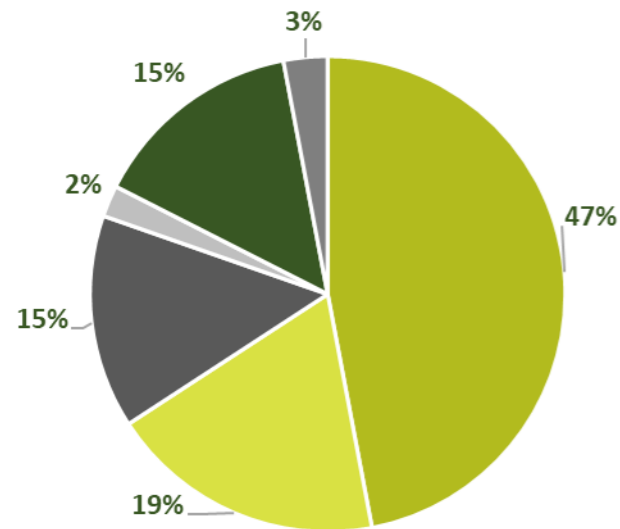
Source: US Census Bureau, Analysis John Burns Research and Consulting, LLC

Tyman is well placed to respond, with its leading brands, broad product offering and a manufacturing & distribution footprint that enables national coverage, strong customer service & manufacturing redundancy






Sustainability an increasingly important growth driver

Tyman's revenues with positive UN SDG impact represents 23% of Group revenues

2023 Sustainable Solutions Revenues (£153m)



- Energy Saving
 - Crime reduction
 - Fire protection
 - Severe weather protection
 - Safety & health protection
 - Inclusive living
- } Safety & Security

<p>Energy saving (c. £72m)</p>	<ul style="list-style-type: none"> ✓ Reducing heat loss from buildings <ul style="list-style-type: none"> ✓ Energy saving window / door seals ✓ 'Thermally broken' roof hatches ✓ Energy efficient micro-ventilation products 	 
<p>Safety and security (c. £76m)</p>	<ul style="list-style-type: none"> ✓ Community crime reduction <ul style="list-style-type: none"> ✓ High security locks and smart alarms ✓ Protection against climate hazards <ul style="list-style-type: none"> ✓ Fire rated riser doors, hurricane-resistant roof hatches ✓ Child safety mechanisms for windows 	
<p>Inclusive living (c. £5m)</p>	<ul style="list-style-type: none"> ✓ Easy to use / automated window and door hardware for inclusive living 	 

High barriers to entry

Differentiated, highly-engineered products supported by value-added services

Significant product differentiation

- ✓ Highly-engineered products with strong value impact for customers relative to their cost
- ✓ Relevant innovation: c. 530 active patents with c. 145 pending
- ✓ c. 20% of sales from patent-protected products

Integrated, long-term customer relationships

- ✓ Strategic partner for customers, with long-standing relationships
- ✓ Value-added services include co-development, application engineering, integrated supply chain & accredited testing

Family of world class brands

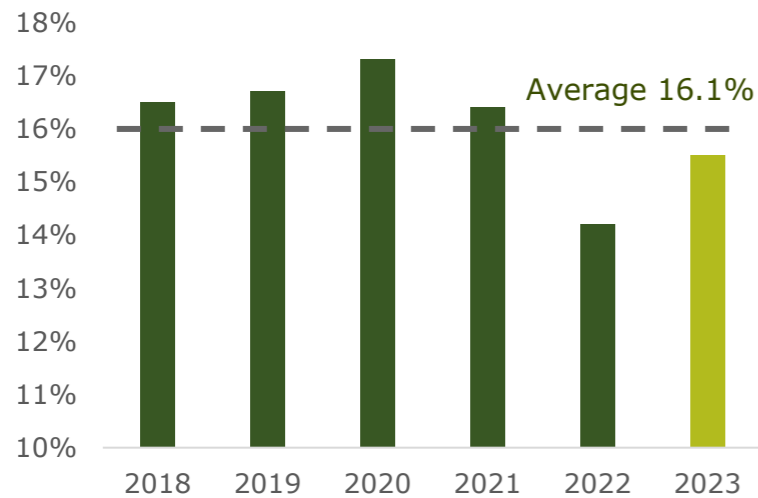
- ✓ Brands are generally #1 or #2 in their markets
- ✓ Strong brand recognition amongst industry professionals



Healthy operating margins with expansion opportunities

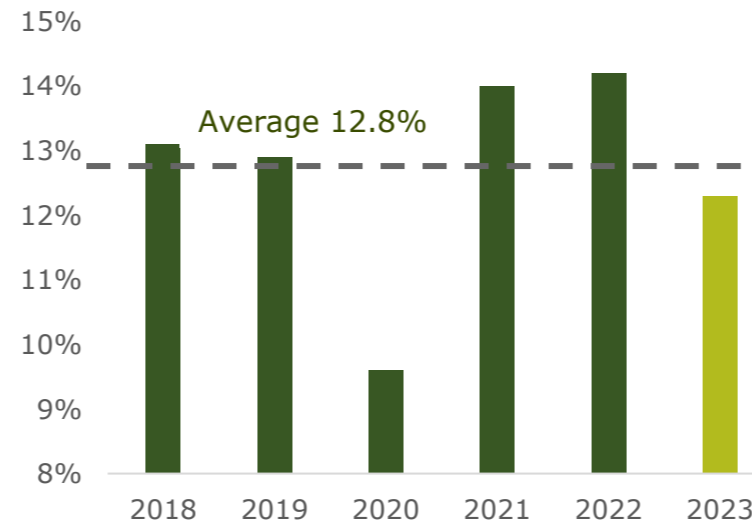
Disproportionate contribution to value of customers' products supports strong operating margins

North America



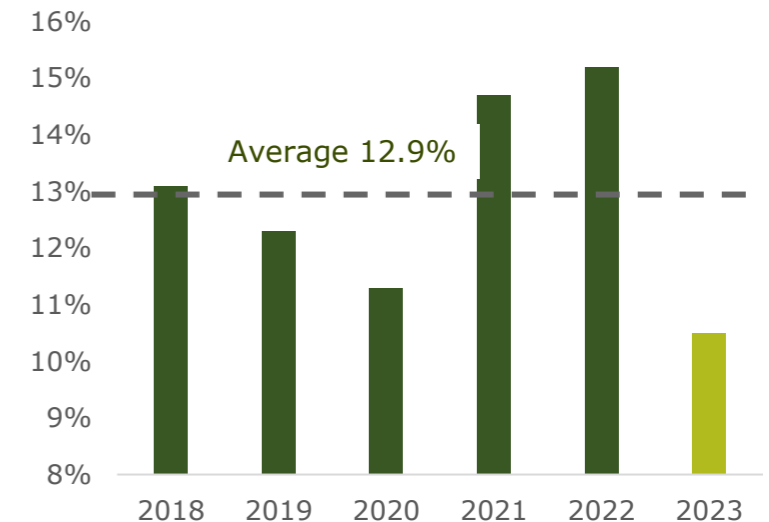
20% target

UK & Ireland



15% target

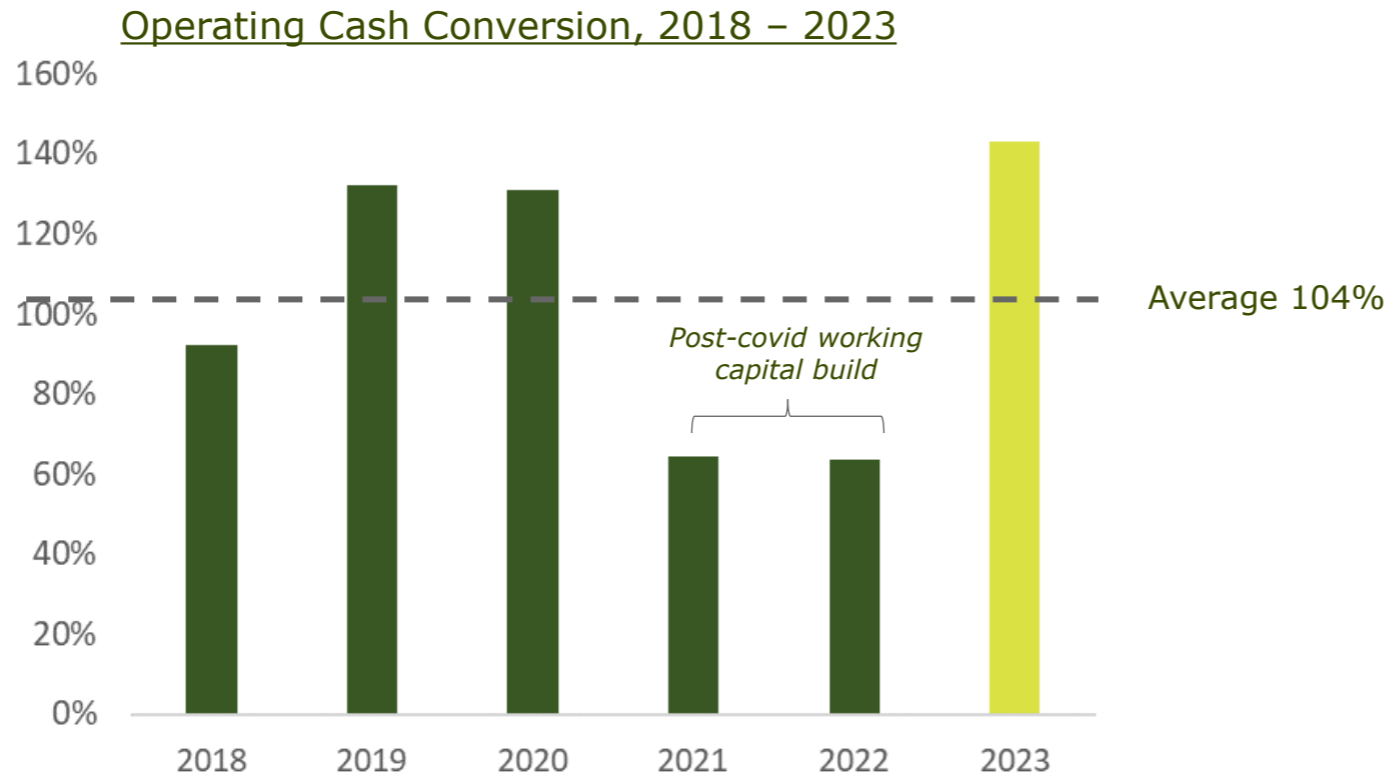
International



15% target

Highly cash generative with strong balance sheet

Target operating cash conversion of >90% through the cycle

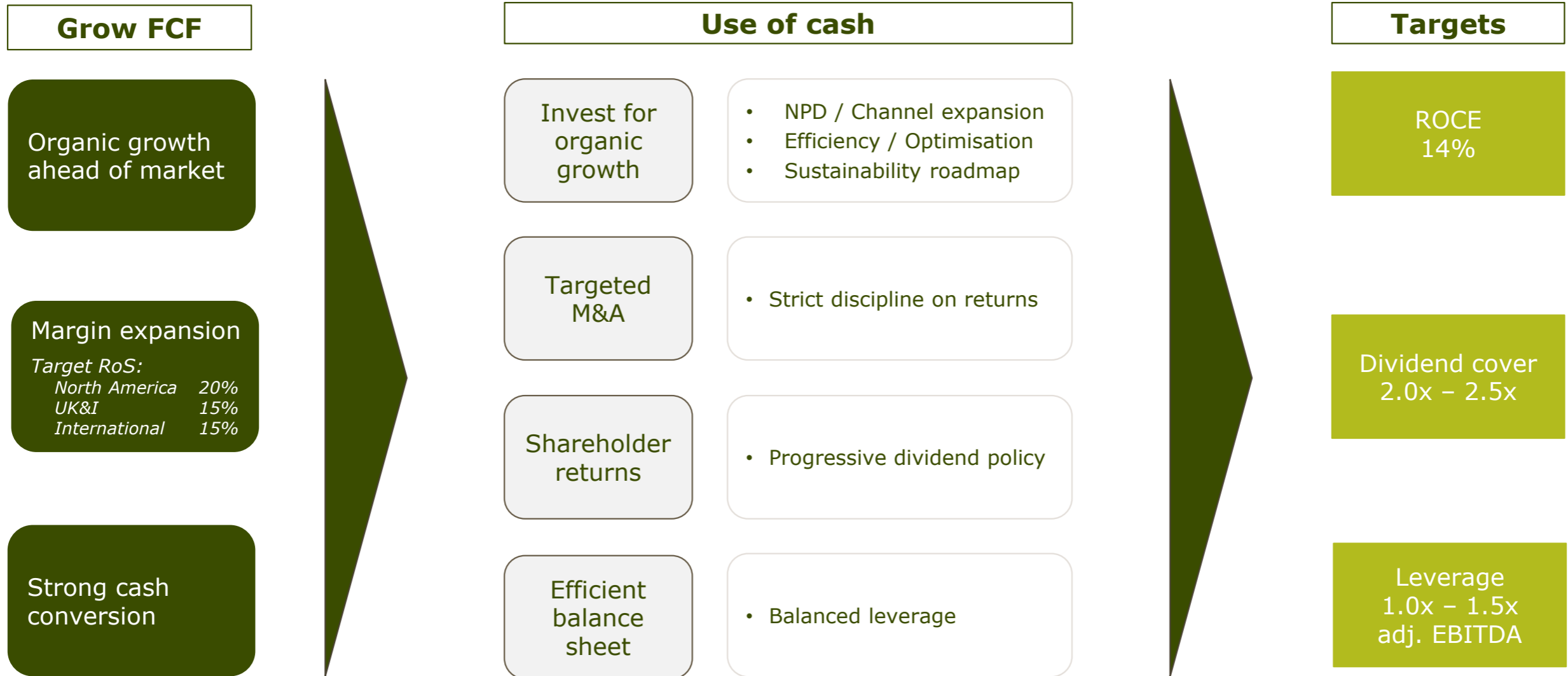


Strong balance sheet

- ✓ Target net debt:EBITDA range of 1.0-1.5x (31/12/23: 1.1x)
- ✓ >50% of debt at fixed interest rates with average life of over 4 years
- ✓ Significant headroom on covenants, available liquidity of £183m @ 31/12/23

Capital allocation

Re-invest cash flow for further growth while returning a progressive dividend to shareholders





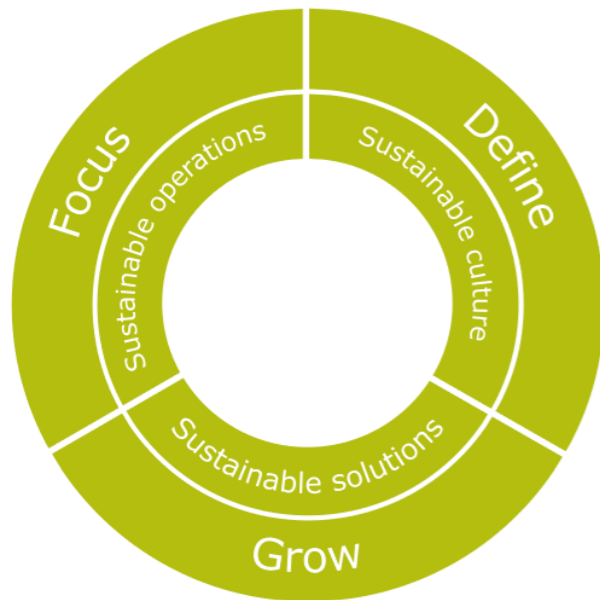
Strategy

A strategy for long-term growth

Clear strategy guided by our purpose, underpinned by our values and with sustainability at its core

Purpose

To transform the security, comfort and sustainability of living and working spaces through our expert touch.



**Long term
value
creation**

Values

Do the right thing. Make it happen. Never stop growing.

Strategy

Focus our activities. Define 'One Tyman'. Grow in existing & adjacent markets

Focus

Drive Margin Expansion

- Rationalise: streamline footprint; harmonise product portfolio
- Optimise: tune systems/processes; continuous improvement

Sustainable Operations

- Transform the safety and environmental performance of our operations & supply chain

Define

Create Stronger Base for Long-term Growth

- 'One Tyman': cultural cohesion to facilitate synergy extraction - now largely in place
- Tyman Excellence System: best practice development and value-adding collaboration

Sustainable Culture

- Ensure our culture enables our diverse talent to contribute to their best and our business to create long-term value

Grow

Deliver Sustainable Growth

- Organic: Strengthen share in core markets through excellent customer service, new product introductions and market expansion initiatives
- Acquisitive: Supplement by targeted M&A as Tyman remains natural consolidator in fragmented market

Sustainable Solutions

- Ensure our solutions have a positive impact in making the world more sustainable

Strategic progress

Further progress on strategic initiatives to gain share and structurally improve margin

FOCUS

- Consolidation of two sites into one at Owatonna underway
- Continued ERP deployment across North America
- Progressed EU seals & UK access solutions footprint projects
- Further optimisation of International footprint (Brazil, China)

DEFINE

- Cross-divisional supplier conference in China
- Rollout of groupwide leadership competencies model underway

GROW

- Further incremental net customer wins in North America
- Good share gains in UK, notably in distribution channel
- Continued system houses momentum in International
- M&A: completed Lawrence acquisition

Site consolidation, Owatonna



Winning with a major system house in the Gulf



Sustainability progress

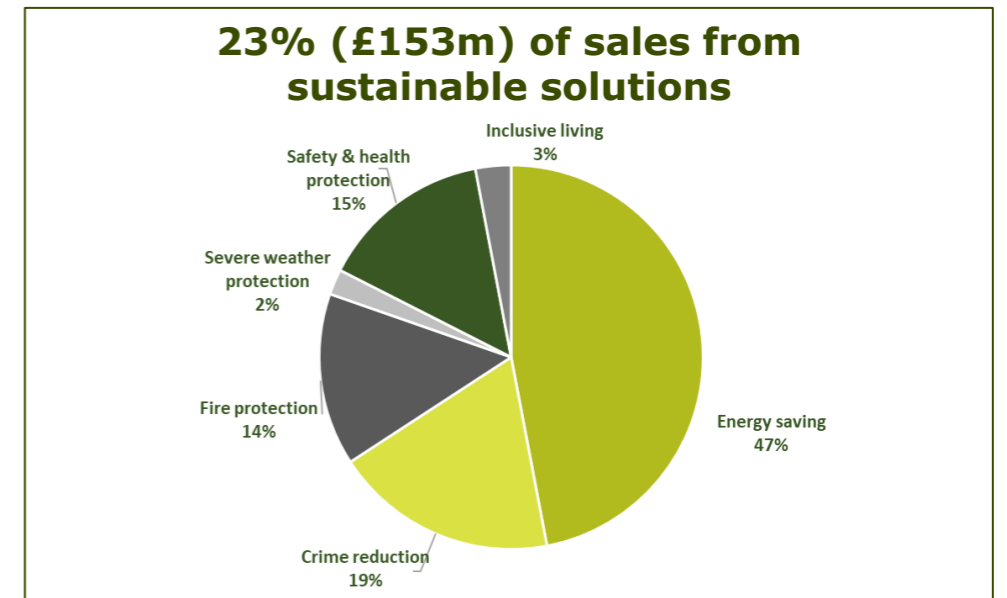
Continuing to progress our 2030 sustainability roadmap

SUSTAINABLE OPERATIONS

- SBTi validation of near-term carbon reduction targets to reduce Scope 1 & 2 by 46.2% & Scope 3 by 27.5% by 2030 (vs. 2019 baseline)
- 100% green tariffs addressing 40% of Group's electricity consumption
- Hosted energy and waste Kaizen event with top 5 US customer, identifying annualised cost savings of c.US\$0.4m

SUSTAINABLE SOLUTIONS

- Sustainability an increasingly important growth driver, with 23% of sales from sustainable solutions
- Further EPD certification in 2023, expanding addressable market



Lawrence progress update

Lawrence performing to plan since acquisition, already delivering share gains

Strategic rationale for acquisition

- Extending Tyman's existing product portfolio into growing segment of affordable homes
- Lawrence's rapid design and tooling capabilities provide competitive advantages
- Tyman provides platform for Lawrence to accelerate growth

Post acquisition update

- Lawrence team members excited by growth opportunities the acquisition brings
- Delivering share gains by leveraging Tyman's scale & customer relationships and Lawrence's products & capabilities
- Examples of customer wins in second half of 2023:
 - *Mid-size customer awarded Lawrence an incremental US\$0.4m p.a. sales following introduction from Tyman*
 - *Large national zinc sash lock customer moved to a composite lock offering, adding an incremental US\$0.2m p.a. sales*





Recent trading

Recent performance: FY 2023 highlights

Robust overall performance in line with expectations despite challenging market conditions

- Adjusted operating profit decline reflected negative operating leverage from significant reduction in volumes, partially offset by reversal of the pricing lag in North America and an initial contribution from Lawrence
- North America adjusted operating margin increase of 130bps to 15.5%, benefitting from the reversal of the pricing lag and the contribution from Lawrence; division represents > 70% of Group adjusted operating profit
- Excellent adjusted operating cash conversion of 143%, reflecting a £34 million reduction in inventory and enabling a reduction in net debt despite acquiring Lawrence for £44 million
- Good progress with our strategic initiatives to gain share and structurally improve margin
- Best ever safety performance, with LTIFR of 1.0 and TRIR reducing by 26% to 4.2
- Near-term carbon reduction targets validated by the Science Based Targets initiative
- Full-year dividend per share maintained at 13.7 pence, reflecting confidence in the Group's future growth prospects



Summary

Summary

A compelling way to benefit from an attractive market backdrop

- Tyman represents a solid platform:
 - leading brands in niche, fragmented markets, with deep customer relationships & domain expertise
- ... and provides a strong investment case:
 - favourable market backdrop
 - leading position in attractive North American market
 - proven customer value proposition creates high barriers to entry
 - healthy operating margins with expansion opportunities
 - strong cash generation and balance sheet
 - opportunities for both organic and acquisitive growth
- Our strategy has sustainability at its core and will deliver long-term growth



Appendices

Sustainability is at the core of our strategy

Long-term targets and comprehensive plans are in place to positively impact the UN SDGs

	 Sustainable Operations	 Sustainable Culture	 Sustainable Solutions
Ambition	Transform our health, safety and environmental performance	Be recognised as an employer that people want to work for	Help our customers protect the planet and create safer, more inclusive communities
Plans	<ul style="list-style-type: none"> • Safety is our first language • Net Zero transition • Water stewardship • Waste management 	<ul style="list-style-type: none"> • Employee engagement • Diversity, equity & inclusion • Growing our talent • Community partnerships 	<ul style="list-style-type: none"> • Positive-impact solutions • Circular economy • Sustainable materials • Responsible sourcing
Targets	<ul style="list-style-type: none"> • Total Recordable Incident Rate < 3 by 2026 • -46.2% scope 1 & 2 & -27.5% scope 3 emissions by 2030¹ • Zero waste to landfill by 2026 	<ul style="list-style-type: none"> • Gender diversity >30% at all levels 	<ul style="list-style-type: none"> • 100% sustainable packaging by 2026 • YoY increase in % revenue from positive impact solutions

¹SBTs using a 2019 baseline and “material” scope 3 emissions (i.e. purchased raw materials). Targets align to 1.5°C pathway for scope 1 and 2 emissions & well-below 2°C pathway for scope 3.

Our sustainability credentials are being recognised

FTSE4Good UK index constituent, SBTi validation, MSCI Leader rating & top 20% ranking by Sustainalytics & S&P Global



FTSE4Good



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

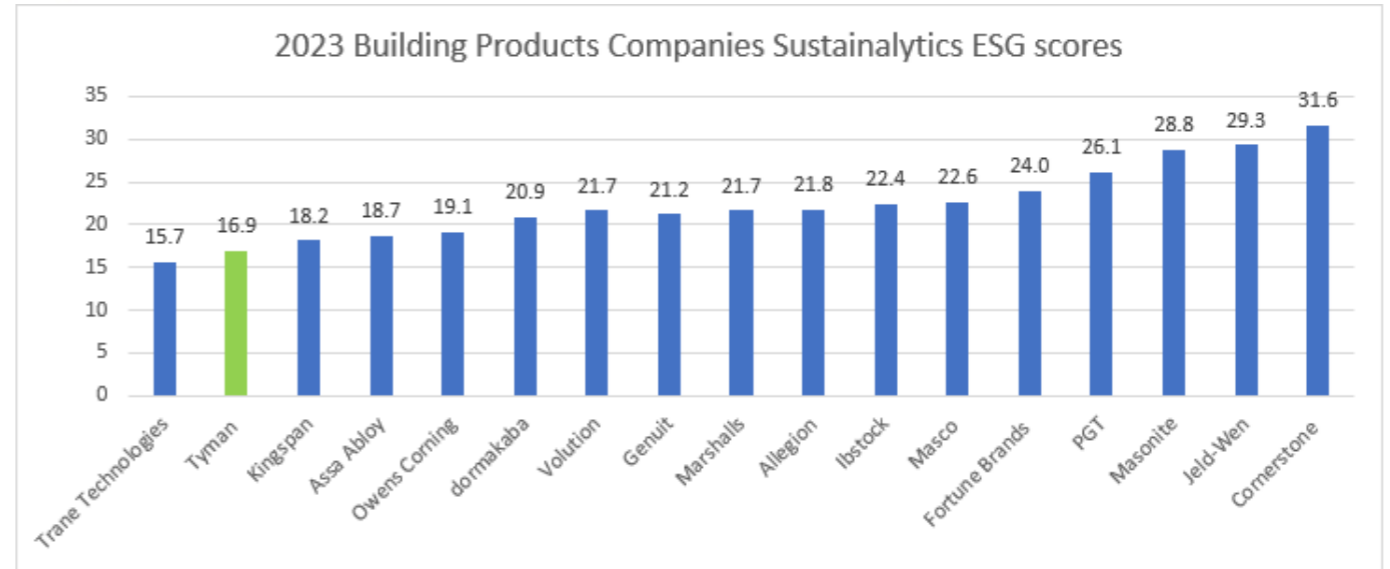
MSCI
ESG RATINGS



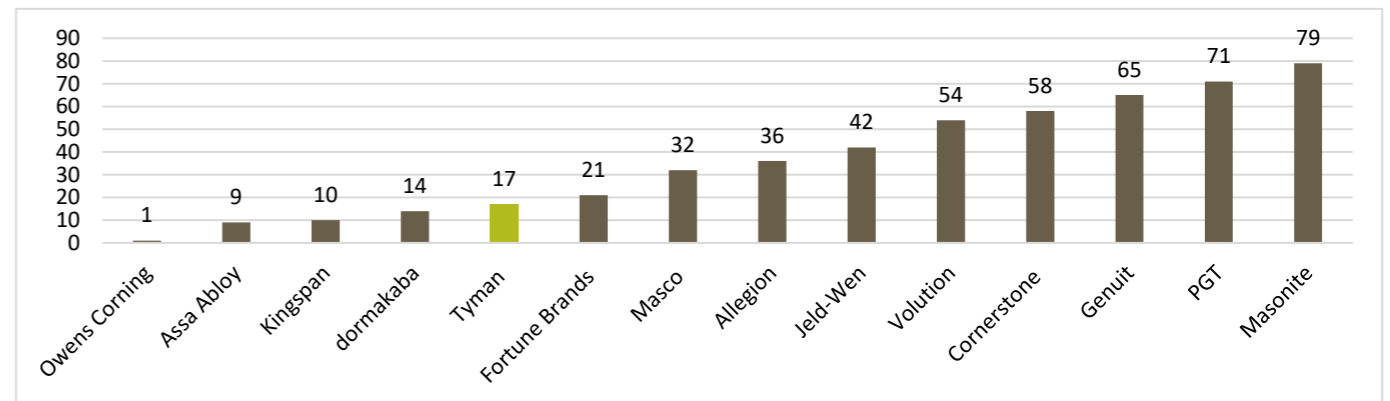
CCC B BB BBB A AA AAA



 **SUSTAINALYTICS** (15th out of 146 companies in sector)

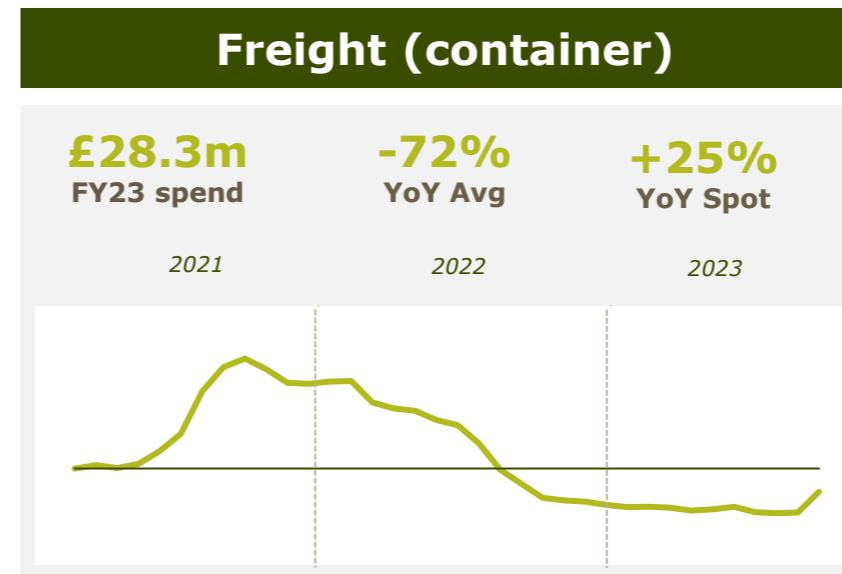
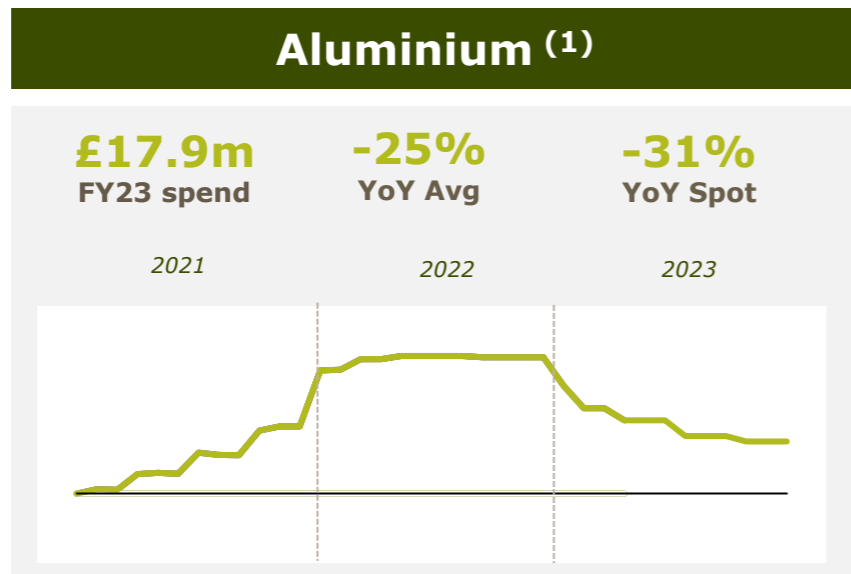
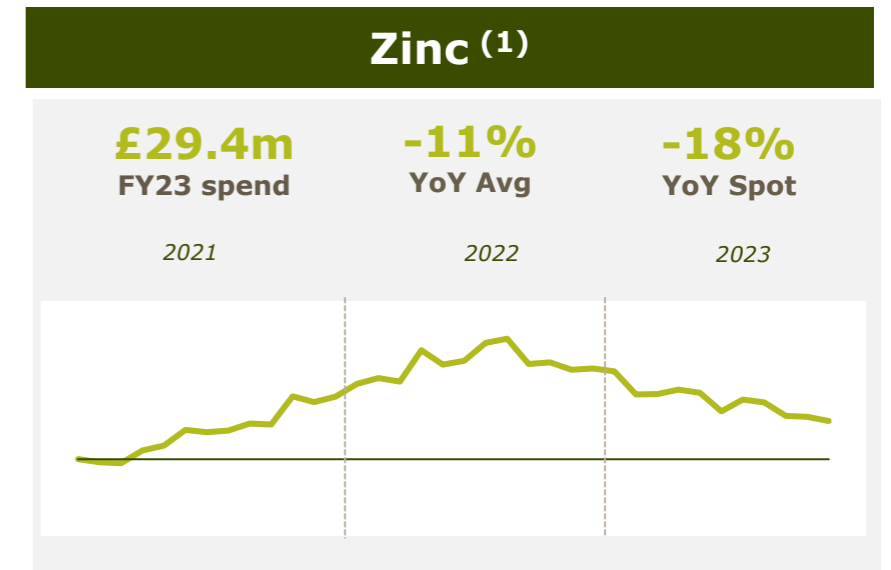
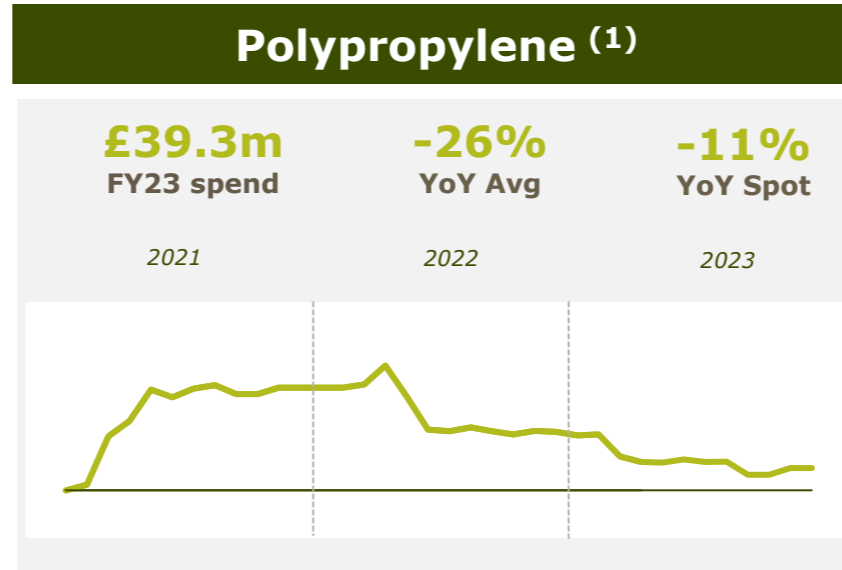


S&P Global (relative ranking, 89 companies in sector)



Cost inflation

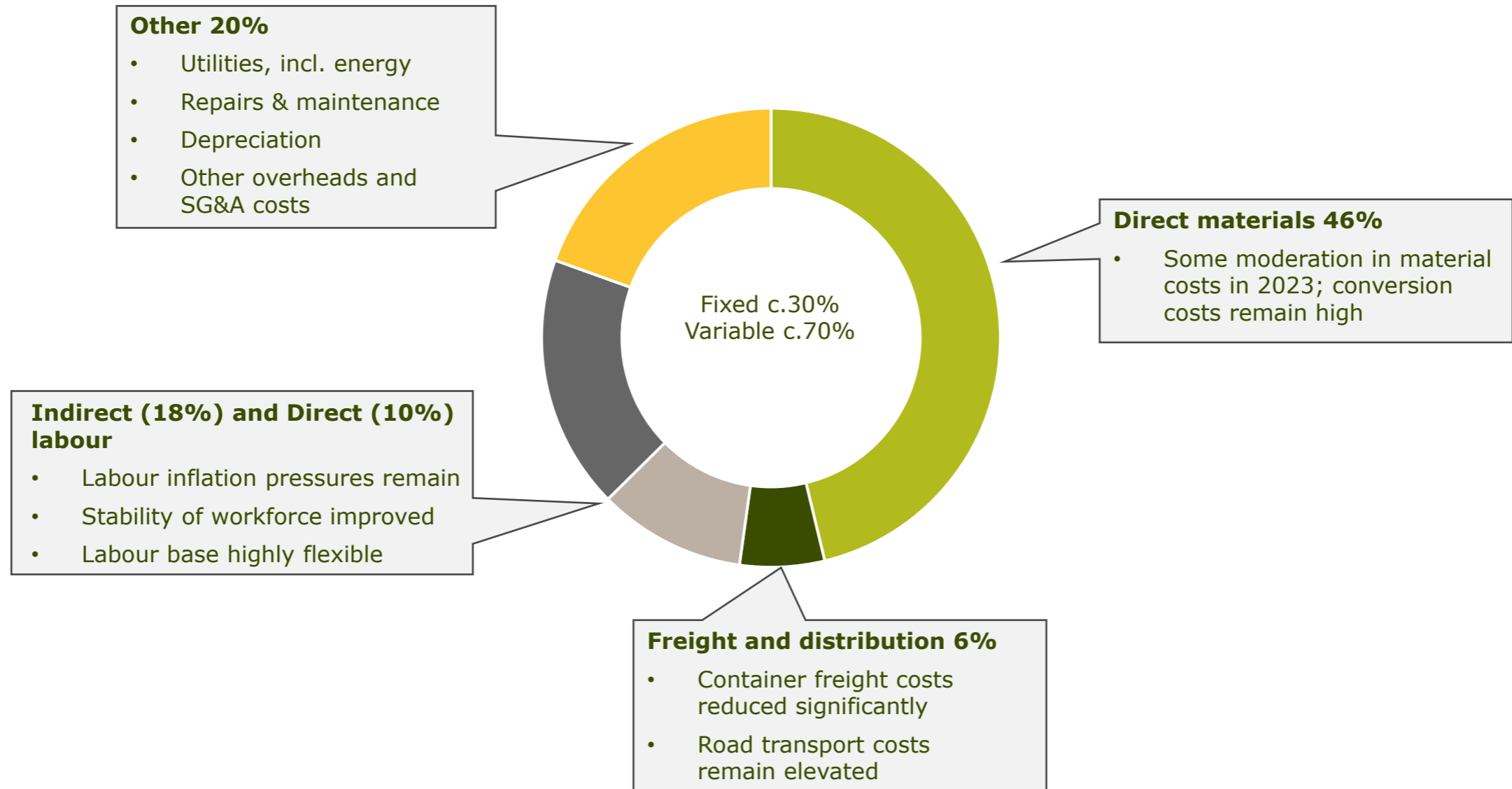
Fall in input costs, lower prices only realised in P&L after working through higher-priced inventory carried into 2023



(1) Prices shown are purchase prices which include conversion costs

Agile cost structure

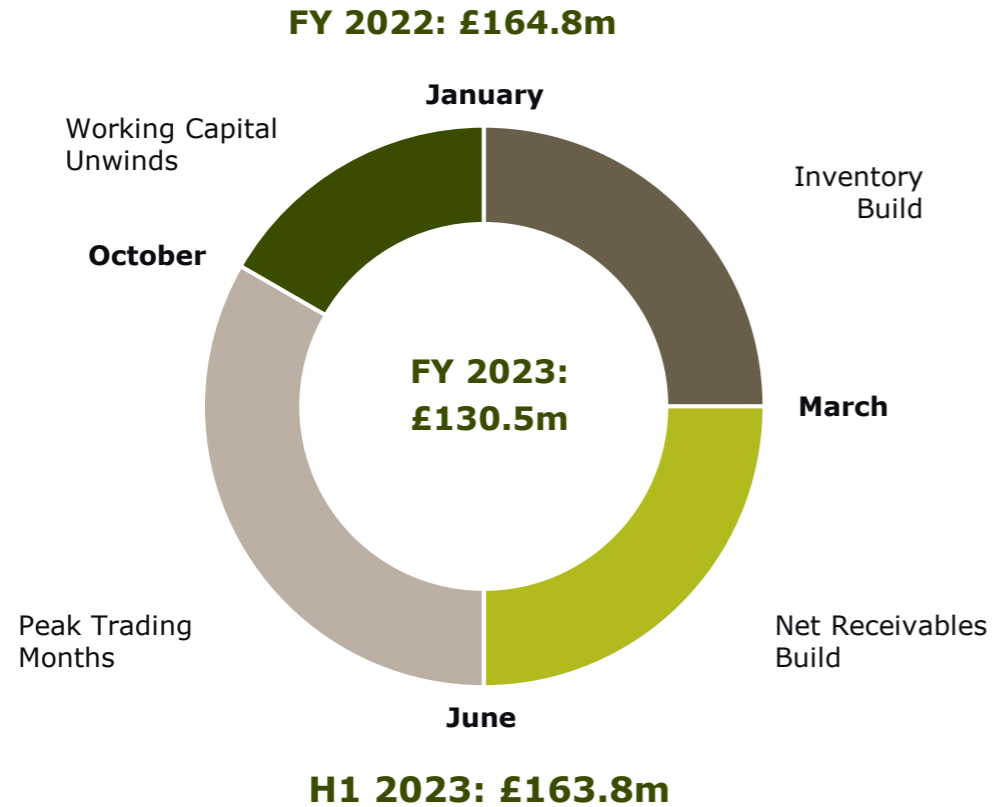
Flexible cost base to help navigate challenging market conditions



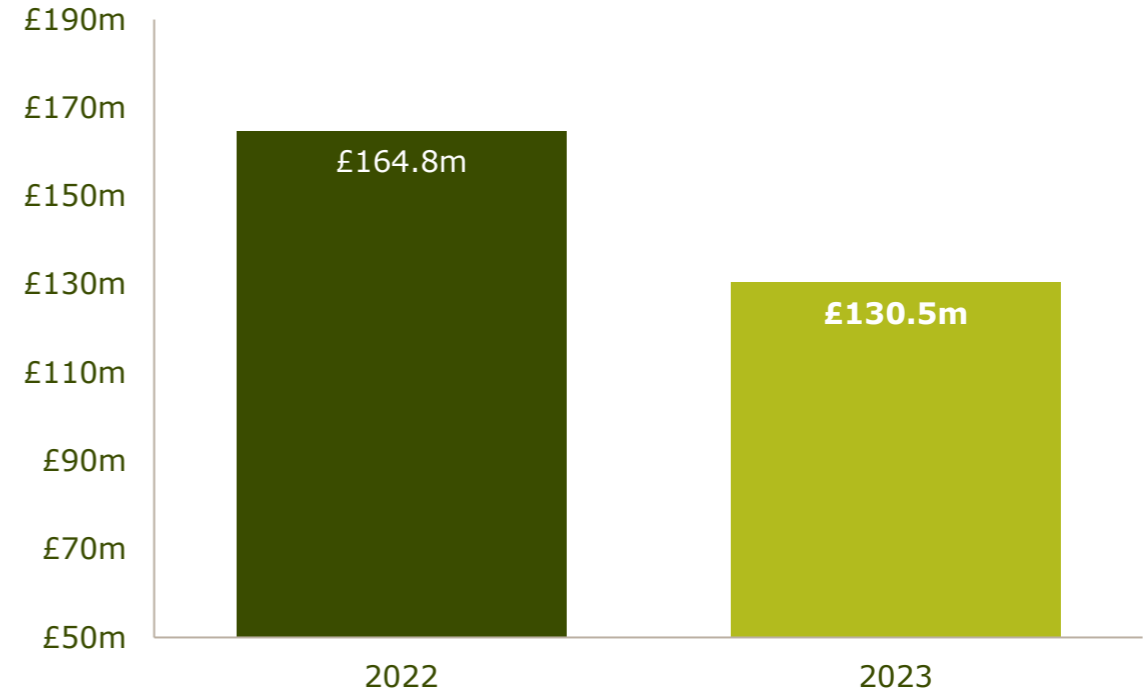
Working capital

Excellent work to reduce inventory, delivering c.£34 million working capital inflow in 2023

Trade working capital cycle



2023 trade working capital



- 2021 and 2022 working capital above normalised levels, due to supply chain disruption and effect of inflation
- Significant reduction in inventory in 2023 as planned

- Decrease in inventory due to reduction initiatives of -£29m and FX -£6m
- Trade receivables & trade payables largely unchanged
- Overall exchange movement: -£7m

Disclaimer

Forward looking statements

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