Introduction to Tyman

December 2022

Our offer

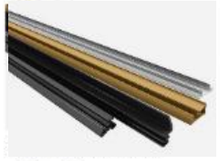
A comprehensive range of high quality, innovative products supported by value-added services

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.

Commercial Access Solutions

Commercial Window Hardware

Commercial Door Hardware

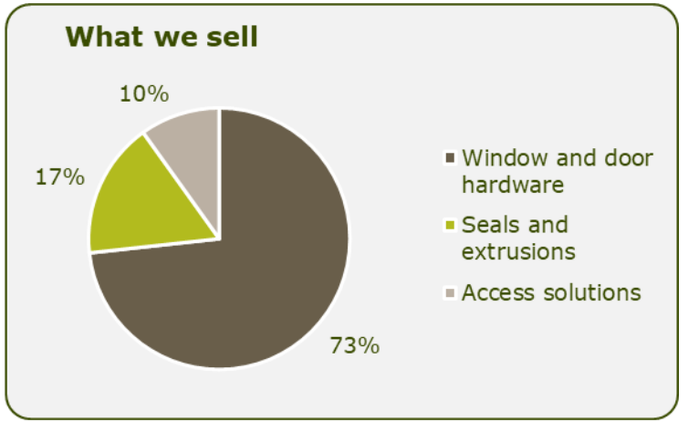


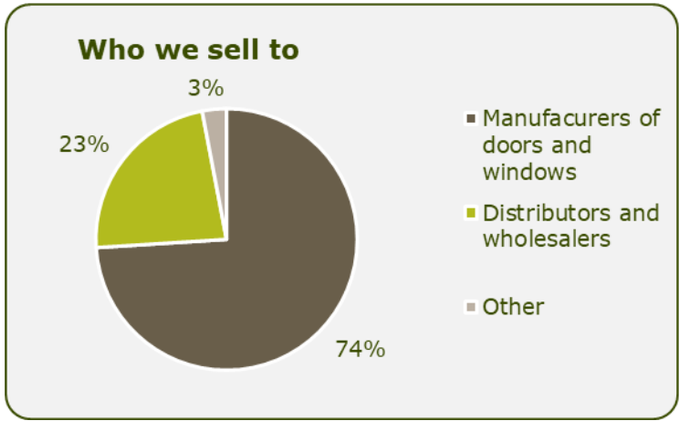
Seals and Extrusions

Smartware and Automation

Residential Window Hardware

Residential Door Hardware





Our value proposition

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

Comfort

Ventilation

Weatherproofing

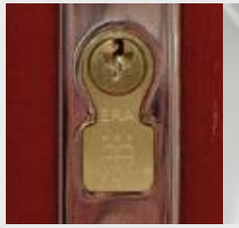
Soundproofing

Sustainability

Energy Efficiency of Buildings

Longevity of Buildings

Security


Locking/ Deterrent

Monitoring

Remote & Timebound Access

Safety

Fall Prevention

Hurricane Solutions

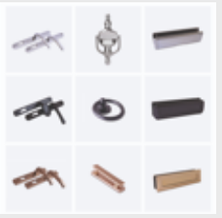
Fire Protection

Safe Access

Aesthetics

Look

Feel


Suiting

How we create value for our customers

A broad range of 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: over 555 active patents with 111 pending

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

How we create value for our customers

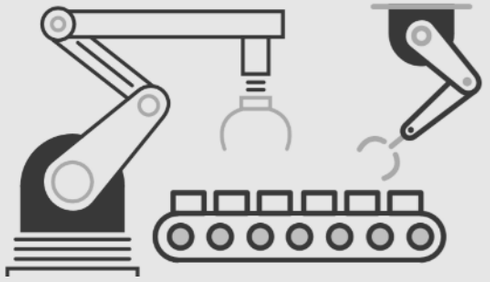
Our differentiated activities address the needs of our diverse customer base

Design

Our domain expertise allows us to understand customer and end user needs to create innovative, value-adding solutions. This may include:

- co-development
- creation of bespoke solutions
- application engineering for system solutions
- support of project specifiers & architects
- accredited test services

Make / Source



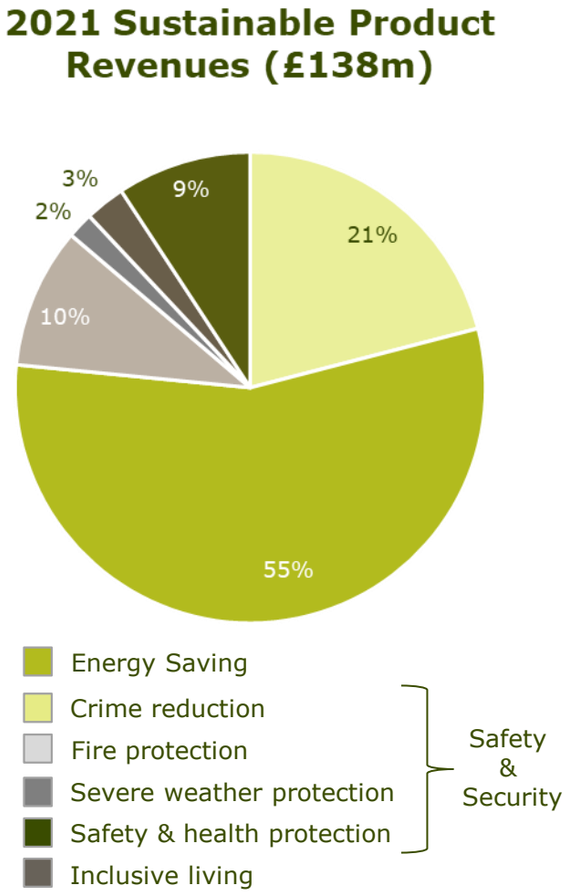
Our global footprint including extensive supplier network gives flexibility to close-couple with customer production operations while leveraging our economies of scale.

Deliver

Our routes to market reflect the diversity of our customer base ranging from supplying just-in-time direct to customer production lines through to short lead-time supply to distributors and project sites. We back this up with extensive technical & application support, including accrediting installers for our smartware offer.

Our broader contribution to society

Tyman's revenues with positive UN SDG impact represents over 20% of the Group



Energy saving (c. £75m)

- ✓ Reducing heat loss from buildings
  - ✓ Energy saving window/door seals
  - ✓ 'Thermally broken' roof hatches
- ✓ Energy efficient micro-ventilation products

Safety and security (c. £50m)

- ✓ Community crime reduction
  - ✓ High security locks and smart alarms
- ✓ Protection against climate hazards
  - ✓ Fire rated riser doors, hurricane-resistant roof hatches
- ✓ Child safety mechanisms for windows

Inclusive living (c. £5m)

- ✓ Easy to use/ automated window and door hardware for inclusive living

Our marketplace

Long-term megatrends are supplemented by trends arising from COVID-19

Demographic & Social Change

Global population growth

Ageing populations

Growing middle class

Sustainable Future

Climate change

Enhanced building codes and product certifications getting stricter

Increased sustainability awareness & pull

Technology Disruption

New ways of living & working

Rise of the savvy & more demanding consumer

Impact of COVID-19

Nesting

Urban flight

Increased consumer savings

"Build back better"

Accelerated digitalisation

Our divisions

Regional groupings of the same fundamental capabilities with several brands spanning divisions

North America

2021 Data

Revenue £398m

Employees 2,900

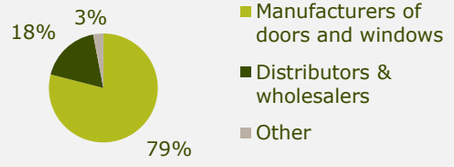
Residential 87%

Commercial 13%

Manufacturing sites 10

Distribution sites 1

Routes to market



Brands

Amesbury Truth TYMAN group · Bilco TYMAN group · GIESSE TYMAN group

UK & Ireland

2021 Data

Revenue £106m

Employees 420

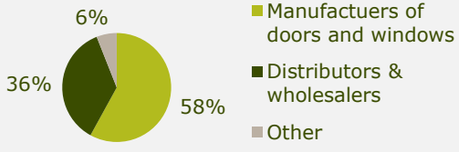
Residential 72%

Commercial 28%

Manufacturing sites 3

Distribution sites 1

Routes to market



Brands

GIESSE TYMAN group · ACCESS 360 TYMAN group · ERA TYMAN group · Schlegel TYMAN group · ZOO TYMAN group

International

2021 Data

Revenue £132m

Employees 820

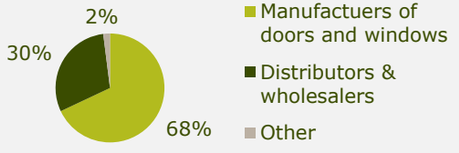
Residential 77%

Commercial 23%

Manufacturing sites 6

Distribution sites 9

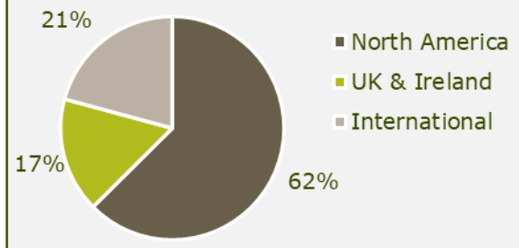
Routes to market



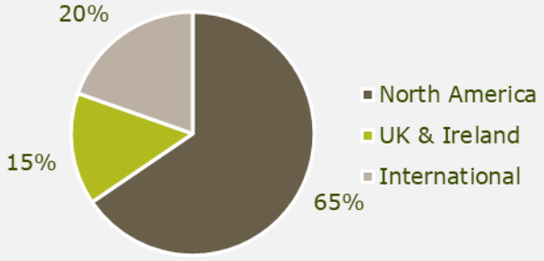
Brands

Schlegel TYMAN group · Bilco TYMAN group · JATEC TYMAN group · Amesbury Truth TYMAN group · REGUITTI TYMAN group · GIESSE TYMAN group · ACCESS 360 TYMAN group

2021 Group revenue



2021 Group operating profit



Our investment case

Favourable megatrends, differentiated value-creation & high cash generation

Favourable Megatrends

- Global population growth drives construction & RMI activity
- Climate change demands more energy efficient buildings
- Increasing consumer savvy
- Post-pandemic lifestyle changes

Compelling customer value creation

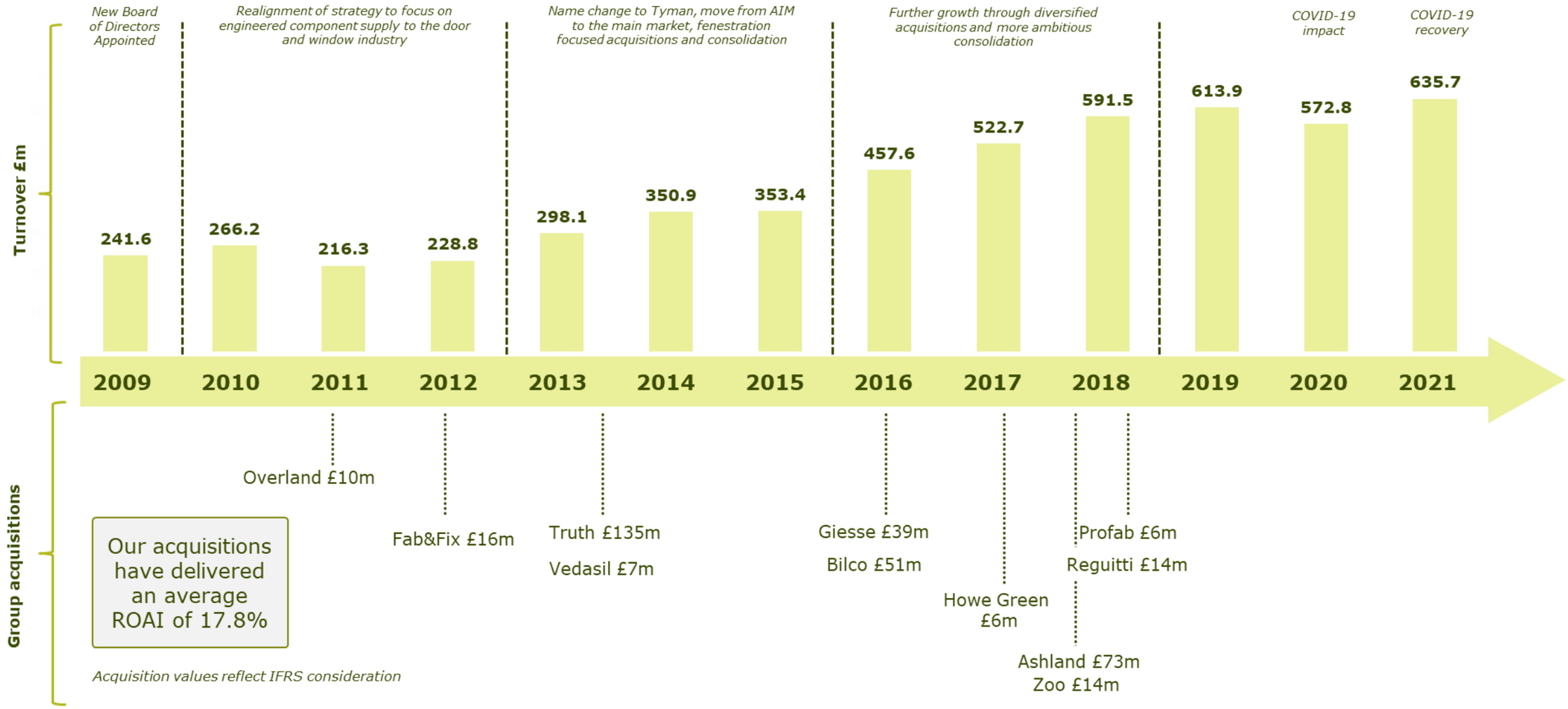
- High value-to-cost ratio products
- Market-leading brands
- Extensive portfolio
- Co-development & customisation
- Value-added support services

Sustainable growth potential

- High barriers to entry through our deep customer relationships, market-leading brands & domain expertise
- Scale efficiencies for innovation and operational excellence
- High levels of a cash generation & strong balance sheet supporting further expansion
- Resilience enabled by diversification across geographies and commercial / residential markets

Tyman evolution

More than doubled in 10 years, supported by disciplined acquisition in a fragmented market

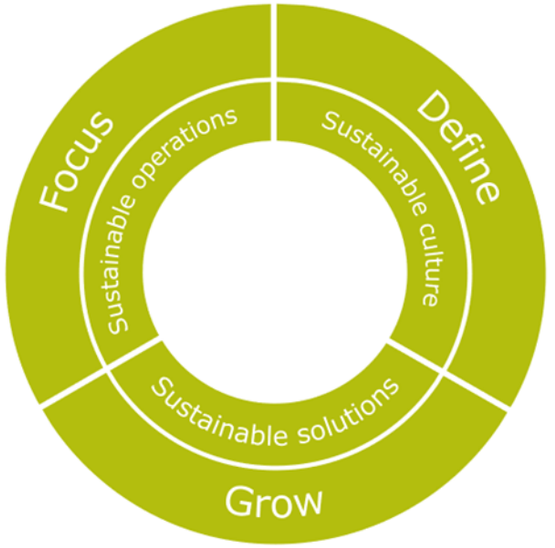


A strategy for long-term value creation

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.



- **Margin expansion**
- **Sustainable growth**
- **Engaged people**
- **Positive impact**

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: integrate recent M&A; implement lean initiatives; tune systems / processes

Sustainable Operations

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

Define

Create Stronger Base for Long-term Growth

- ‘One Tyman’: build cultural cohesion to facilitate synergy extraction
- Tyman Excellence System: establish a clearly-defined business system for best practice development and propagation

Sustainable Culture

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

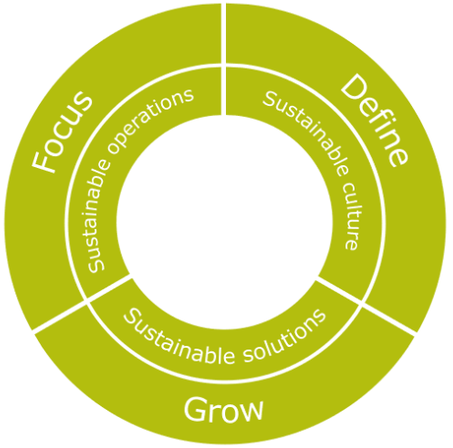
Grow

Deliver Sustainable Growth

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

Sustainable Solutions

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



Our Sustainability Excellence roadmap to 2030

Long-term targets and comprehensive plans to positively impact the UN SDGs & near-term SBTs

	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	• Safety is our first language • Net Zero transition • Water stewardship • Waste management	• Employee engagement • Diversity, equity & inclusion • Growing our talent • Community partnerships	• Positive-impact solutions • Circular economy • Sustainable materials • Responsible sourcing
Targets	• Total Recordable Incident Rate < 3 by 2026 • -46% scope 1 & 2 and -28% scope 3 emissions by 2030[1] • Zero waste to landfill by 2026	• Gender diversity >30% at all levels	• 100% sustainable packaging by 2026 • YoY increase in % revenue from positive impact solutions

[1]Science based targets using a 2019 baseline and "material" scope 3 emissions (i.e. purchased raw materials). Targets are aligned with a 1.5°C pathway for scope 1 and 2 emissions and a well-below 2°C pathway for scope 3 emissions.

Our sustainability credentials are being recognised

MSCI Leader Rating and top 20% of building sector peer group by S&P and Sustainalytics

MSCI ESG RATINGS

AA

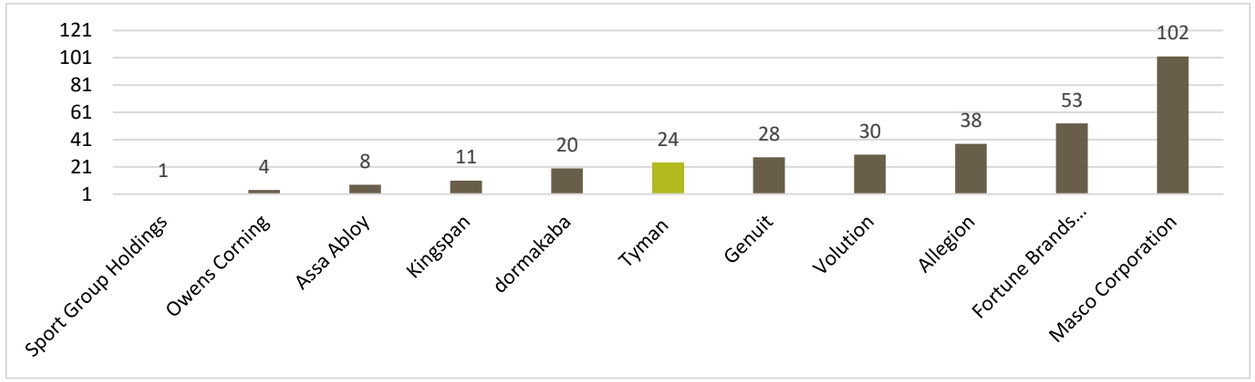
CCC	B	BB	BBB	A	AA	AAA

2021: 'A' rating

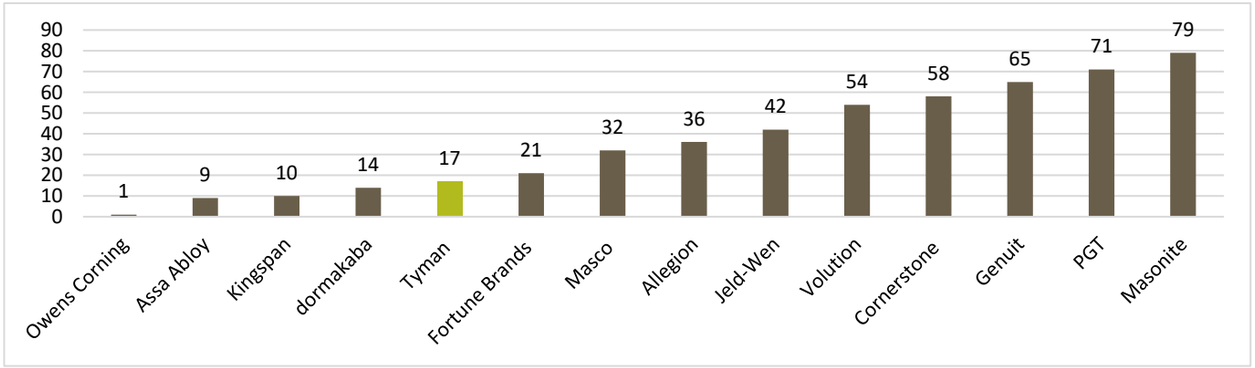
New for 2022: Awaiting rating

CDP
DISCLOSURE INSIGHT ACTION

SUSTAINALYTICS (relative ranking, 134 companies in sector)



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



Financial performance: 2021 highlights

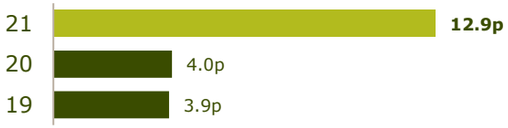
Robust performance in spite of global supply chain challenges

Revenue

£635.7m

Dividend per share

12.9p

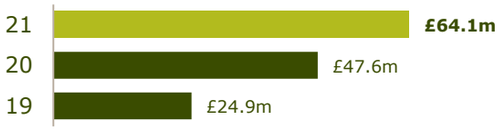


Adjusted operating profit

£90.0m

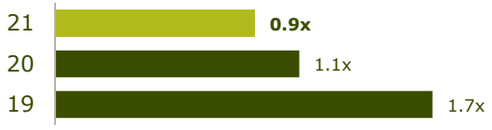
Profit before taxation

£64.1m



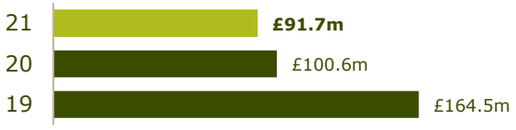
Leverage

0.9x



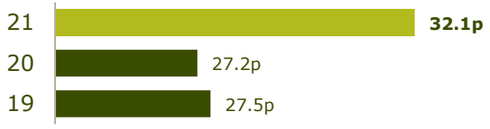
Adjusted net debt

£91.7m



Adjusted earnings per share

32.1p



Basic earnings per share

25.4p

- Strong growth against both 2020 and 2019:
  - LFL revenue growth of 11% against 2019 driven by share gains, pricing and strong market demand
  - LFL adjusted operating profit up 11% against 2019 due to revenue growth, pricing benefits and self-help activities
  - Adjusted operating margin expanded to 14.2% despite dilutive effect of cost inflation
  - Adjusted EPS growth of 17% against 2019
  - ROCE improvement of 250bps against 2019 to 14.5%
- Performance achieved despite industry-wide supply chain challenges, labour constraints and input cost inflation
- Strategic initiatives yielding positive results, with good progress on sustainability roadmap
- Further reduction in leverage to 0.9x
- Progressive dividend policy reinstated; record total dividend of 12.9p per share

Recent performance: H1 2022 financial highlights

Robust performance against exceptionally strong comparative period

Revenue (£m)	H1 2022	H1 2021	LFL change
North America	229.5	191.6	+12%
UK and Ireland	53.7	54.3	-1%
International	76.8	66.6	+17%
Group	**360.0**	**312.5**	**+11%**

Operating profit[2]

£49.3m (Margin: 13.7%)

H1 2021: £47.8m (Margin 15.3%)

+3% *(Reported vs H1 2021)*

-1% *(LFL[1] vs. H1 2021)*

ROCE[3]

13.9%

H1 2021: 15.5%

-150 bps *(vs H1 2021)*

EPS[2]

17.6p

H1 2021: 17.1p

+3% *(vs H1 2021)*

Cash conversion

33.8%

H1 2021: 57.8%

Leverage[4]

1.1x

H1 2021: 0.9x

Dividend per share

4.2p

H1 2020: 4.0p

Notes – for Definitions and reconciliation of APMs see the Results Announcement published on 26 July 2022

(1) Constant currency, excluding the impact of acquisitions and disposals

(2) Adjusted

(3) Adjusted Operating Profit divided by average capital employed

(4) Calculated in accordance with banking covenants on a frozen GAAP basis (excluding the impact of IFRS 16)

Trading update

Solid trading performance despite challenging market conditions

- Group LFL sales growth of 9% for 10 months ending 31 October 2022
- Reflects positive impact of pricing actions, partially offset by lower volumes and discontinuation of business in Russia & Belarus (1% of sales in 2021, £3m of 2021 adjusted operating profit)

- Share gains from demonstration of value proposition:
  - US$7m of annualised net customer wins in North America as at end October
  - 22% sales growth with system houses in Europe and GCC (Oct YTD)
  - Continued gains with innovative access solutions product in UK throughout 2022

- Some easing in certain material costs and freight rates, but input prices remain elevated, accentuated by increases in global energy costs; in addition, tight labour markets continue to put pressure on wage inflation

- Progressed cost-saving initiatives to structurally improve the cost base, including the exit of 3 manufacturing facilities in UK and Germany which will complete in early 2023 and deliver annualised benefits of £3m

- Board expects full year adjusted operating profit to be in line with its expectations

Capital allocation

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

Grow FCF

- Organic growth ahead of market
- Margin expansion
  Target RoS:
  North America 20%
  UK&I 15%
  International 15%
- Strong cash conversion

Use of cash

Invest for organic growth	• NPD / Channel expansion • Efficiency / Optimisation • Sustainability roadmap
Targeted M&A	• Strict discipline on returns
Shareholder returns	• Progressive dividend policy
Efficient balance sheet	• Balanced leverage

Targets

- ROCE 14%
- Dividend cover 2.0x – 2.5x
- Leverage 1.0x – 1.5x adj. EBITDA

Summary

Long-term, sustainable growth potential

Tyman represents a solid platform:

- Market-leading brands, extensive portfolio, deep customer relationships, domain expertise & geographic reach

… and provides a strong investment case:

- Favourable megatrends support our market drivers
- Differentiated customer value creation creates competitive advantage
- Disproportionate contribution to value of customers' products supports strong margins
- High levels of cash generation enable continued investment
- Opportunities for both organic and acquisitive growth

Our strategy has sustainability at its core, will strengthen the base and deliver long-term growth:

- FOCUS: Delivers margin expansion
- DEFINE: Creates a stronger and more cohesive base to enable sustainable long-term growth
- GROW: Organic share gain and mid-term resumption of M&A in a fragmented market

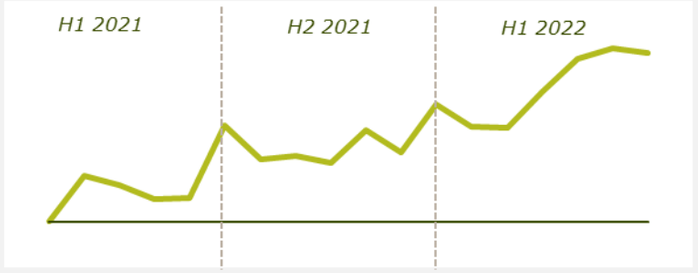
Appendices

Cost inflation

Dramatic input cost inflation; significant pricing actions taken to mitigate

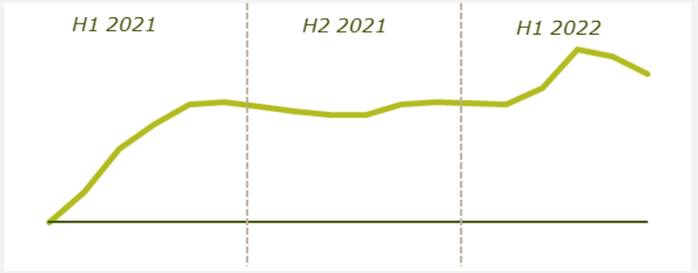
Stainless Steel(1)

£76.5m FY21 spend | **+43%** YoY Avg | **+25%** YoY Spot



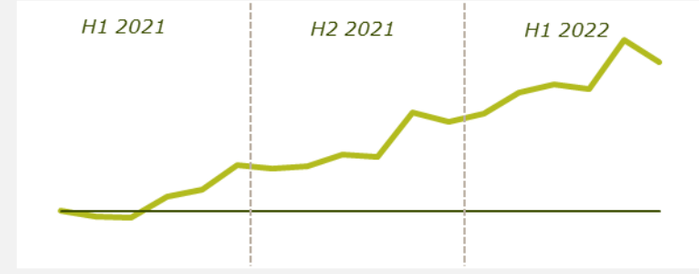
Polypropylene

£37.8m FY21 spend | **+24%** YoY Avg | **+9%** YoY Spot



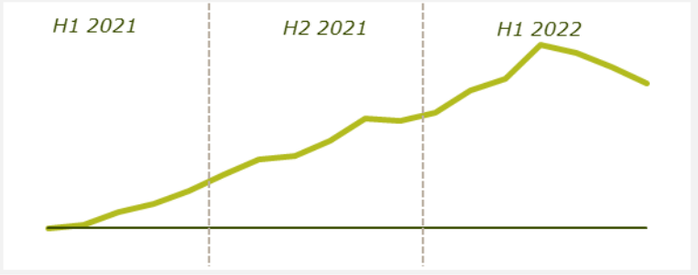
Zinc (1)

£31.4m FY21 spend | **+37%** YoY Avg | **+29%** YoY Spot



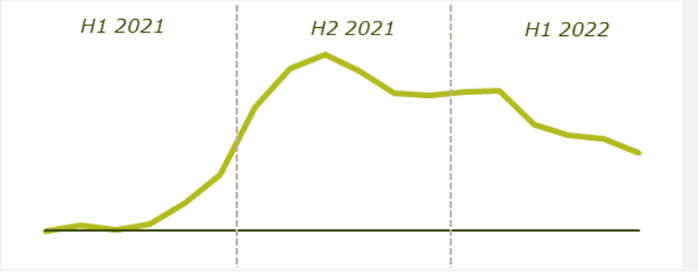
Aluminium (1)

£17.0m FY21 spend | **+77%** YoY Avg | **+44%** YoY Spot



Freight (container)

£43m FY21 spend | **+75%** YoY Avg | **+13%** YoY Spot

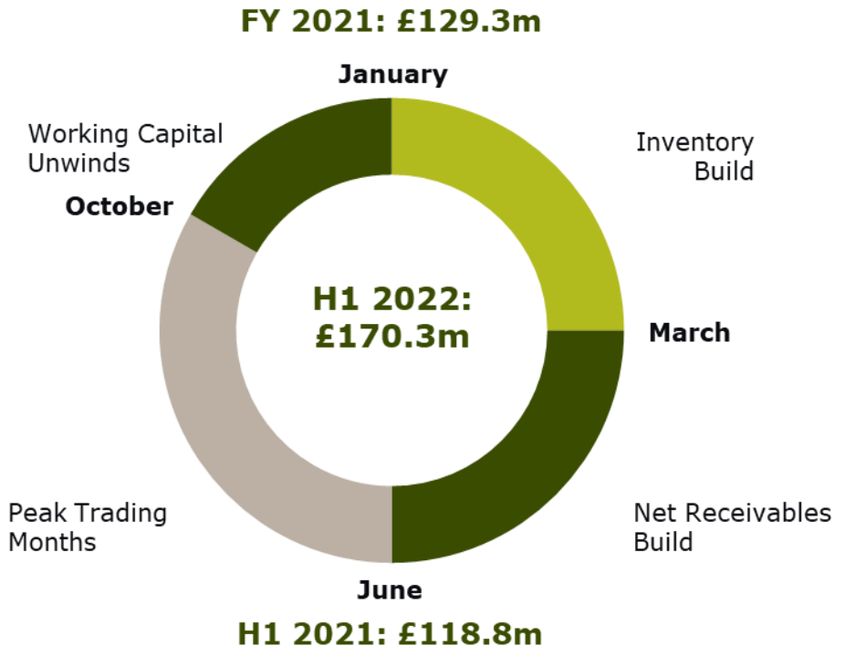


(1) Pricing includes conversion costs.

Working capital

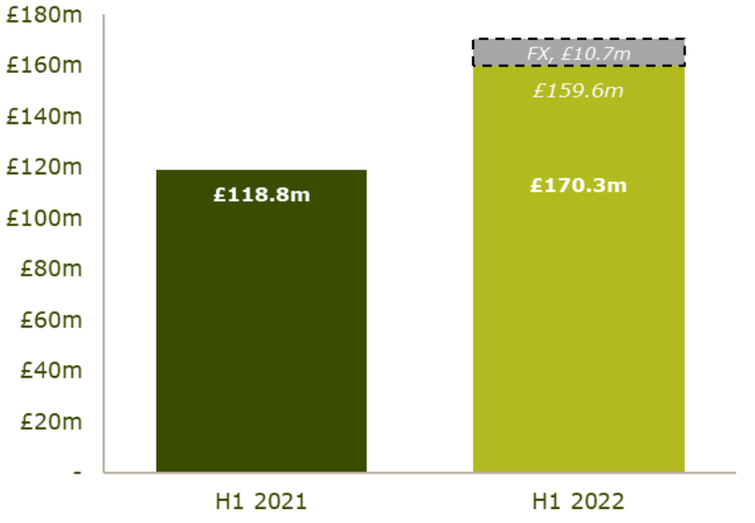
Working capital build higher than normal levels

Trade working capital cycle



- H1 2022 working capital seasonal build above normalised levels, with H1 2021 build abnormally low
- H1 2022 trade working capital:LTM sales of 25% vs H1 2021 of 19%

H1 2022 trade working capital



- Increase in inventory to support higher demand and to protect against supply chain disruption. Magnified by the impact of inflation.
- Higher trade receivables and trade payables due to increased trading and effect of pricing and inflation
- Exchange movement: +£10.7 million

Contact us

Tyman
29 Queen Anne's Gate
London SW1H 9BU
United Kingdom

T: +44 (0) 20 7976 8000
E: investor.relations@tymanplc.com

www.tymanplc.com