Results for the six months ended 30 June 2019

Highlights

Observations and priorities
A solid platform for growth

Observations

- Solid portfolio built through quality M&A
  - Valued market drivers
  - Strong value-add to customers' products
  - Opportunity to differentiate
- Talented people with strong domain knowledge
- Opportunities for both revenue growth and margin expansion
  - Need for improved execution in the US

Near term priorities

- Focus on organic performance:
  - Resolve North American operational issues & customer losses
  - Further integrate recent M&A
  - Gain traction with new product launches
  - Create cohesion across the portfolio
- Drive cash generation and reduce debt

Highlights

Results

- Reported revenue and adjusted operating profit both up 10%
- LFL revenue down 1% reflects disappointing performance at AmesburyTruth against solid performance in ERA and SchlegelGiesse
- Adjusted operating profit of £41.9m, with margin flat at 13.9%
- Ashland on track to generate $5m annual synergy benefits from 2020
- Acquired Y-cam, supporting development of new Smartware product pipeline
- Interim dividend increased in line with progressive policy

Outlook

- New medium term target leverage of 1.0x to 1.5x adjusted EBITDA
- Market outlook mixed; savings from footprint offset near term by operational issues and customer losses

AmesburyTruth

Footprint-related issues fixable. Benefits now expected in the medium term

Footprint-related issues

Cost inefficiencies

- Process waste; low yields / stock availability
- Interim compensatory measures added cost

Customer losses

- Customer frustration with service levels
- Hard transition to new door seal product

Status

- Site closures complete
- Phase 1 (hardware): sites operating well
- Phase 2 (seals): progress being made

Ongoing actions

- Improve yield / cost stability at seals site
- Re-instate capacity of previous product
- Execute plans to win back customers

Impact

- Disruption offsets cumulative benefits of footprint in near term
- Benefits still expected in medium term

H1 financial review

H1 2019 Financials

Revenue	Operating Profit (adj)[2]	EPS (adj)[2]
£301.9m *+10% (Reported)* *-1% (LFL[1])* H1 2018: £274.9m	**£41.9m (13.9%)** *+10% (Reported)* *-4% (LFL[1])* H1 2018: £38.2m (13.9%)	**13.14p** *Flat* *+3% (Adj[4])* H1 2018: 13.11p

ROCE[3]	Cash conversion	Leverage[5]
12.7 % *-122 bps* *-78 bps (Adj[4])* H1 2018: 13.9%	**62.3% (Reported)** *52.1% (Adj[4])* H1 2018: 54.2%	**2.21x** *+0.10x* H1 2018: 2.11x

Notes – for Definitions and reconciliation of APMs see the Interim Results Announcement published on 25 July 2019

(1) Constant currency, excluding the impact of acquisitions, disposals, and IFRS 16

(2) Adjusted

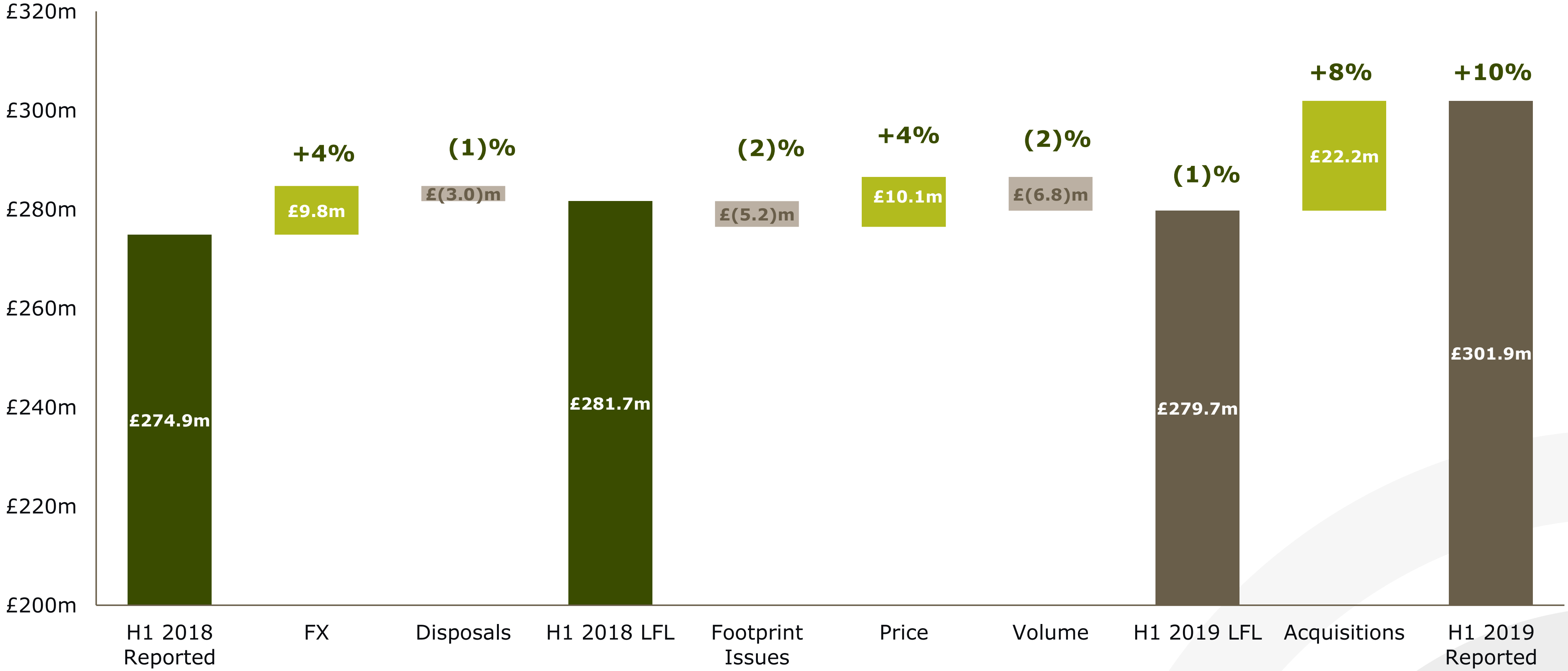
(3) LTM Adjusted Operating Profit divided by LTM average capital employed

(4) Excluding the impact of IFRS 16

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

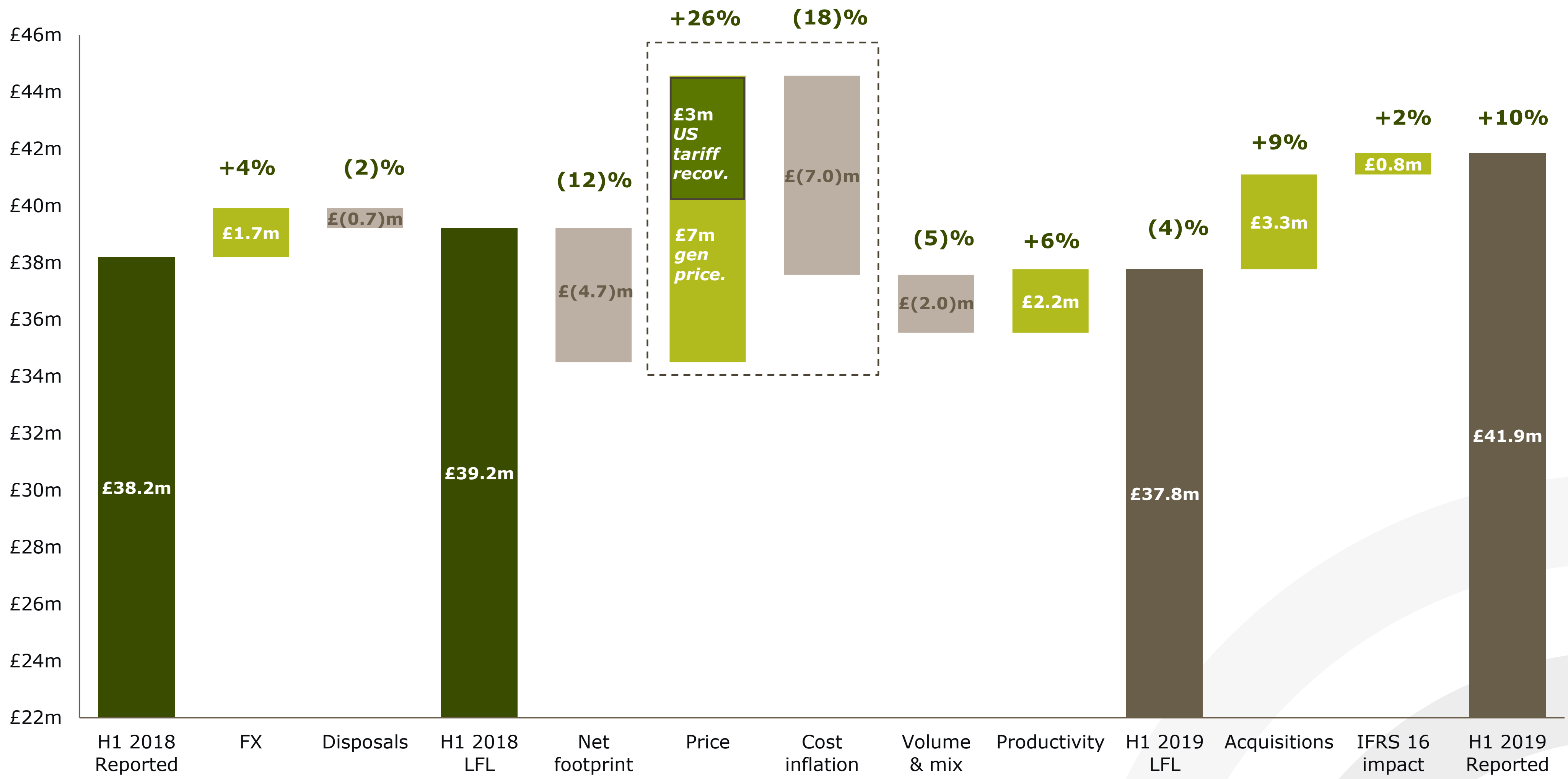
H1 2019 revenue bridge

Bridge from reported H1 2018 to reported H1 2019



H1 2019 adjusted operating profit bridge

Bridge from reported H1 2018 to reported H1 2019



Divisional summary

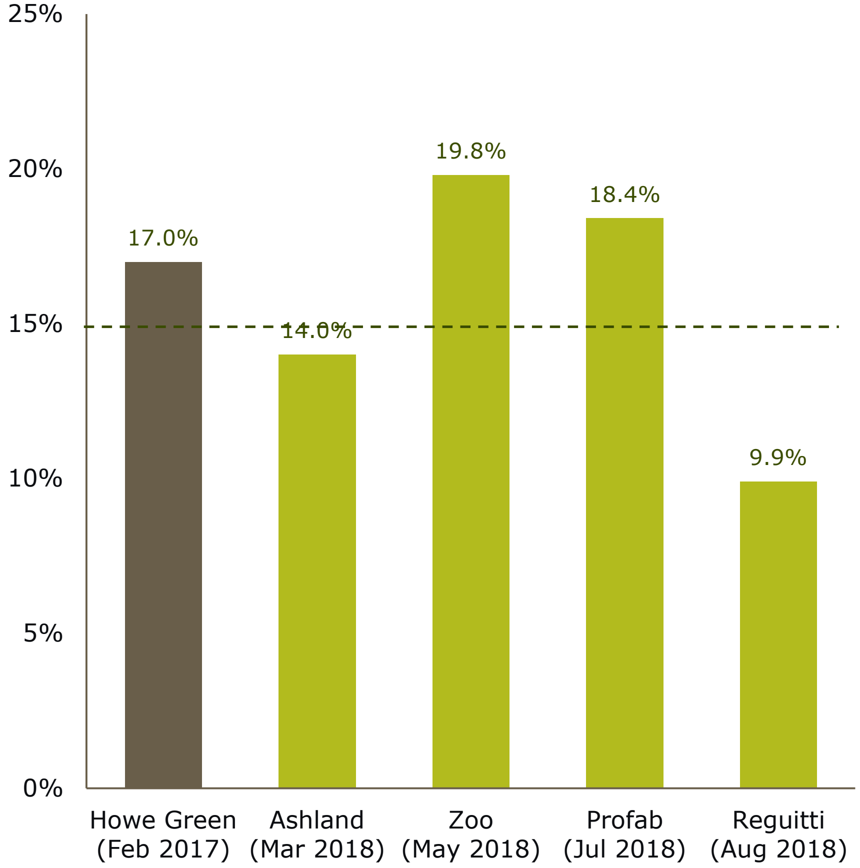
Revenue	H1 2019	H1 2018	Change	LFL
AmesburyTruth	187.4	176.6	+6%	-3%
ERA	53.0	42.8	+24%	+1%
SchlegelGiesse	61.5	55.5	+11%	+4%

Adjusted operating profit	H1 2019	H1 2018	Change	LFL
AmesburyTruth	31.2	30.0	+4%	-5%
ERA	6.9	4.8	+43%	+13%
SchlegelGiesse	7.6	6.8	+12%	+2%

Adjusted operating margin	H1 2019	H1 2018
AmesburyTruth	16.7%	17.0%
ERA	13.0%	11.3%
SchlegelGiesse	12.3%	12.2%

Return on acquisition investment

Acquisitions largely on track to meet minimum target return threshold



- Howe Green exceeds target ROAI after two years of ownership
- Ashland trading ahead of H1 2018. Synergies on track to deliver targeted $5m pa from 2020
- Zoo trading strongly. Revenue 6% ahead of H1 2018. On track to outperform return threshold
- Profab performance assisted by timing of project based work
- Reguitti synergies slower than planned, but beginning to come through

ROAI is measured over a two year period post-acquisition.

Howe Green ROAI reflects run rate ROAI calculated over the twelve month period to February 2019. Ashland and Zoo ROAI reflects run rate ROAI calculated over the 12 month period to 30 June 2019. Profab and Reguitti have been owned by the Group for less than 12 months and ROAI reflects ROAI calculated on an annualised basis for the period of ownership.

Cash flow
Free cash flow and operating cash conversion

Free cash flow

£m	H1 2019	H1 2018
Adjusted EBITDA(1)	48.7	45.1
Working capital(2)	(22.6)	(19.4)
Capex	(4.7)	(4.9)
Adjusted operational cash flow	**21.4**	**20.8**
Pension contributions	(0.5)	(0.4)
Income tax paid	(7.1)	(5.1)
Net interest paid (excl IFRS 16)	(6.0)	(3.6)
Exceptional cash costs	(6.9)	(3.2)
Free cash flow	**0.9**	**8.5**

Operating cash conversion

	H1 2019	H1 2018
Operating cash conversion(3)	62.3%	54.2%
Adjusted operating cash conversion(4)	52.1%	54.2%

(1) Adjusted EBITDA includes lease payments which in 2019 are included within financing cash flows following adoption of IFRS 16
(2) Excluding the effect of exceptional items in working capital
(3) Operating cash conversion is operational cash flow (which excludes lease payments) divided by adjusted operating profit
(4) Adjusted operating cash conversion is adjusted operating cash flow divided by adjusted operating profit

Guidance

Changes to FY 2019 guidance:

- Disruption expected to impact both revenue and costs; cumulative benefits of footprint more than fully negated in 2019 with lesser impact in 2020 as management actions take effect
- FY exceptional costs £11m to £15m (H1: £10m)
- Trade working capital H2 unwind £25m to £30m
- FY capex £12m to £15m

Medium term:

- Leverage target of 1.0x to 1.5x adjusted EBITDA

Divisional reviews

AmesburyTruth
Disappointing H1 due to footprint project related issues

Highlights

- Softer North American markets
- Operational disruptions and customer losses have offset near-term footprint benefits
- Strong profitability growth in Ashland; synergies on track to $5m p.a. by 2020 (H1 2019: $1.8m)
- Good growth in Bilco commercial access sales
- Change in North American leadership
- H2 priorities:
    - Resolve issues related to footprint project
    - Drive realisation of Ashland synergies

New product launches


Pegasus single-motion lock / operator (H2)


Bilco smoke vents (H2)

	H1 2019	H1 2018	Change	LFL
Revenue (£m)	**187.4**	176.6	+6%	-3%
Adj. Operating Profit (£m)	**31.2**	30.0	+4%	-5%
Adj. Operating Margin	**16.7%**	17.0%	-0.3pp	

ERA
Solid performance in a challenging market

Highlights

- Market contracted significantly
- Strong share gain in hardware via distribution
- Acquired Y-cam: smartware platform for services
- Good progress with 2018 acquired businesses
- Launched Access 360 to integrate access brands and drive cross-selling
- H2 priorities:
  - Grow Zoo through portfolio extensions
  - Expand smartware installer network
  - Drive Ventrolla and Access 360 progress

New product launches

ERA PROTECT

Smartware range based on Y-cam (H2)

Composite door range

ERA Lockdown

ACCESS 360

Three brands, one objective - safe access all areas

BILCO ROOF ACCESS

PROFAB WALL ACCESS

HOWEGREEN FLOOR ACCESS

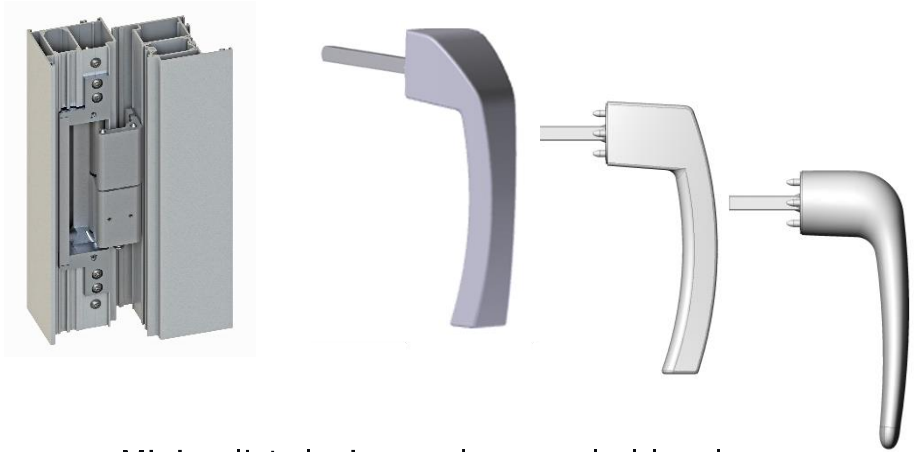
	H1 2019	H1 2018	Change	LFL
Revenue (£m)	**53.0**	42.8	+24%	+1%
Adj. Operating Profit (£m)	**6.9**	4.8	+43%	+13%
Adj. Operating Margin	**13.0%**	11.3%	+1.7pp	

SchlegelGiesse
Continued share gain against mixed end market backdrop

Highlights

- Mixed end market backdrop
- Varied performance by market
  - Solid performance in China and Middle East
  - Growth in Italy, France, Russia & UK
  - Australia and South America impacted by macroeconomic situation and FX
- Reguitti synergies slow but progressing
- H2 Priorities:
  - Drive SchlegelGiesse / Reguitti combined offer in core markets
  - Pursue manufacturing efficiencies

New product launches



Minimalist design and concealed hardware range, to cover all opening types

	H1 2019	H1 2018	Change	LFL
Revenue (£m)	**61.5**	55.5	+11%	+4%
Adj. Operating Profit (£m)	**7.6**	6.8	+12%	+2%
Adj. Operating Margin	**12.3%**	12.2%	+0.1pp	

Summary

Summary
A story of organic sustainable growth and margin expansion

Tyman – a solid platform for growth

- Strengths in valued market drivers
- Disproportionate contribution to value of customers' products
- Opportunities for long term sustainable differentiation
- Opportunities for both revenue growth and margin expansion

Near-term priorities

- Focus on organic performance:
  - Resolve North American operational issues & customer losses
  - Integrate recent M&A
  - Gain traction with new product launches
  - Create cohesion across the portfolio
- Drive cash generation and reduce debt

Disclaimer

Forward Looking Statements

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within the Tyman plc Group. This presentation contains forward-looking statements, including within the meaning of the US Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties because they relate to future events. These forward-looking statements include, without limitation, statements in relation to Tyman plc's financial outlook and future performance. You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. We undertake no obligation to update or revise any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances.

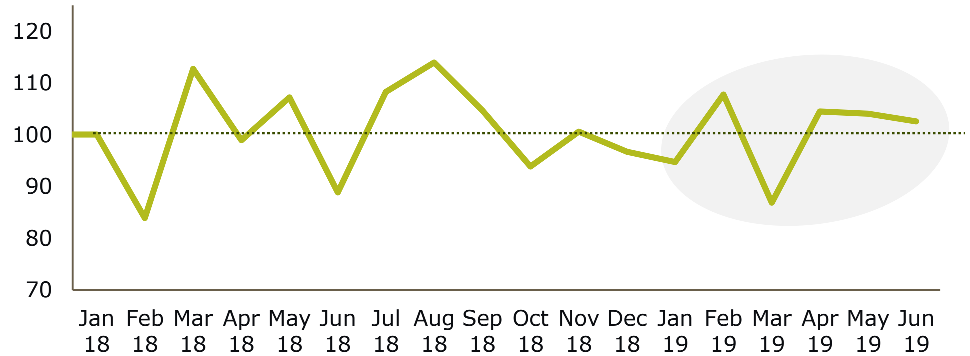
This presentation also contains non-GAAP financial information which Tyman's management believes is valuable in understanding the performance of the Group. However, non-GAAP information is not uniformly defined by all companies and therefore it may not be comparable with similarly titled measures disclosed by other companies, including those in Tyman plc's industry. Although these measures are important in the assessment and management of the Group's business, they should not be viewed in isolation or as replacements for, but rather as complementary to, the comparable GAAP measures. References to "Tyman", "the Group" and "Company" are to Tyman plc and its subsidiaries unless otherwise stated.

Appendices

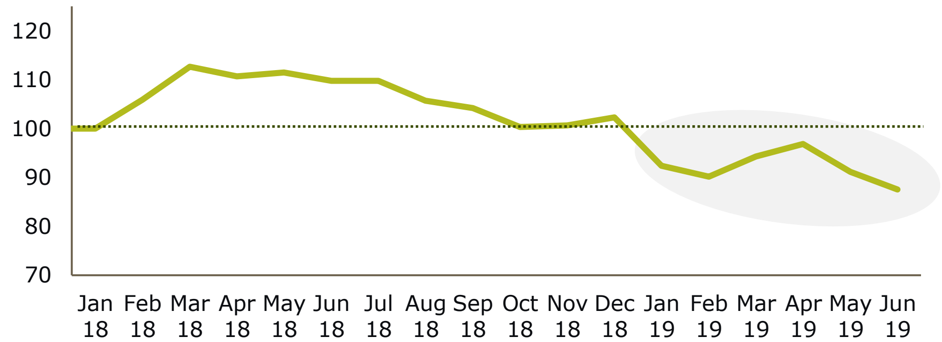
Metals input costs

Input costs continued to ease; offset by US tariffs

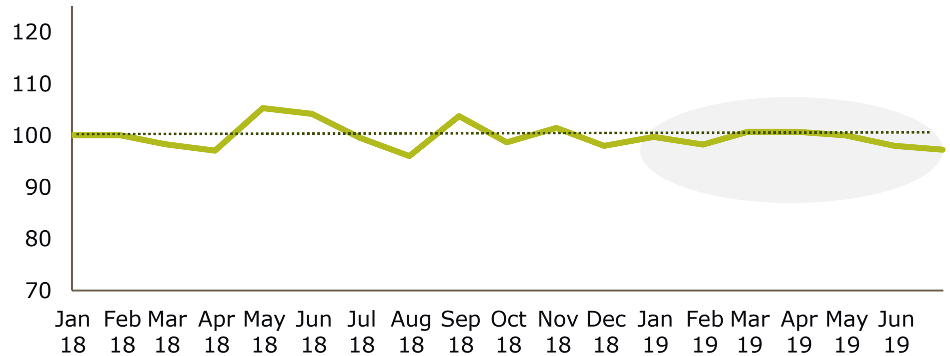
Stainless steel (US)



Zinc (US)

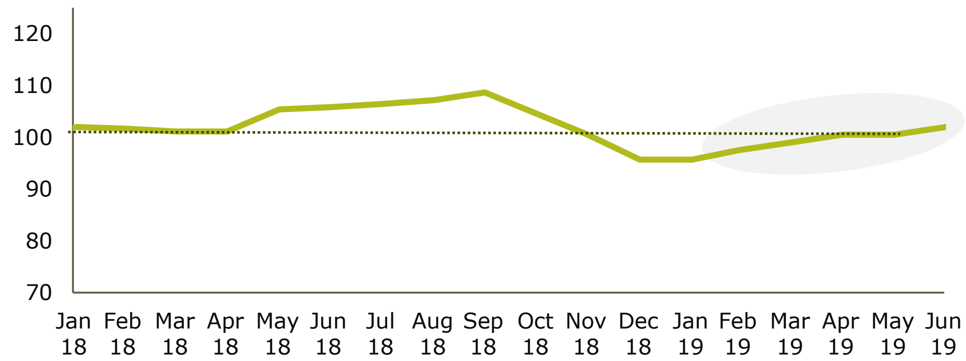


Aluminium (Euro)

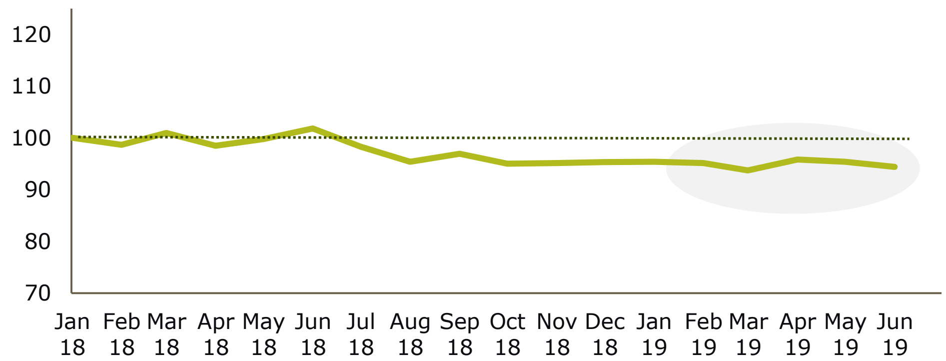


Oil derivatives and UK components input costs
Input costs continued to ease; offset by US tariffs

Polypropylene (Euro)



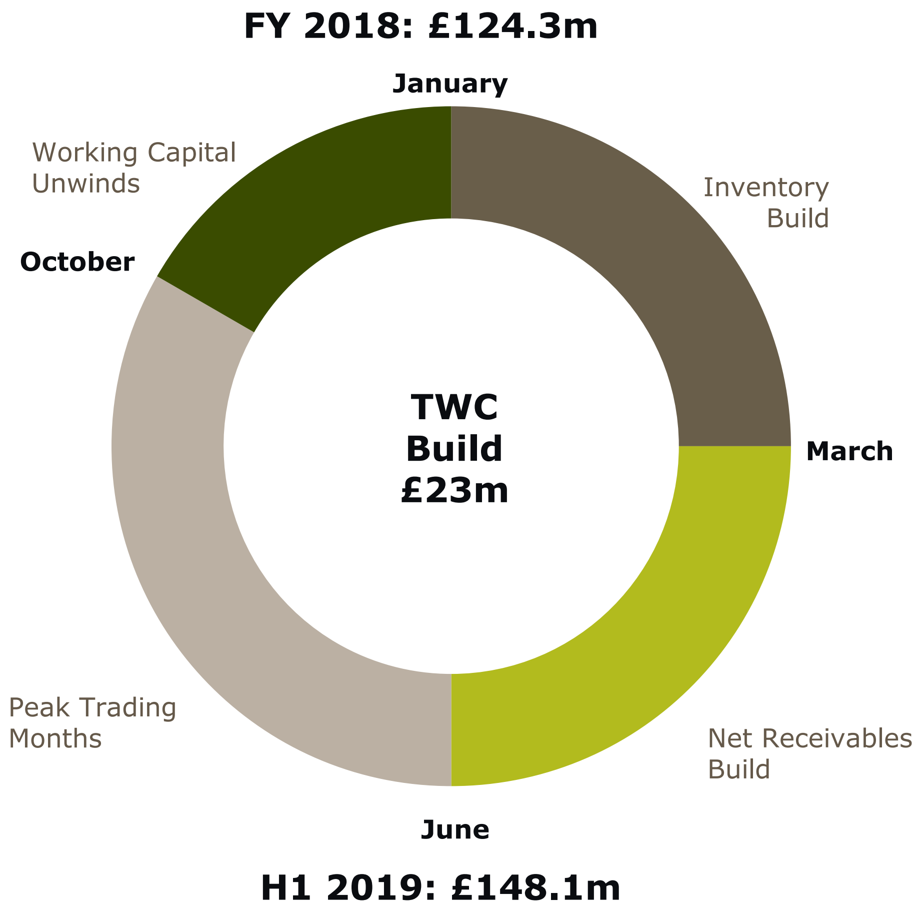
Far East components(UK)



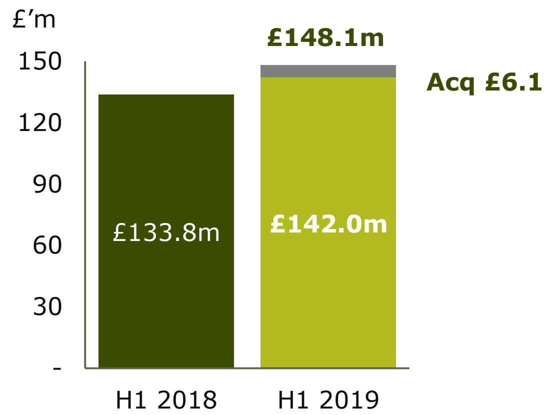
Pricing on a representative basket of components sourced from the Far East by ERA.

Working Capital
Opportunity for optimisation

Trade working capital cycle



H1 2019 trade working capital



- Exchange movement: £0.6m
- Acquisitions: £6.1m
- Inventory build vs FY 2018: £10.2m (H1 2018: £9.6m)
- H2 expected unwind: £25m - £30m

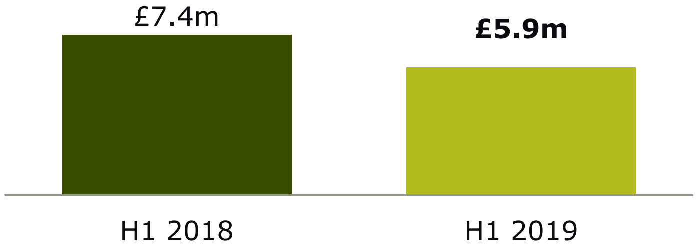
Other financial information

Capital Expenditure and Net Interest Payable

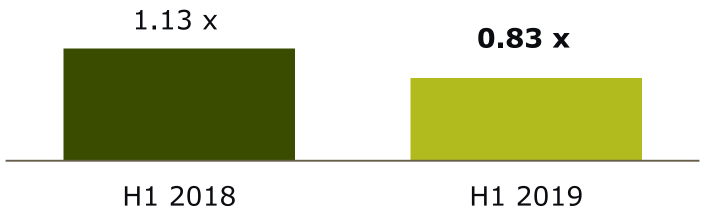
Capital expenditure

Gross Capex	(20)%
Net Capex	(4)%

Gross capex



Gross capex: depreciation[1]

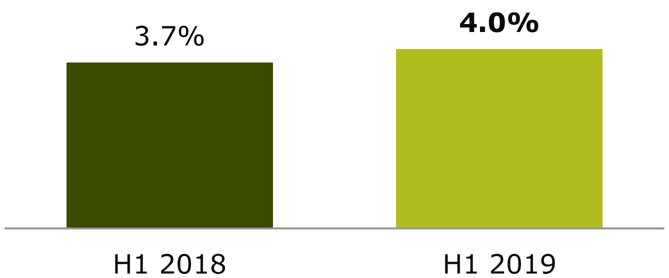


Managing capital allocation

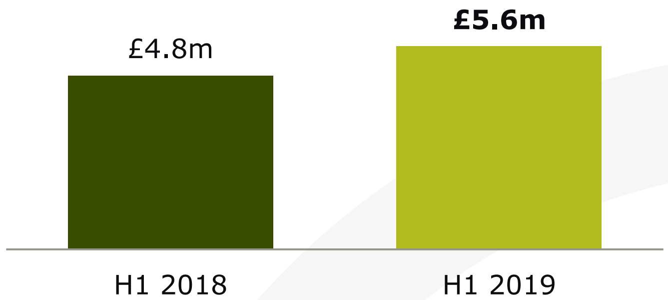
Net interest[2]

Cost of funds	+30 bps
Int. Charge	+16.7%

Average cost of funds[2]



P&L adj net interest charge[2]



Increase due to higher borrowings

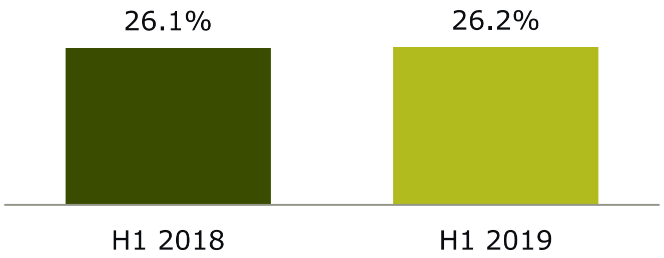
(1) Excluding depreciation of IFRS 16 RoU assets
(2) Net interest receivable on cash deposits, payable on bank loans, private placement notes and overdrafts

Other financial information
Adjusted tax rate and Exceptional items

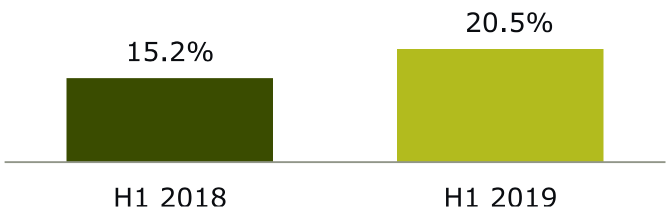
Taxation

Adjusted	+10 bps
Cash	+515 bps

Adjusted tax rate



Cash tax rate

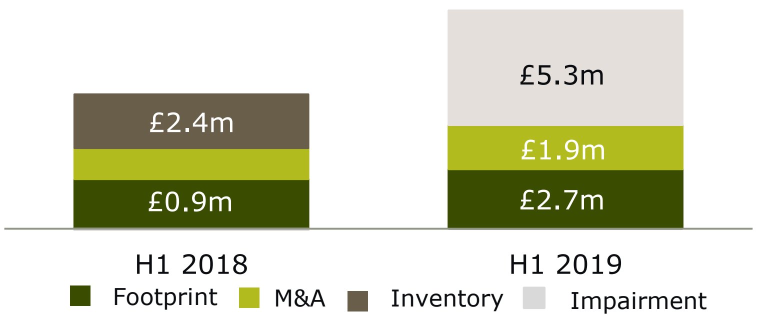


Increase in cash tax rate due to timing of payments in H1 2018

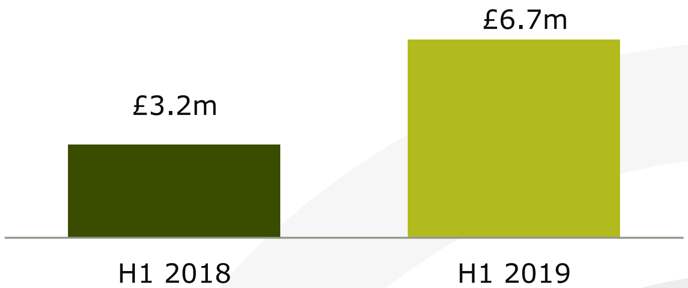
Exceptional items

Footprint	£2.7m
M&A	£1.9m
Impairment	£5.3m

Exceptional items



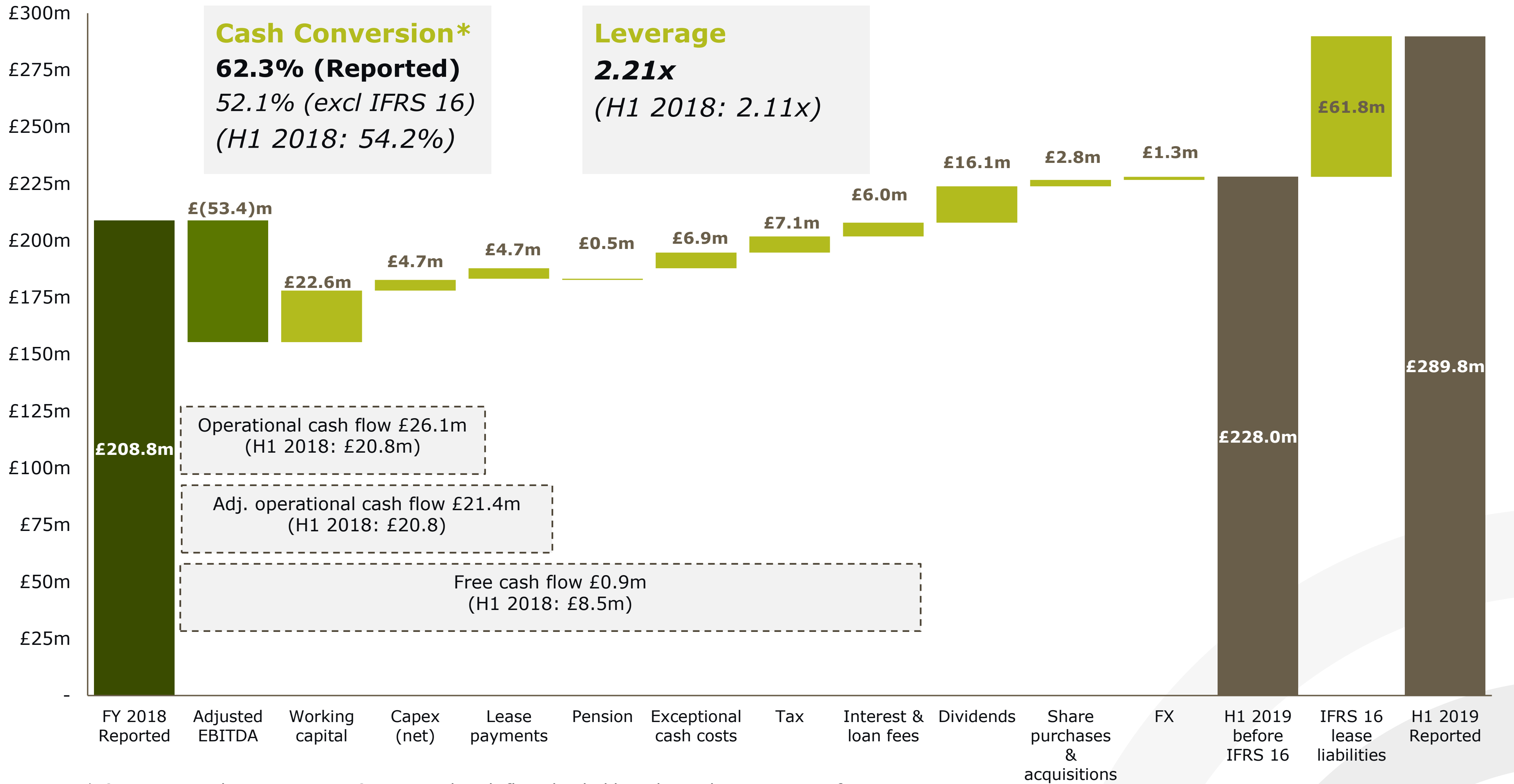
Cash exceptionals



Increase in cash exceptionals due to payment of footprint site closure costs

H1 2019 net debt bridge

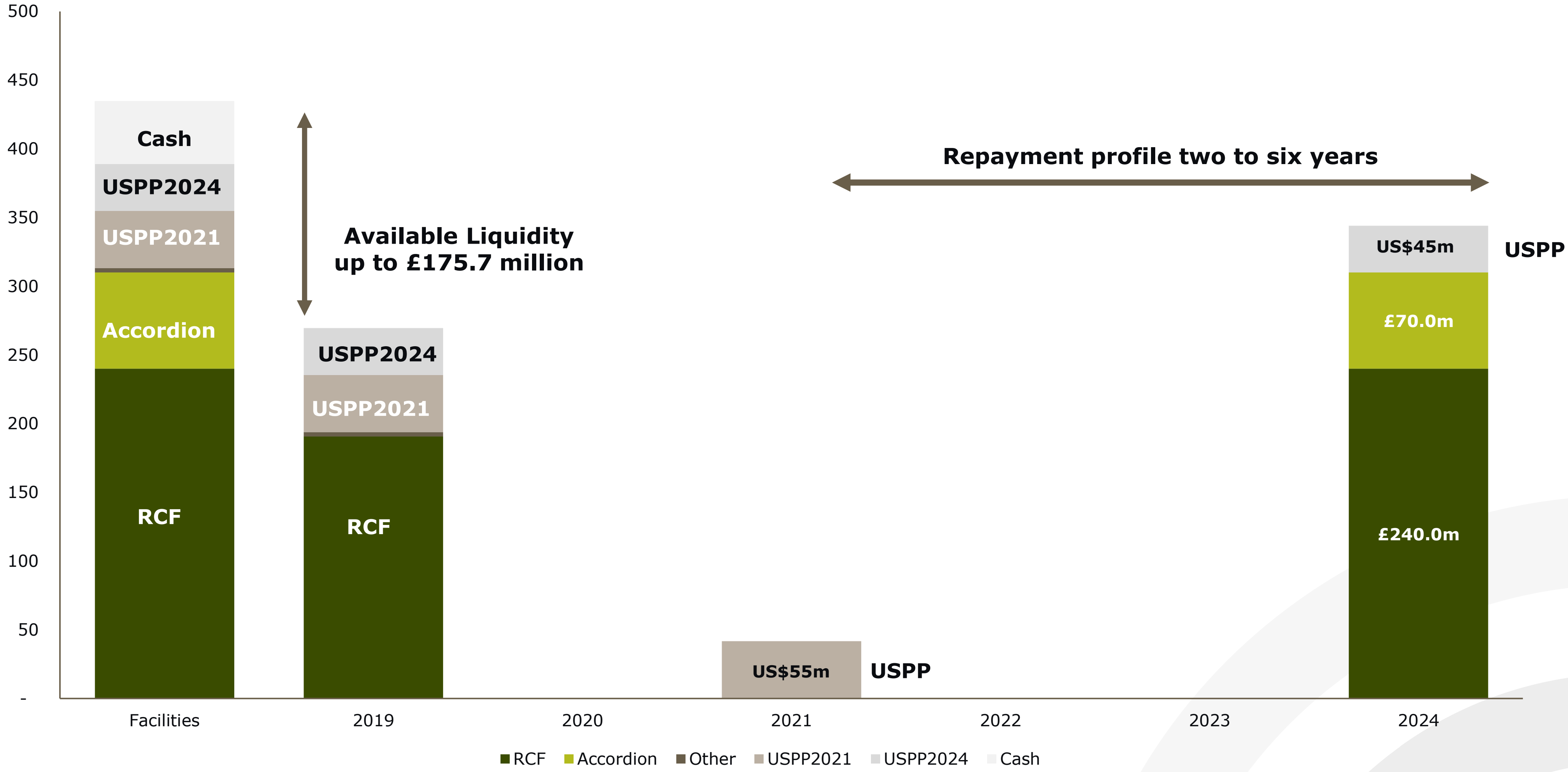
Bridge from reported FY 2018 to reported H1 2019 IFRS net debt



** Operating cash conversion is Operational cash flow divided by adjusted operating profit*

Group debt facilities

Borrowings at 30 June 2019 excluding lease liabilities



For illustrative purposes, "other" facilities are assumed to be refinanced on the same date as the 2018 Facility matures in Feb 2024

Covenant performance

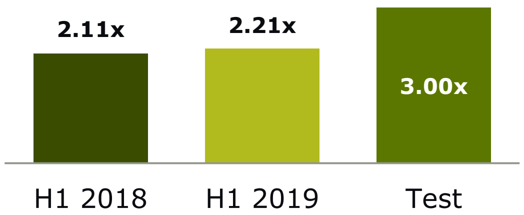
Leverage

- Total Net Debt to Adjusted(1) EBITDA must be < 3.00x
- Target year end Leverage range of 1.50x to 2.00x

(1) Includes annualised EBITDA of acquisitions and excludes 100% EBITDA of disposals

26.4%

£27.0m



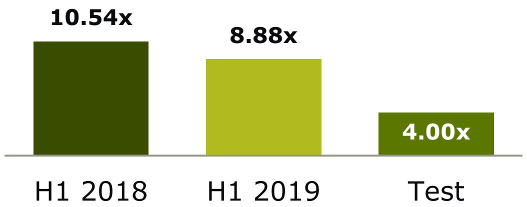
EBITDA would need to decrease by £27.0m before there would be a breach of covenants

Interest Cover

- EBITDA to Net Finance Charges must be > 4.00x

55.0%

£56.0m



EBITDA would need to decrease by £56.0m before there would be a breach of covenants

Summary 2019 modelling guidance

Acquisitions and disposals

Trading

- Full twelve months from Ashland, Zoo, Profab, and Reguitti
- Y-Cam c. 10 months
- Disposal of Rochester auto/ copier business 2018 revenue of c. $US7.1m (£5.9m)

Trade Working Capital

Peak to trough

- **£25.0m – £30.0m**

Capital Expenditure

- **£12.0m – £15.0m**
- Shift in emphasis but still expect to invest ahead of depreciation for the next few years

Tax and Interest

Adjusted effective rate

26.0 % – 27.0 %

Interest Payable on Borrowings

£12.0 - £13.0m

Amortisation of borrowing costs

c. £0.5m

Integration & Footprint

Exceptional Costs

£11.0m – £15.0m

2019 Exceptional cash costs

£8.0m - £10.0m

2019 US footprint benefits

Offset by customer and operational disruption

LTIP and Accounting

P&L share-based payments

c. £1.2m

EBT Purchases

c. £2.0m

IFRS 16

See following

Bold: Guidance has changed since March 2019

Impact of applying IFRS 16 'Leases'

Increase in reported borrowings £61.8m, increase in adj. operating profit £0.8m

£m	Previous policies	Adjustment	Post IFRS 16		Explanation
Balance sheet					
Non-current assets	599	61	660	↑	Right of use asset now on balance sheet
Borrowings	(277)	(62)	(339)	↑	Lease commitments now on balance sheet
Trade and other payables	(102)	2	(100)	↓	Deferred lease incentives no longer recognised
ROCE	*13.1%*	*(0.4)%*	*12.7%*	↓	Increase in capital recognised on balance sheet

£m	Previous policies	Adjustment	Post IFRS 16		Explanation
Income statement					
Adjusted Operating Profit	41	1	42	↑	Rent replaced with depreciation and interest
Net interest expense	(6)	(2)	(8)	↑	Interest expense higher at beginning of lease term
Profit after tax	9	(1)	8	↓	
Adjusted Earnings per Share	*13.51*	*(0.37)*	*13.14*	↓	Reduction in profit at beginning of lease term
Basic Earnings per Share	*4.43*	*(0.37)*	*4.06*		
Bank covenants				↔	Set on frozen GAAP until 2024

AmesburyTruth	*c. £0.6m*
ERA	*c. £0.1m*
SchlegelGiesse	*c. £0.1m*

Currency ready reckoner
Translational exposure

Currency	US$	Euro	Aus$	CA$	Other	Total[1]
Average rate H1 2019	1.2938	1.1454	1.8319	1.7255		
Average rate H1 2018	1.3760	1.1366	1.7842	1.7577		
% mvt in average rate	(6.0)%	0.8%	2.7%	1.8%		
£'m Revenue impact	10.9	(0.3)	(0.1)	-	(1.4)	9.2
£'m Profit impact[2]	3.5	-	-	-	(0.2)	3.3
1c decrease impact[3]	210k	35k	1k	2k		

(1) Impact of other currencies immaterial

(2) Adjusted Profit impact

(3) Defined as the approximate favourable translation impact of a 1c decrease in the Sterling exchange rate of the respective currency on the Group's Adjusted Operating Profit

Consolidated income statement
For the six months ended 30 June 2019

	H1 2019 £m	H1 2018 £m	FY 2018 £m
Revenue	**301.9**	274.9	591.5
Cost of sales	**(191.7)**	(175.1)	(383.3)
Gross profit	**110.2**	99.8	208.3
Administrative expenses	**(91.7)**	(79.9)	(157.8)
Operating profit	**18.5**	19.9	50.5
Analysed as:			
Adjusted Operating profit	**41.9**	38.2	83.6
Exceptional items	**(9.9)**	(5.5)	(7.3)
Amortisation of acquired intangible assets	**(13.5)**	(12.8)	(25.8)
Operating profit	**18.5**	19.9	50.5
Finance income	**-**	0.3	0.3
Finance costs	**(7.5)**	(5.6)	(12.0)
Net finance costs	**(7.5)**	(5.4)	(11.6)
Profit before taxation	**11.0**	14.5	38.9
Income tax charge	**(3.1)**	(4.5)	(12.5)
Profit for the period	**7.9**	10.0	26.3

Consolidated balance sheet
As at 30 June 2019

	H1 2019 £m	H1 2018 £m	FY 2018 £m
ASSETS			
Non-current assets			
Goodwill	**385.9**	364.0	382.1
Intangible assets	**123.4**	134.1	134.8
Property, plant and equipment	**70.3**	74.6	77.0
Right of use assets	**62.0**	-	-
Financial assets at FVTPL	**1.2**	1.1	1.2
Deferred tax assets	**17.1**	14.0	17.4
	659.9	587.8	612.5
Current assets			
Inventories	**116.1**	103.5	105.3
Trade and other receivables	**100.8**	91.9	87.3
Cash and cash equivalents	**49.6**	45.7	51.9
Derivative financial instruments	**0.4**	0.3	0.3
	266.9	241.4	244.8
TOTAL ASSETS	**926.8**	829.2	857.3
LIABILITIES			
Current liabilities			
Trade and other payables	**(91.2)**	(84.0)	(87.0)
Derivative financial instruments	**-**	(0.1)	-
Borrowings	**-**	(2.3)	(1.5)
Lease liabilities	**(5.9)**	-	-
Current tax liabilities	**(4.0)**	(4.0)	(7.4)
Provisions	**(2.4)**	(5.6)	(7.0)
	(103.5)	(96.0)	(102.9)

	H1 2019 £m	H1 2018 £m	FY 2018 £m
Non-current liabilities			
Borrowings	**(277.6)**	(261.5)	(259.2)
Lease liabilities	**(55.9)**	-	-
Derivative financial instruments	**(0.1)**	(0.4)	(0.3)
Deferred tax liabilities	**(38.6)**	(34.3)	(38.2)
Retirement benefit obligations	**(11.1)**	(10.9)	(10.8)
Provisions	**(8.1)**	(10.6)	(8.2)
Other payables	**(4.6)**	(2.8)	(4.0)
	(396.0)	(320.5)	(320.7)
TOTAL LIABILITIES	**(499.5)**	(416.5)	(423.6)
NET ASSETS	**427.3**	412.7	433.7
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	**9.8**	9.8	9.8
Share premium	**-**	132.2	132.2
Other reserves	**-**	8.9	-
Treasury reserves	**(4.3)**	(4.9)	(4.9)
Hedging reserve	**(0.1)**	(0.4)	(0.3)
Translation reserve	**72.4**	61.1	71.4
Retained earnings	**349.5**	206.0	225.5
TOTAL EQUITY	**427.3**	412.7	433.7

TYMAN PLC

Adjusted Earnings Per Share
For the six months ended 30 June 2019

	H1 2019 £m	H1 2018 £m	FY 2018 £m
Profit before taxation	**11.0**	14.5	38.9
Exceptional items	**9.9**	5.5	7.3
(Gain)/Loss on revaluation of fair value hedge	**-**	(0.2)	(0.3)
Amortisation of borrowing costs	**0.3**	0.7	1.0
Amortisation of acquired intangible assets	**13.5**	12.8	25.8
Adjusted profit before taxation	**34.7**	33.3	72.7
Income tax charge	**(3.1)**	(4.5)	(12.6)
Adjusted tax effect[1]	**(6.0)**	(4.2)	(7.1)
Adjusted profit after taxation	**25.6**	24.6	53.0

Adjusted earnings per share:

Basic Adjusted earnings per share	**13.14p**	13.11p	27.68p
Diluted Adjusted earnings per share	**13.10p**	13.01p	27.47p

(1) Tax effect of exceptional items, amortisation of borrowing costs, accelerated amortisation of borrowing costs, amortisation of acquired intangible assets, gain or loss on revaluation of fair value hedge and unwinding of discount on provisions, impact of IFRS 16

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