



# Capital Markets Event

20 May 2021





**Welcome**

Nicky Hartery, Chair of Tyman plc



# **Introduction**

## Jo Hallas, CEO

# Introductions

Today you will hear from...

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**Jo Hallas**

Chief Executive Officer



**Jason Ashton**

Chief Financial Officer



**Jonathan Garrett**

Health, Safety & Sustainability Director



**Bob Burns**

President, Tyman North America



**Helen Downer**

President, Tyman UK & Ireland



**Peter Santo**

President, Tyman International



# Our value proposition

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

## Comfort



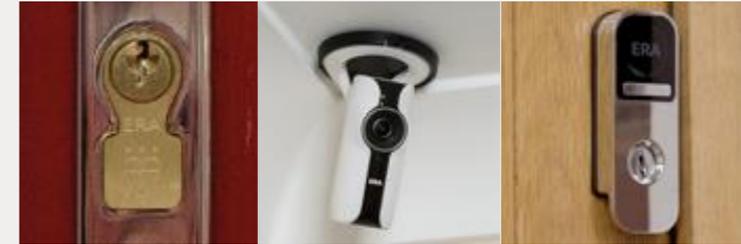
Ventilation    Weatherproofing    Soundproofing

## 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 480 active patents with 142 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



# Our marketplace

Long-term megatrends supplemented by trends arising from COVID-19 provide favourable tailwinds



## Demographic & Social Change

Global population growth

Ageing populations

Growing middle class



## Sustainable Future

Climate change

Enhanced building codes and product certifications

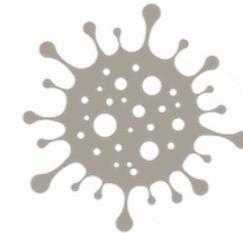
Increased sustainability awareness & pull



## Technology Disruption

New ways of living & working

Rise of the savvy & more demanding consumer



## Trends arising from COVID-19

Nesting

Urban flight

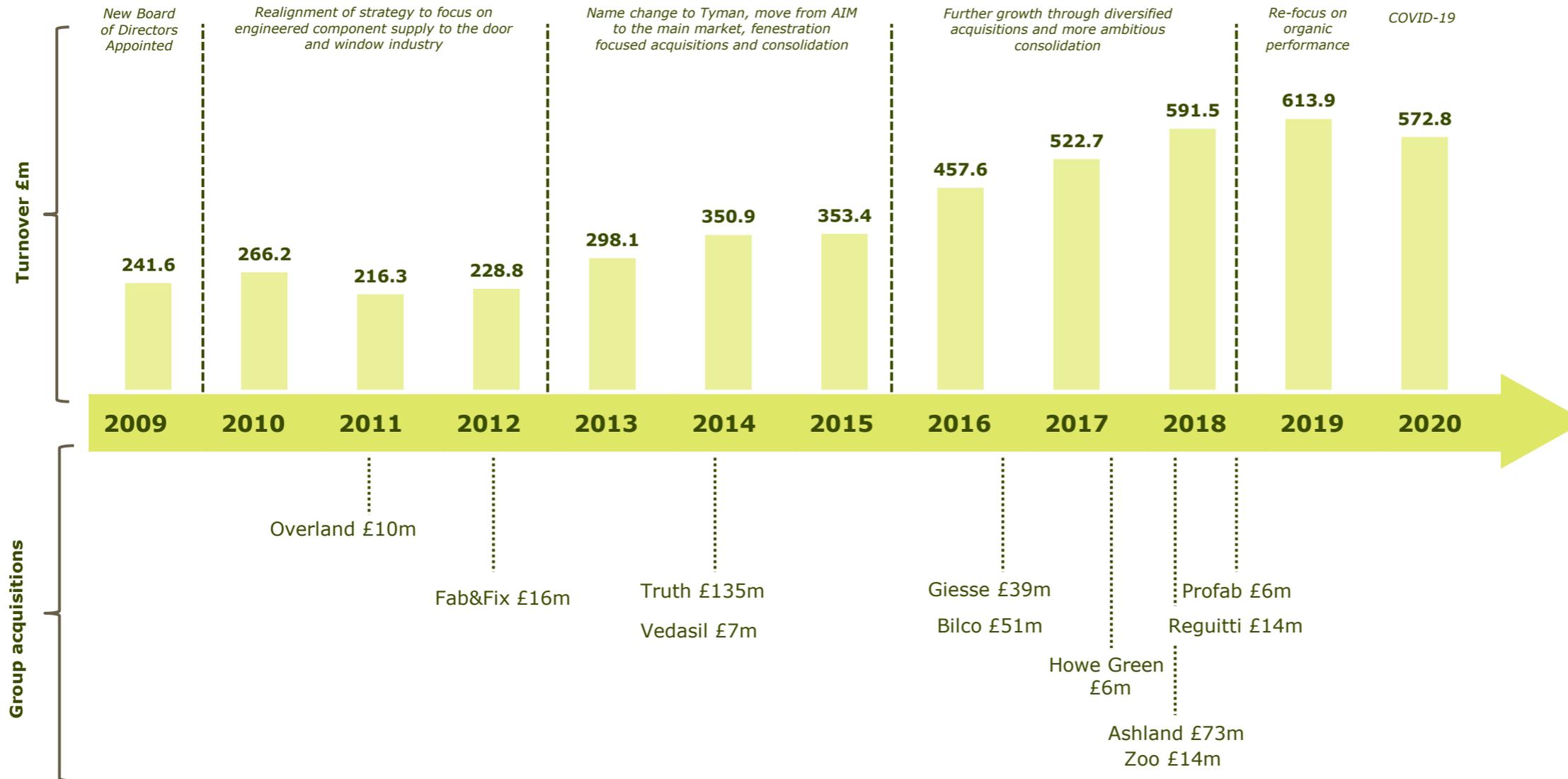
Increased consumer savings

“Build back better”

Accelerated digitalisation

# Our evolution

Tyman's growth has been supported by M&A roll-up of a fragmented market



# Our strategy for long-term value creation

Sustainability is at the core of our strategy



# Our divisions

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

## North America

AmesburyTruth is Tyman's division operating in North America

**Revenue**  
£372m

**Employees**  
2,930

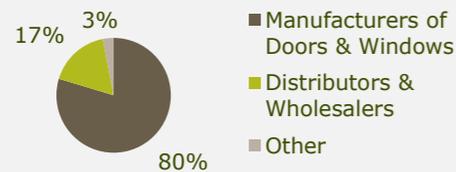
**Residential**  
85%

**Commercial**  
15%

**Manufacturing sites**  
10

**Distribution sites**  
1

### Routes to market



### Brands



## UK & Ireland

ERA is Tyman's division operating in the UK and Ireland

**Revenue**  
£92m

**Employees**  
410

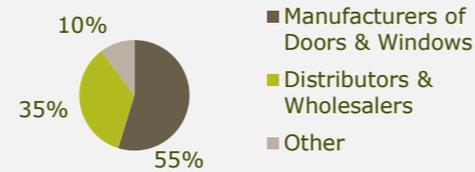
**Residential**  
63%

**Commercial**  
37%

**Manufacturing sites**  
3

**Distribution sites**  
2

### Routes to market



### Brands



## International

SchlegelGiesse is Tyman's division operating in continental Europe and the Rest of World

**Revenue**  
£109m

**Employees**  
770

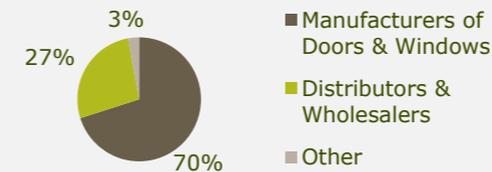
**Residential**  
77%

**Commercial**  
23%

**Manufacturing sites**  
6

**Distribution sites**  
9

### Routes to market



### Brands



Commercial Window Hardware



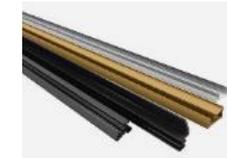
Residential Window Hardware



Commercial Door Hardware



Residential Door Hardware



Seals and Extrusions



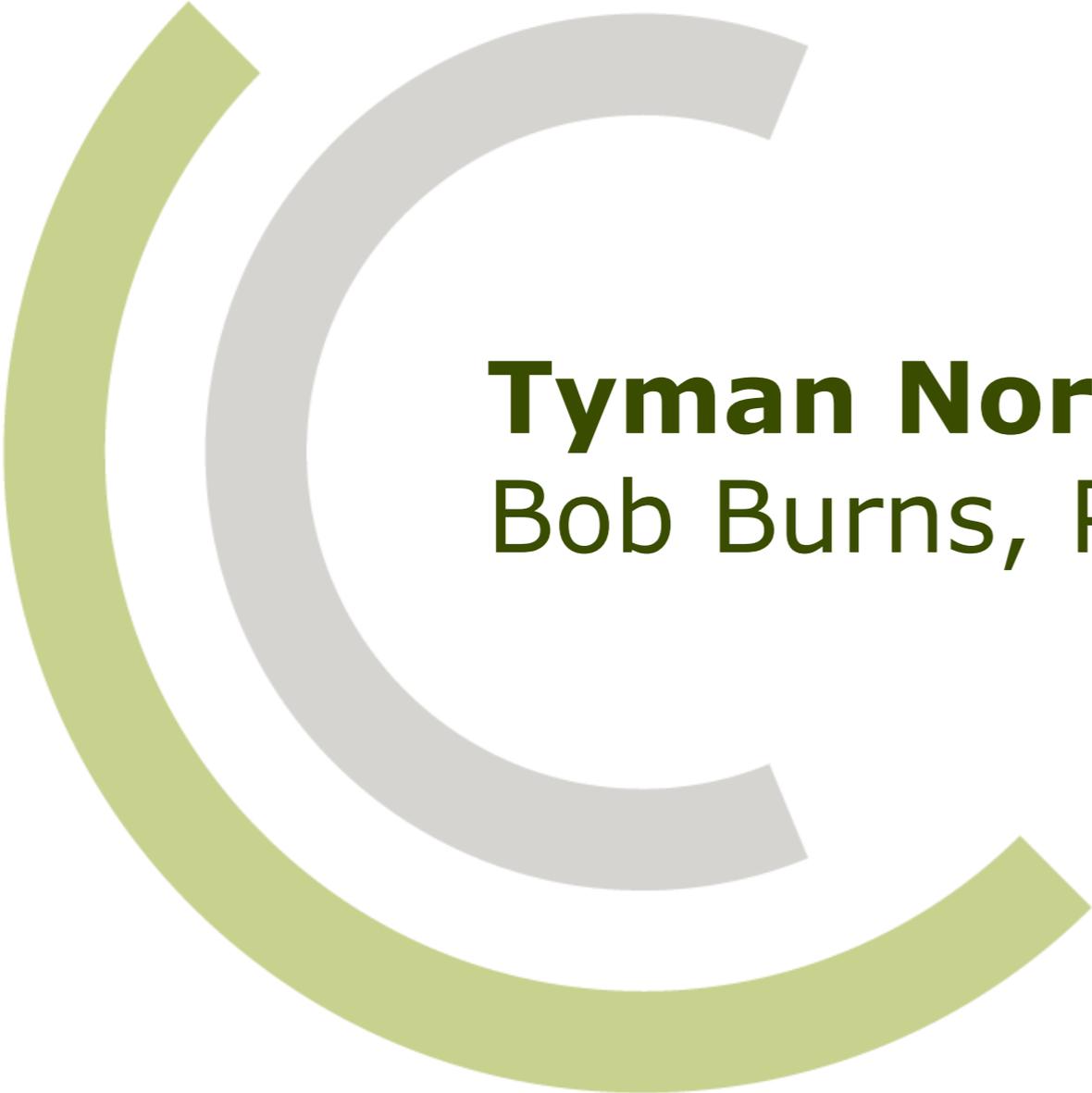
Commercial Access Solutions



Smartware and Automation

All data is financial year 2020.





# **Tyman North America**

## **Bob Burns, President**

# A virtual tour of our newest facility

Statesville – our North American centre of excellence for seals production

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# Tyman North America at a glance

North American market leader for both engineered fenestration components and access solutions

## Key characteristics

- Leading market positions in significant high value add, solutions markets:
  - Residential SAM<sup>1</sup>: \$750m
  - Commercial SAM<sup>1</sup>: \$130m
- Dramatic residential market recovery
- Manufacturing mainly inhouse => strong margins
- Tailored routes to market:
  - Direct sales force for large OEMs
  - Strategic distribution partners and independent reps for small OEMs
  - Architects / specifiers, distributors & contractors for Bilco commercial projects

## Our differentiated value

- Full portfolio hardware & seals supplier
- Co-development with customers incl. bespoke products / solutions
- Supply chain integration with major customers (production sequencing, footprint alignment, S&OP)
- Resilience through manufacturing capabilities, footprint and scale
- Deeply-specified access solutions
- Global scale gives local presence for access solutions in international markets

### North America

AmesburyTruth is Tyman's division operating in North America

**Revenue**  
£372m

**Employees**  
2,930

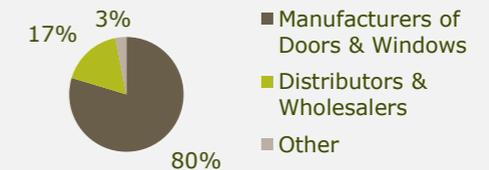
**Residential**  
85%

**Commercial**  
15%

**Manufacturing sites**  
10

**Distribution sites**  
1

#### Routes to market



#### Brands



<sup>1</sup>Served available market. Source: company estimates.

# Organic growth opportunity

Market share gain through strengthened customer value proposition



- Portfolio harmonisation across Amesbury, Truth & Ashland
- Market-driven NPD to create differentiated value
- Co-development programmes with major customers



- Continue sales force effectiveness programme
- Improve customer “ease of doing business” via digital tools

Strengthen presence in under-penetrated regions:

- Western US: Improved coverage through optimised distribution footprint
- Canada: Better product / solution alignment to customer needs

# Key initiative: New product development

Tyman North America is a leader in both market-driven and customer-centric innovation



- Highly engineered products
  - 22% of revenue protected** by intellectual property (\$100m+ USD)
- Customised products
  - 51% of revenue unique** to customers
  - Developed with high level of collaboration in conjunction with industry leading customers
  - Creates customer 'stickiness'



- Market products
  - Developed against a market need with broad coverage and application
  - Aligned with regulatory trends
  - Keeps us efficient and ahead of competition
  - Leading position with high visibility code driven industry requirements, e.g. Safeguard™ 2 / child fall prevention.

## 700+ YEARS

OF COMBINED PRODUCT DESIGN EXPERIENCE

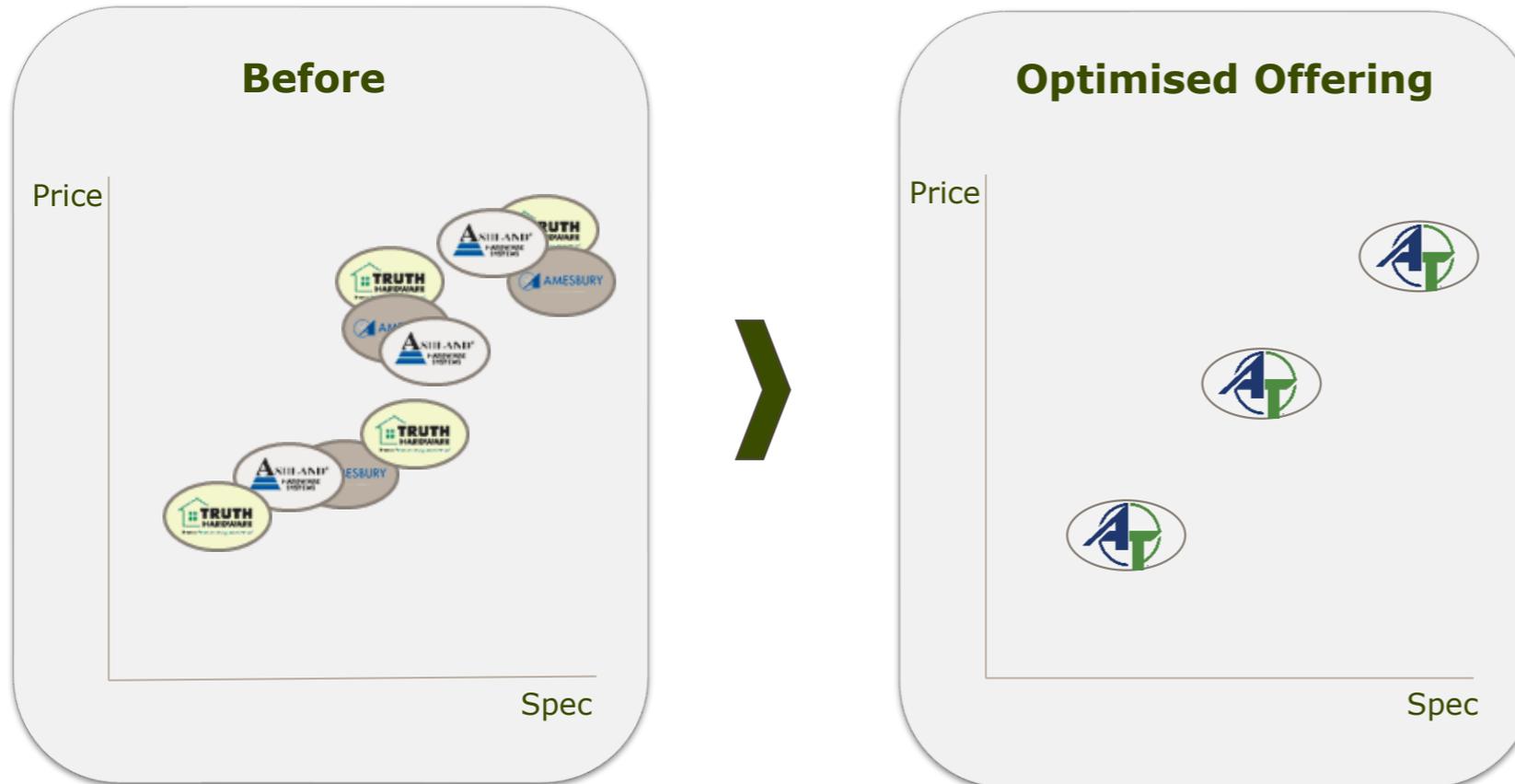
**15** Active customer innovation projects

BEST IN CLASS  
**APPLICATIONS TEAM**

1 ON 1 TECHNICAL SUPPORT

# Key initiative: Portfolio harmonisation

Eliminating duplication and optimising our portfolio for the market



- Portfolio harmonisation will:
  - Simplify offer, targeting growth
  - Eliminate redundancies
  - Align product spec/price positioning to optimise margins
  - Address gaps with new products, with emphasis on growth sectors
- Status:
  - Completed development & customer comms for 3 categories
  - Final two categories by end-2022
  - Customer transition targeted by end-2023



Acquired Amesbury in 2007



Acquired Truth in 2013



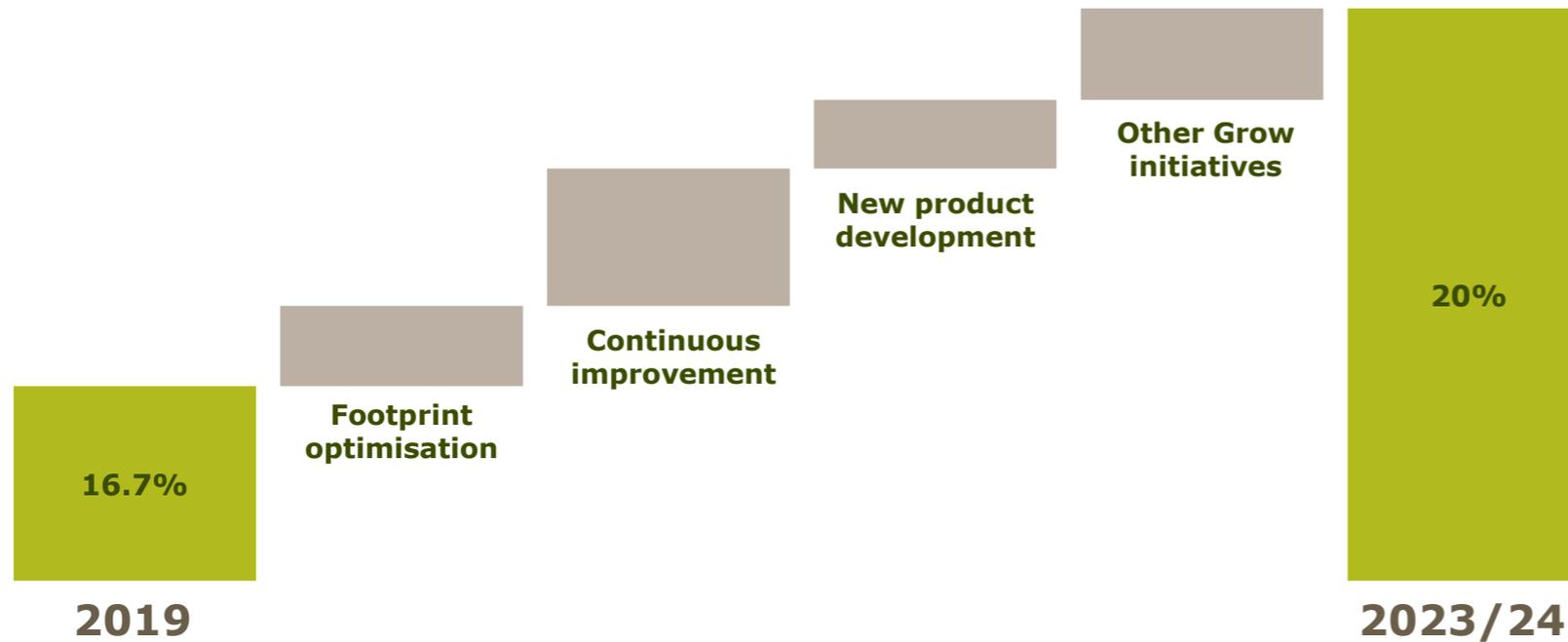
Acquired Ashland in 2018

# Margin expansion opportunity

Margin improvement through self-help measures without relying on market growth



## Initiatives to deliver target margin



- Footprint optimisation
  - Fremont closure
  - 3PL / distribution integration
- Continuous Improvement:
  - Statesville stabilisation
  - Inter-site line moves
  - Lean excellence
- Incremental margin from Grow initiatives:
  - NPD incl. portfolio harmonisation
  - Customer excellence
  - Channel expansion

# Key takeaways on Tyman North America

A strong position with continued opportunity for value creation under new leadership

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**Market leader with strong share position and opportunities for further share growth**

**Integrated, long-term customer relationships**

**Growth through NPD, coverage expansion & improved customer experience**

**Clear route to 20% margin**



# **Tyman UK & Ireland**

## Helen Downer, President

# Tyman UK & Ireland at a glance

Market leading position with broad portfolio supported by value-adding services

## Key characteristics

- Leading market positions:
  - Fenestration components SAM<sup>1</sup>: £720m
  - Residential smart security SAM<sup>1</sup>: £650m
- Strong residential market recovery aided by government support
- Fenestration focus on design and sales, with 85% of manufacturing outsourced
- Tailored routes to market:
  - Fabricators & system houses: technical sale; profile-specific hardware
  - Distribution: category management
  - Architectural ironmongers, contractors & architects: commercial project specification

## Our differentiated value

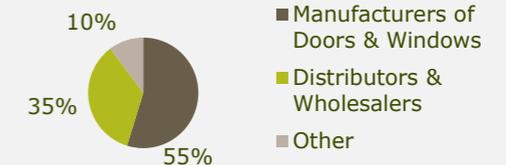
- Strategic sourcing capability to deliver broad fenestration product range
- Lock-making experts
- One-stop shop for access solutions (roof, wall & floor)
- Co-development with customers incl. bespoke products / solutions
- Certification capabilities - support standards & building regulations
- UKAS-accredited test facility
- Next-day delivery for hardware
- Aftersales support (remote & in-field)

### UK & Ireland

ERA is Tyman's division operating in the UK and Ireland

<b>Revenue</b> £92m	<b>Employees</b> 410
<b>Residential</b> 63%	<b>Commercial</b> 37%
<b>Manufacturing sites</b> 3	<b>Distribution sites</b> 2

#### Routes to market



#### Brands



<sup>1</sup>Served available market. Fenestration components = residential & commercial hardware & seals excl. access control products. Source: company estimates.

# Organic growth opportunity

Share gain through strengthened customer value proposition



- Strengthen new product development capabilities
- Broaden certified products portfolio
- Extend smart security range (ERA Protect) and drive penetration



- Improve customer “ease of doing business” via digital tools incl. e-commerce platform
- Optimise supply chain to increase customer loyalty
- Strengthen technical sales and market insight capabilities to enhance customer experience

- Grow distribution channel share via category management
- Refresh product lines and fill gaps to grow OEM channel
- Further cross-sell of full brand / product portfolio

# Key initiative: New product development

Differentiated, highly-engineered products are a key element of our continued growth



## Adjustable riser door frame



- Unique engineered product
- Integral intumescent strip protecting gap between frame and wall structure
- Strong customer collaboration saving installation time & cost
- Frame adjustment & intumescent strip removes need for frame packers & mastic
- Patent application pending

## Patio door lock



- Customer co-development for an engineered interlocking dog bolt solution achieving PAS24:2016
- Simplicity of door fabrication removing need for secondary security devices
- Ease of use with single, integrated key point operation
- Reduced door cleaning maintenance
- Patent application pending



# Key initiative: Smart security

Innovative ERA Protect range addresses emerging market need in double-digit growth sector



## Key characteristics

- £650m attainable market
- Market growth rate 11-13% pa
- Smart “serious security” positioning with integrated products
- Sales of ancillary products through distribution and direct online B2C channels
- Smart lock & WindowSense sales via OEM creating pull through of ancillary products

## Our differentiated value

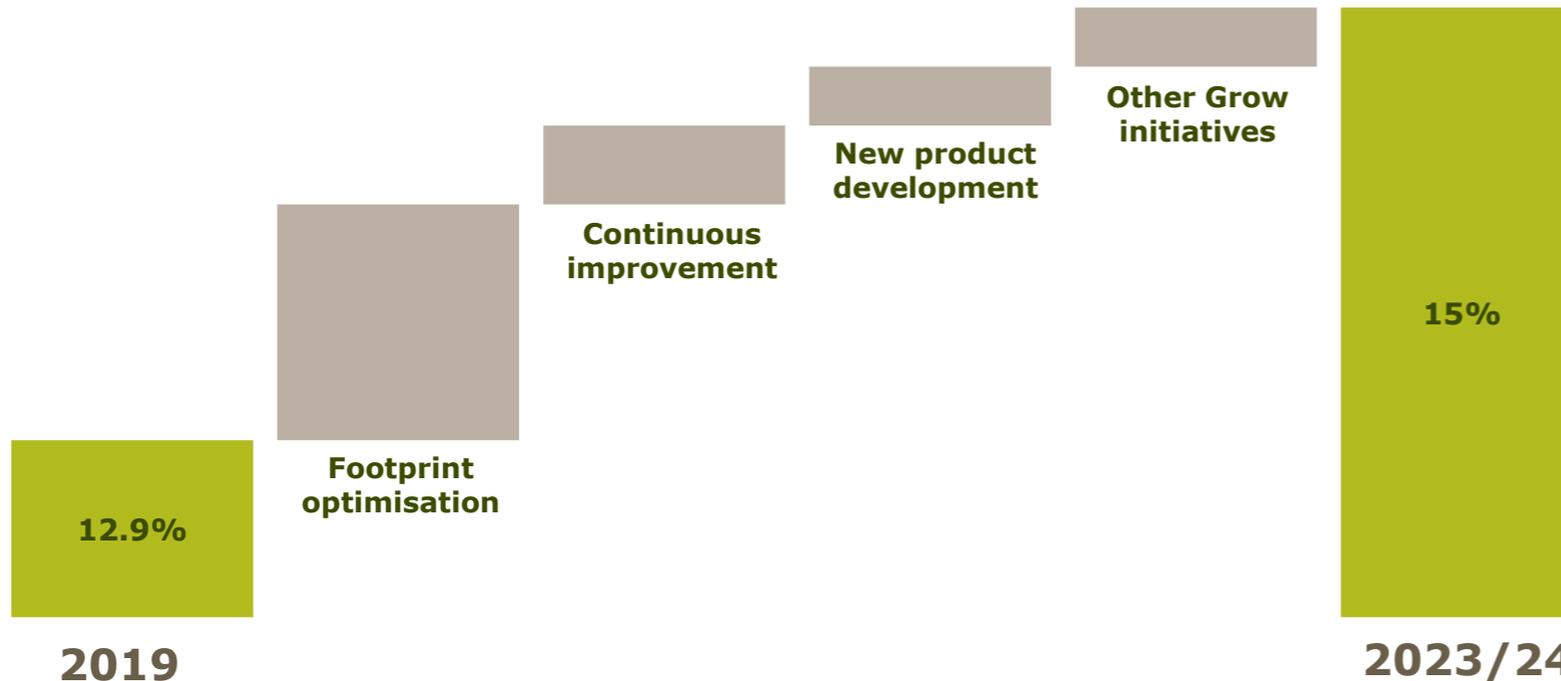
- Futureproofing traditional hardware with smart technology
- Unique proposition via OEM with smart lock and WindowSense
- BSI IoT kitemark, demonstrating technical expertise
- In-house cloud platform and flexible subscription services
- Comprehensive security eco system
- Installer network (trade configurator) and finance options

# Margin expansion opportunity

Margin improvement through self-help measures without relying on market growth



## Initiatives to deliver target margin



- Footprint optimisation
  - Ventrolla divestment
- Continuous Improvement:
  - Lean excellence
- Incremental margin from Grow initiatives:
  - NPD
  - Customer excellence
  - Channel expansion

# Key takeaways on Tyman UK & Ireland

Market leading position with broad portfolio supported by value-adding services

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**Comprehensive, balanced portfolio supported by value-added services**

**Focus on certified solutions to drive greater differentiation**

**Innovative smart security offering**

**Clear route to 15% margin**



# **Tyman International**

## Peter Santo, President

# Tyman International at a glance

Global brands with local market coverage

## Key characteristics

- Market leading positions in core markets:
  - Aluminium door/window h/w SAM<sup>1</sup>: €400m
  - Weatherseals SAM<sup>1</sup>: €350m
  - Internal door hardware SAM<sup>1</sup>: €750m
- Good market recovery across core geographies
- Manufacturing mainly inhouse
- Tailored routes to market:
  - System houses: significant co-development for hardware
  - Fabricators: application support & co-development for seals
  - Distributors: strategic partnership model for local presence globally

## Our differentiated value

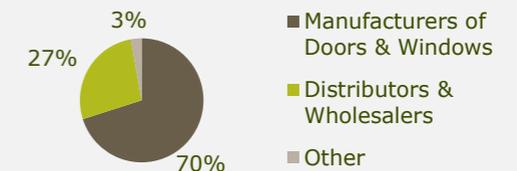
- Full system solution (products, sizing equipment & know-how) for production of aluminium windows & doors
- Highly-automated aluminium hardware production to support superior quality & reliability
- Full range of differentiated seals for both sliding and closing applications
- Co-development with customers incl. bespoke products / solutions
- Central expert technical support & innovation functions servicing markets globally
- Distributor partnership model to enable efficient global coverage

## International

SchlegelGiesse is Tyman's division operating in continental Europe and the Rest of World

<b>Revenue</b> £109m	<b>Employees</b> 770
<b>Residential</b> 77%	<b>Commercial</b> 23%
<b>Manufacturing sites</b> 6	<b>Distribution sites</b> 9

### Routes to market



### Brands



<sup>1</sup>Served available market. All data is Europe excl. UK&I. Source: company estimates.

# Organic growth opportunity

Share gain through strengthened customer value proposition



- Hardware development focused on market trends
- Global seals development to capitalise on sustainability/fire trends



- Improve customer “ease of doing business” via digital tools
- Strengthen service levels via S&OP and segmented SLAs

- Expand system house relationships, supporting development of new products with long term sales
- Develop strategic distributor partnerships via established playbook
- Continued cross-sell of “all-in-one” offer

# Key initiative: New product development

Differentiated, highly-engineered products are a key element of our continued growth



## Concealed hardware



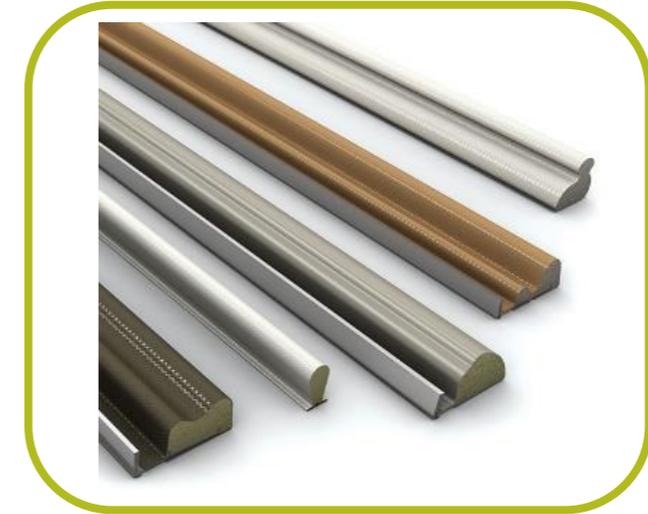
The CHIC concealed hinge system and the NP Ultra handle design enable window makers to minimise the frame size with no sacrifice to security or performance

## Pull & slide system



The innovative Pull & Slide system provides a sliding door that combines aesthetics and performance and enables a fully aligned façade of door and frame

## Fire-certified seals



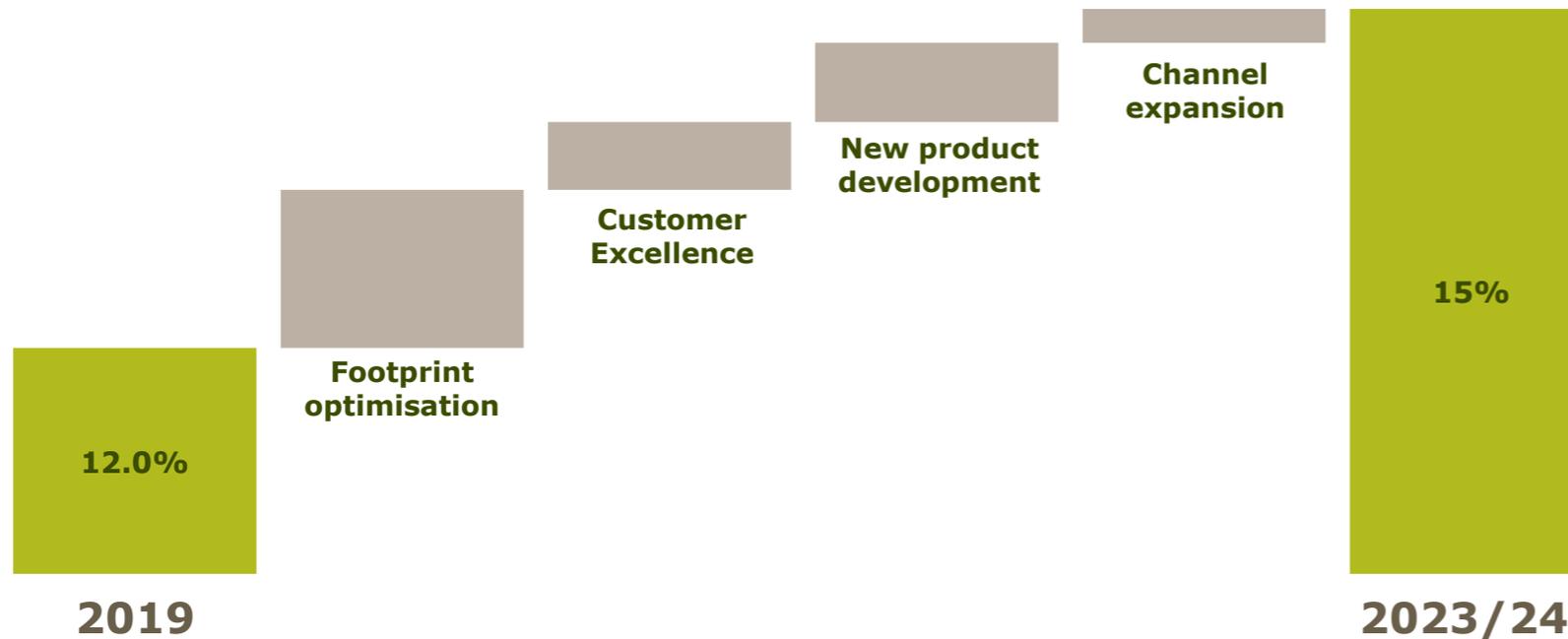
Development of the fire performance of our Q-Lon urethane seals to enable fire rated door and window systems to achieve both energy efficiency and fire safety

# Margin expansion opportunity

Margin improvement through self-help measures without relying on market growth



## Initiatives to deliver target margin



- Footprint optimisation:
  - Optimised go-to-market model
  - Continuous Improvement: lean excellence & automation
- Incremental margin from Grow initiatives:
  - Customer excellence
  - NPD
  - Channel expansion

# Key takeaways on Tyman International

Global brands with local market coverage

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**Market leadership positions with Schlegel and Giesse  
in core markets**

**Global product lines with local market coverage via  
strategic distribution partnerships**

**Growth through aligning with growing market  
trends, channels & regions**

**Clear route to 15% margin**

# BREAK

Starting again in 5 minutes...

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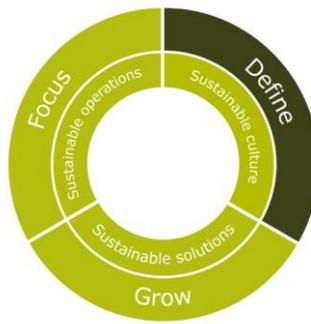


# **DEFINE Strategy Pillar**

## Jo Hallas, CEO

# Defining One Tyman

Developing a more cohesive culture is essential to delivering on a more cohesive strategy

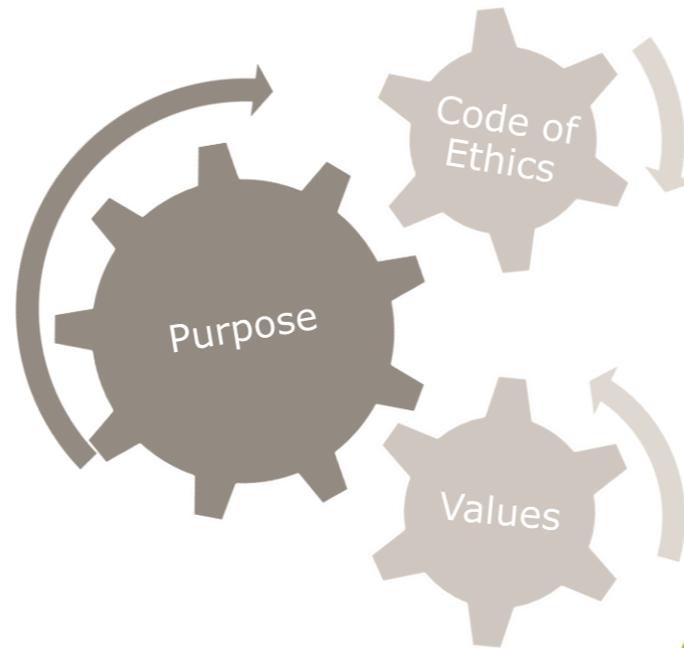


*"Culture eats strategy for breakfast"*

Peter Drucker

**Our purpose**  
is to transform the security,  
comfort and sustainability of  
living and working spaces  
through our expert touch

**Tyman. The expert touch  
that transforms**



# The Tyman Excellence System

A clearly-defined business system for best practice development and propagation



# Delivering Safety Excellence

The beachhead for the Tyman Excellence System



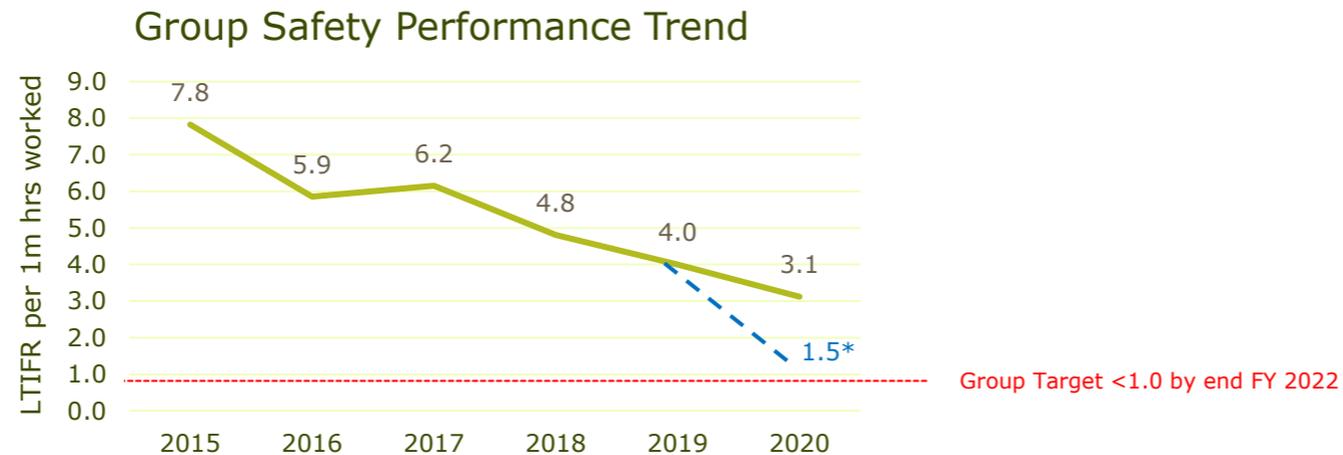
**Increased rigour and discipline:** globally-standardised leading indicators, root cause analysis and application of the risk control hierarchy



**Safety Leadership Programme:** developed & deployed to all line managers to build a behaviour-based safety culture



**Safety is our first language campaign:** rolled out to all employees & reinforced by tone from the top



\*Excluding 13 COVID cases found to have arisen from workplace transmission



safety is our **first** language





# **Sustainability Excellence**

Jonathan Garrett

Health, Safety & Sustainability Director

# Building on international frameworks

Systematically drawing on best practice to prioritise our activities and accelerate our results



# Our Sustainability Excellence roadmap to 2030

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



## Ambition



### Sustainable Operations

Transform our health, safety and environmental performance

## Plans

- Safety is our first language
- Reduce our carbon footprint
- Water stewardship
- Waste management

## Targets

- Total Recordable Incident Rate < 3 by 2026
- Carbon neutral operations<sup>1</sup> by 2030
- Zero waste to landfill by 2026



### Sustainable Culture

Be recognised as an employer that people want to work for

- Employee engagement
- Diversity, equity & inclusion
- Growing our talent
- Community partnerships

- Gender diversity >30% at all levels
- *Other metrics & targets being developed*



### Sustainable Solutions

Help our customers protect the planet and create safer, more inclusive communities

- Positive-impact solutions
- Circular economy
- Sustainable materials
- Responsible sourcing

- 100% sustainable packaging by 2026
- YoY increase in % revenue from positive impact solutions

<sup>1</sup>Scope 1 & 2 emissions (i.e. direct energy and electricity usage)

# Practical implementation

Delivering our carbon neutrality goal by 2030 – scope 1 and 2 emissions



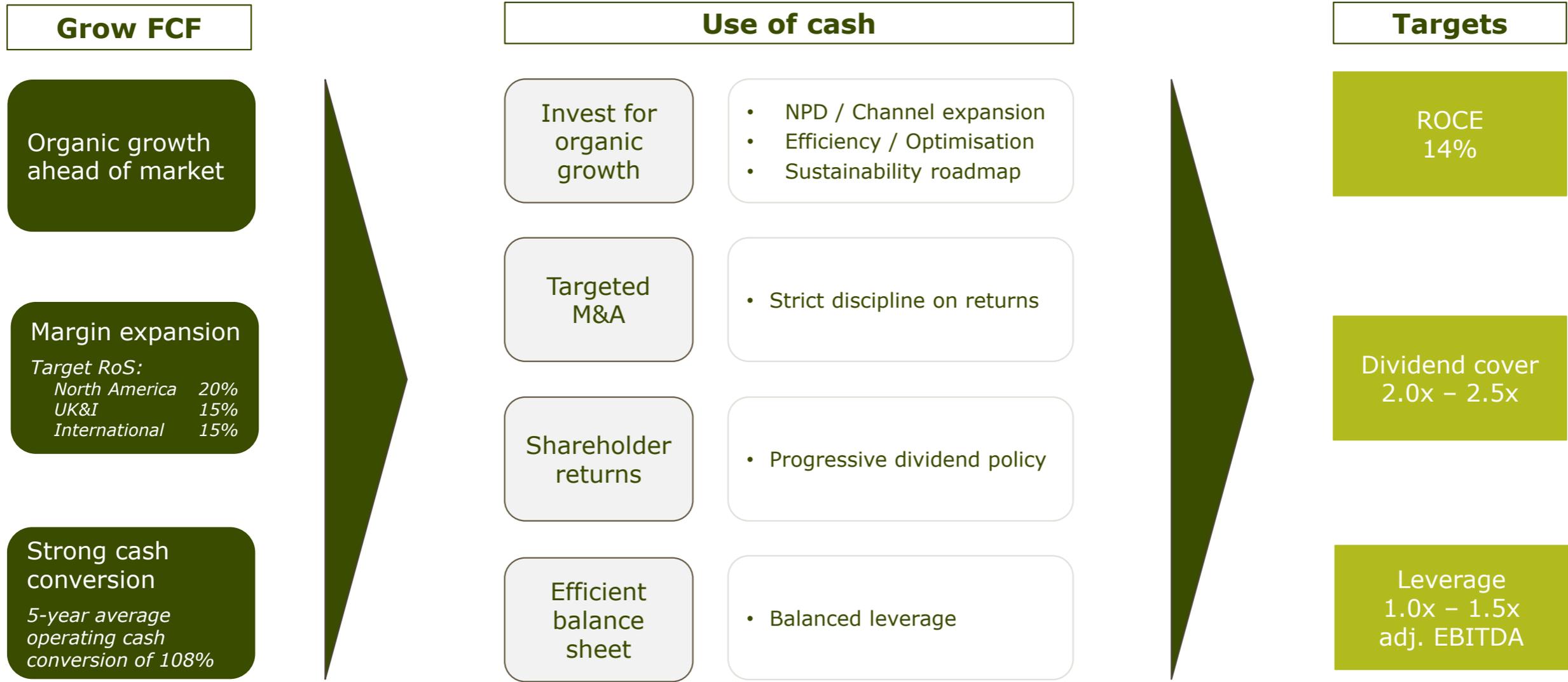


# **Financial Framework**

## Jason Ashton, CFO

# Capital allocation

Re-invest strong cashflow for further growth while returning a progressive dividend to shareholders





# **Group Strategy**

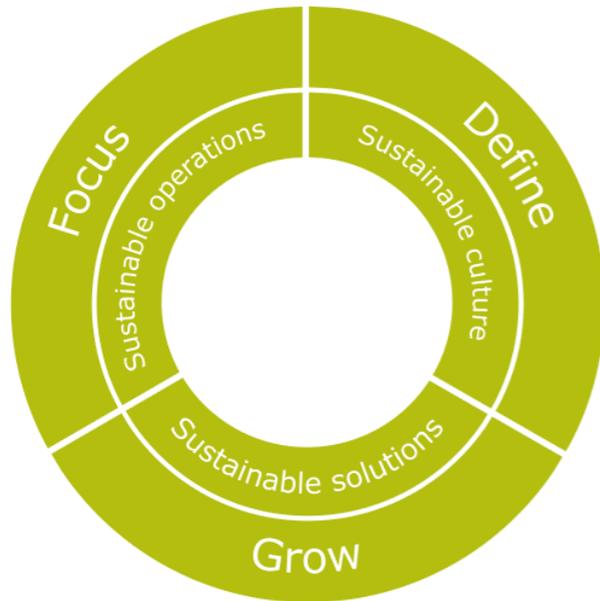
## Jo Hallas, CEO

# A strategy for long-term value creation

Clear strategy guided by our purpose, is underpinned by our values and has 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.

# Growth through M&A

Sowing seeds for a disciplined approach to acquisition in a fragmented market



## Areas of M&A Focus

### Geographic scale

- Scale existing positions in UK & continental Europe

### Product portfolio

- Infill existing category / geographic mix globally
- Extend mid-term into high value-add adjacencies

### Growth technologies

- Seek technologies that are exposed to growth areas

## Candidate Characteristics

### Company

- Competitive market position
- High barriers to entry
- Differentiated value
- Strong brand / channel
- Cultural fit

### Deal Valuation

- EPS accretive
- Synergy potential
- Attractive return on capital

# Summary takeaways

One Tyman focused on delivering value for all stakeholders

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1

**Compelling value to customers through our broad portfolio of differentiated, highly-engineered products & services**

2

**Attractive and growing margins due to our differentiation, scale benefits and the value-to-cost ratio of our offer**

3

**Sizeable target markets with tailwinds from demographic change and focus on sustainable buildings**

4

**Resilience through diversification across geographies and residential / commercial markets**

5

**High levels of cash generation and a strong balance sheet supporting further expansion**

**Long-term, sustainable growth potential**



# Q&A

# Disclaimer

## Forward looking statements

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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.

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