



Full Year Results 30 September 2024

Titon Holdings plc
January 2025



Titon Holdings Board

<p>Jeff Ward Non-executive Officer</p> <p>B R N</p> <p>Appointed April 2022</p> <p>Skills and Experience Jeff Ward is currently CEO of Guardian Fall, one of the largest independent height safety companies in the world. He was previously CEO of Centurion Safety Products from December 2015 until July 2020 and before then held a number of leadership roles in hardware and safety businesses where he was responsible for a range of activities, including sales, marketing, supply chain and strategy.</p> <p>Jeff holds an MBA from Warwick Business School and also serves as a Director of the British Safety Industry Federation.</p>	<p>Jamie Brooke Chair</p> <p>B R N A</p> <p>Appointed January 2024</p> <p>Skills and Experience Jamie was appointed to the Board on 2 January 2024 and is Non-executive Chair. Jamie has worked in quoted fund management and private equity, originally starting out with 3i Plc. Most recently he worked with Hanover Investors and, prior to this, with the Volantis team under the umbrellas of Lombard Odier, Henderson and Gartmore.</p> <p>Jamie is currently a Non-Executive Director at Flowtech Fluidpower Plc, Chapel Down Group Plc, Oryx International Growth Fund Plc, Triple Point Venture VCT Plc and Kelso Group Holdings Plc. He is also a member of the Investment Advisory Group to Rockwood Strategic Plc. He trained as an ACA with Deloitte.</p>	<p>Carolyn Isom Chief Financial Officer</p> <p>B</p> <p>Appointed December 2021</p> <p>Skills and Experience Carolyn joined Titon in December 2019 as Finance Director of Titon Hardware and was appointed to the Titon Holdings Board as CFO in December 2021.</p> <p>She is ACCA qualified and has worked for a number of companies in the construction sector.</p>	<p>Tom Carpenter Chief Executive Officer</p> <p>B</p> <p>Appointed April 2024</p> <p>Skills and Experience Tom has a track record of growing businesses both organically and inorganically, and has experience of working in publicly listed companies having joined Belden Inc. in 2016.</p> <p>Tom has held leadership positions within Belden including Vice President of Strategy and Business Development, and as Managing Director of PPC Broadband Inc., a subsidiary of Belden. Prior to this, Tom held various leadership positions including as Chief Executive Officer at M2FX Limited.</p> <p>Tom holds a Master in Business Administration from Loughborough University and a Degree in Manufacturing Systems Engineering from Nottingham Trent University.</p>	<p>G P Hooper Non-executive Director (Senior Independent Director)</p> <p>B R N A</p> <p>Appointed April 2022</p> <p>Skills and Experience Paul Hooper is currently Chief Executive of The Alumasc Group Plc, a position he has held since April 2003. Alumasc is a UK-based supplier of sustainable building products and solutions. He joined Alumasc in April 2001 as Group Managing Director.</p> <p>His earlier career included a first Managing Director role with BTR Plc in 1992. He subsequently joined Williams Holdings Plc in Special Operations, implementing acquisitions in Europe and North America, prior to joining Rexam Plc as a Divisional Managing Director with responsibility for operations in Europe and South East Asia.</p> <p>Paul holds an MBA from Cranfield School of Management.</p>	<p>Committee Membership Key</p> <ul style="list-style-type: none"> B Main Board R Remuneration committee N Nominations committee A Audit committee
					



Introducing Titon



A leading supplier of ventilation systems and window and door hardware

Established Industry Player

→ Over fifty years of experience and reputation

Two Business Units

- Window and Door Hardware
- Mechanical Ventilation Systems

Markets supported by regulatory requirements

- Predominantly supply into Residential New Build; diversifying into RMI, commercial and social housing
- Building regulations drive demand for both business units

Market Leading products

- Broad range of award-winning products for both business units
- Continued Investment in new products

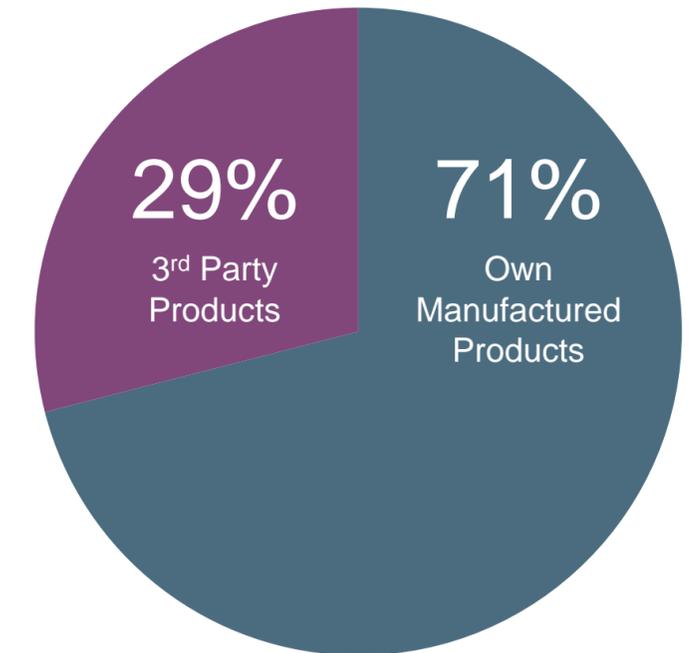
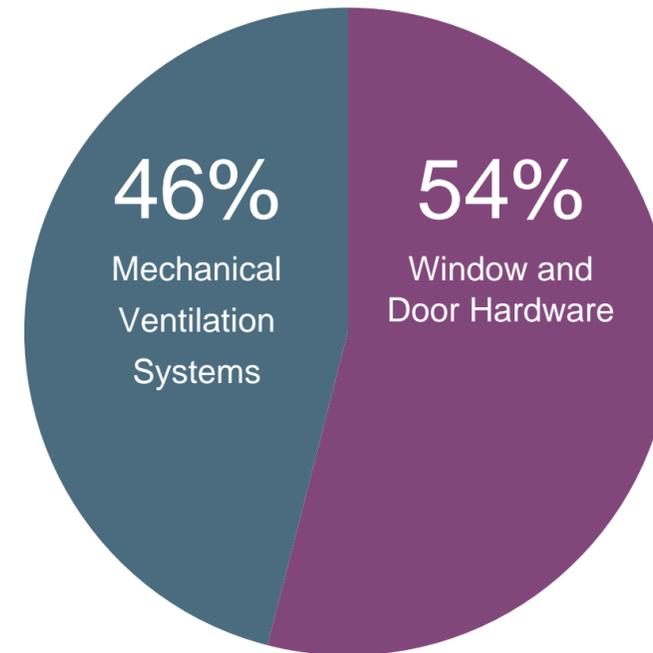
Vertically Integrated Manufacturing

- Own 100,000+ sq.ft. manufacturing plant in Haverhill, Suffolk
- Excess machine capacity to facilitate growth

Potential for significantly increased shareholder value

- Strong balance sheet vs market capitalisation

Percentage split of revenue FY2024



Door and Hardware revenue (%)
UK 80% | Export 20%

Ventilation Systems revenue (%)
UK 81% | Export 19%



2024 Highlights

A year of significant strategic progress

Appointment of Tom Carpenter, CEO

Initiation of a comprehensive 5-year strategic plan

- Business restructured – simplified structure & improved operating costs.
- Gross Margin improvement program commenced
- Reorganised Ventilations Systems commercial organisation to focus on system level wins.
 - Recruitment of new Sales Director (Ventilation Systems) as a key strategic hire
 - Progress towards solution selling
- Reviewed our go-to-market methodologies with the Window & Door Hardware business
 - Pivot towards aluminum and systems market
 - Focus on higher margin product mix
- Revised marketing and value proposition launched
 - New website to be introduced Q2 2025

Continued innovation; new products released across both business units

(e.g. Hexalok, HRV Cool Plus)

Disposed loss making South Korean business for £0.7m



HRV 4



Titon HRV Cool Plus



Hexalok

Financial Review



FY2024 Income Statement Summary

Continuing operations

- FY24 sales £15.5m (FY23 £19.9m) reduced by 22%.
 - Window & Door Hardware Sales £8.3m (FY23 £10.0m)
 - Mechanical Ventilation Systems £7.1m (FY23 £9.8m)
- Gross margins maintained at 28.0% (FY23 28.4%)
- Underlying operating loss before exceptionals £0.9m (FY23 £0.2m loss)
- EBITDA breakeven for the year
- Business restructured – c. £0.6m p.a. of savings
- Continued focus on careful cost management

Continuing operations	FY 2024	FY 2023
Net revenue	£15.5m	£19.8m
Gross profit	£4.3m	£5.6m
Gross margin	28.0%	28.4%
Underlying loss before exceptional costs and tax	£(0.9)m	£(0.2)m
Underlying EBITDA	£0.01m	£0.81m
Exceptional Costs Incurred During Year		
Restructuring costs	£0.2m	£0.04m
Allowance for slow moving inventory	£1.3m	-
Total	£1.5m	£0.04m

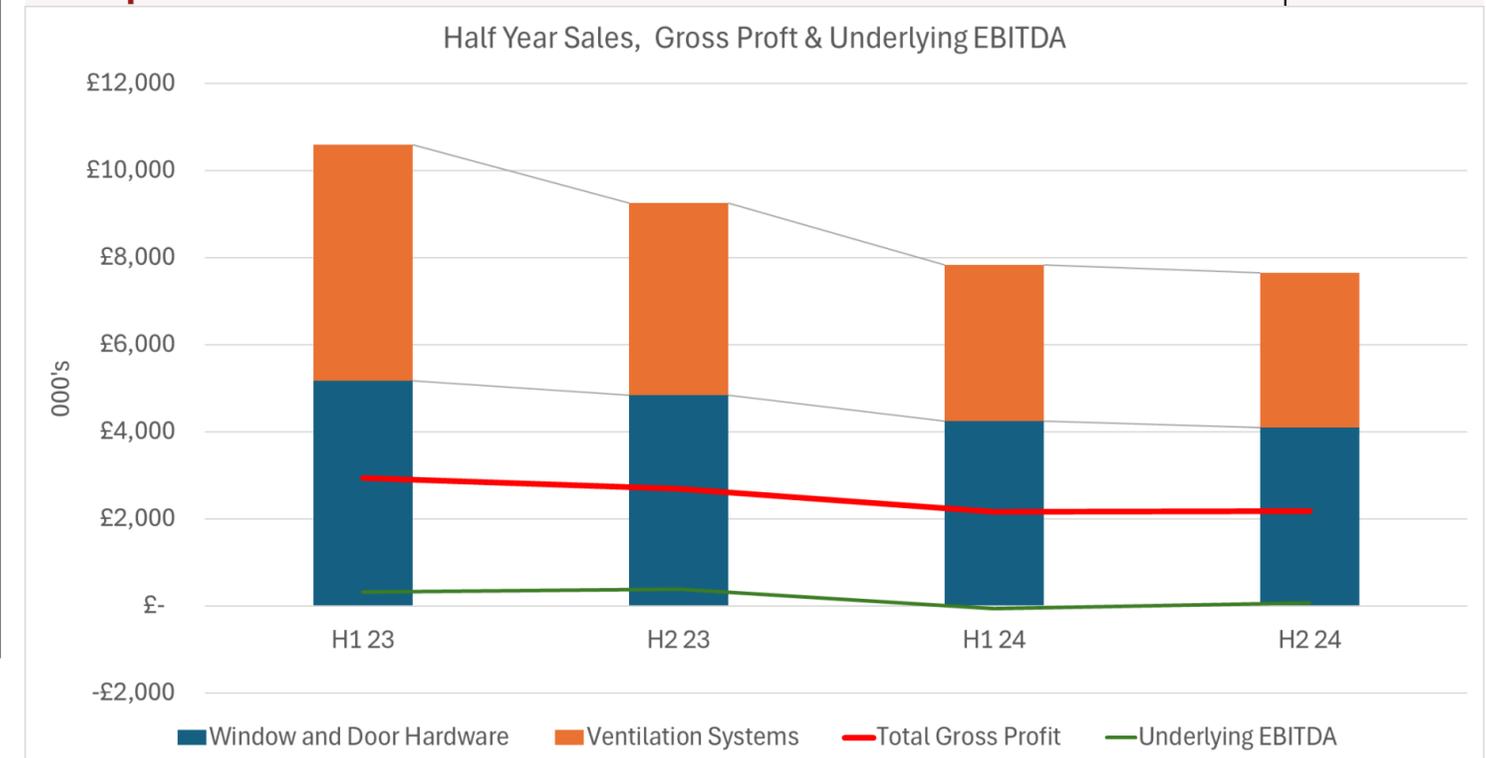
Underlying profits excludes all exceptional costs incurred

H2 vs H1 2024

Continuing operations – improving H2 trend

- Sales decline levelled off during the latter half of the year
- Growth in UK Ventilation Systems during year offset reduction in European OEM sales
- Gross margin in H2 2024 ahead of FY2023
 - Product mix and margin improvement began to marginally improve overall gross profits during final months of year
- Cost reductions and restructuring during July improved operating losses – Company almost broke even during last two months of the year
- Underlying EBITDA flat during year – final months driving positive EBITDA in the second half
- **Ventilation Systems Order book doubled during second half of year**
 - **FY2024 Company Book-To-Bill of 1.12 vs. FY2023 of 0.92**

	H2 2024	H1 2024	Change (%)	FY 2024
Window & Door Hardware	£4.01m	£4.24m	(3.5%)	£8.33m
Ventilation Systems	£3.35m	£3.58m	(0.6%)	£7.14m
Total Net revenue	£7.65m	£7.82m	(2.2%)	£15.47m
Gross Profit	£2.18m	£2.15m	1.2%	£4.33m
Gross Margin	28.5%	27.5%	1.0%	28.0%
Operating Loss Before Exceptional Costs & Tax	£(0.36)m	£(0.53)m	32%	£(0.90)m
Underlying EBITDA before exceptional costs	£0.07m	£(0.07)m	207%	£0.01m



FY2024 Statement of Financial Position and Cash Flow

- Strong balance sheet maintained with no borrowings and cash levels consistent across the year, at £2.3 million (2023: £2.2 million)
- Cash further strengthened since year end due to £0.7m funds received in respect of South Korean operations sale.
- The Group anticipates generating positive cash flows from operations in FY2025
- Continued progress on reduction of stock levels – stock reduced by £1.3m over the year (total reduction of £2.6m offset by £1.3m inventory write down)
- Non-current assets includes property with a book value of £1.6m and a 30 September 2022 fair value of £5.4m
- Balance Sheet Highlights:
 - No indebtedness except for lease liabilities
 - Total Book Equity (£10.9m) remains higher than market capitalisation (£8.7m)

	FY 2024	FY 2023
Non-current Assets	£4.7m	£7.2m
Inventories	£3.5m	£6.1m
Cash	£2.3m	£2.2m
Total Assets	£14.3m	£19.4m
Total Liabilities	£(3.4)m	£(4.6)m
Total Equity	£10.9m	£14.8m

	FY 2024	FY 2023
Cash generated by operations	£0.6m	£1.2m
Cash used in investing activities	£(0.3)m	£(0.3)m
Cash used in financing activities	£(0.2)m	£(0.4)m
Net increase in cash before exchange rate changes	£(0.08)m	£0.5m

Titon Transformation Strategy and Programmes for FY25



Our Challenges

New Business Development

- We need to grow our market share in both business units through winning new customers and entering adjacent markets
- Titon's value proposition not adequately communicated
- Still known as primarily a trickle vents company

Reducing Unnecessary Complexity

- Company and product lines still have significant legacy complexity

Customer Service

- Whole company to align behind customer service
- Value adding customer service is the key to retaining and growing the business

Margins

- Continued value engineering & cost reductions
- Selling solutions rather than products on price
- Focus on simplifying product mix
- Improving organisational efficiency

Productivity

- Some legacy practices require modernisation to be competitive
- The factory requires some capital investment to improve efficiency

Titon Transformation Strategy

Titon® 2028 Visualised



2024/2025 Programs

- 1. Gross Margin Improvement:** Improving margins through manufacturing efficiencies, value engineering, and product mix.
- 2. Product Roadmap:** Streamlining our product portfolio, focusing on market led innovation and patentable technologies.
- 3. Digital & Inbound Marketing:** Improving our online presence, refining our value proposition, and generating high-quality leads.
- 4. Commercial Excellence:** Focusing on growth. Aligning the entire organisation behind value-adding customer service.
- 5. Business Development and Entry Into Adjacent Markets:** Diversifying beyond the residential new-build sector to create a more balanced business.
- 6. Operational Excellence:** Improving productivity across the organisation, Implementing LEAN principles, reducing waste, and improving processes.
- 7. Organisation Development:** Aligning structure, roles, and responsibilities with business unit performance and individual strengths.
- 8. Employee Engagement & Culture:** Cultivating the “Titon Way” to foster accountability, performance management, and continuous professional development.
- 9. Total Quality:** Implementation of Six Sigma methodologies to become a world-class manufacturer.

Outlook



Our Outlook for 2025

Forecasting modest growth

- Our order book is at a much healthier level than this time last year and continues to grow
- UK Mechanical Ventilation Systems is seeing signs of positive momentum
- Further work to do with Window & Door Hardware

Cash generative

- Company has generated positive operational cashflow for four out of the last five months and anticipates this continuing in FY 2025
- Healthy cash balance allows the Company to continue to invest

Q1 FY 2025 performance

- Slightly ahead of management expectations and ahead of the same period in the last two years

Continued work to do

- Multiple initiatives ongoing and making a difference
- Foundations of the company are strong

Market

- Cautious indications of optimism regarding improving market conditions

Economy

- UK forecasting modest economic growth – however, the market & economy still faces significant challenges in 2025
- National Insurance & minimum wage uplift will add additional burden to the business

The Board remains confident in the prospects of the Company

- We are confident that we will make progress, but view 2025 as a transitional year



Thank you