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1 June 2021

Victorian Plumbing Group Limited
(to be re-registered as a public limited company)

INTENTION TO FLOAT ON AIM

Victorian Plumbing, the UK's leading online retailer of bathroom products and accessories, announces its intention to seek admission of its ordinary shares to trading on AIM, a market of London Stock Exchange plc.

Victorian Plumbing is a digitally native retailer of bathroom products and accessories, offering a wide range of over 24,000 products to consumers ("**B2C**") and trade customers ("**B2B**"). The Group has grown rapidly in recent years and is now the UK's leading online specialist bathroom brand by revenue in 2020 (*source: Mintel*) and the second largest retailer of bathroom products in the UK with an estimated 14.2% of the bathroom market by revenue in 2020. Its website provides a high quality and user-friendly experience for both consumer and trade customers, offering a one-stop shop solution for the entire bathroom, with more than 125 brands across a wide spectrum of price points.

Key strengths

Leading online brand in a large market with clear competitive advantages capitalising on a structural shift to online

- Operates in the bathroom products and accessories market in the UK, which Mintel valued at approximately £1.4bn (incl. VAT) in 2020
- A large and growing market, expected to benefit further from a number of tailwinds including a structural shift to online channels; online specialists now represent ~29% of market sales (2020) vs ~16% in 2015, per Mintel
- A highly recognisable brand, with a reputation for product and service quality, which has been developed using creative, brand-focused marketing strategies, a bespoke data-driven ecosystem to inform effective product and customer service strategies, and which now supports a large and growing customer base

A one-stop shop with a significant product range to satisfy a customer's bathroom needs

- One-stop solution for a wide variety of bathroom products at most price points, offering over 24,000 products from more than 125 brands

- Customers can complete their entire basket of bathroom purchases through the Group's portfolio of over 20 own brands, complemented by high quality and established third party brands across a range of product categories
- Own brand sales generated approximately 75% of revenue in the financial year ended 30 September 2020
- The Group caters to a wide range of customer price points, unlike most competitors who generally only target one specific segment of the market

Established track record of product innovation with an agile supply chain underpinned by long-standing relationships

- Tried and tested process of designing and developing exclusive new products in-house, delivered to market within six months from inception
- Long-standing relationships with global supplier base, with a reliable and agile supply chain providing transparency and flexibility to enable responsive decision-making on production volumes and stockholding levels
- The combination of new product development, rapid go-to-market capability, partnerships with third party brands and sourcing strength drive the Group's product differentiation strategy

Well-invested leading brand driven by an innovative and successful marketing strategy

- Victorian Plumbing is a well-established brand and continues to grow, with brand awareness increasing from 50% to 64% from February 2018 to February 2021
- Brand awareness driven by its digital marketing strategy complemented by bold, differentiated, and quirky offline marketing content
- Marketing has driven a 27% CAGR in the number of unique visitors to the Victorian Plumbing website between the financial years ended 30 September 2018 and 2020, reaching 23 million per annum in the financial year ended 30 September 2020

Superior customer journey and experience

- Convenient and intuitive website provides a seamless, fully digital journey, which is optimised across multiple devices
- Visitors are presented with pages that are optimised based on their search and browsing history and product pages are equipped with realistic CGI imagery, 360 degree product views and detailed descriptions
- Interactive customer service, with in-house customer service agents delivering a 4.3 Trustpilot rating (as at 28 May 2021) and high customer satisfaction ratings

Proprietary technology platform and data-driven ecosystem

- Bespoke, scalable ecommerce platform comprises built-for-purpose inventory, Enterprise Resource Planning and Customer Relationship Management systems which provide real-time data to various teams and functions within the business
- Developed and maintained by an in-house team
- Procures data-led insights to inform product, marketing and customer service strategies
- Modern architecture enables quick delivery of incremental, modular improvements and minimises delivery risk of future platform enhancements

Entrepreneurial and experienced leadership team

- Dynamic leadership team, led by Founder and CEO Mark Radcliffe, has grown the business from inception to become the leading online operator in the sector, and is dedicated to growing the business
- Chair Philip Bowcock and CFO Paul Meehan have significant UK listed company experience, complementing senior management's significant and in-depth knowledge of the Group and its market

Unique combination of scale, strong revenue growth, high margins and robust cash generation

- Powerful combination of a leading market position, with a track record of strong, consistent revenue growth, high profitability and robust cash generation
- Demonstrated ability to scale rapidly, achieving £208.7m revenue and £26.2m adjusted EBITDA in the financial year ended 30 September 2020

- Significantly outperformed other bathroom retailers, growing market share by 10.9 percentage points between 2015 and 2020 (*source: Mintel*); more than four times the growth of any competitor
- Growth trajectory maintained in current financial year, delivering results of £140.7m revenue, and £20.1m adjusted EBITDA for the six months ended 31 March 2021

Strategy

Victorian Plumbing's Directors have developed a growth plan that comprises multiple short and medium term pillars, with a key focus on continuing to drive organic growth.

Near Term

- **Continue to grow Victorian Plumbing's position in the UK B2C bathrooms market:** the Group's core focus is to retain and grow its position in serving B2C customers in the UK bathroom and accessories market. The Group's growth strategy is to grow its position within the UK bathrooms market:
 - ***New product development and innovation:*** bringing exclusive, in-demand products to market rapidly and cementing the Group's growing reputation as a leader in product innovation, while continuing to identify new and up-and-coming trends to capitalise on the Group's breadth of brands within the portfolio and leverage its agile supply chain
 - ***Continued marketing investments and improvements:*** Victorian Plumbing will continue to focus on its marketing strategy, concentrating on digital channels that are complemented by targeted, bold and creative offline campaigns and sponsorships that resonate with different demographics within the wider customer base
 - ***Continued supply chain and customer experience improvements:*** Victorian Plumbing intends to continue to strengthen its agile supply chain to drive efficiencies within warehousing and delivery functions. The Directors believe the supply chain will benefit from the team based in China, as this is expected to further improve communication with local suppliers, maintain the focus on quality controls, and enhance accuracy in product design and information. In addition, Victorian Plumbing intends to continue to invest in its customer services teams to drive efficiencies in product education, purchasing, delivery and aftersales services to maintain strong customer satisfaction levels
 - ***Further benefits from the current home repairs, maintenance and improvement cycle and the opportunity to further strengthen market share:*** The Directors believe that the Group will continue to gain market share as it leverages its scale and leading position, building on a virtuous cycle of its continuous investment in new product development and marketing. Victorian Plumbing is also well positioned to benefit from structural tailwinds that are expected to drive further growth in the UK bathrooms market, as well as within the larger UK home repairs, maintenance and improvement market
- ***Increase revenue from customers through a dedicated trade team and more trade-focused marketing:*** the Group's strategy has historically concentrated on the B2C market and the Directors believe that a proactive approach to the trade segment will generate significant revenues as trade customers typically exhibit higher revenue per customer, repeat rates, average order value and number of products per order compared to B2C customers
- ***Increase revenue through greater expansion into existing adjacent bathroom product lines:*** Victorian Plumbing has expanded into adjacent bathroom product lines such as tiles, flooring and lighting, albeit these particular categories have not been a focus for the Group to date. The Directors believe there is an opportunity to capture greater share of the customer wallet across these categories while driving additional traffic to the website by increasing the range of relevant products and commonly searched terms

Medium Term

- **Expand into new adjacent bathroom product categories:** The Directors believe there is an opportunity over the medium term to expand into new adjacent product categories and increase the breadth of the existing customer proposition. The Group would consider moving into new adjacent categories organically, looking to develop new products and to build out any necessary infrastructure internally, or through opportunistic acquisitions
- **Expand into certain markets within Europe:** The Group intends to explore opportunities for potential expansion into European geographies such as France, Ireland, Germany and Spain. These countries are seen as having similar dynamics to the UK in terms of a growing online penetration. As such, the Directors believe these markets may present an attractive expansion opportunity for the Group in the medium to long term

Admission and Placing

- Admission is expected to take place on or around 22 June 2021
- GCA Altium is acting as Nominated Adviser and Financial Adviser
- Barclays Bank PLC and Numis Securities Limited are Joint Global Coordinators

Mark Radcliffe, Founder & Chief Executive Officer of Victorian Plumbing, commented:

“Victorian Plumbing is the most recognised online bathroom brand in the UK; we work hard every day to make sure we are providing consumers with the largest choice of quality bathroom products. Our approach is industry leading, as evidenced by our substantial and growing market share.

“It’s been a fantastic and eventful journey growing Victorian Plumbing over the past two decades. Our early and sustained investment in digital retailing and the advantages that brings has allowed us to make the most of the structural shift in consumers increasingly looking to buy bathroom products online.

“I’m incredibly proud of all of our employees who have built this unique business and, in the process, have developed an incredibly strong, exciting and trusted brand together with a hard-working and innovative culture.

“As we are now the leading online retailer of bathroom products in the UK, it seems the ideal time to join the UK stock market. With the deep sector expertise and talent of our senior team members and the fundamental strengths of our proven business model within a growing market, we are excited for the significant growth opportunities that lie ahead for Victorian Plumbing.”

For further information, please contact:

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Notes to editors:

Directors

Philip Bowcock (*aged 53*) – *Chair*

Philip Bowcock is due to be formally appointed as a director and Chair prior to Admission. Philip has extensive listed company experience, having been chief financial officer of William Hill plc from November 2015 until June 2016 and then being promoted to serve as its chief executive officer until September 2019. Prior to joining William Hill plc, Philip was chief financial officer of cinema chain Cineworld Group PLC from 2011 until June 2015. Philip also served as interim chief executive officer of Countrywide Limited between November 2020 and March 2021. He has also had a number of other finance related roles, including finance director at Luminar PLC and financial controller and head of corporate development at Barratt Developments plc.

Mark Radcliffe (*aged 42*) – *Chief Executive Officer*

Mark founded Victorian Plumbing in 2000 and has led the business ever since. Prior to that time, Mark had established a number of successful ecommerce businesses, including Coral Phones.

Paul Meehan (*aged 57*) – *Chief Financial Officer*

Paul joined Victorian Plumbing in December 2020. Paul was previously chief financial officer of On the Beach Group plc from January 2017 until July 2020 and prior to that was finance director at Gala Coral Interactive between April 2012 and December 2016. During his time at Coral Group, Paul was responsible for the planning and integration aspects of the merger between Gala Coral Group Limited and Ladbrokes plc which was announced in June 2015 and completed in November 2016. Paul has held a number of other finance roles in other businesses in the UK and is a chartered certified accountant.

Damian Sanders (*aged 56*) – *Senior Independent Non-Executive Director*

Damian Sanders is due to be formally appointed as the senior independent non-executive Director prior to Admission. He is chair of the Audit Committee and a member of the Nomination Committee. Damian is an FCA qualified member of the Institute of Chartered Accountants in England & Wales, bringing extensive financial and commercial experience to the Board, including over 20 years of experience as a senior equity audit partner at Deloitte, acting as advisor and corporate governance specialist for a number of FTSE Boards. Damian is also a non-executive director of Cineworld Group Plc and THG Holdings plc.

Governance

The Board is committed to the highest standards of corporate governance. In the medium term, it intends to adopt the UK Corporate Governance Code as a smaller company which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

Notes:

1. Adjusted EBITDA is a Non-IFRS measure. The Company defines adjusted EBITDA as operating profit for the period before depreciation and amortisation less exceptional items and IFRS 2 charges in respect of share-based payments along with associated national insurance.

IMPORTANT NOTICES:

This is a financial promotion and is not intended to be investment advice.

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, has been approved by GCA Altium Limited solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

This announcement does not constitute or form part of any offer for sale or subscription or any solicitation of any offer to buy or subscribe for any securities and neither this announcement nor any part of it forms the basis of or may be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

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In the United Kingdom, this announcement is directed only at persons who are "qualified investors" within the meaning of Regulation 2017/1129/EU as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**Relevant Persons**").

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This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this announcement relates is available only to: (i) in the United Kingdom, Relevant Persons; and (ii) in any member state of the EEA, Qualified Investors, and will be engaged in only with such persons.

This document contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "anticipates", "believes", "could", "envisages", "estimates", "expects", "intends", "may", "plans", "projects", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They include statements regarding the intentions, beliefs and current expectations of the Company or the Directors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Company and the industry in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may

or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Group operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

Each of the Company, GCA Altium Limited, Barclays Bank PLC and Numis Securities Limited, and their respective affiliates, expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this announcement and disclaims any obligation to update its view of any risks or uncertainties described herein or to publicly announce the results of any revisions to the forward-looking statements made in this announcement, whether as a result of new information, future developments or otherwise, except as required by law.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.

The anticipated timetable for Admission, including the publication of the Admission Document and/or the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Admission Document will be published or that Admission will occur. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all or part of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments.

This announcement does not constitute a recommendation concerning Admission or the Ordinary Shares. The value of Ordinary Shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. On any sale of an investment an investor may get back less than he or she originally invested. Potential investors should consult a professional adviser as to the suitability of the Ordinary Shares for the person concerned before making any investment decision. Past performance cannot be relied upon as a guide to future performance.

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Each of GCA Altium Limited, Barclays Bank PLC and Numis Securities Limited is acting exclusively for the Company and no-one else in connection with the possible Admission. They will not regard any other person as their respective clients in relation to the possible Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the possible Admission, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

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In connection with the Placing, Barclays Bank PLC and Numis Securities Limited and any of their respective affiliates, may take up a portion of the Ordinary Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in the Admission Document, once published, to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by Barclays Bank PLC and Numis Securities Limited and any of their respective affiliates acting in such capacity. In addition, Barclays Bank PLC and Securities Limited and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of Ordinary Shares. None of Barclays Bank PLC, Numis Securities Limited nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

For the avoidance of doubt, the contents of the Company's website are not incorporated by reference into, and do not form part of, this announcement.

Information to Distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the UK Product Governance Requirements) should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Barclays Bank PLC and Numis Securities Limited will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.