

Victorian Plumbing Group plc

# HALF YEAR RESULTS PRESENTATION

SIX MONTHS ENDED 31 MARCH 2025

Presented by Mark Radcliffe (CEO) and Daniel Barton (CFO)

14 MAY 2025



# H1 2025 OVERVIEW

SUMMARY OF STRATEGIC PROGRESS AND OPERATIONAL PERFORMANCE IN THE PERIOD.

## STRATEGIC PROGRESS



Transition to new warehouse infrastructure complete.

Victoria  
Plum.com

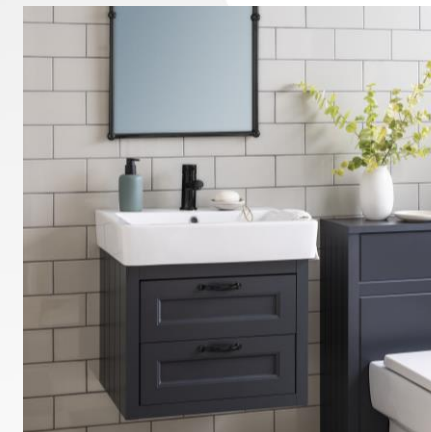
The closure journey complete:

- **Website redirected** November 2024.
- **Building exited** January 2025.



Continued investment in brand with **new creative**, featuring celebrity talent, including a **new jingle**.

## OPERATIONAL HIGHLIGHTS



Revenue of £152.7m (+6%), continuing to **outperform the wider RMI market<sup>1</sup>**.



**Trade revenue** grew by **12%** to £36.1m, now representing **24%** of revenue.



**Tiles & décor** revenue grew by **36%** to £7.6m, with significant growth opportunity ahead.

# REVIEW OF FINANCIALS

# INCOME STATEMENT

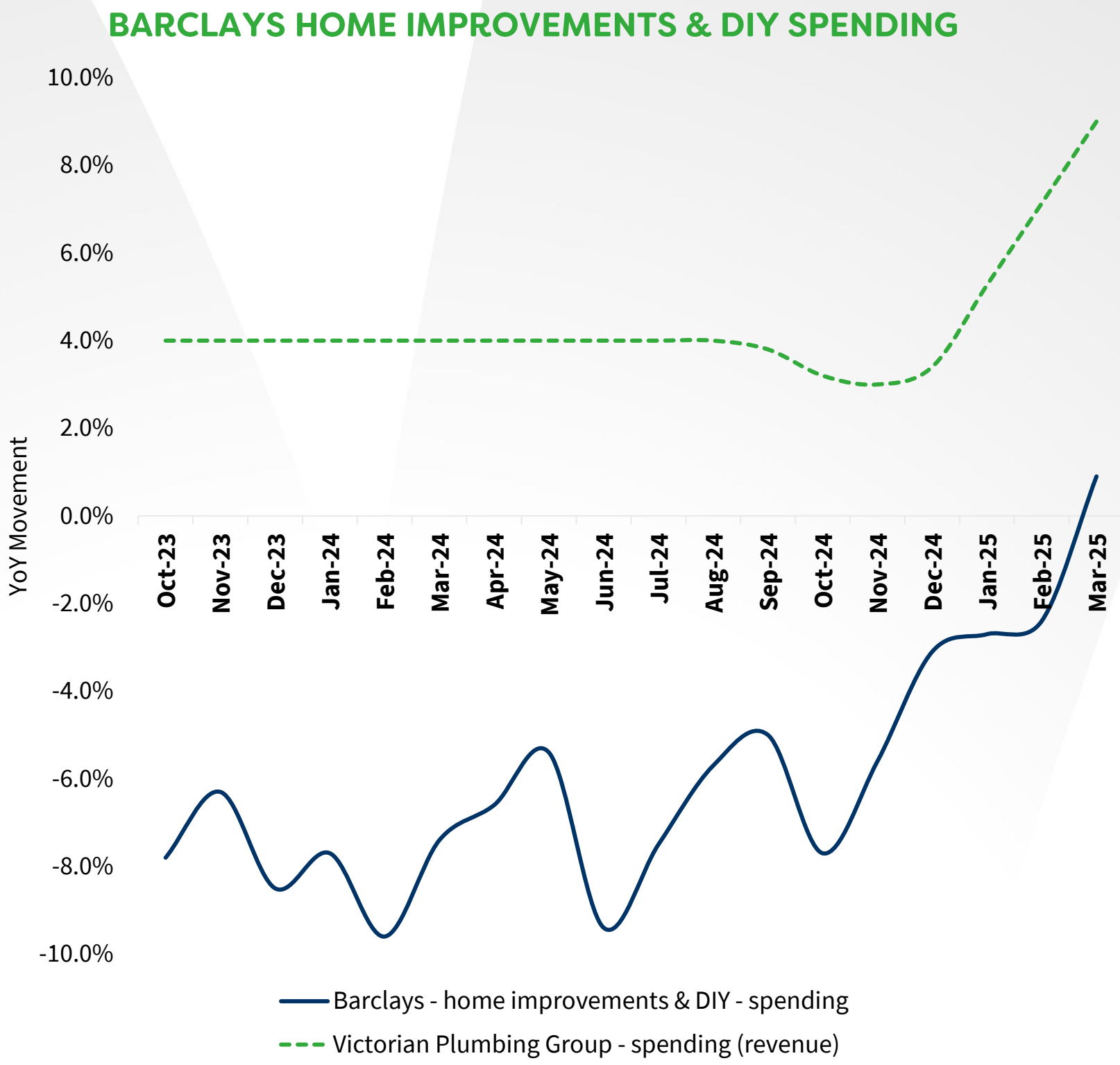
GROUP REVENUE GROWTH OF 6%, BOOSTED BY REVENUE GROWTH OF 9% IN Q2.

## FINANCIAL SUMMARY

	Victorian Plumbing £m	Victoria Plum £m	H1 2025 £m	H1 2024 £m	PoP Group
Revenue	148.8	3.9	<b>152.7</b>	144.6	6%
Cost of sales	(73.7)	(2.4)	<b>(76.1)</b>	(72.3)	(5%)
<b>Gross profit</b>	75.1	1.5	<b>76.6</b>	72.3	6%
<b>Gross profit margin %</b>	50%	38%	<b>50%</b>	50%	0ppt
Underlying costs	(60.5)	(0.9)	<b>(61.4)</b>	(59.1)	(4%)
<b>Adjusted EBITDA</b>	14.6	0.6	<b>15.2</b>	13.2	15%
<b>Adjusted EBITDA margin %</b>	10%	15%	<b>10%</b>	9%	1ppt
Depreciation and amortisation	(2.7)	-	<b>(2.7)</b>	(2.0)	(35%)
Finance income/(cost)	(0.7)	-	<b>(0.7)</b>	0.3	(333%)
<b>Adjusted PBT</b>	11.2	0.6	<b>11.8</b>	11.5	3%
<b>Adjusted PBT margin %</b>	8%	15%	<b>8%</b>	8%	0ppt
Adjusted diluted EPS (p)			<b>2.8</b>	2.7	4%
Proposed full year ordinary dividend (p)			<b>0.70</b>	0.52	35%

# REVENUE – ORDERS

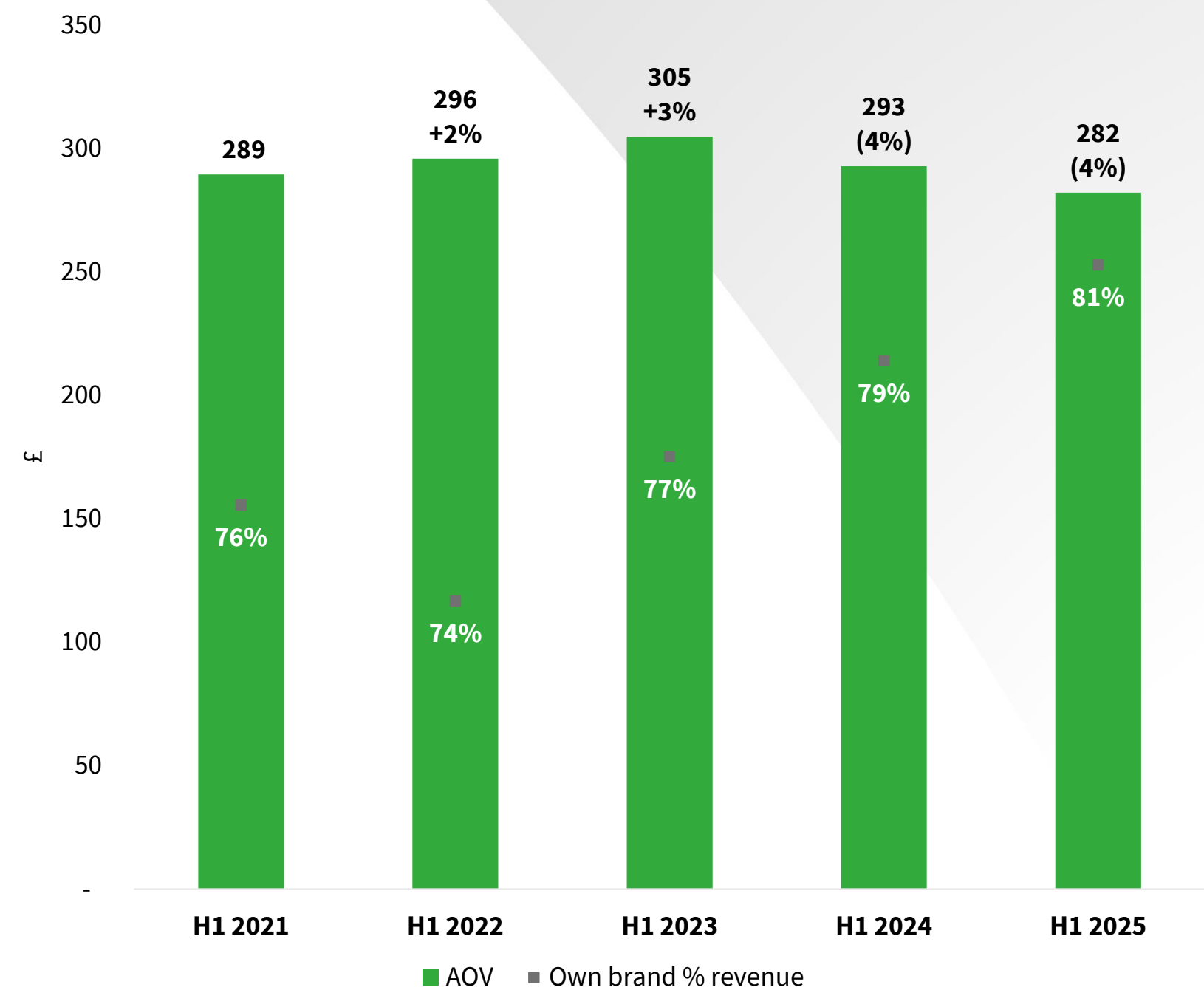
ORDER VOLUME UP 10%, CONTINUING TO OUTPERFORM THE WIDER RMI MARKET.



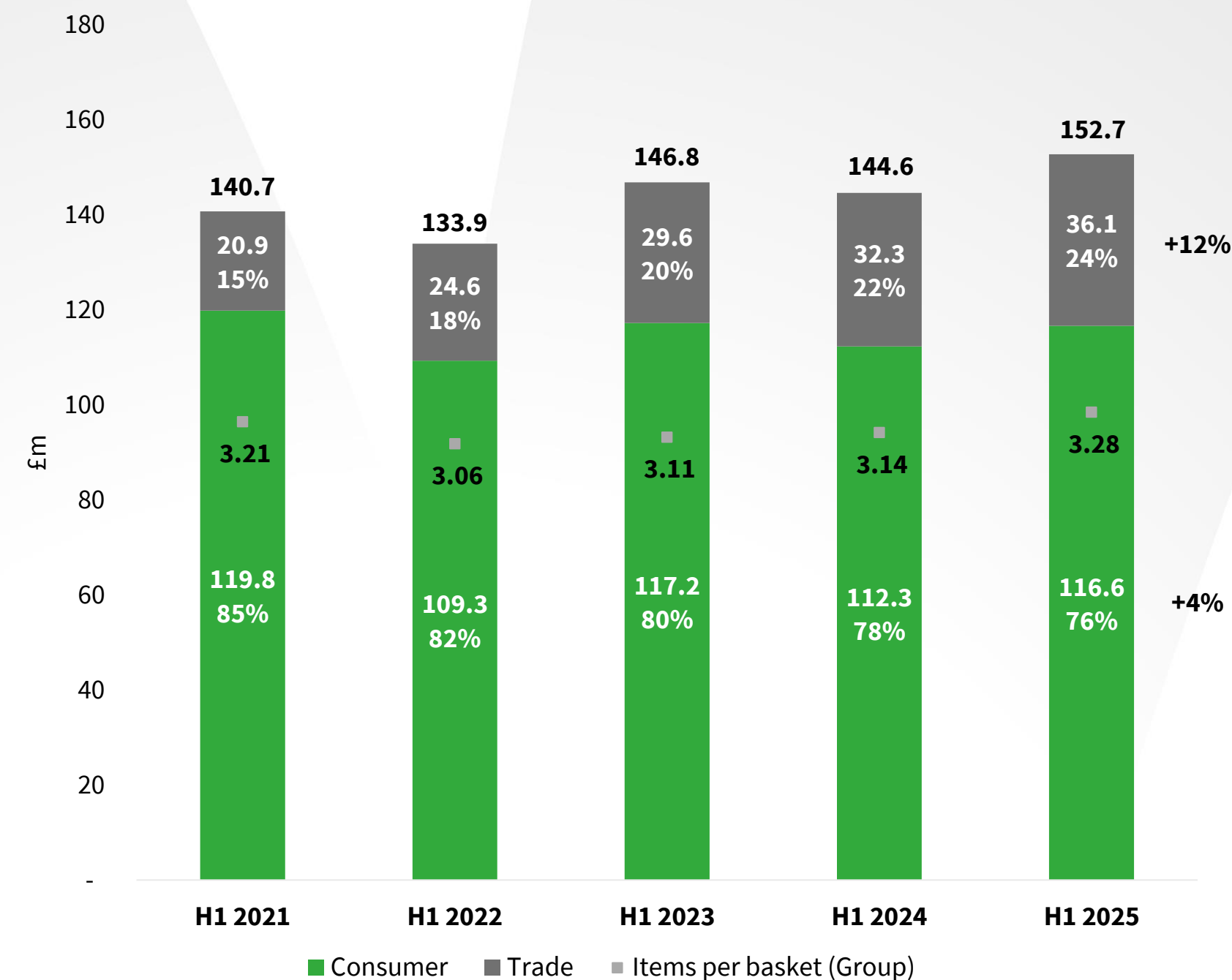
# REVENUE – OVERALL

DOUBLE DIGIT GROWTH IN TRADE AND A RETURN TO GROWTH IN CONSUMER.

AVERAGE ORDER VALUE



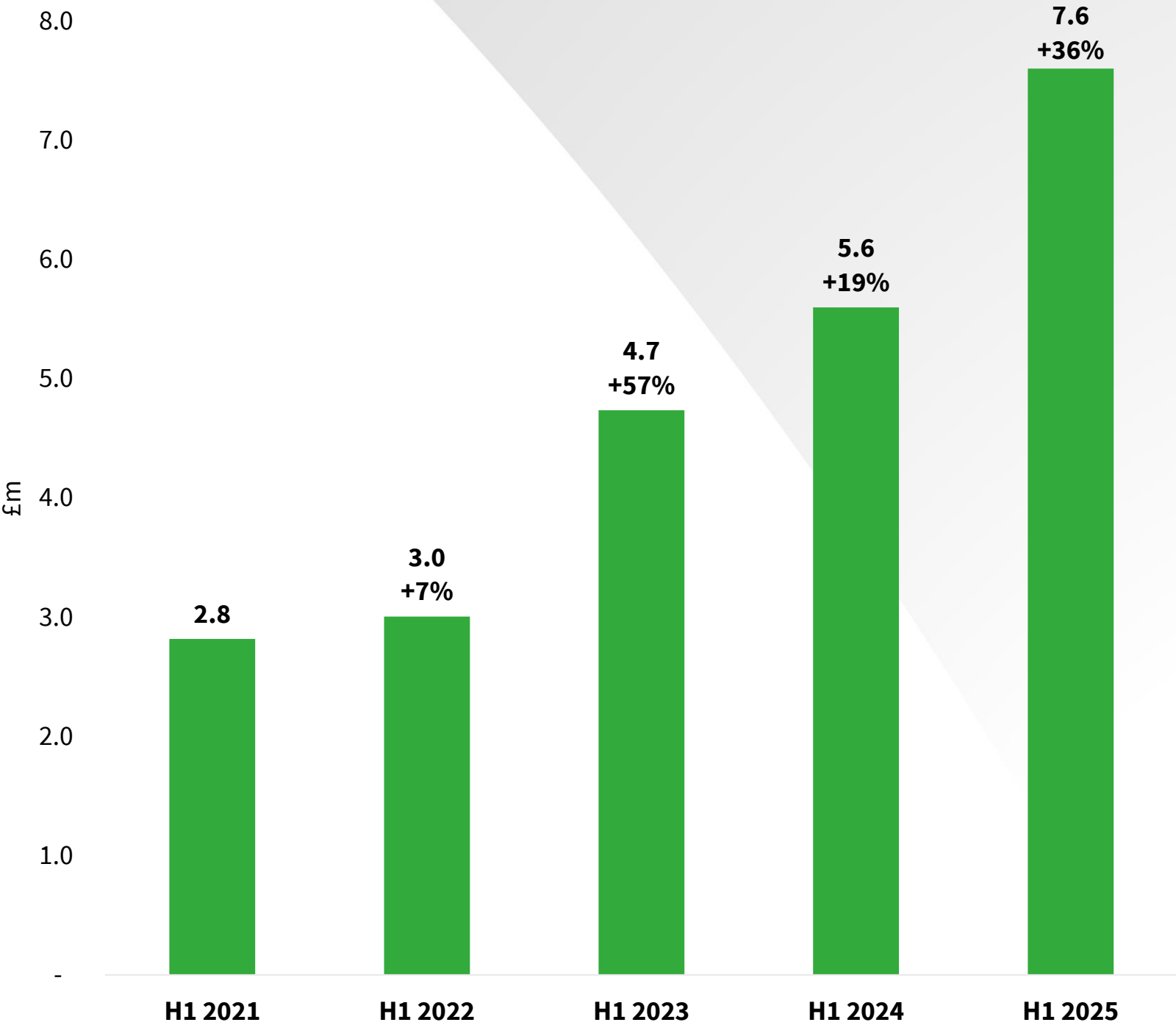
REVENUE



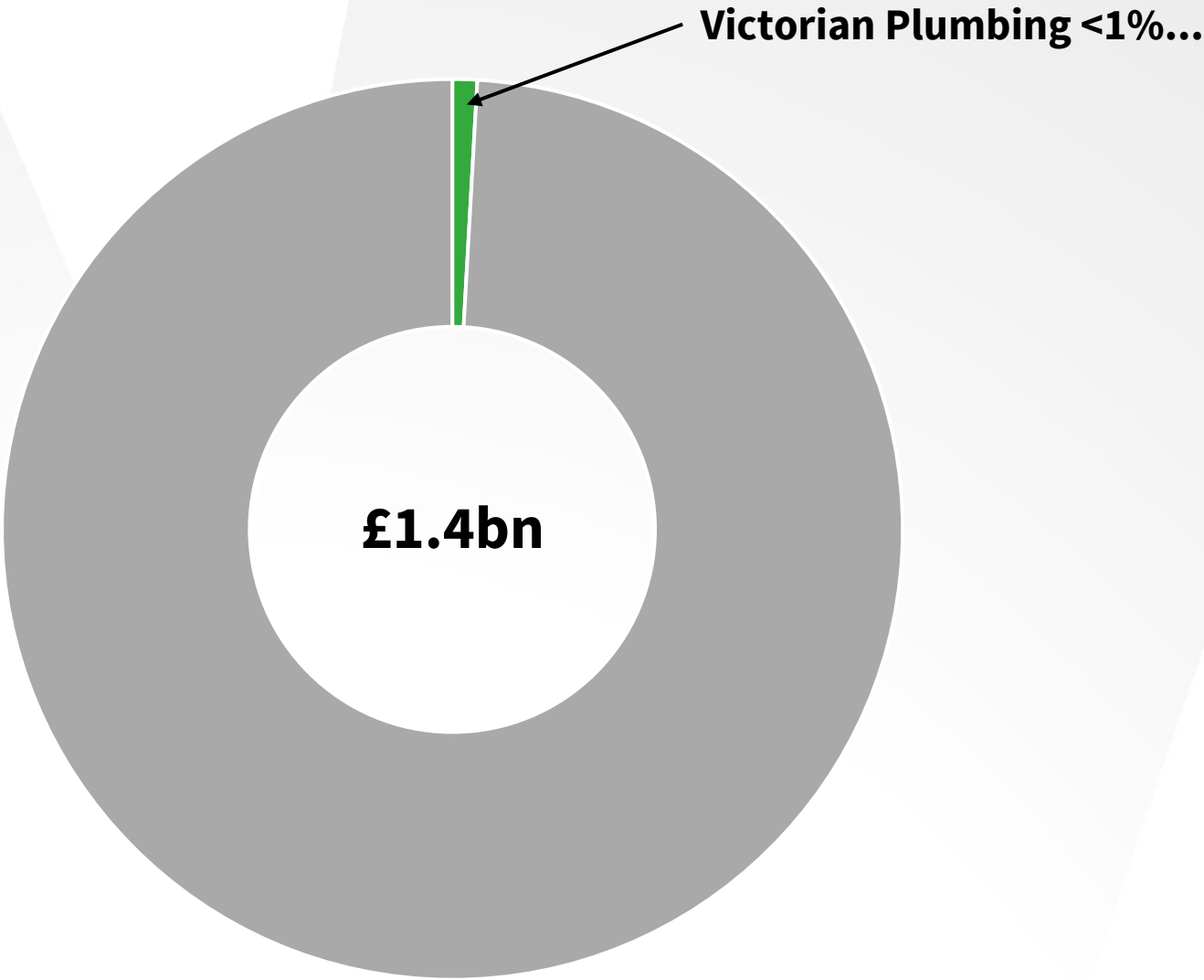
# REVENUE – TILES & DÉCOR

36% GROWTH IN TILES & DÉCOR REVENUE TO £7.6M, WITH PLENTY OF OPPORTUNITY AHEAD OF US...

REVENUE: TILES & DÉCOR



ADDRESSABLE MARKET FOR OUR GROWTH



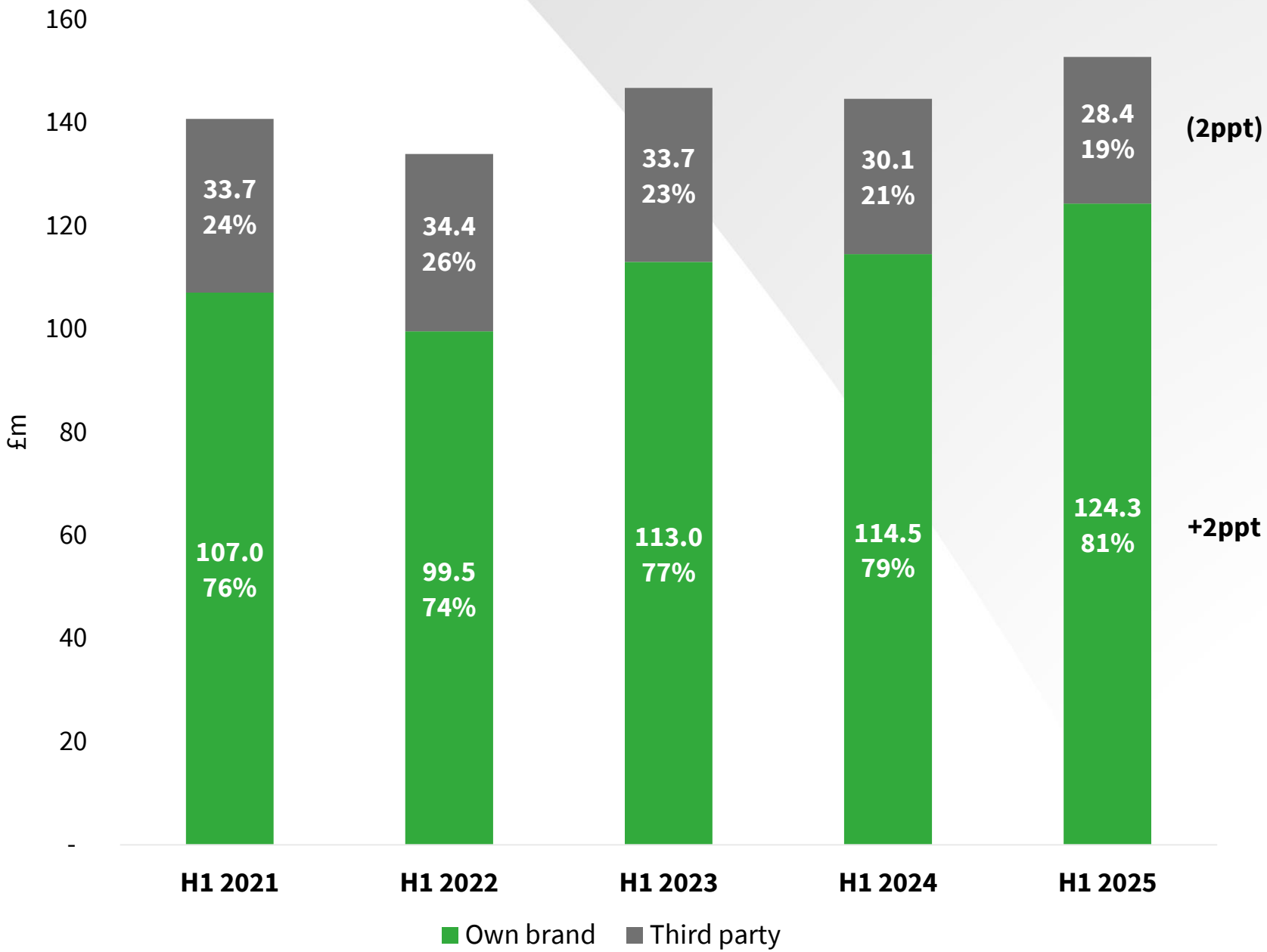
... huge market share opportunity.



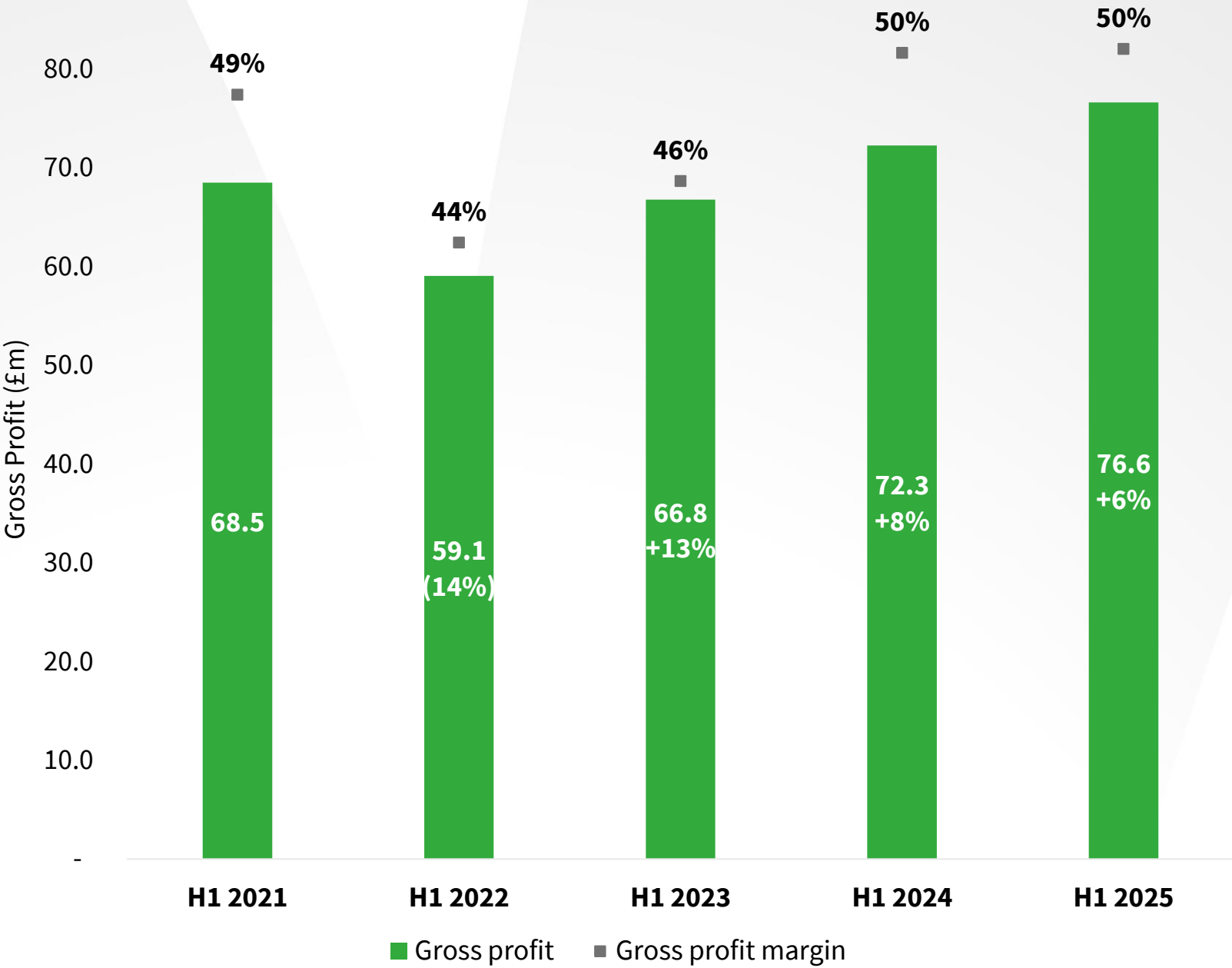
# PRODUCT MIX & GROSS PROFIT

SHIFT TO OWN BRAND PRODUCTS MAINTAINS HIGH GROSS PROFIT MARGIN.

OWN BRAND VS. THIRD PARTY REVENUE



GROSS PROFIT & GROSS PROFIT MARGIN

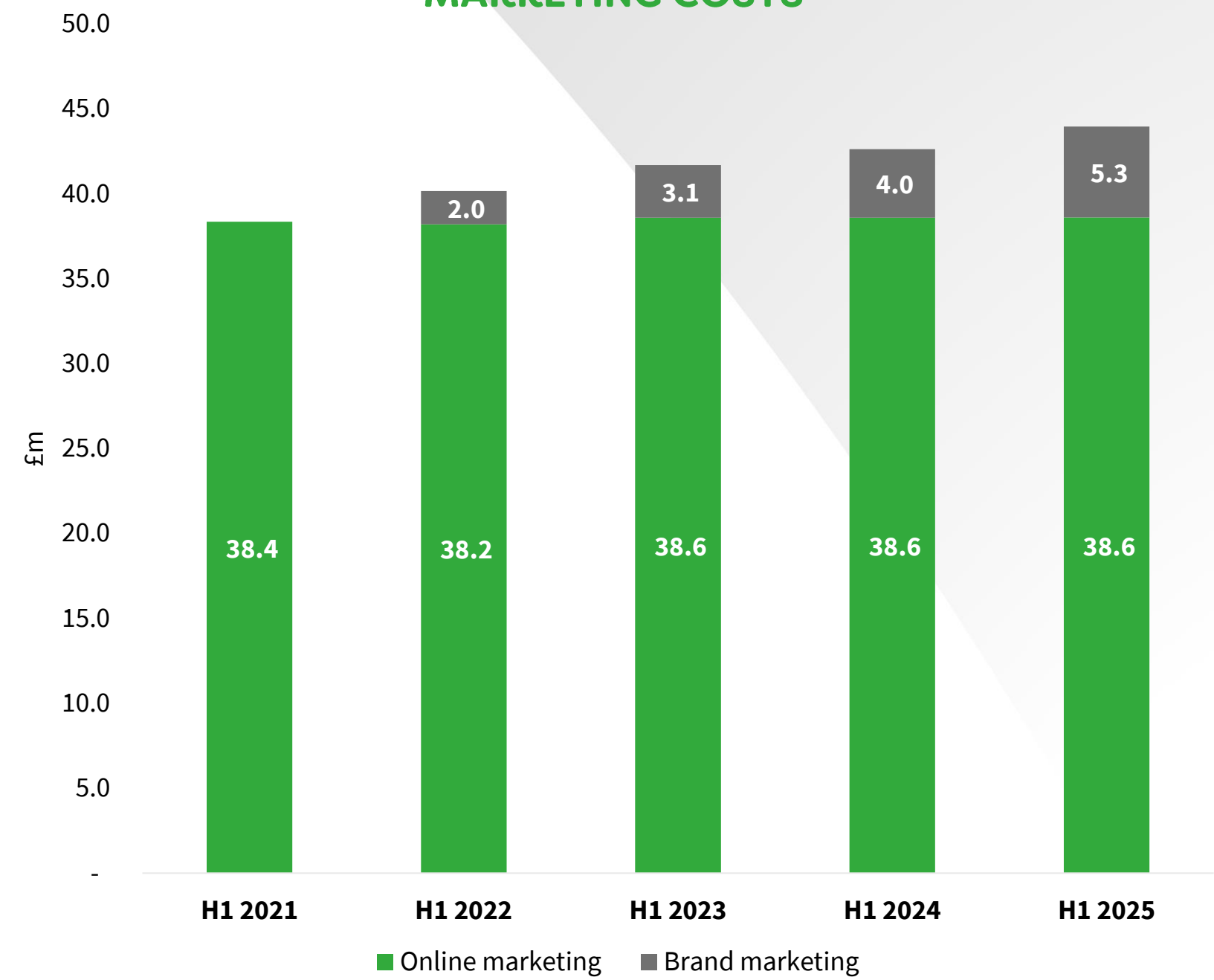




# MARKETING

MARKETING EFFICIENCIES FUND INVESTMENT IN BRAND MARKETING FOR FUTURE GROWTH.

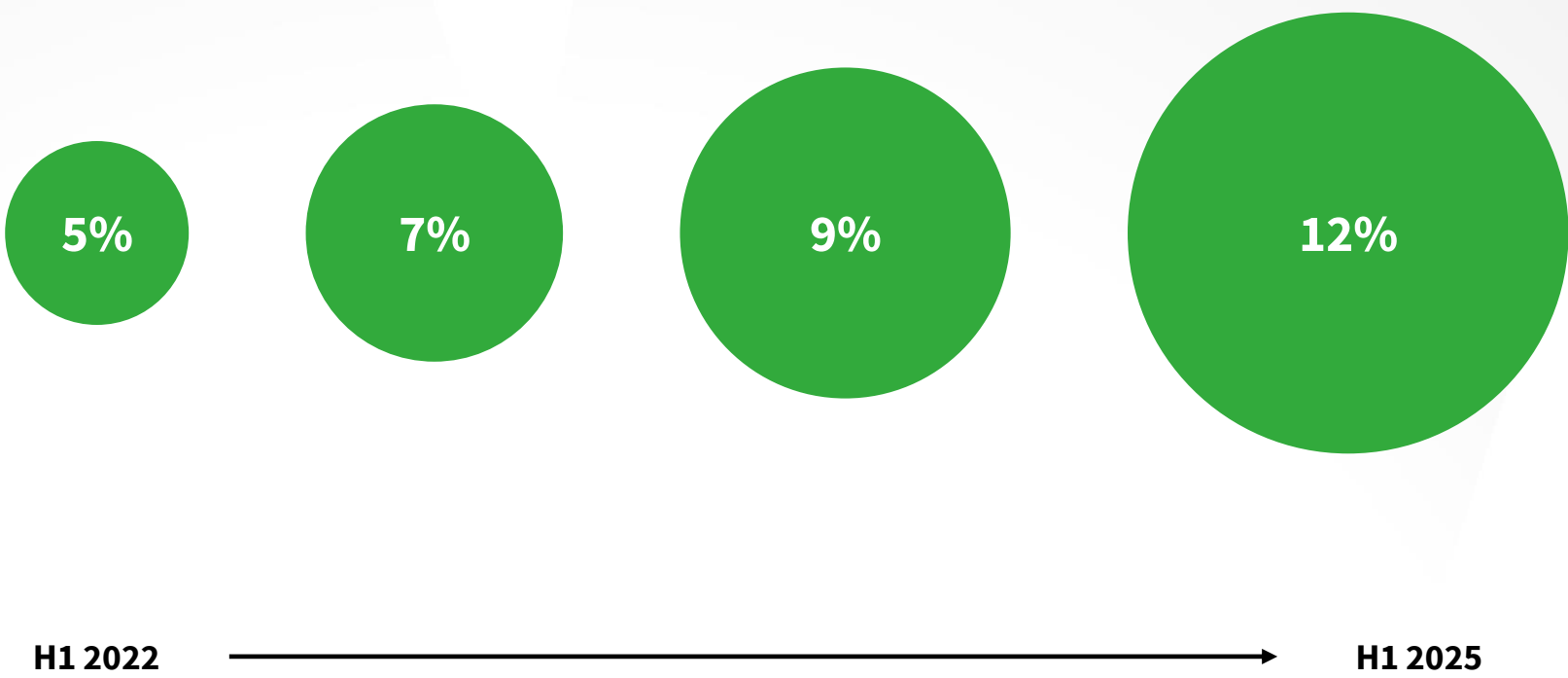
MARKETING COSTS



MARKETING COSTS AS % REVENUE

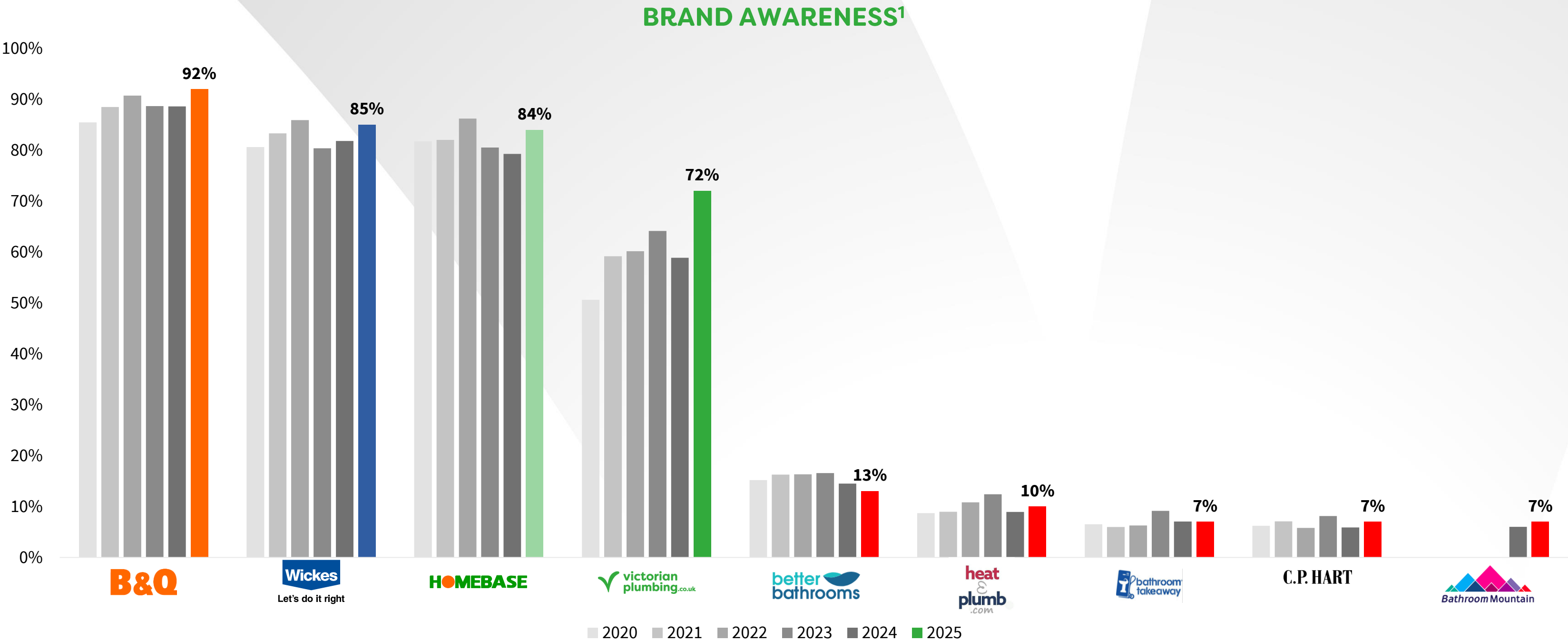
	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
Online marketing	27.3%	28.5%	26.3%	26.7%	25.3%
Brand marketing	-	1.5%	2.1%	2.8%	3.5%
Total marketing	27.3%	30.0%	28.4%	29.5%	28.8%

BRAND MARKETING % TOTAL MARKETING



# DRIVING BRAND STRATEGY

SIGNIFICANT IMPROVEMENT IN BRAND AWARENESS DRIVEN BY EFFECTIVE MEDIA AND CREATIVE.

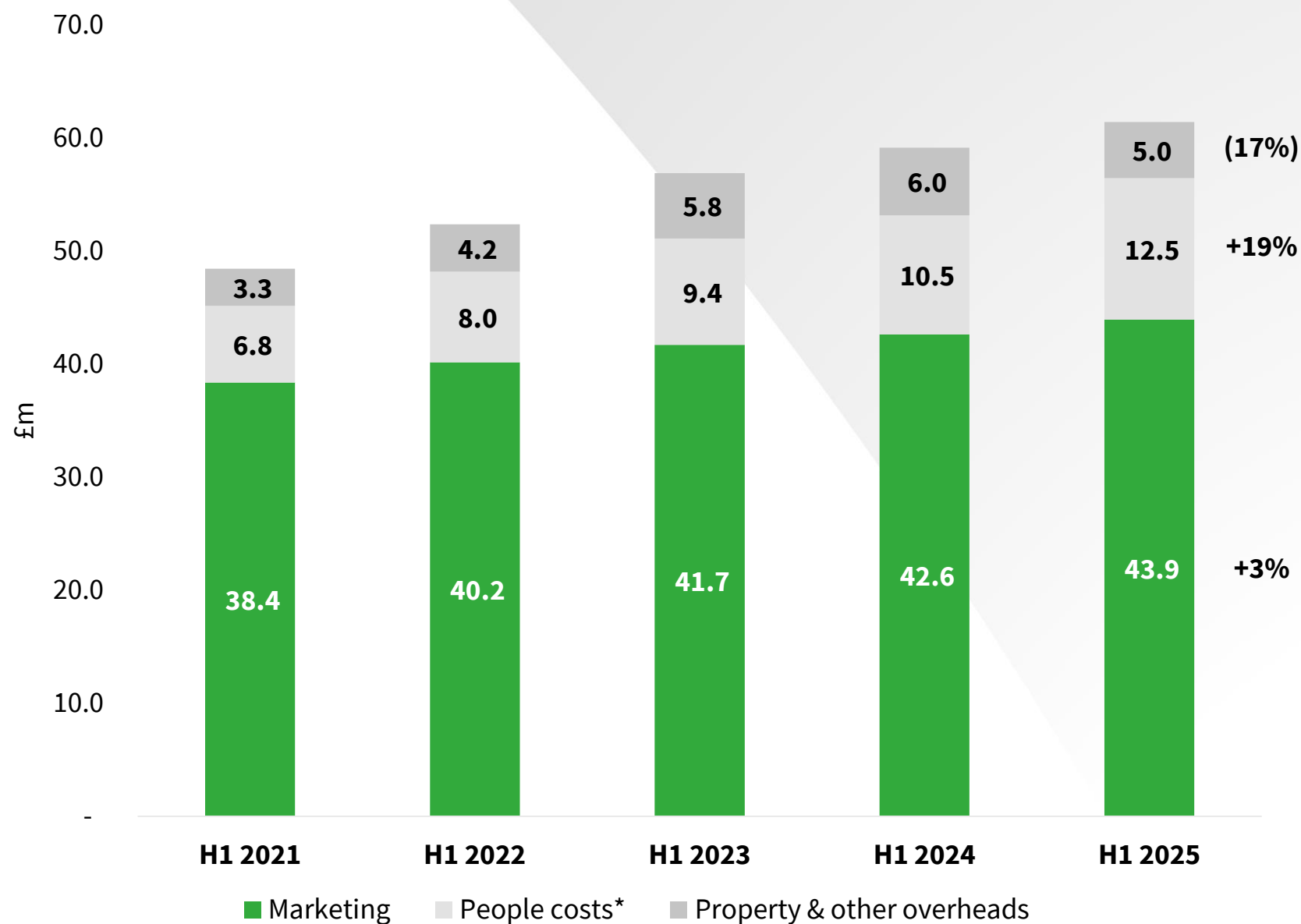


<sup>1</sup>Victorian Plumbing prompted brand tracking – February 2025 vs. February in prior year periods.

# UNDERLYING COSTS

UNDERLYING COST SCALEABILITY EMERGING; BUT PEOPLE COST MORE.

UNDERLYING COSTS



YoY growth	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
Underlying costs	-11%	8%	9%	4%	4%

UNDERLYING COSTS AS % REVENUE

	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
Marketing	27.3%	30.0%	28.4%	29.5%	28.8%
People costs*	4.8%	6.0%	6.4%	7.3%	8.2%
Property & other overheads	2.3%	3.1%	3.9%	4.1%	3.3%
Underlying costs	34.4%	39.1%	38.7%	40.9%	40.2%

**People costs (increased 19%)**

- Average FTEs increased from 665 to 710 (+7%), as we transitioned to our new warehouse infrastructure.
- National Living Wage increases of 9.8% in April 2024.
- Productivity improvement in the future following the introduction of semi-automation.

**Property and other overheads (decreased 17%)**

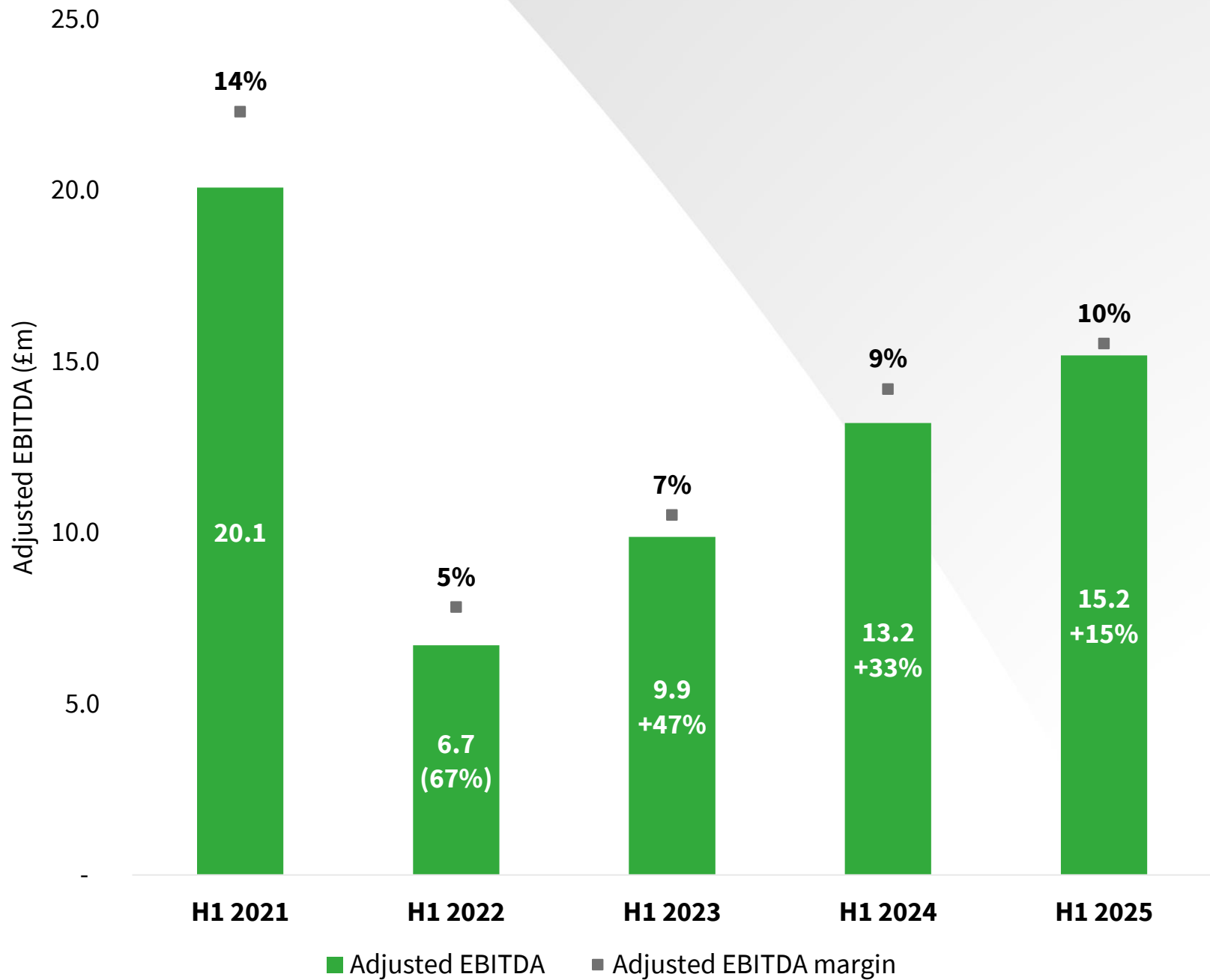
- Savings reflect the Group exiting expensive, third party properties following the transition to our new warehouse infrastructure.
- Long-term lease for our new distribution centre recognised through depreciation and interest under IFRS 16.

\*Excluding share-based payments

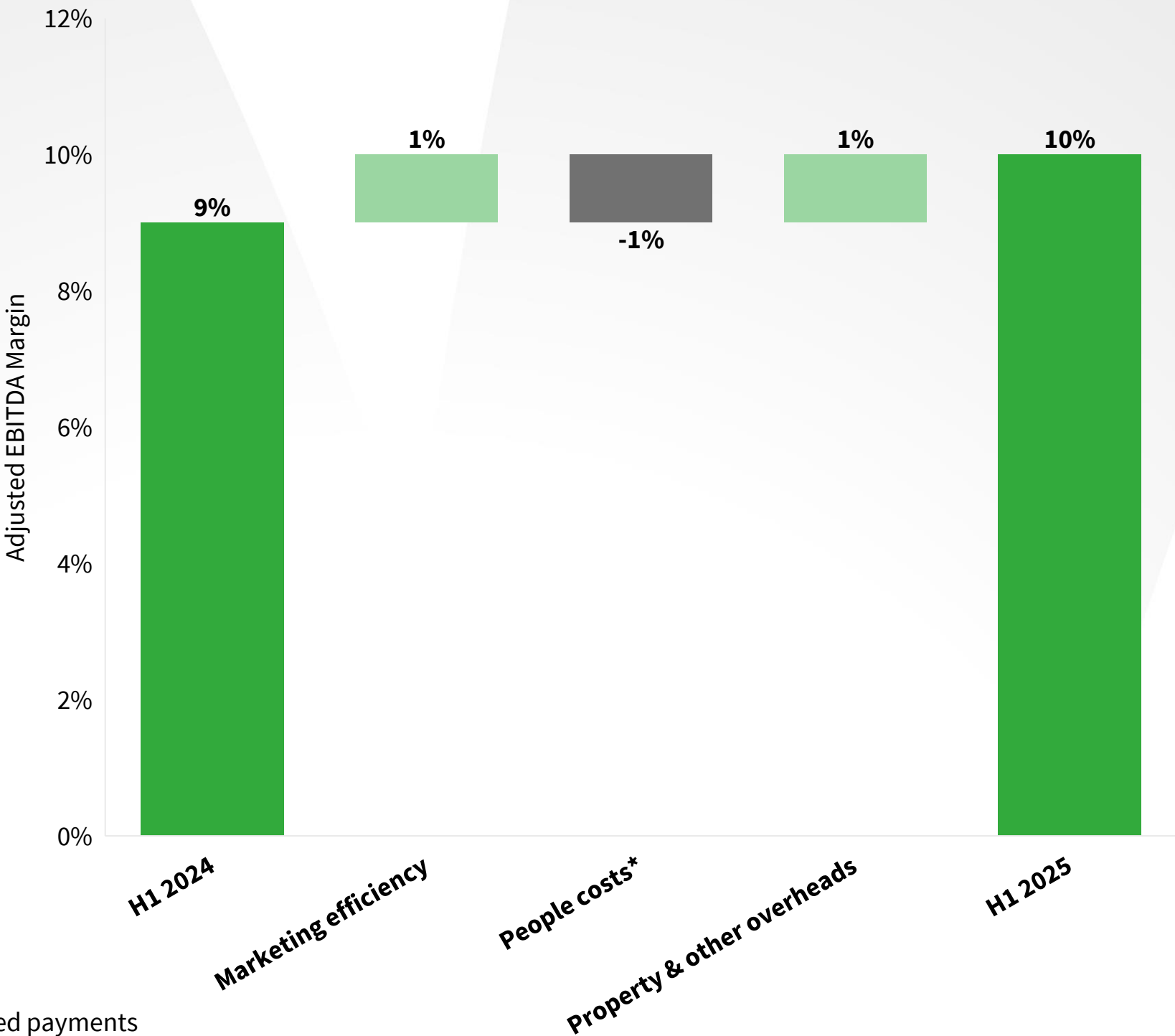
# ADJUSTED EBITDA

CONTINUED MARGIN IMPROVEMENT.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN



ADJUSTED EBITDA MARGIN BRIDGE

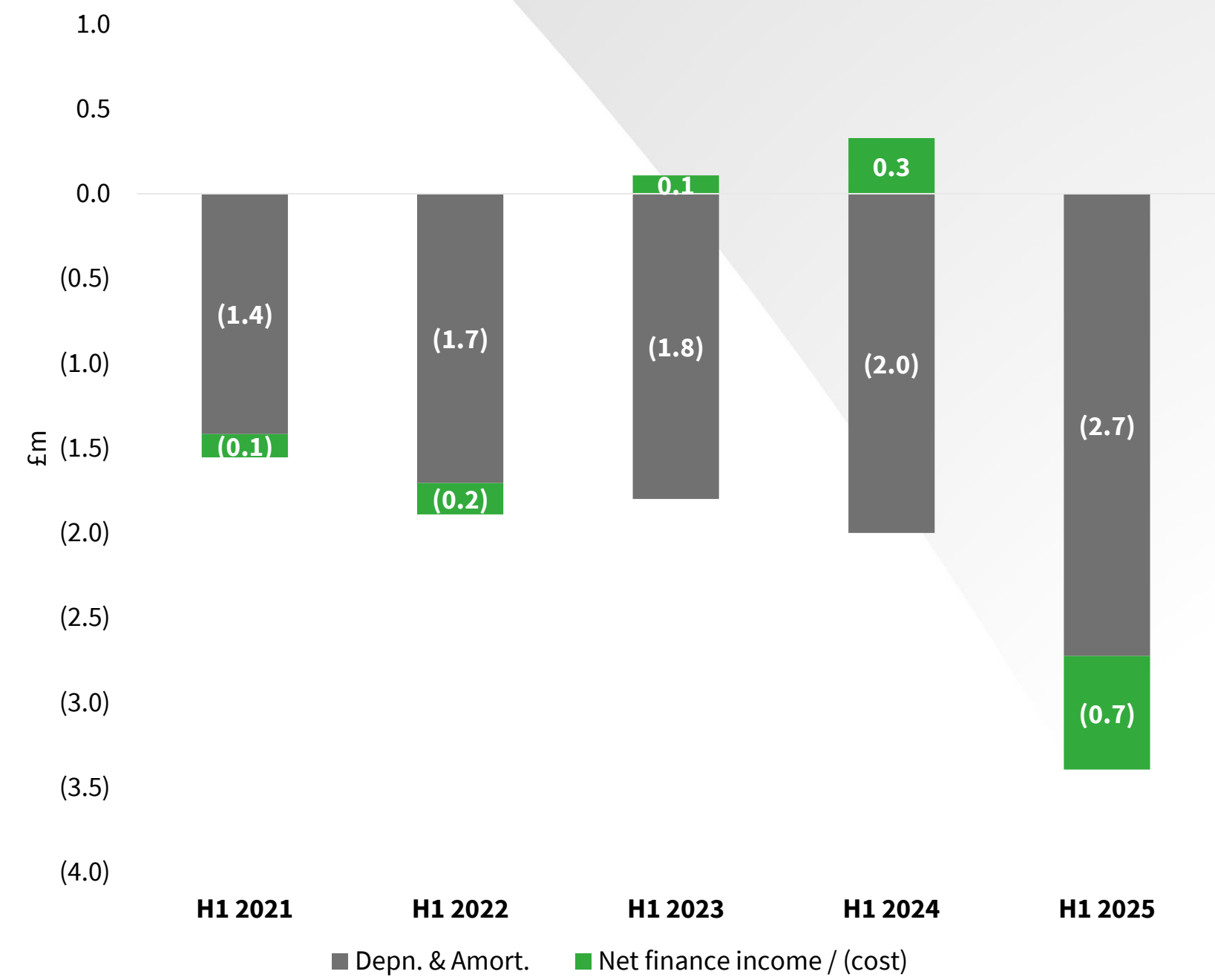


\*Excluding share-based payments

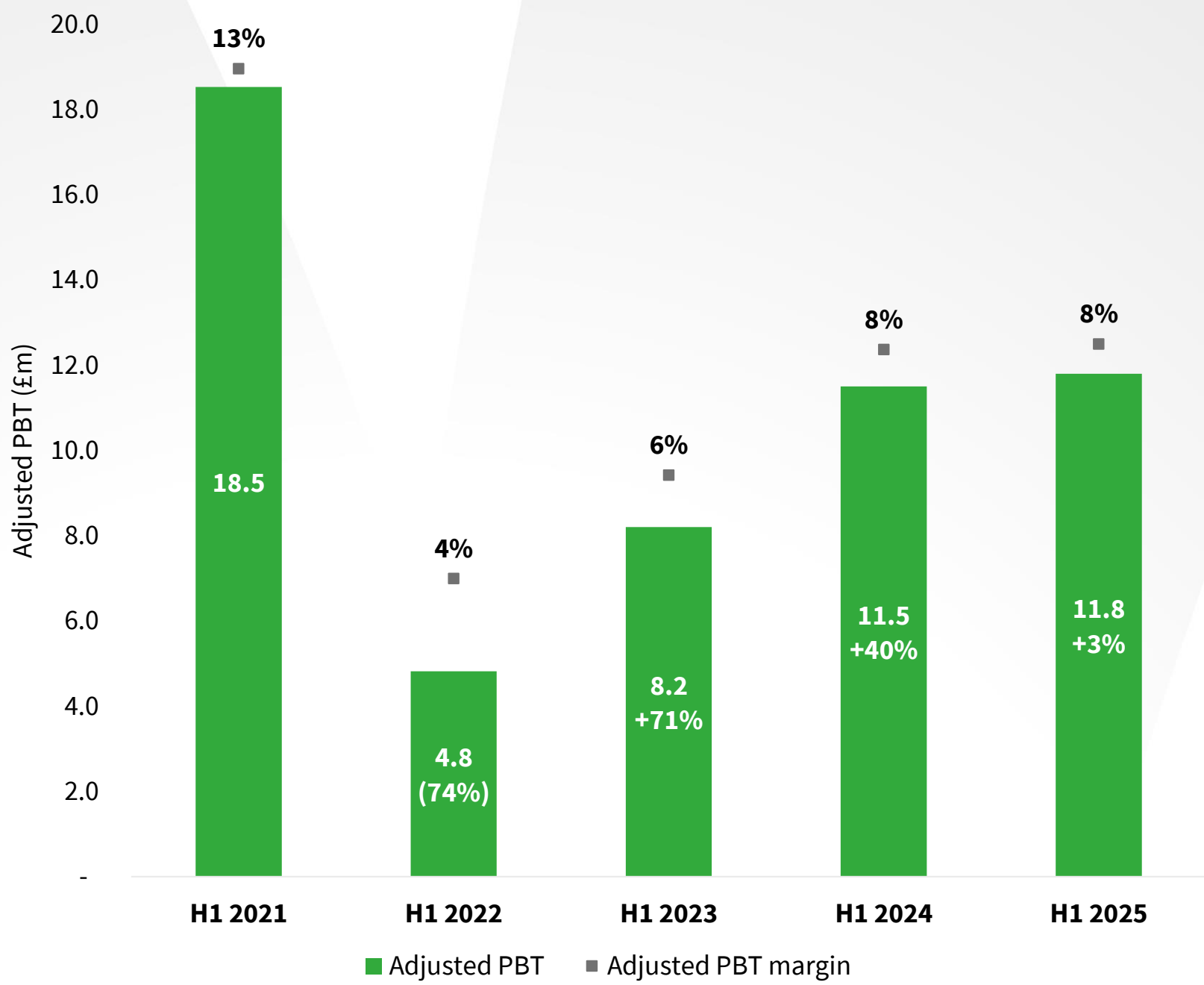
# ADJUSTED PBT

IFRS 16 LONG-TERM LEASE ACCOUNTING INCREASES NON-CASH FINANCE CHARGES AND DEPRECIATION.

DEPRECIATION, AMORTISATION AND FINANCE INCOME / COST



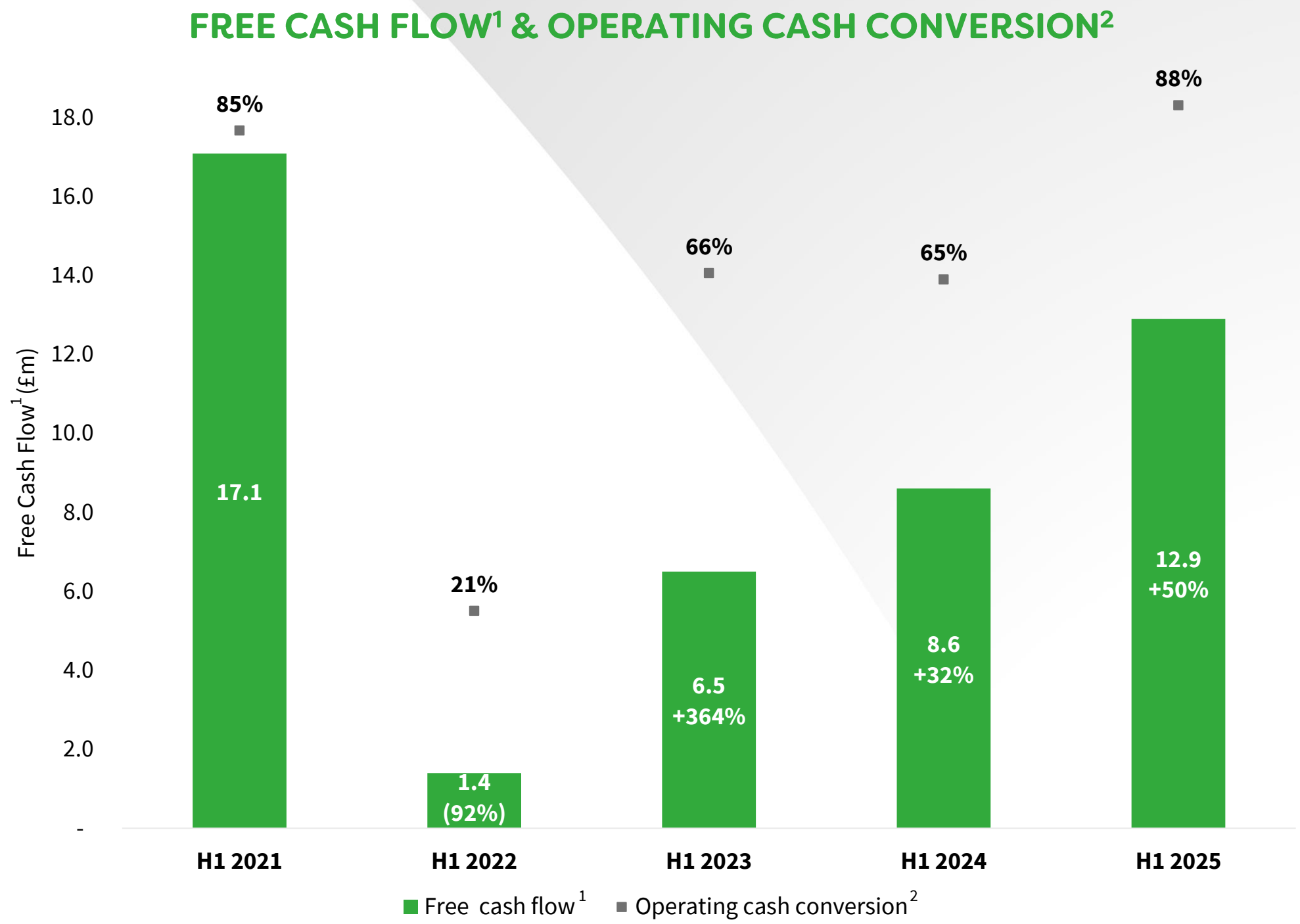
ADJUSTED PBT AND ADJUSTED PBT MARGIN





# FREE CASH FLOW & OPERATING CASH CONVERSION

STRONG CASH GENERATION REFLECTS STRONG UNDERLYING PERFORMANCE.

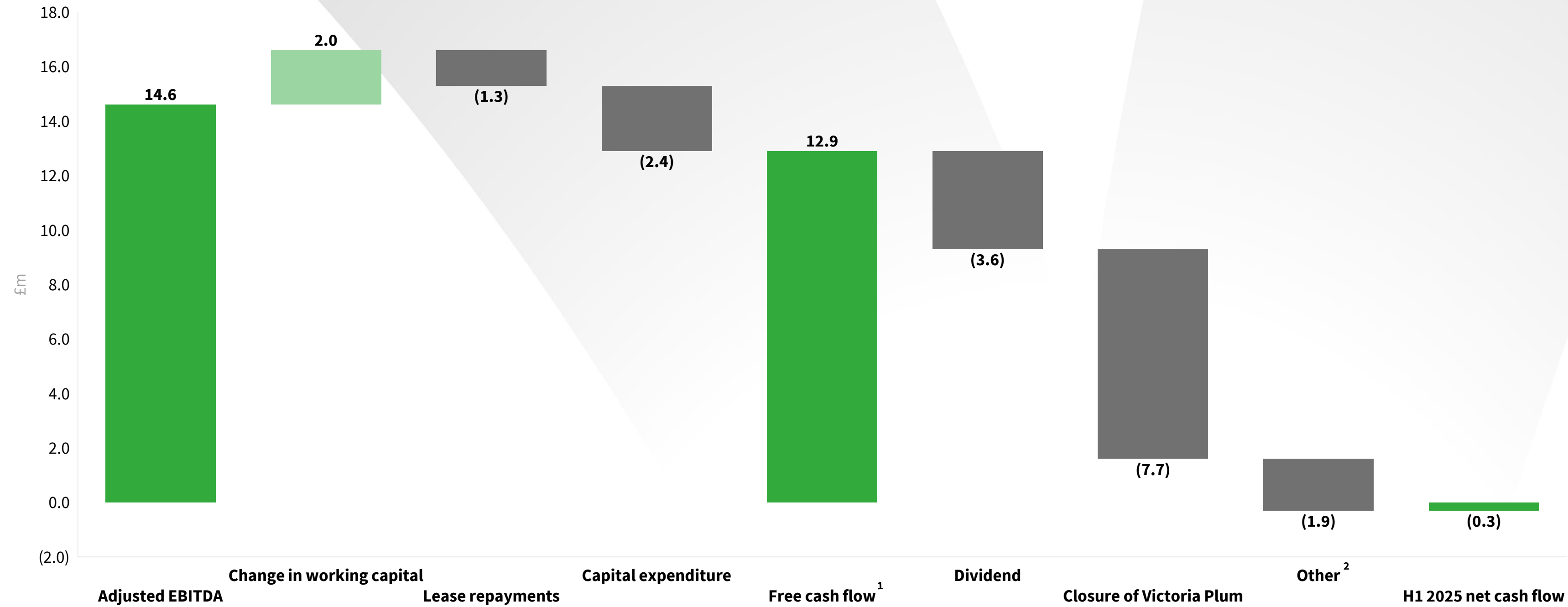


<sup>1</sup> Free cash flow is cash generated from operating activities before cashflows from discontinued operations, exceptional items and taxation, less routine capital expenditure and cash flows relating to routine leases.  
<sup>2</sup> Operating cash conversion is free cash flow as a percentage of adjusted EBITDA from continuing operations.

# FREE CASH FLOW & OPERATING CASH CONVERSION

CLOSURE OF VICTORIA PLUM AND WAREHOUSE TRANSFORMATION COMPLETE.

H1 2025 CASH FLOWS



<sup>1</sup> Free cash flow is cash generated from operating activities before cashflows from discontinued operations, exceptional items and taxation, less routine capital expenditure and cash flows relating to routine leases.

<sup>2</sup> ‘Other’ includes exceptional cash outflows, tax and net finance costs.



# CAPITAL ALLOCATION

UPDATED CAPITAL ALLOCATION POLICY ENHANCES SHAREHOLDER RETURN.

## Invest in growth opportunities

- Prioritising growth in existing TAM while unlocking new markets
- Leveraging the Victorian Plumbing experience in bathrooms to expansion categories

## Sustainable dividend growth

- Delivering value back to shareholders with progressive dividend growth
- Target cover range now reduced to 2.25x - 3.00x

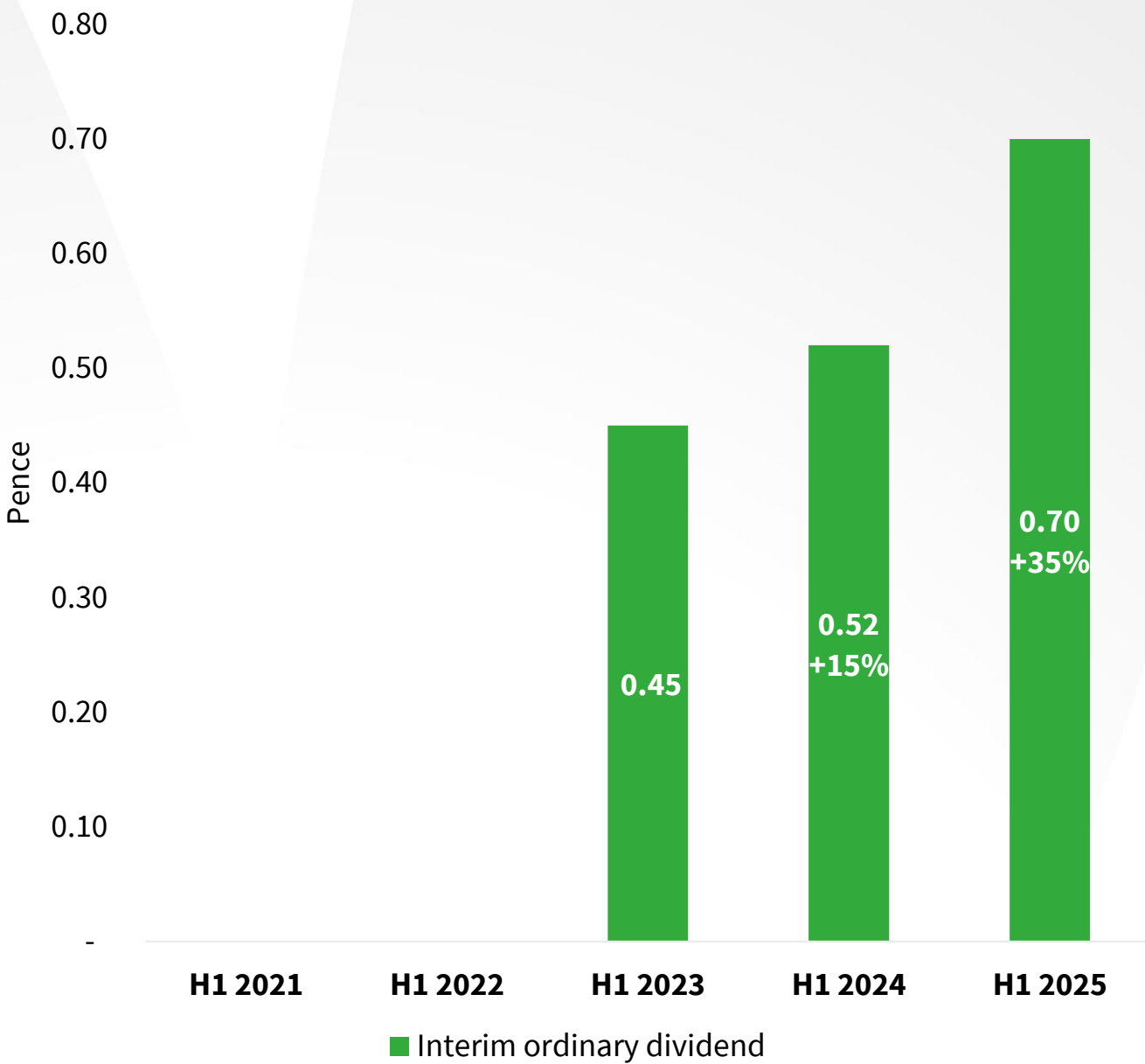
## Opportunistic M&A

- M&A opportunities in expansion categories
- Compliment existing Group strengths, enhancing our competitive advantage to ensure sustainable growth

## Strengthen our balance sheet

- Strong cash generation with no debt (excluding IFRS 16 related liabilities)
- No significant capex required in the short to medium term

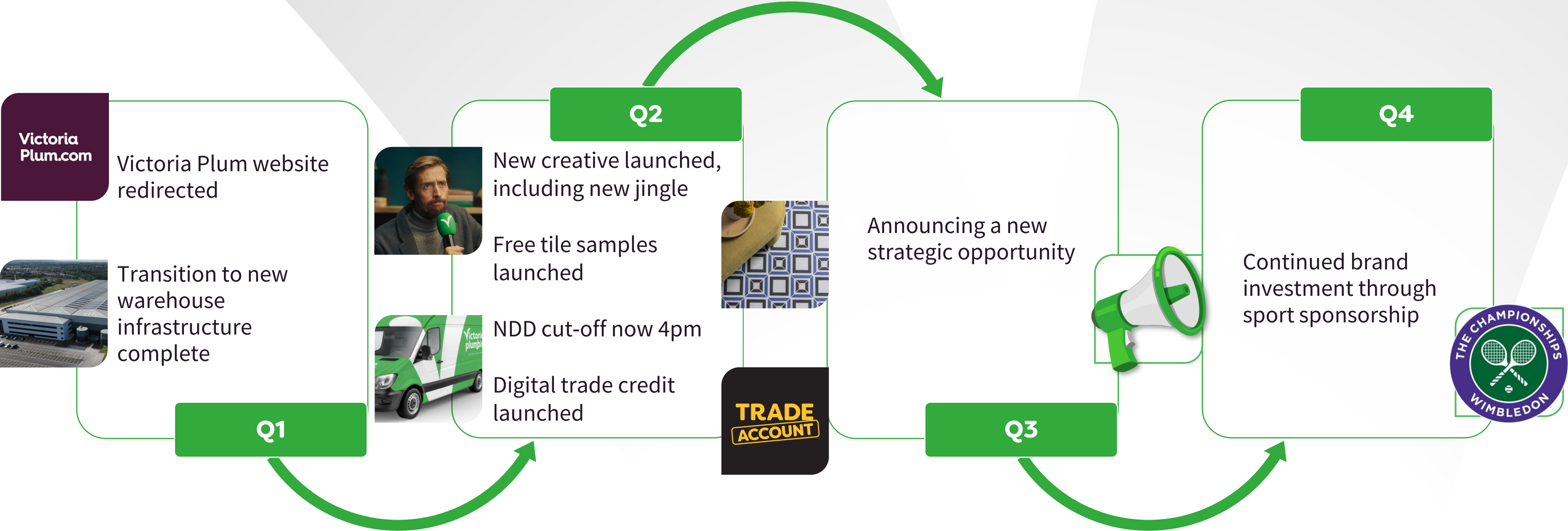
## INTERIM ORDINARY DIVIDEND



# STRATEGY UPDATE

# 2025 STRATEGIC FOCUS

CONTINUING TO INVEST IN BRAND, ADVANCE OUR FUNCTIONALITY AND IMPROVE THE CUSTOMER EXPERIENCE.



# RE-INVENTING A MUCH LOVED BRAND

**WMF®**

# STRATEGIC ENTRY INTO HOMEWARES ADJACENCY



## WHY US?

### We know the UK consumer well

As market leader in our core segment, we are already familiar with the customer and will now be able to tap into a new £20bn TAM\*.

### Operational foundations have been laid

We will use the platform provided by our proprietary software, e-commerce knowledge and supply chain logistics, which enabled the growth of our bathroom business.

### Category expansion is a strategic fit

Expanding into other areas of the home provides an opportunity to continue meeting our strategic objectives and mitigates risk.

### Re-invented brand asset

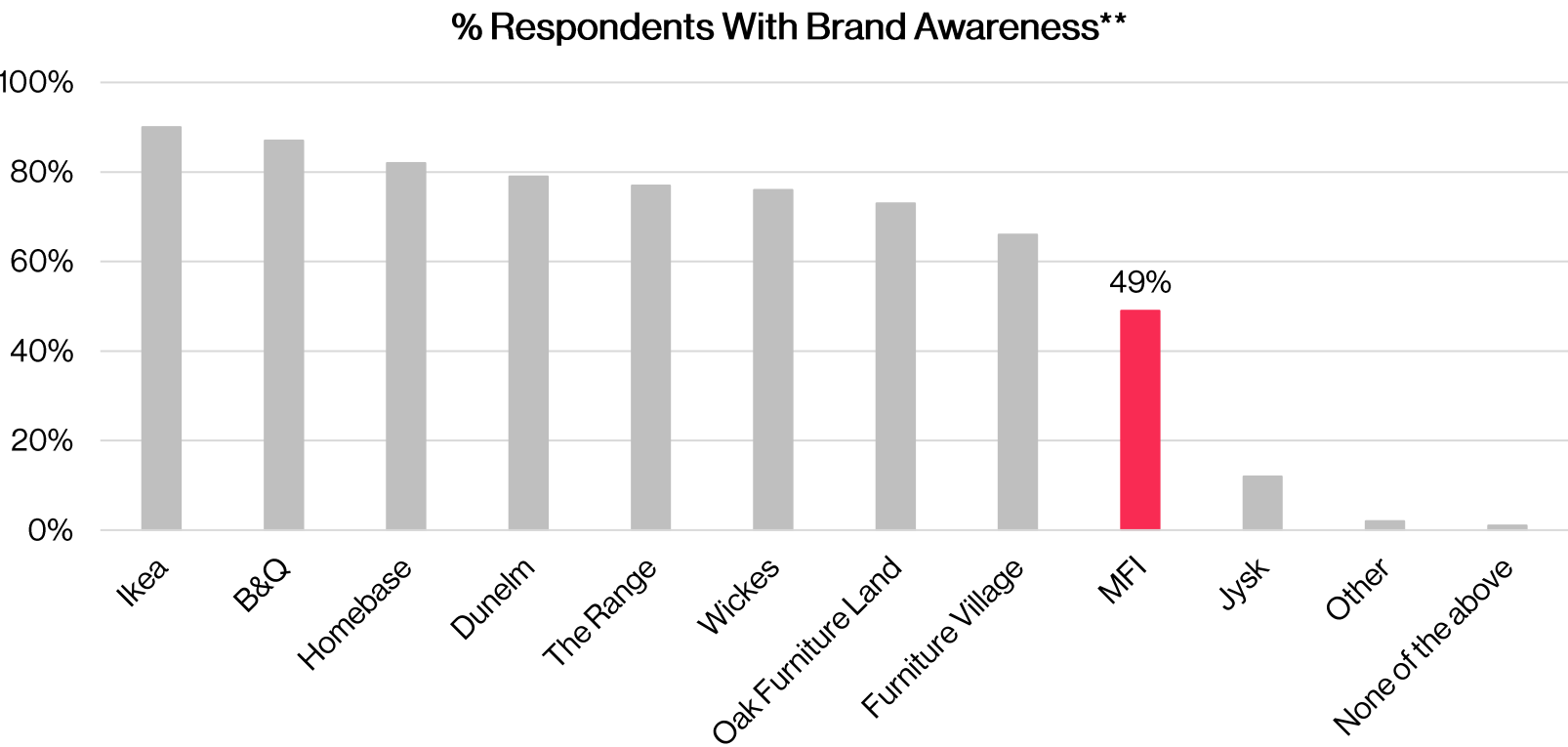
The MFI brand was obtained as part of the Victoria Plum acquisition and has been re-invented to drive value for the Group.

\*Mintel, Furniture Retailing UK, 2024



# WHY MFI?

- **A short and snappy brand** – a rare asset nowadays, which provides a unique opportunity to launch a new business in a fragmented sector.
- **Sizeable market opportunity** – UK consumer spending on furniture is forecast to reach £23bn by 2029, with >90% of this outside the bathroom\*.
- **Recognisable to the consumer** – a home brand that remains one of the most well-known in the UK. Our re-invented MFI is a fresh and modern take on the familiar name of British retail heritage.



\* Mintel, Furniture Retailing UK, 2024  
\*\*Internal brand sentiment research (2024): Which home furnishing retailers, if any, have you heard of or are you aware of?



# CURRENT TRADING & OUTLOOK

# CURRENT TRADING & 2025 OUTLOOK

- Momentum in Q2 further improved in April with double digit revenue growth during the month.
- Looking forward, the rate of growth in revenue is expected to reduce from mid-May as the Group laps the acquisition of Victoria Plum, such that revenue growth is expected to be between 4% and 6% by the end of the financial year.
- The benefits of the strategic progress made in the period, together with the efficient marketing spend environment that we are now operating in, supports our confidence in delivering full year adjusted EBITDA (excluding MFI) in line with current market expectations.
- Taking into account the MFI set-up and launch costs, full year adjusted PBT is expected to be between £21m and £22m.

2025	Victorian Plumbing (inc. Victoria Plum)	MFI	Group
Revenue	£308m - £313m	-	£308m - £313m
Adjusted EBITDA	£33m - £34m	(£2m)	£31m - £32m
Adjusted PBT	£24m - £25m	(£3m)	£21m - £22m





# MEDIUM-TERM OUTLOOK

- For the three-year period to September 2028, assuming no improvement in the consumer backdrop in RMI or change in the competitive landscape, the Board anticipates that Victorian Plumbing (excluding MFI) will continue to take market share, with revenue growth year-on-year in the mid-single digits.
- Adjusted EBITDA margin for Victorian Plumbing (excluding MFI) is expected to improve from the end of FY25 as efficiencies are realised in our new infrastructure, though this is tempered by a continuation of above inflationary people cost dynamics and the introduction of Extended Producer Responsibility levies from the Environment Agency (the latter expected to be c.£1.5m per annum).
- Forecasting MFI at this stage, without any history, is challenging. As an entrepreneurial business we will react and adapt over time. Notwithstanding this, our current expectation is for MFI to incur the same overall loss in FY26 as expected in FY25. Additional guidance will be provided following the MFI consumer launch in H1 FY26.



# Q&A

# APPENDICES



# BALANCE SHEET (UNAUDITED)

	H1 2025	H1 2024	2024
	£m	£m	£m
Goodwill	18.8	-	18.8
Property, plant and equipment	27.7	16.3	27.8
Right-of-use assets	48.0	48.5	45.4
Other non-current assets	5.3	4.7	4.7
<b>Non-current assets</b>	<b>99.8</b>	<b>69.5</b>	<b>96.7</b>
Inventory	43.4	33.2	43.7
Cash	10.9	36.1	11.2
Other current assets	8.8	7.7	6.9
<b>Current assets</b>	<b>63.1</b>	<b>77.0</b>	<b>61.8</b>
Lease liabilities	47.3	42.9	43.0
Other non-current liabilities	4.7	3.1	5.2
<b>Non-current liabilities</b>	<b>52.0</b>	<b>46.0</b>	<b>48.2</b>
Trade and other payables	46.5	38.7	44.5
Other current liabilities	10.7	10.3	13.5
<b>Current liabilities</b>	<b>57.2</b>	<b>49.0</b>	<b>58.0</b>
<b>Net assets</b>	<b>53.7</b>	<b>51.5</b>	<b>52.3</b>
Share capital / share premium / other reserves	(309.0)	(309.0)	(309.0)
Retained earnings	362.7	360.5	361.3
<b>Equity</b>	<b>53.7</b>	<b>51.5</b>	<b>52.3</b>
	<b>Days</b>	<b>Days</b>	<b>Days</b>
Creditor days	55	63	64
Stock days	126	96	181





# CASH FLOW (UNAUDITED)

	Victorian Plumbing	Victoria Plum	H1 2025 £m	H1 2024 £m
Adjusted EBITDA	14.6	0.6	<b>15.2</b>	13.2
Movement in working capital	3.6	(8.3)	<b>(4.7)</b>	(0.6)
<b>Cash generated from operating activities before exceptionals</b>	18.2	(7.7)	<b>10.5</b>	12.6
Exceptional & share based payment cash outflow	(1.5)	-	<b>(1.5)</b>	(1.3)
<b>Cash generated from operating activities</b>	16.7	(7.7)	<b>9.0</b>	11.3
Tax paid	(1.0)	-	<b>(1.0)</b>	(2.5)
Interest received	0.3	-	<b>0.3</b>	0.5
<b>Net cash generated from operating activities</b>	16.0	(7.7)	<b>8.3</b>	9.3
Maintenance capital expenditure	(2.4)	-	<b>(2.4)</b>	(2.0)
Exceptional capital expenditure (warehouse)	(0.6)	-	<b>(0.6)</b>	(12.4)
<b>Cash used in investing activities</b>	(3.0)	-	<b>(3.0)</b>	(14.4)
Dividends paid	(3.6)	-	<b>(3.6)</b>	(3.1)
Lease payments	(1.3)	-	<b>(1.3)</b>	(0.5)
Exceptional lease payments	(0.5)	-	<b>(0.5)</b>	(1.6)
Other finance activities	(0.2)	-	<b>(0.2)</b>	-
<b>Cash used in financing activities</b>	(5.6)	-	<b>(5.6)</b>	(5.2)
<b>Net increase in cash and cash equivalents</b>	7.4	(7.7)	<b>(0.3)</b>	(10.3)
Cash and cash equivalents at beginning of year			11.2	46.4
<b>Cash and cash equivalents at end of year</b>			<b>10.9</b>	36.1
Free cash flow <sup>1</sup>			<b>12.9</b>	8.6
Cash conversion <sup>2</sup>			<b>88%</b>	65%



# PROPERTY (1)

TRANSITIONING INTO OUR NEW WAREHOUSE INFRASTRUCTURE.

## WAREHOUSE PURPOSE

Victorian Plumbing	Previous	Current: Pre-MFI	Current: Post-MFI
Warehouse A - Skelmersdale	VP - DC	Vacant	Vacant - MFI growth
Warehouse B - Skelmersdale	VP - Support	VP - Tiles & Décor DC	VP - Tiles & Décor DC
Warehouse C - Skelmersdale	VP - Support	Vacant	MFI - DC
Warehouse D - Skelmersdale	VP - Support	No lease	No lease
Warehouse E - Leyland	No lease	VP - Bathroom DC	VP - Bathroom DC
<b>Total Victorian Plumbing</b>			
Movement %			

Victoria Plum	Previous	Current: Pre-MFI	Current: Post-MFI
Warehouse F - Doncaster	Victoria Plum - DC	No lease	No lease
Warehouse G - Southport	Victoria Plum - Storage	Victoria Plum - Storage	No lease
<b>Total Victoria Plum</b>			
Movement %			

<b>Total Group</b>			
Movement %			

## WAREHOUSE SIZE (SQ. FT.)

Previous	Current: Pre-MFI	Current: Post-MFI
110,000	-	110,000
130,000	130,000	130,000
50,000	-	50,000
125,000	-	-
-	520,000	520,000
<b>415,000</b>	<b>650,000</b>	<b>810,000</b>
	57%	25%

Previous	Current: Pre-MFI	Current: Post-MFI
250,000	-	-
25,000	25,000	-
<b>275,000</b>	<b>25,000</b>	<b>-</b>
	(91%)	(100%)

<b>690,000</b>	<b>675,000</b>	<b>810,000</b>
	(2%)	20%

# PROPERTY (2)

TRANSITIONING INTO OUR NEW WAREHOUSE INFRASTRUCTURE.

## ANNUALISED CASH<sup>1</sup>

Victorian Plumbing	Previous	Current: Pre-MFI	Current: Post-MFI
Warehouse A - Skelmersdale	£0.4m	£0.4m	£0.4m
Warehouse B - Skelmersdale	£0.6m	£0.6m	£0.6m
Warehouse C - Skelmersdale	£0.4m	£0.4m	£0.4m
Warehouse D - Skelmersdale	£4.8m	-	-
Warehouse E - Leyland	-	£4.2m	£4.2m
<b>Total Victorian Plumbing</b>	<b>£6.2m</b>	<b>£5.8m</b>	<b>£5.8m</b>
<i>Movement %</i>		(6%)	0%

Victoria Plum	Previous	Current: Pre-MFI	Current: Post-MFI
Warehouse F - Doncaster	£1.3m	-	-
Warehouse G - Southport	£0.1m	£0.1m	-
<b>Total Victoria Plum</b>	<b>£1.4m</b>	<b>£0.1m</b>	<b>-</b>
<i>Movement %</i>		(93%)	(100%)

<b>Total Group</b>	<b>£7.6m</b>	<b>£5.9m</b>	<b>£5.8m</b>
<i>Movement %</i>		(22%)	(2%)

## ANNUALISED PROPERTY COST<sup>2</sup>

Previous	Current: Pre-MFI	Current: Post-MFI
£0.4m	-	£0.4m
£0.6m	£0.6m	£0.6m
£0.4m	-	£0.4m
£4.8m	-	-
-	£9.1m	£9.1m
<b>£6.2m</b>	<b>£9.7m</b>	<b>£10.5m</b>
	56%	8%

Previous	Current: Pre-MFI	Current: Post-MFI
£1.3m	-	-
£0.1m	£0.1m	-
<b>£1.4m</b>	<b>£0.1m</b>	<b>-</b>
	(93%)	(100%)

<b>£7.6m</b>	<b>£9.8m</b>	<b>£10.5m</b>
	29%	7%

<sup>1</sup> Cash includes rent and business rates for the medium term.

<sup>2</sup> Property costs include: administrative costs, right-of-use finance costs, right-of-use depreciation, and fit-out depreciation. Fit-out depreciation of c£1.7m per annum relates to Warehouse E and is included in the annualised property cost of £9.1m.

# VICTORIA PLUM CLOSURE

THE JOURNEY TO CLOSURE.



17<sup>th</sup> May  
2024

Victorian Plumbing Ltd acquired  
AHK Designs Ltd on cash free,  
debt free basis for £22.2m (from  
existing cash reserves)



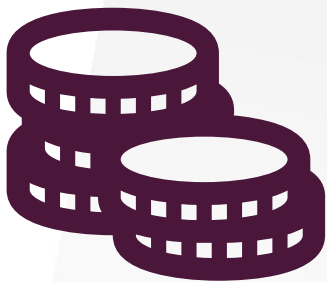
ACQUISITION

FY24 TRADING (4.5 MTHS)

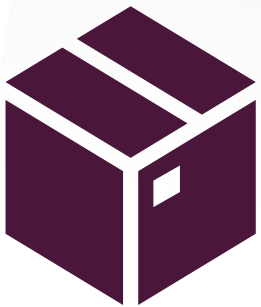
- Purchase price:  
£22.2m
- Annualised revenue:  
c.£40m
- Ongoing workforce:  
c.150

- Revenue:  
£14.7m
- Adj. EBITDA loss:  
£2.2m
- Closure costs incurred:  
£1.1m

2025

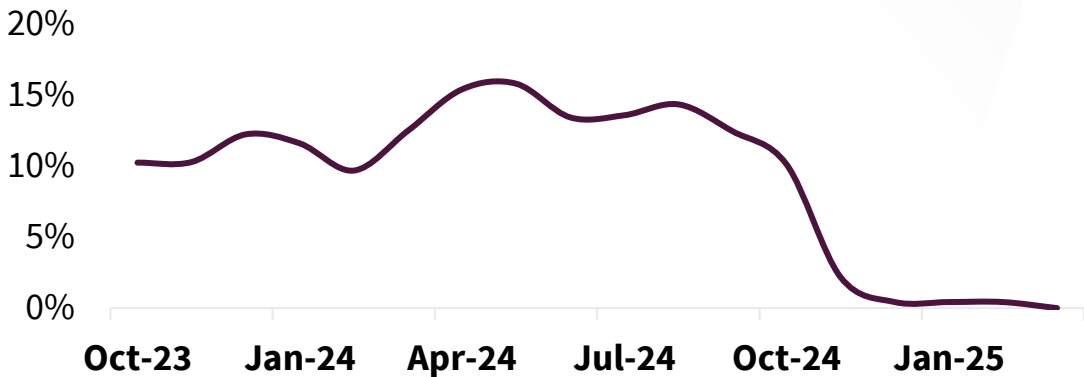


Further **closure costs** c.£8m



**Stock** transferred to  
Victorian Plumbing c.£8.5m

SHARE OF WEBSITE VISITS<sup>1</sup>

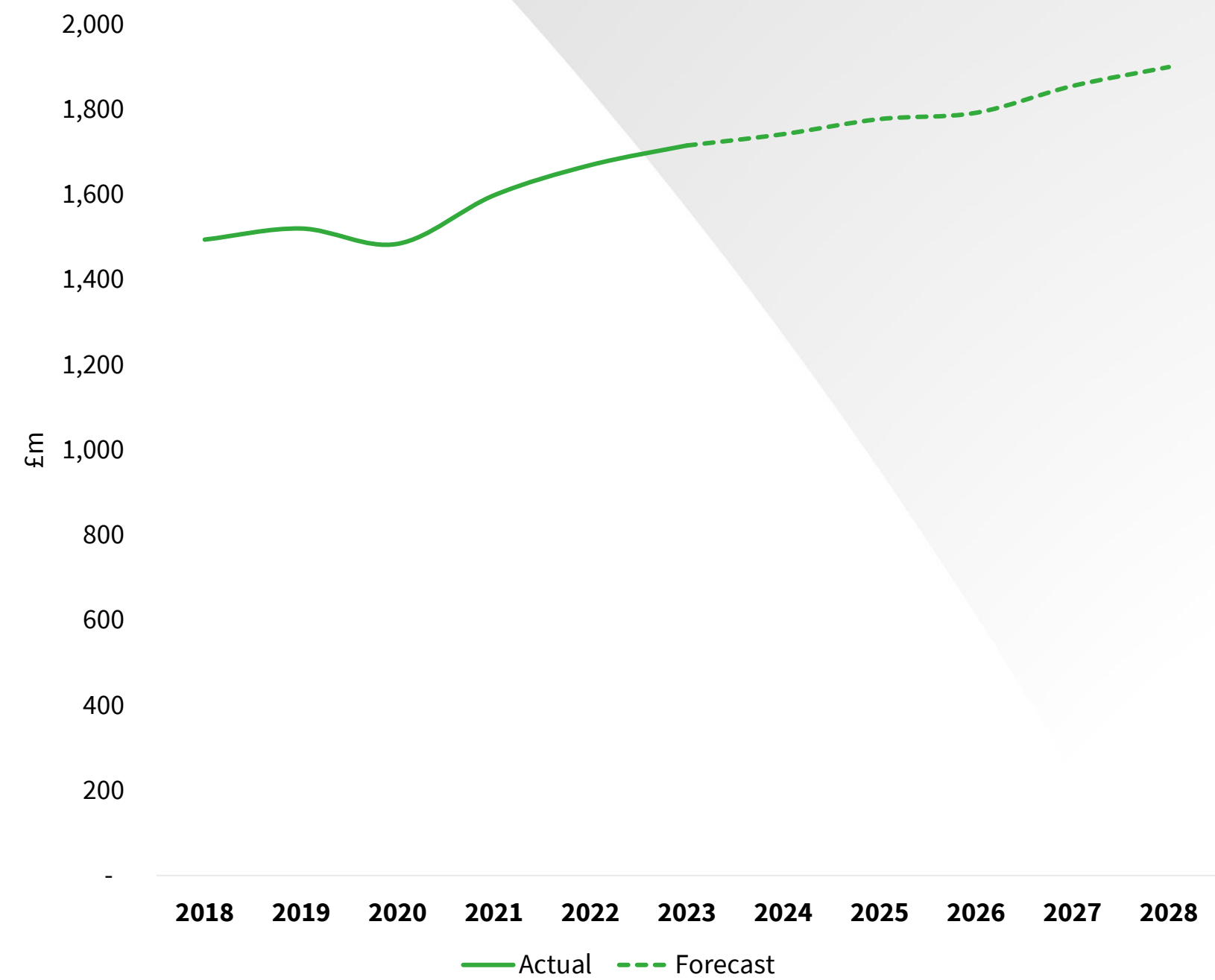


<sup>1</sup> SimilarWeb – share of website visits amongst online specialist bathroom retailers.

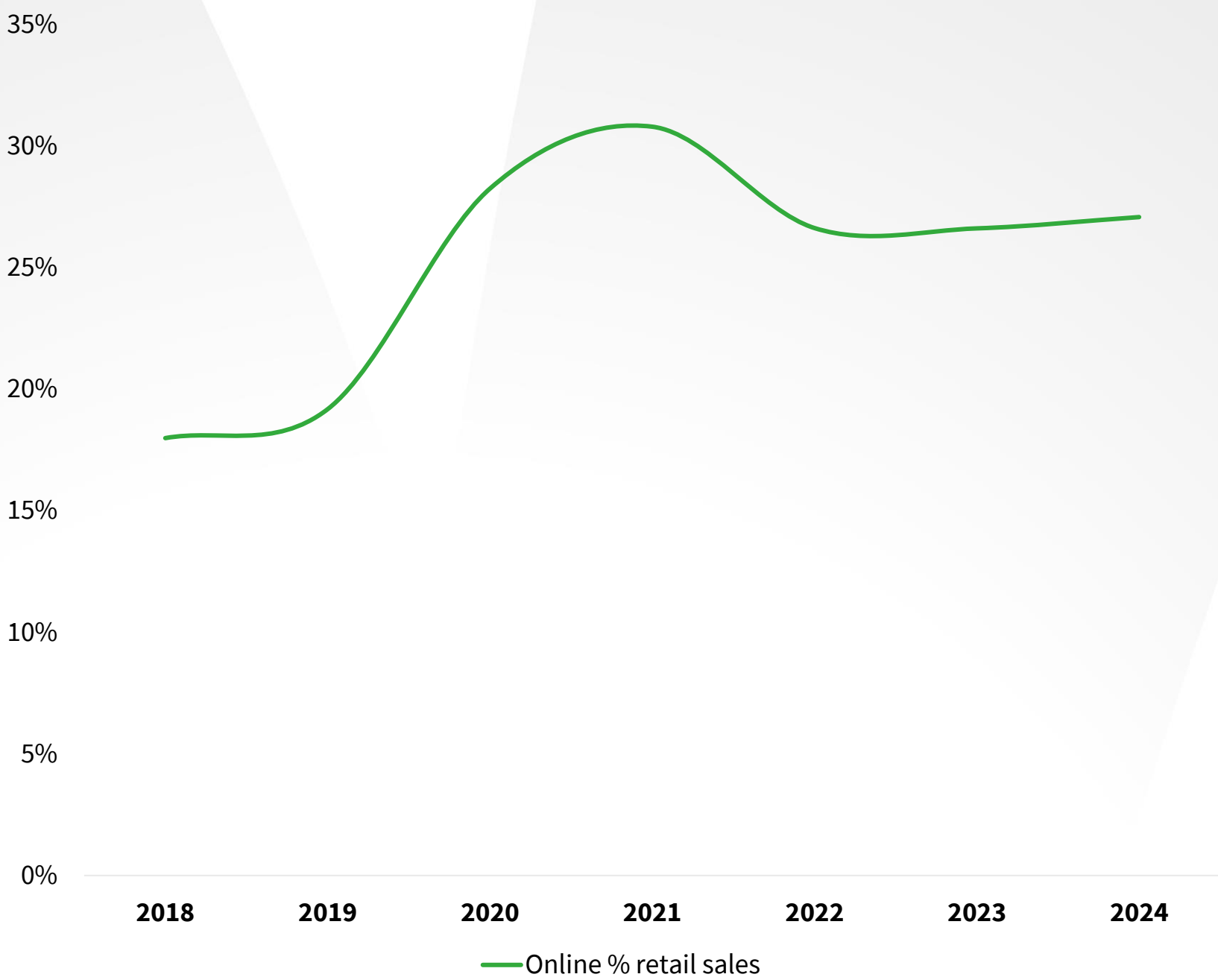
# MARKET

BATHROOM AND BATHROOM ACCESSORIES MARKET FORECAST TO GROW BY 1.6% IN 2024 TO £1,742M. UPTICK IN GROWTH EXPECTED IN 2027 AND 2028 TO 3.5% AND 2.4%, RESPECTIVELY.

BATHROOM & BATHROOM ACCESSORIES MARKET VALUE<sup>1</sup>



ONLINE RETAIL PENETRATION<sup>2</sup>

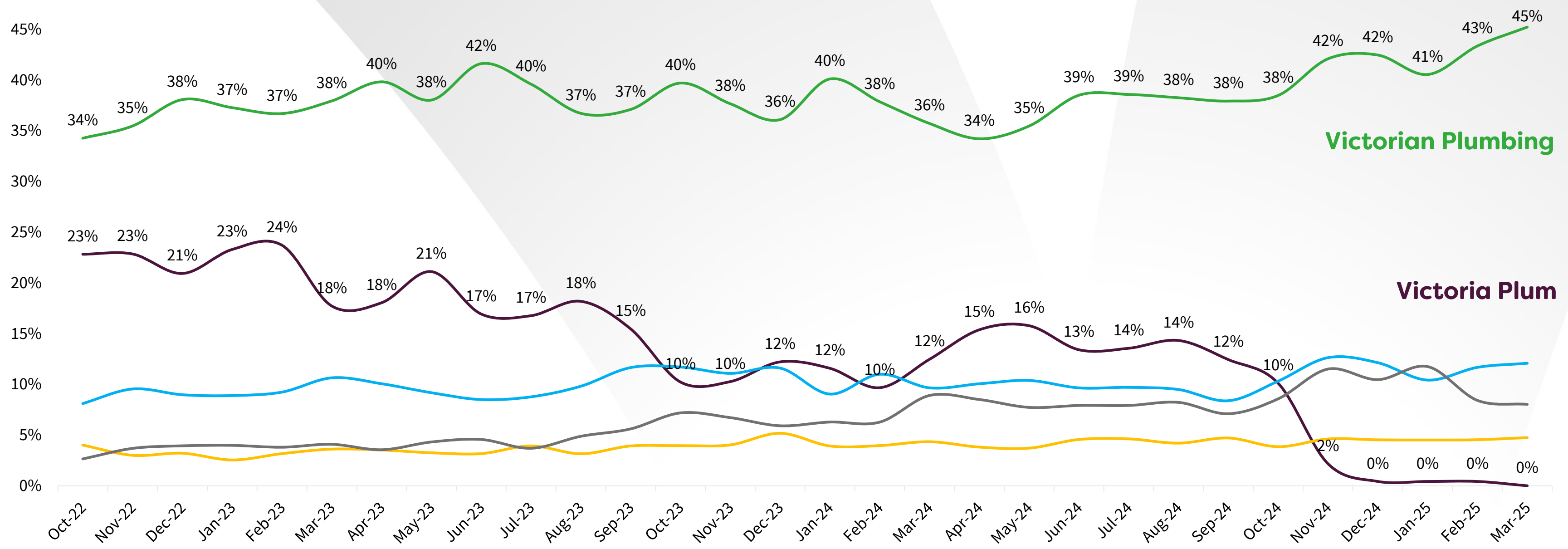


<sup>1</sup>Mintel Bathroom and Bathroom Accessories – UK – 2024. Values inclusive of VAT.  
<sup>2</sup>ONS Retail Sales Index

# WE ARE THE LEADING BATHROOM RETAILER

CONSISTENT MARKET LEADER AMONGST ONLINE SPECIALIST BATHROOM RETAILERS, WITH A GROWING ONLINE MARKET SHARE.

SHARE OF WEBSITE VISITS AMONGST ONLINE SPECIALIST BATHROOM RETAILERS<sup>1</sup>

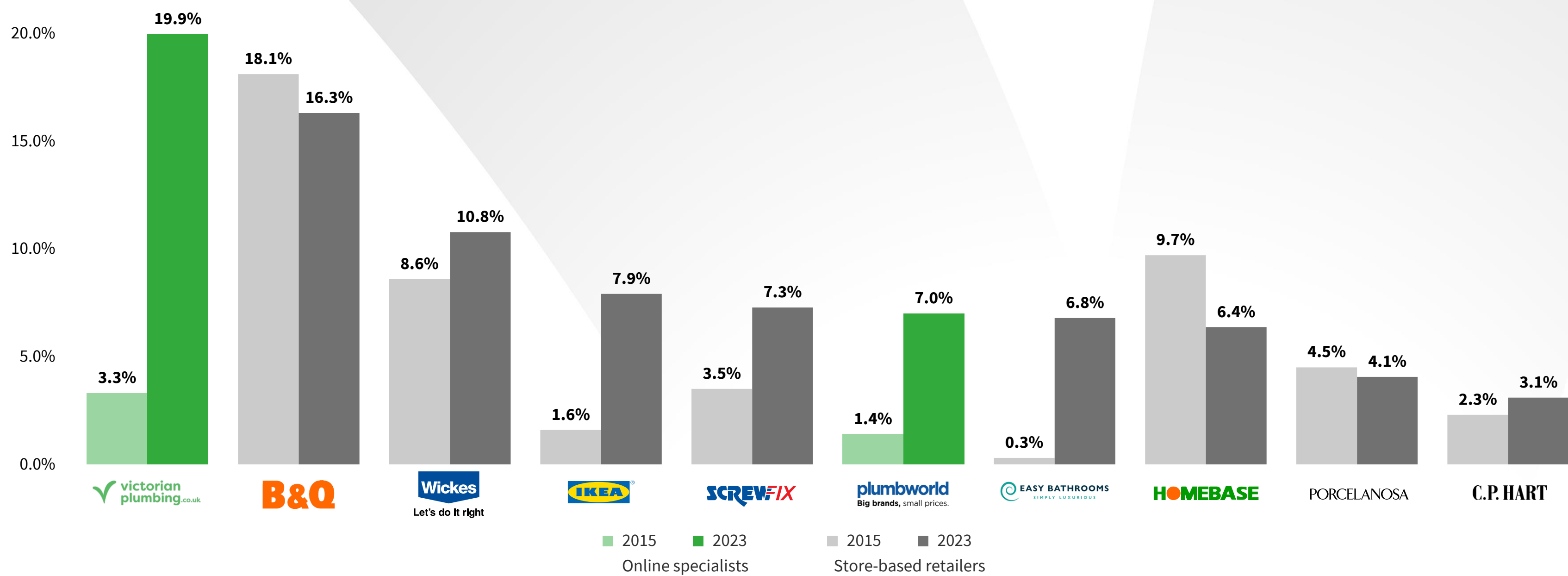


<sup>1</sup> SimilarWeb

# WE ARE THE LEADING BATHROOM RETAILER

NUMBER ONE RETAILER FOR BATHROOM PRODUCTS ACROSS BOTH ONLINE AND OFFLINE CHANNELS.

TOP BATHROOM & BATHROOM ACCESSORY RETAILERS<sup>1</sup>



<sup>1</sup>Mintel Bathroom and Bathroom Accessories UK, 2021 & Mintel Bathroom and Bathroom Accessories – UK – 2024.

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