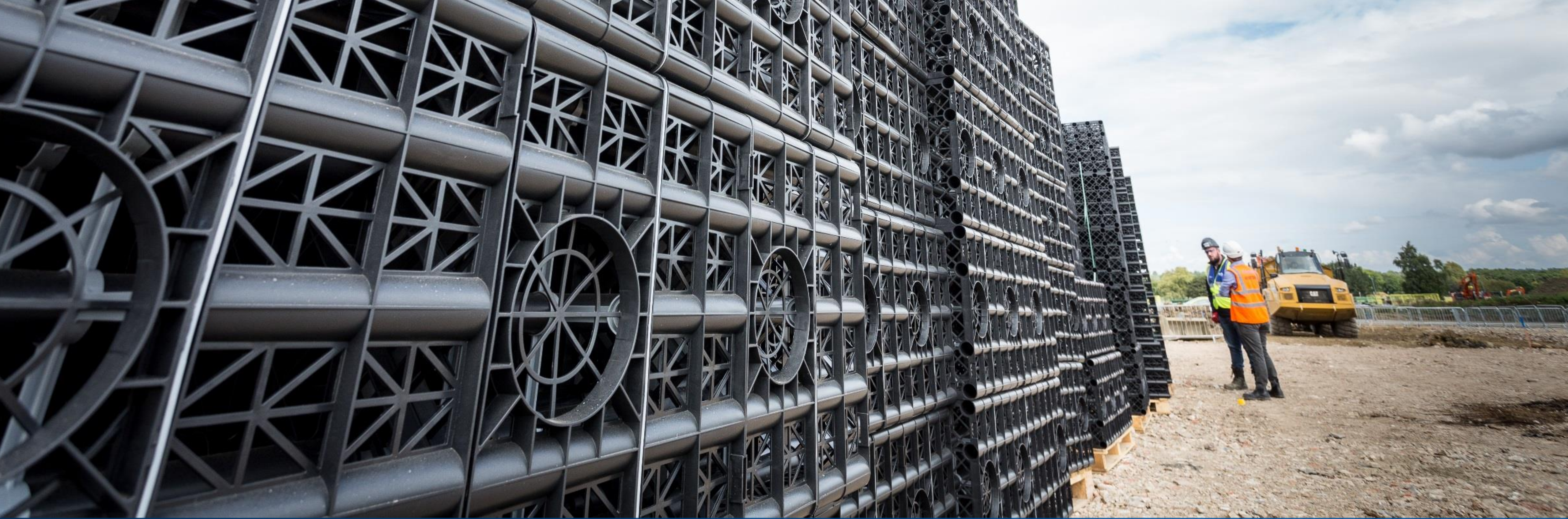

Polypipe Group Plc

2020 Full Year Results Presentation

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2 FINANCIAL SUMMARY

3 STRATEGY

4 MARKET UPDATE & OUTLOOK

5 SUMMARY

Polypipe

Well positioned for the future

- Robust response to 2020 challenging and volatile trading conditions
- Continued outperformance of construction market
- Recovery evident in H2 volumes and margins
- Clear strategy focused on sustainable growth drivers and financial headroom allows us to be proactive - continued investment in new products and targeted acquisitions - emerging stronger from the pandemic
- Sustainability is core to our strategy with ESG targets set, and a clear programme in place for delivery
- Ongoing dedication from our employees and community support

Agenda

Polypipe

Financial highlights

- Full year revenue decline of 10.9% reflecting unprecedented trading environment in Q2 and strong recovery, with second half in line with prior year
- Tight cost control; Operational cash focus
- Underlying operating profit severely impacted by reduced volumes in H1 and Covid-19 compliance costs; much improved second half
- Underlying basic earnings per share of 13.5p
- Strong balance sheet following capital raise; Group pro forma leverage of 0.3x (2019: 1.6x) at the year end
- Continued strategic investment in business, capital expenditure of £25.1m
- Proposed final 2020 dividend of 4.8p per share, being a 40% pay-out ratio of net income
- In the first part of 2021 the Group acquired three businesses; Plura, Nu-Heat and Adey; Strongly supported £96m capital raise to fund Adey

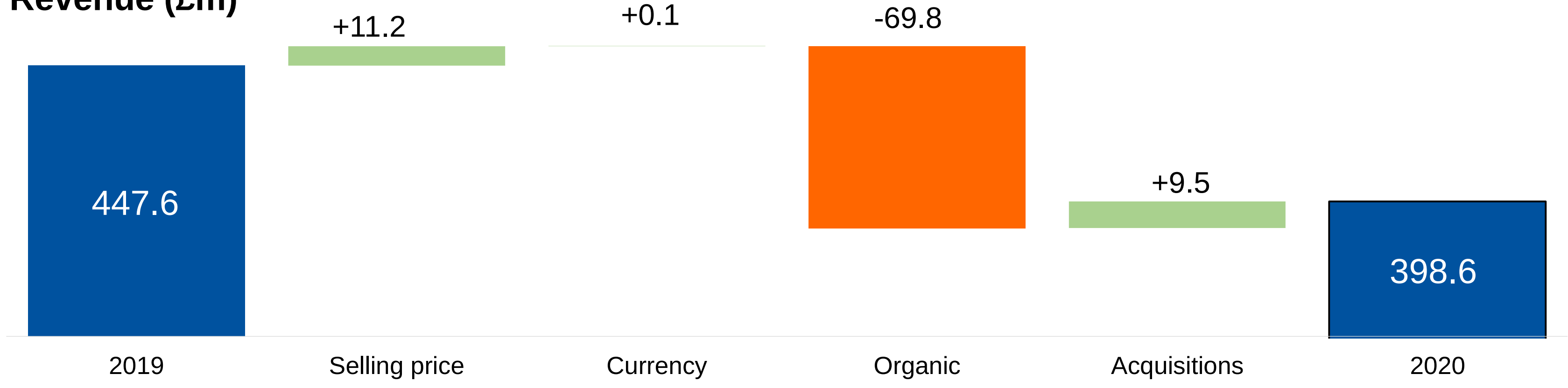
2020 underlying results summary

£m	2020	2019	Change	Change
Revenue	**398.6**	**447.6**	**(49.0)**	**(10.9)%**
Cost of sales	(242.5)	(255.2)	12.7	5.0%
Gross profit	**156.1**	**192.4**	**(36.3)**	**(18.9)%**
Gross margin	*39.2%*	*43.0%*	*(380)bps*	-
Selling, distribution and administration costs	(113.9)	(114.3)	0.4	0.3%
Underlying operating profit	**42.2**	**78.1**	**(35.9)**	**(46.0)%**
Operating margin	*10.6%*	*17.4%*	*(680)bps*	-
Net finance costs	(6.5)	(7.3)	0.8	11.0%
Underlying profit before tax	**35.7**	**70.8**	**(35.1)**	**(49.6)%**
Underlying tax	(6.3)	(11.9)	5.6	47.1%
Underlying profit after tax	**29.4**	**58.9**	**(29.5)**	**(50.1)%**
Underlying basic earnings per share (p)	**13.5**	**29.6**	**(16.1)**	**(54.4)%**
Dividend per share (p)	**4.8**	**4.0**	**0.8**	**20.0%**
Underlying effective tax rate	*17.6%*	*16.8%*		

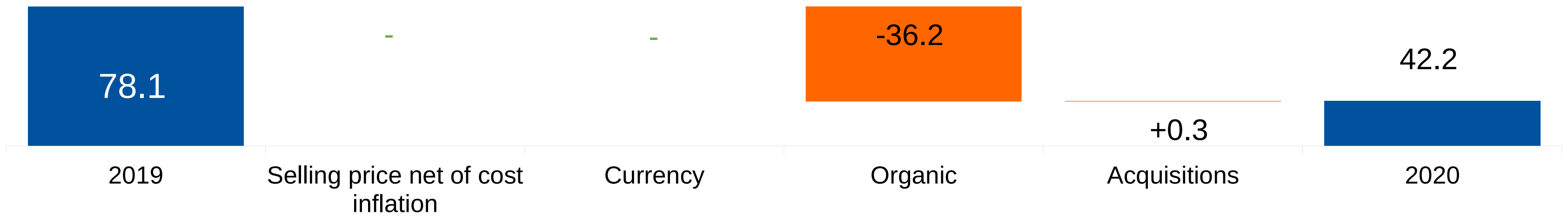
- Revenue decline of 10.9% overall with the decline happening in H1 down 22.3% for the half
- H2 revenue was essentially flat
- Operating margin at 10.6% some 680bps down on 2019 but with Q4 monthly return on sales approaching pre-Covid-19 levels (14.1% for H2)

Revenue and underlying operating profit bridge

Revenue (£m)

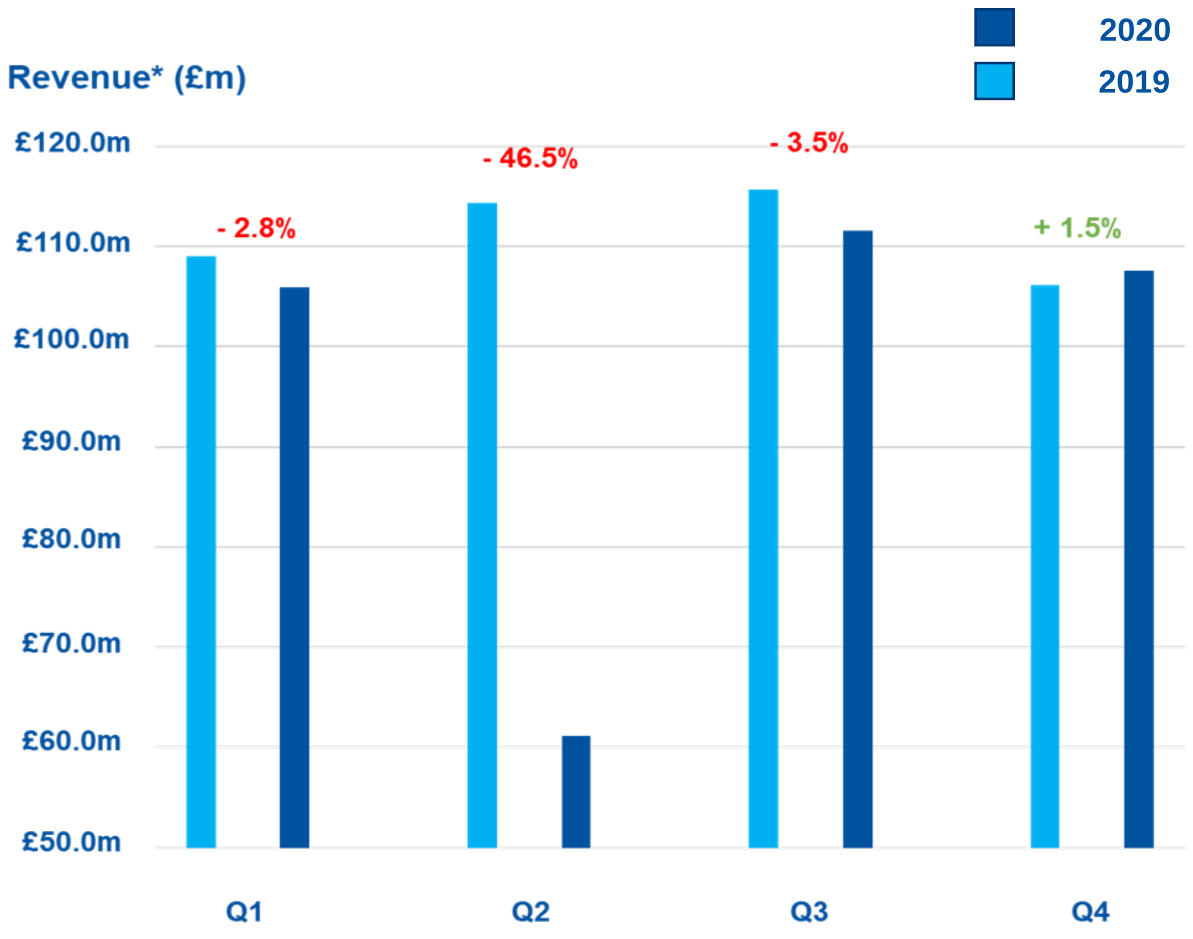


Underlying operating profit (£m)



- Price increase netting off cost inflation
- Currency effect negligible with 90% UK revenue
- Organic volume drop through high at 52% due to sudden loss of volume, having largely occurred in H1
- Trading in Alderburgh impacted by Covid-19 in 2020

Quarterly performance through the crisis

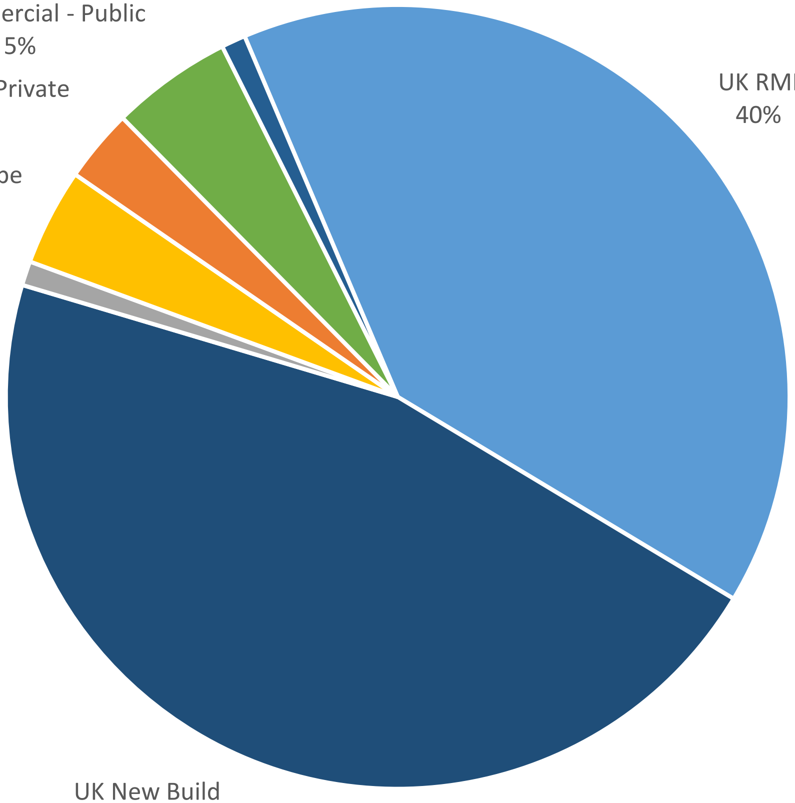


*Like-for-like: excludes the effect of the Alderburgh acquisition in October 2019

- Revenue tracks the impact of Covid-19 with a two-thirds loss of volume in April 2020
- High drop through on volume losses resulted in a Q2 quarterly operating margin loss of over 15%
- Strong recovery in Q3 with an element of pent-up demand
- Recovery momentum continuing into Q4 and new year with minimal impact on operations from the third lockdown

Operating segment review – Residential Systems

2020 demand drivers

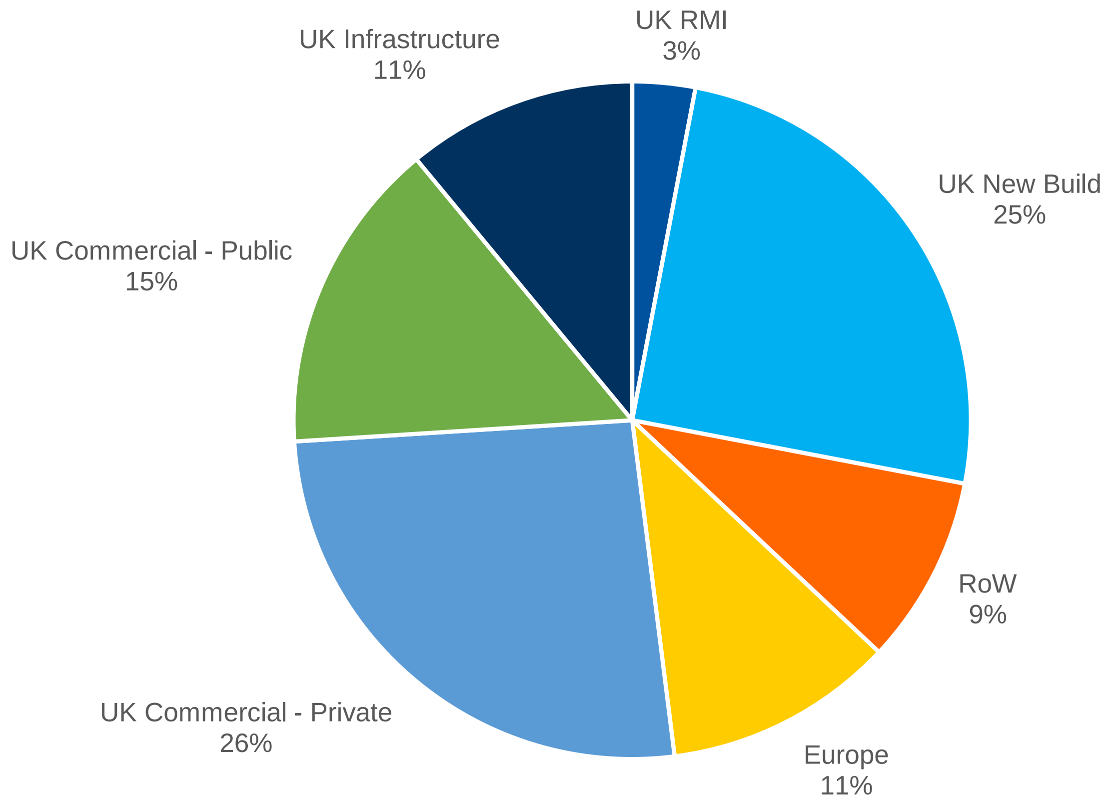


Residential	2020	2019	% Change
Revenue - £m	223.9	260.3	(14.0)%
Underlying operating profit - £m	29.8	53.4	(44.2)%
Underlying operating margin	13.3%	20.5%	

- 14.0% revenue decline driven by Covid-19, but ahead of market
- Stronger H2 performance with revenue decline just 0.2% below prior year
- New House starts down 32.4% in 2020 – shut completely April / May
- Underlying operating profit down 44.2%, with a margin impact of 720 basis points. H2 margin at 17.1% vs 8.0% in H1 still impacted by:
  - Covid-19 related costs and associated operating inefficiencies
  - increased virgin polymer prices in H2
- Government stimulus from extension of both stamp duty holiday and the Help to Buy scheme
- RMI market more resilient

Operating segment review – Commercial and Infrastructure Systems

2020 demand drivers



Commercial & Infrastructure	2020	2019	% Change
Revenue - £m	174.7	187.3	(6.7)%
Underlying operating profit - £m	12.4	24.7	(49.8)%
Underlying operating margin	7.1%	13.2%	

- Revenue 6.7% lower than prior year in a difficult market
- Like-for-like revenue 12.0% lower
- Significant recovery in H2 with like-for-like revenue just 2.5% below prior year
- UK revenue down 7.0% - contractors quick to implement Covid-19 safe operating procedures; large scale infrastructure projects continued
- CPA data shows Commercial new work market 18.6% below prior year
- Export revenue 6.0% lower – Permavoid geographic reach improving European results, but Middle East still difficult
- Underlying operating margin at 7.1% - recovering from 3.8% in H1 to 9.9% in H2. H2 margins still impacted by:
  - Covid-19 costs and associated operating inefficiencies
  - Increased virgin polymer costs in H2

2020 statutory results

£m	2020	2019
Underlying profit after tax	**29.4**	**58.9**
Non-underlying items:		
- Amortisation of intangible assets	(7.8)	(7.5)
- Acquisition costs	(0.6)	(2.4)
- Contingent consideration on acquisitions	(2.4)	(0.8)
- Restructuring costs	(1.1)	-
Tax effect of non-underlying items	1.0	1.4
Profit for the year	**18.5**	**49.6**

- Amortisation of intangibles includes the full year effect of the acquisition of Alderburgh in October 2019
- Contingent consideration driven by payment for Permavoid having met its performance targets
- £1.1m restructuring costs for redundancies made in Q3 in response to then reduced volumes

Cash flows

£m	2020	2019	Change
EBITDA (before non-underlying items)	**60.9**	**95.5**	**(34.6)**
Net capital expenditure	(24.5)	(18.0)	(6.5)
Movement in net working capital	1.5	(5.9)	7.4
Share-based payments	1.4	1.2	0.2
Operating cash flows after capital expenditure	**39.3**	**72.8**	**(33.5)**
Financing costs – net interest paid	(5.4)	(7.4)	2.0
Settlement of lease liabilities	(4.0)	(3.5)	(0.5)
Taxation	(8.2)	(12.4)	4.2
Dividends paid	-	(23.7)	23.7
Cash flows after interest, taxation and dividends	**21.7**	**25.8**	**(4.1)**
Non-underlying cash items	(2.3)	(1.4)	(0.9)
Acquisition / disposal of businesses	-	(12.2)	12.2
Settlement of deferred and contingent consideration	(1.8)	-	(1.8)
Net proceeds from issue of share capital and debt issue costs	116.0	-	116.0
Other cashflows	1.6	2.0	(0.4)
Decrease in net debt	**135.2**	**14.2**	**121.0**
Cash conversion rate	93%	93%	

- Continued investment in fixed assets, accelerated in H2 after suspension in early phases of pandemic
- Capital expenditure expected to be circa £34m in 2021 with acquisitions
- Low debtor delinquency and reduced inventory levels contribute to small working capital movement
- Final 2019 dividend cancelled and no interim 2020 dividend paid
- Issuance and redemption of Euro-commercial paper under the Bank of England's CCFF between March and August
- Proceeds from equity placing in May

Net working capital

£m	2020	2019	Change
Inventories	52.6	59.7	(7.1)
Trade and other receivables	61.6	40.8	20.8
Trade and other payables	(112.2)	(97.5)	(14.7)
Net working capital	**2.0**	**3.0**	**(1.0)**
Net working capital to LTM revenue	**0.5%**	**0.7%**	

- ❑ Inventories lower than 2019 after accelerated recovery in Q4
- ❑ Trade debtors higher than 2019 because of trading right up to and beyond Christmas to cope with demand
- ❑ Trade creditors higher because of enhanced purchasing of materials and services in December and VAT creditor

Banking facilities

Headroom at 31 December 2020:

£m	Drawn as at 31 December 2020	Facility	Headroom
Bank loan	60.0	300.0	240.0
Cash and cash equivalents	(44.1)	-	44.1
Net debt excluding unamortised debt issue costs	**15.9**		**284.1**
Unamortised debt issue costs	**(1.1)**		
Net debt including unamortised debt issue costs	**14.8**		
Lease liabilities	**12.9**		
Net debt	**27.7**		

- Committed Covid-19 facility of £50m available in addition to the £300m facility
- No covenant breaches at any time in the year
- Net finance charges of circa £7-8 million in 2021 due to higher post acquisition drawdown of Revolving Credit Facility
- Year end 2021 leverage expected to be under 1.5x EBITDA for the year after acquisitions in Q1 and £96 million equity raise

Covenant	Covenant requirement	Position at 31 December 2020
Interest cover (Underlying operating profit : Finance costs excluding debt issue cost amortisation)	>4.0:1	7.8:1
Leverage (Net debt, excluding lease liabilities : pro forma EBITDA)	<3.0:1	0.3:1

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Polypipe

Strategy unchanged – aligned to structural growth drivers

Leading positions in structural growth markets

- Strong brands - historical core markets, as well as sectors within Climate Management Systems and Water Management Systems
- Providing tailwinds for market outperformance in years to come

Environmental, Regulatory & Sustainability-led growth – continued investment around four key drivers

- Resilient drainage
- Green urbanisation
- Clean, healthy air
- Low/zero carbon in heating, and across construction more widely

Legacy-led growth – material substitution

- Using our advanced technologies to compete with historic materials

Increasing our geographic reach

- Targeted approach to international markets, leveraging expertise across geographies, focused on where technologies and key growth drivers are consistent with the UK

Selective organic and inorganic opportunities to fill gaps in our offer, providing complete solutions for our customers

Sustainability is at the heart of how we run our businesses: Innovation; recycling; carbon reduction; digitisation; talented, diverse employees

Investment in innovation core to organic growth – Residential

bsi.

Kitemark™ Certificate

This is to certify that: Polypipe Limited
Broomhouse Lane
Doncaster
DN12 1ES
United Kingdom

Holds Certificate Number: KM 738728

In respect of:

ISO 56002:2019
The process of Innovation Management

This issues the right and licence to use the Kitemark in accordance with the Kitemark Terms and Conditions governing the use of the Kitemark, as may be updated from time to time by BSI Assurance UK Ltd (the "Conditions"). All defined terms in this Certificate shall have the same meaning as in the Conditions.

The use of the Kitemark is authorized in respect of the Product(s) detailed on this Certificate provided at or from the above address.

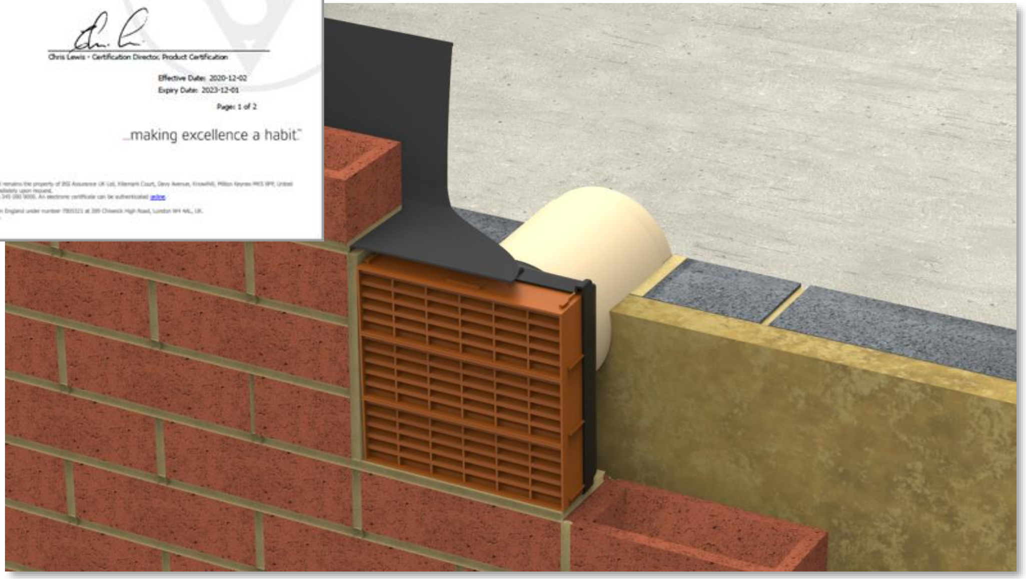
For and on behalf of BSI: Chris Lewis - Certification Director, Product Certification

First Issued: 2020-12-02
Latest Issue: 2020-12-02

Effective Date: 2020-12-02
Expiry Date: 2023-12-01

Page: 1 of 2

...making excellence a habit.™



Investment in innovation core to organic growth – Commercial & Infrastructure

Inorganic growth – clear acquisition objectives

- ✓ Growth driven by environmental and regulatory tailwinds, expected to deliver above-market growth
- ✓ Investing in a portfolio of market leading brands
- ✓ Seeking opportunities consistent with our ESG objectives, and businesses that operate sustainably
- ✓ Above sector average profitability & cash flow generation
- ✓ UK focused with international growth opportunities
- ✓ Leveraging existing customer relationships
- ✓ Competitive advantage and added value based on know-how, application knowledge, and intellectual property

M&A update - Adey

- Enterprise value of £210m, representing adjusted EBITDA multiple of 11.8x
- Funded via £96m equity raise and the balance with debt
- Strong support from shareholders
- Market leading position in protection products for water based heating systems
- Sector set to deliver significant growth due to a combination of regulation, and move to lower energy/more efficient heating systems
- 100 Day Plan in progress, with no issues identified. Positive reaction from common customer base, and some cross fertilisation opportunities already being worked on

M&A update – Nu-Heat

- Enterprise value of £27m, representing an adjusted EBITDA multiple of 8.4x*
- Market leading position in underfloor heating and renewables packages
- Direct sales model additive to Polypipe's existing merchant channel activity
- Managed alongside Nuaire to develop low energy heating solutions in both air and water based systems

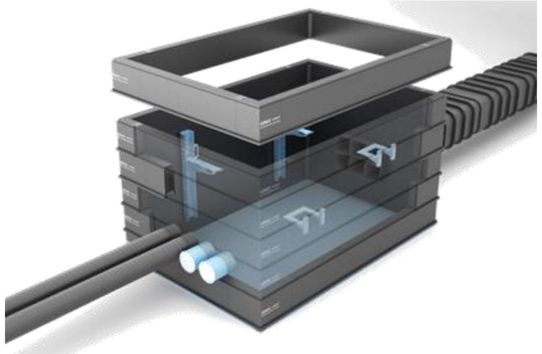
Nu-Heat
Feel the difference

*Adjusted EBITDA for 12 months ended November 2020

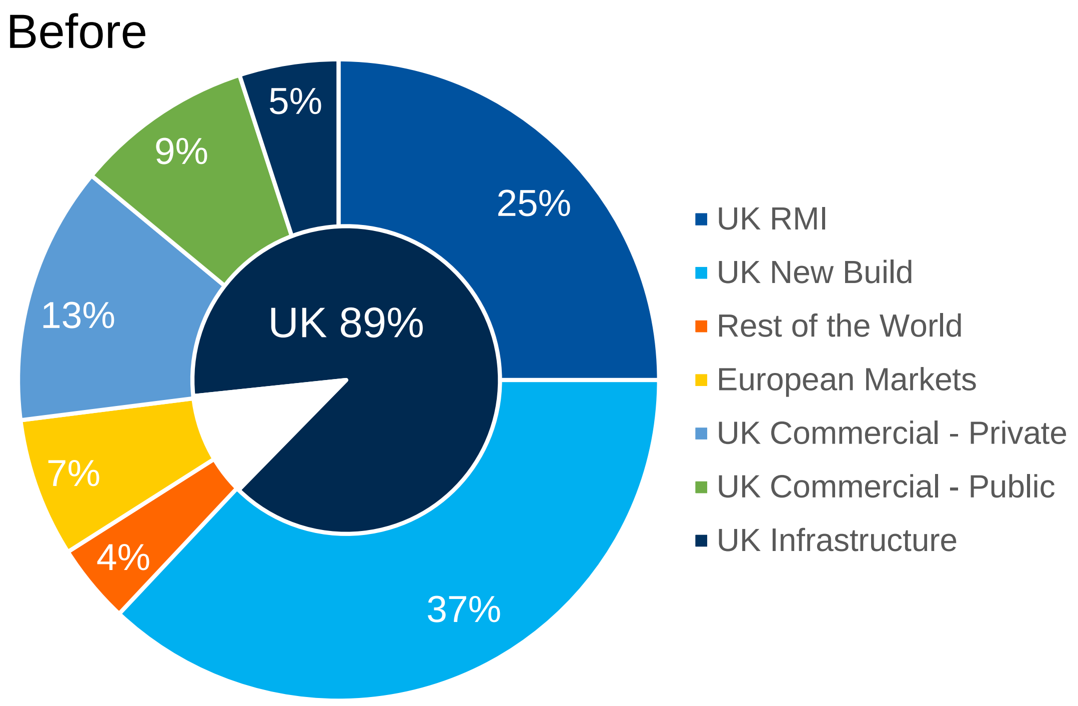
M&A update - Plura

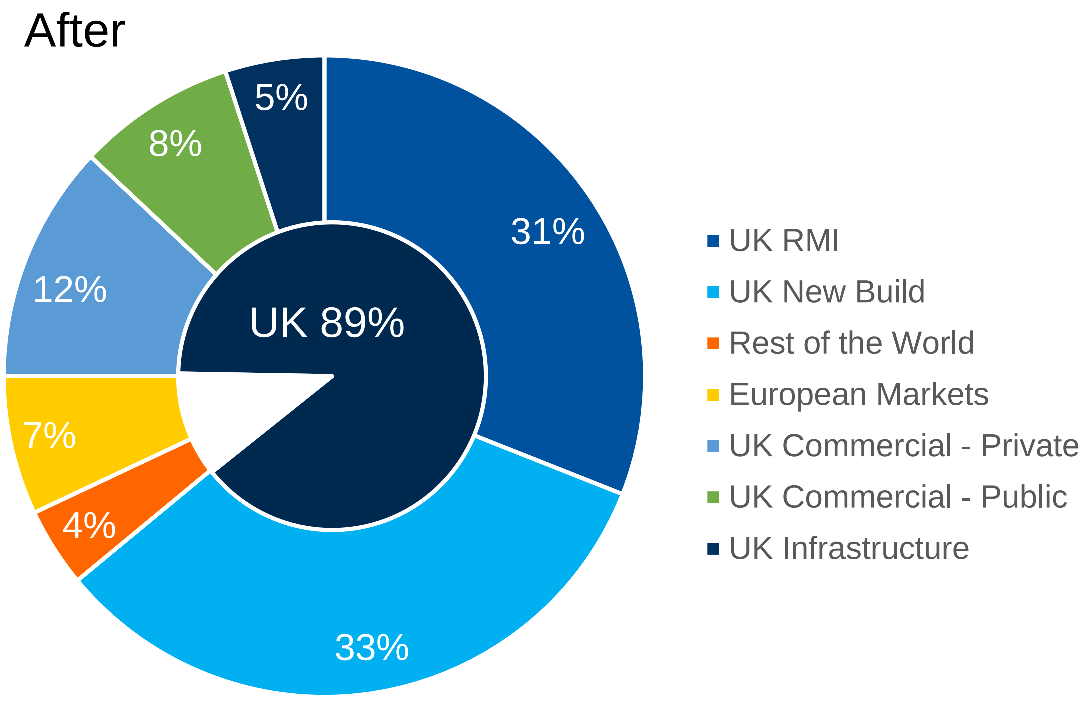
- Polypipe invested £1.25m to take 51% stake in Plura, with an option to acquire remaining 49% in 2024, based on 6x EBITDA multiple
- Brings technology and commercial capability to allow entry to rail and communications sectors with product ranges centred around chambers, and platform accessories
- Its pultrusion technology is transferrable to water management ranges sold within Civils, allowing us to innovate to replace legacy materials
- Shared routes to market which will allow us to leverage our commercial footprint and resource
- Investment consistent with balancing of portfolio, increasing our exposure to infrastructure – a sector predicted to outperform average construction market growth

PLURA INNOVATIONS



2020 Indicative pro forma sector mix impact of recent acquisitions





- ❑ Increased exposure to housing RMI market, improving balance and resilience across the construction cycle
- ❑ Infrastructure remains at 5% of the enlarged Group
- ❑ Group’s UK focus retained

ESG update – Winning Sustainably

Themes	Carbon Reduction	The Circular Economy	Innovation	Developing our Workforce	Employee Engagement	Diversity & Inclusion
2025 Target	LFL reduction of 66% in carbon impact in Scope 1&2 without Offsets	Recycled materials should represent 62% of our total polymer consumption	A Vitality Index of 25%. A series of digital initiatives	We will sign up to The 5% Club and achieve its goals	At least a 5% Y/Y improvement in engagement survey	Gender pay at least in line with UK norm. Ethnicity in line with local areas
2020 Progress	ISO50001 accreditation at Polypipe BP. CO_2e intensity 0.252/t, reduction of 7.8% Signed Pledge to Net Zero	45.9% of material was from recycled inputs. Minor Y/Y decline due to mix toward more regulated products	Group Digital Director in post. 2020 VI score of 22.7%	The 5% Club membership confirmed. 2020 achievement of 3.8% of colleagues in qualifying programmes	61.8% reported in 2020 survey despite process difficulties during Covid-19	Median hourly rate for females 9.9% below males. This compares to UK 15.5%
2019 Status	CO_2e intensity of 0.273/t	49.2% of total tonnage was from recyclate	VI score of 17.2%	2.8% of colleagues were on apprenticeship and learn/earn programmes	55.7%. This was an improvement vs 2018 score of 54.8%	Median hourly pay for females 13.6% below males

Rebranding Polypipe Group Plc as Genuit Group Plc

Continued progression of the Group

- We have evolved significantly since Nuaire acquisition in August 2015
- We have a broadened portfolio beyond our historical core of plastic piping systems
- The Group name no longer accurately reflects the extent of our products and the market sectors we serve

We remain committed to our strong consumer facing trading brands, including Polypipe, and a decentralised business model built around those brands

This change will help all of our colleagues to feel equal citizens of a larger group as well as the business in which they work

Re-name of Plc effective from 6 April 2021

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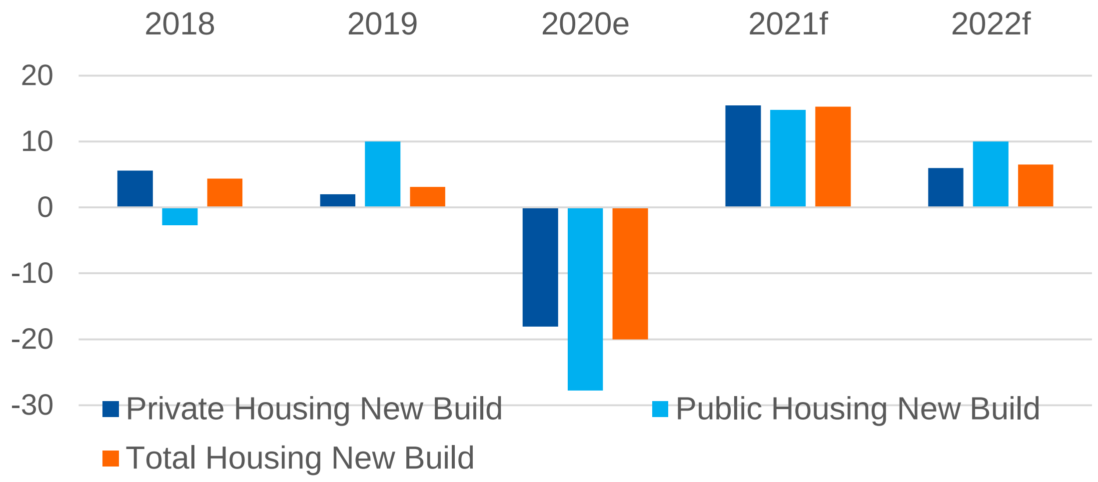
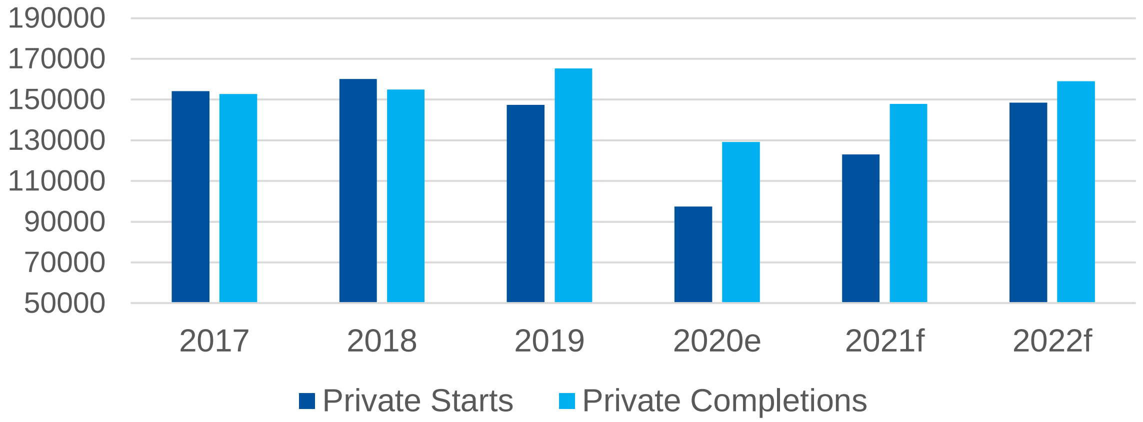
UK Construction Market – Residential New Build

New House Build %Y/Y Value Change



Starts v Completions - Units



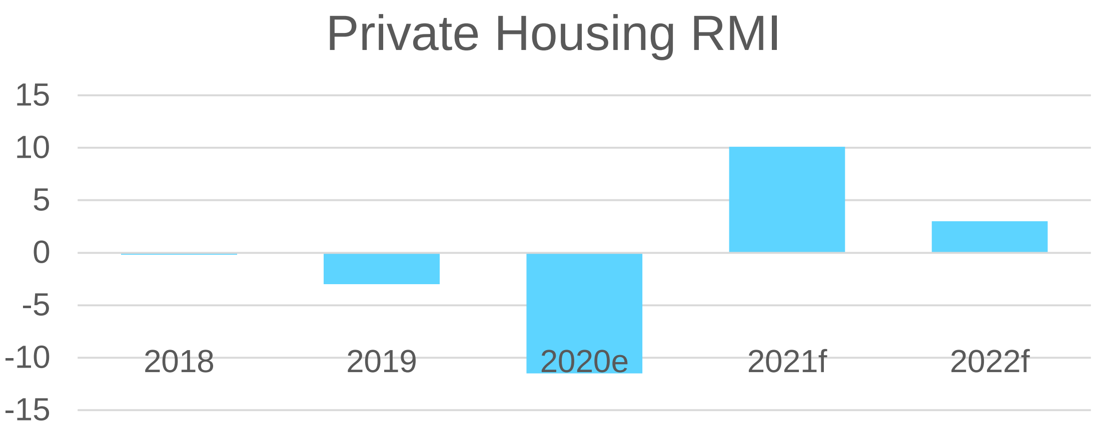
Market

- Total market value down 20% in 2020
- Public housing saw most extreme decline
- Decline in private starts of 32%, whereas completions held up slightly better (-22%) due to stimulus policy deadlines
- After recovery in 2021, starts expected to exceed 2019 levels in 2022

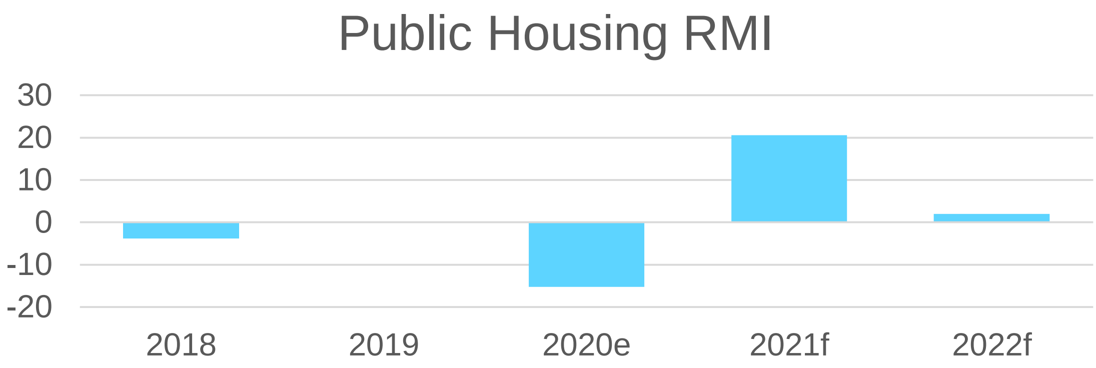
Source: ONS/Construction Products Association (CPA) Winter forecast 2020

UK Construction Market – Residential RMI

Private Housing RMI %Y/Y Value Change



Public Housing RMI %Y/Y Value Change



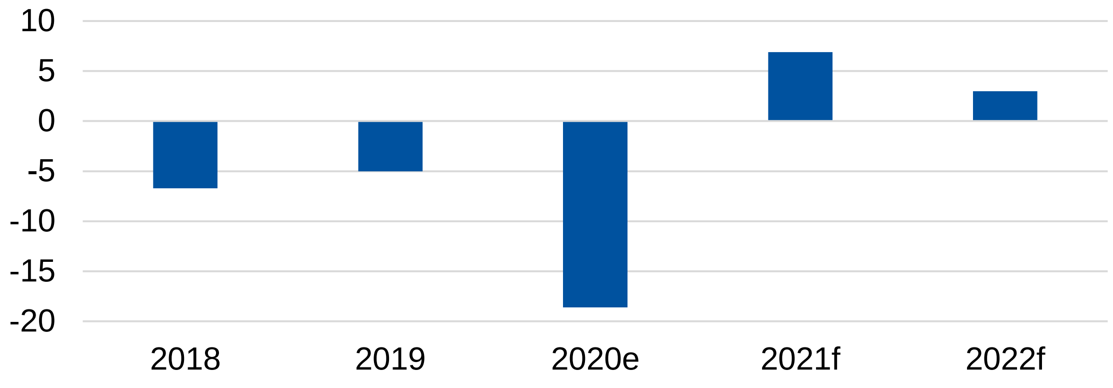
Market

- Private RMI down 11.5% despite some resilience during first lockdown, especially in exterior home improvement products
- 2021 Private RMI slightly (2.7%) below 2019 levels
- Public RMI is forecast to more than recover lost ground in 2021 but much of this is specifically related to policy around cladding replacement programmes

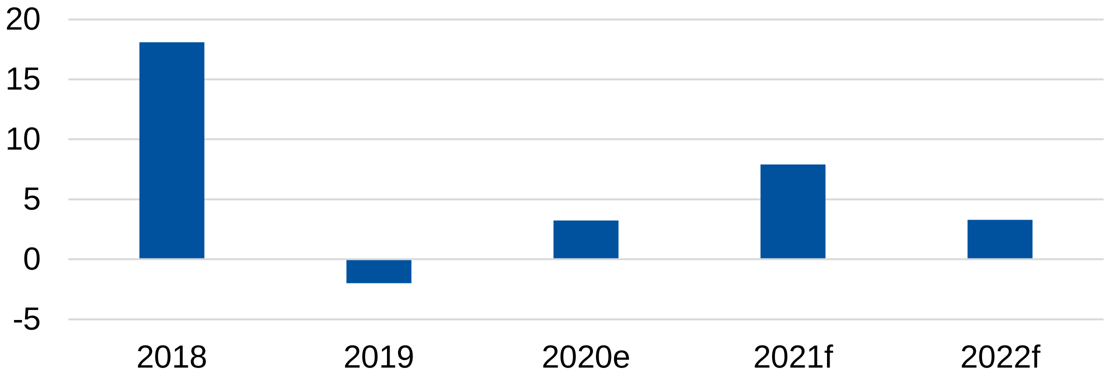
Source:ONS/ Construction Products Association (CPA) Winter forecast 2020

UK Construction Market – Commercial and Infrastructure

Commercial Construction % Y/Y Value Change



Roads (Infrastructure) % Y/Y Value Change



Market

- Commercial market continued to decline, down 18.6% in the year. The two largest subsectors, offices and retail, both suffered
- Clearly both of those subsectors face some structural challenges post Covid-19, with increased home working, online shopping, etc. Despite recovery elsewhere, these two subsectors will continue to suppress commercial construction
- The roads sector was one of the few growth areas within infrastructure more generally
- The near term outlook for infrastructure is strong, buoyed by roads, rail and also the regulatory timetable in water utility expenditure

Source: Construction Products Association (CPA) Winter forecast 2020

Outlook

- Our markets continue to recover
- Recent extensions to stimulus programmes give us confidence in new housebuilding. There is continued improvement in RMI, commercial and infrastructure markets
- Our medium term demand drivers are stronger than ever – a continued structural UK housing shortage, the regulatory and environmental drivers around water and climate management, and increasingly indoor air quality will all be helpful tailwinds
- Our businesses have started the new year strongly, with no discernible impact on demand from the current lockdown
- The Board believes the Group is in a strong position to deliver improved performance in 2021

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- Recovery evident in H2 volumes and margins
- Clear strategy focused on sustainable growth drivers and financial headroom allows us to be proactive - continued investment in new products and targeted acquisitions - emerging stronger from the pandemic
- Sustainability is core to our strategy with ESG targets set, and a clear programme in place for delivery
- Trading conditions and structural drivers of growth continue to provide confidence in outlook, and over the medium term

Q&A

To ask a question, please use the below conference line:

United Kingdom (Local): 020 3936 2999

All other locations: +44 203 936 2999

Access Code: 443672

To register a question, press *1 on phone keypad. To remove the question, press *2