

**ΔIREA** plc



**70<sup>th</sup> AGM**

**8 May 2024**

## Chairman's statement



# Experienced Board of Directors



**Martin Toogood**  
Independent Non-Executive  
Chairman

Martin joined the Group as an independent Non-Executive Director on 1 April 2009 and was appointed independent Non-Executive Chairman on 6 November 2009.

Martin has considerable experience at executive and non-executive level, most recently with ILVA in Scandinavia, B&Q in the UK, Carpetright in the UK and Europe and Habitat in the UK and internationally.



**Médéric Payne**  
Chief Executive Officer

Médéric joined the Group on 25 August 2022 as Chief Executive Officer from Al-Futtaim Group based in the Middle East. He has held several key international executive roles, notably within Landmark Group as CEO for Homecentre and at Kingfisher plc as CEO for Castorama RU.

In his recent role as Managing Director, he focused on the growth, digital transformation and turnaround of several well-known brands within his retail portfolio in the MENA region.



**Conleth Campbell**  
Chief Financial Officer

Conleth joined the Group on 2 October 2023 as Chief Financial Officer. He has more than 25 years of experience in public company environments. He has strong expertise in Capital Markets including M&A and Investor Relations.

Conleth was previously Group Financial Controller at Genuit Group Plc and Head of Investors at Croda International plc. He is a Chartered Accountant (ICAEW) and began his career at Mazars.



**Tanya Ashton**  
Independent Non-Executive  
Director

Tanya joined the Group on 10 May 2023 as an independent Non-Executive Director, with over 20 years' experience in strategic marketing and brand development roles.

Tanya currently acts as Head of Sustainability at Walgreens Boots Alliance Global Sourcing, Europe. She also holds a Non-Executive Director position and acts as a sustainability subject matter expert at AIM-listed M.P. Evans Group Plc.

Business update

Médéric Payne  
CEO



# Key highlights for year ended 31 December 2023

- Sales growth of 14.1% driven by volume and improved mix
- Record Burmatex® sales of £21.1m, growth in all key markets
- Operating profit before valuation gain increased by 9.2% to £1.8m
- £5.0m investment in facility to substantially increase capacity
- Proposed final dividend of 0.55p, an increase of 10%
- Further progress with **eco<sub>2</sub>matters**® sustainability principles
- Successful launch of carbon-neutral products



Financial overview

Conleth Campbell  
CFO



# Financial highlights

ΔΙΡΕΑ plc

## Group revenue

£21.1m

↑ 14.1%

## Operating profit before valuation gain

£1.8m

↑ 9.2%

## Profit before tax

£1.4m

→ 0.0%

## Cash and cash equivalents

£5.8m

→ 0.0%

## Net cash

£3.4m

↑ 21.4%

## Full-year dividend

0.55p

↑ 10.0%

# A record sales performance for Burmatex®

AIREA plc

£m	2023	2022	% Change
Sales	21.1	18.5	14.1
Operating costs	(19.8)	(17.1)	15.8
Other operating income	0.5	0.3	66.7
Valuation gain	0.1	-	-
Operating profit	1.9	1.7	11.8
Net finance costs	(0.5)	(0.3)	66.7
Profit before tax	1.4	1.4	-

- Sales up 14.1%, record level for Burmatex®
- Sales growth across all key markets
- Growth driven by increase in demand for the more sustainable product ranges
- Operating profit returning to pre-Covid levels
- Investment to significantly increase capacity for future growth



# Cash flow - continued investment in business

AIREA plc

£'000	2023	2022
EBITDA	2,550	2,250
Working capital	(186)	(143)
Net capital expenditure	(1,166)	(235)
<b>Operating cash flow</b>	<b>1,198</b>	<b>1,872</b>
Interest and taxation	(105)	(121)
Dividends	(193)	(154)
Loan repayments	(734)	(935)
Payment of lease liabilities	(156)	(141)
Movement in provisions	(77)	(168)
Share-based payments	150	(157)
Other	(87)	(122)
<b>Net cash flow</b>	<b>(4)</b>	<b>74</b>

- Continued investment in the business
  - Solar panels installed at cost of £0.8m
  - Ongoing investment in facility
- Working capital increase to support growth
- Proposed dividend of 0.55p, an increase of 10%
- Net cash of £3.4m, an increase of £0.6m

# Financing

£m	2023	2022
Cash and cash equivalents	5.8	5.8
Coronavirus Business Interruption Loan	(1.4)	(1.9)
Business loan	(0.5)	(0.7)
Leased liabilities	(0.5)	(0.4)
<b>Net cash</b>	<b>3.4</b>	<b>2.8</b>

- CBILS final payment May 2026
- Business loan final payment June 2026
- Uncommitted overdraft facility of £1.0m
- Pension deficit of £5m, reasonable and affordable recovery plan being agreed with scheme trustees
- Investment property of £4.1m

Business overview  
and strategy

Médéric Payne  
CEO



# An introduction to our market leading brand

AIREA plc

## Burmatex®

MANUFACTURERS OF CREATIVE FLOORING 

- one of the UK's leading designers and manufacturers of innovative contract carpet tiles and planks

British-made flooring solutions to create sustainable value globally

Eco-friendly portfolio focusing on the design and creation of innovative products

Serving key markets in Europe and the Middle East



Product ranges span multi-level loop, loop pile, structure bonded®, fibre bonded, cut pile and carpets in sheet and tiles, as well as performance barrier system and entrance matting products

ISO 9001 Quality Management and ISO 14001 Environmental Management systems

Broad customer base including architects, specifiers and contractors



# Sustainability principles - embedded across our business

## eco<sub>2</sub>matters<sup>®</sup>

We are committed to helping deliver a sustainable future because we believe that what we do matters. To help us deliver on this commitment, we have developed **eco<sub>2</sub>matters<sup>®</sup>**, our sustainability principles.

Our Sustainability Principles	Carbon Neutral Products	 carbon negative recycled yarn	 BioBase <sup>®</sup> backing	 carbon neutral
	Positive Environmental Impact	 100% certified renewable	 ZERO landfill	 take back service
	Our Responsible Actions	 social values & wellbeing	 NET ZERO journey to net zero	 independently 3rd party verified

We value our people, our customers, and our partners. This drives our approach to social values and well-being.

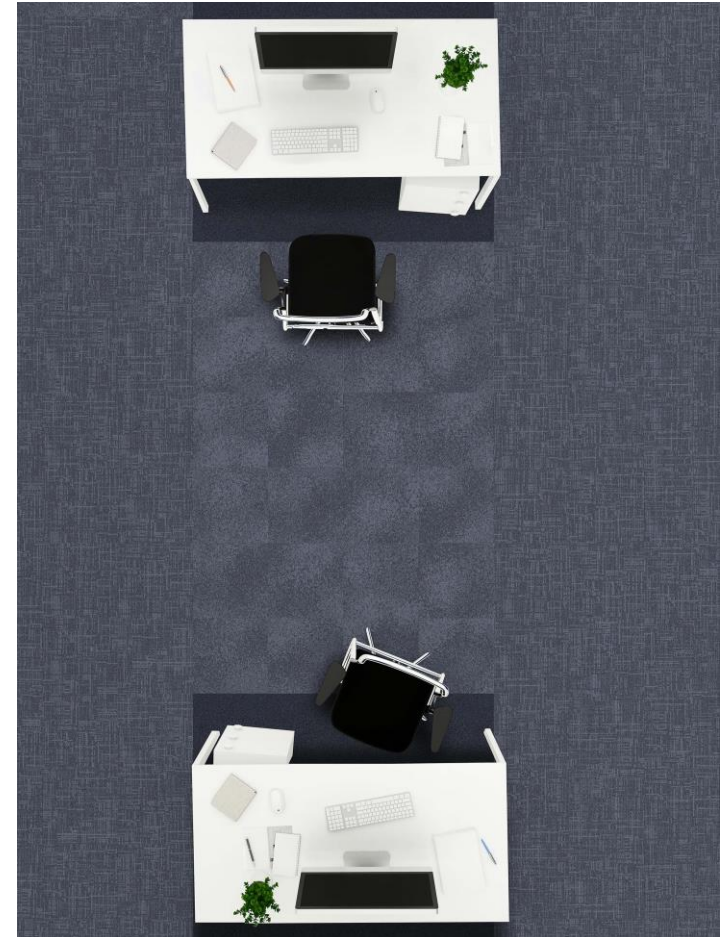
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# Competitive advantage - building a platform for success

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AIREA plc

- Continued investment in innovation and new product development
- Strong working relationships with customers
- New channels of B2B being developed
- Unparalleled service reputation in market
- Long established brand
- In-house manufacturing with a low cost base
- Development of more sustainable, eco-friendly products
- Market leading Environmental Product Declarations (EPDs)
- Sustainability is at the forefront of everything we do



# Product development - innovative and sustainable solutions AIREA plc

Aligning to the **eco2matters**<sup>®</sup> sustainability principles enables us to meet the needs of our customers. The development of new product ranges and the refresh of existing ranges is pivotal to our success.

First carbon-neutral range product **arctic**<sup>®</sup> launched, record sales achieved for a product in first year of launch



Worked closely with one of our suppliers to produce the world's first **carbon-negative** recycled yarn - Thrive<sup>®</sup> matter



Expanding product range now with four carbon-neutral products - **arctic**<sup>®</sup>, **dapple**<sup>®</sup>, **osaka**<sup>®</sup> and **balance collection**<sup>®</sup>



In 2023, two ranges refreshed as low carbon products, **go-to**<sup>®</sup> and **infinity with alaska**<sup>®</sup> launched in 2024



Continuously refreshing existing ranges to **protect and enhance our strong market position**



A **balanced, innovative and sustainable product offering** going forward is essential to the **Burmatex**<sup>®</sup> brand



# Driving transformational change

- Strategic review of entire product range
- Key product ranges refreshed
- Lead time to market reduced by five months
- Launch of carbon neutral products
- Refresh of low carbon products
- ISO14001 accreditation
- Shortlisted for three prestigious sustainability awards
- Revised strategy developed and communicated
- **eco<sub>2</sub>matters**® sustainability principles fully embedded in business
- Core values revised and embraced





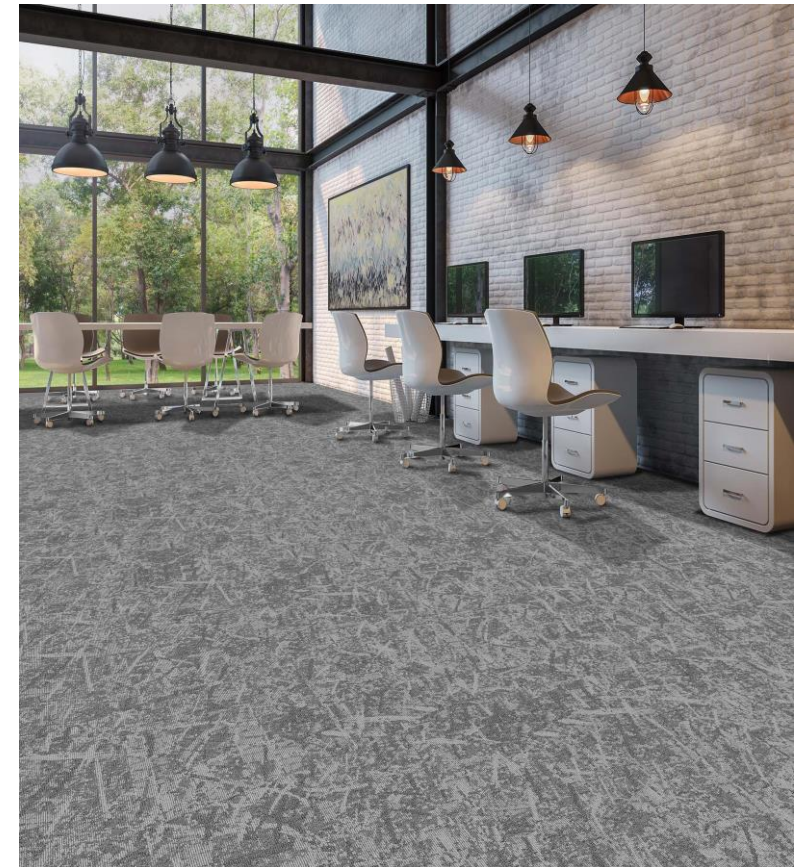
# Update on new investment

- £5.0m investment in manufacturing facility underway
- Scheduled for completion in Q1 2025
- Delivering significant increase in capacity
- Automation of certain processes using the latest cutting-edge Artificial Intelligence imagery and inspection technology
- Further enhance the Group's sustainability credentials
- More efficient utilisation of energy
- Significant step change on the journey towards net zero



# Summary

- Established brand in a stable marketplace with high barriers to entry due to in-house manufacture, low-cost base and high service proposition
- Launch of sustainability principles **eco<sub>2</sub>matters**<sup>®</sup> in 2022 to help drive the Group's vision for the future
- Innovative and sustainably designed products focused on meeting customers' needs
- Significant increase in capacity online early 2025 to manage continued demand
- Highly experienced Board and senior management team to deliver growth
- Well-positioned to capture new UK and global market opportunities



# Questions

Formal  
business



# Thank you for attending

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