



# INVESTOR PRESENTATION

JUNE 2020



# MANAGEMENT TEAM - PLC BOARD

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**PAUL BASSI**  
NON EXECUTIVE CHAIRMAN

- CEO of Real Estate Investors plc
- Former President of the Birmingham Chamber of Commerce
- Regional Chairman & Strategy Advisor to Coutts Bank and non executive chairman of CP Bigwood Chartered Surveyors
- 2018 Ambassador of the Year for West Midlands Business Desk Business Masters Awards



**TONY BREWER**  
CHIEF EXECUTIVE OFFICER

- 42 years' experience within flooring, gaining extensive industry knowledge and supplier relationships
- Joined Headlam in 1991 as Managing Director of their flooring division and Main Board Director
- Headlam Chief Executive 2000 - 2016
- Founder and Chief Executive of Likewise Group, principally responsible for strategy, acquisitions, supplier and investor relations



**ROY POVEY**  
CHIEF FINANCIAL OFFICER

- Financial Controller with 19 years' experience in the flooring industry
- 6 years as Financial Director within the home improvement industry
- Worked as Financial Controller as part of the senior management teams in Headlam Coleshill and Tamworth, he successfully integrated several newly acquired businesses both financially and operationally
- In acknowledgement of his operational experience he was appointed as General Manager at Mercado



**ANDREW SIMPSON**  
NON EXECUTIVE DIRECTOR

- 37 years' experience in the flooring industry
- Joined Headlam in 1991
- Retired in 2010 after 37 years gaining immense knowledge and experience working with suppliers, customers and employees

# MANAGEMENT TEAM - EXECUTIVE BOARD

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**TONY JUDGE**  
COMMERCIAL

- 36 years' experience within the flooring industry, having worked for both manufacturers and distributors
- Before joining Likewise Tony was employed as the Chief Operating Officer of the Headlam Group, having previously gained experience in various roles across purchasing, sales, logistics and IT
- Tony joined the Likewise Group in October 2019 as Commercial Director principally responsible for IT, Logistics and business development



**JAMES KELLETT**  
MAINSTREAM CONTRACT

- 29 years flooring industry experience, starting on the trade counter working through the business to sales, stock control then 15 years as commercial buying director for the Mercado group of companies within Headlam, latterly Joint Managing Director
- Strong supplier and customer relations across the commercial and luxury vinyl tile flooring sectors



**ADRIAN LAFFEY**  
MAINSTREAM RESIDENTIAL

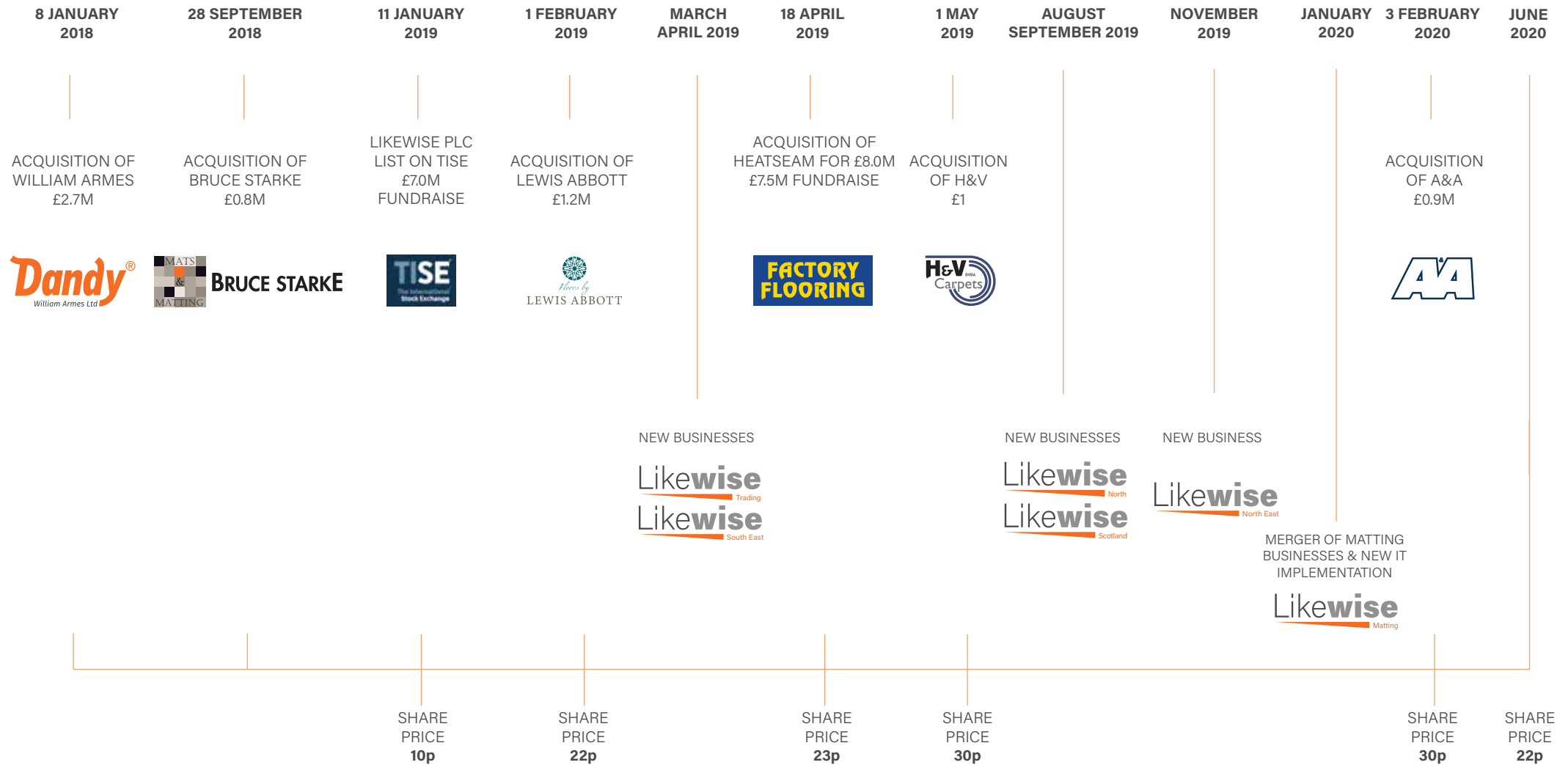
- 31 years' experience in flooring, from retail to distribution
- Joined Mercado in 1993 as a Sales Representative progressing to Buying Director and latterly Joint Managing Director, with responsibility for the four businesses operating from the Mercado site
- Responsible for all aspects of Headlam's flagship distribution centre in Tamworth before joining Likewise
- Global supplier relationships across all types of flooring products with considerable industry knowledge

- CREATE A NATIONAL DISTRIBUTOR WITH REVENUES IN EXCESS OF £200M
- THIS ENABLES THE BUSINESS TO LEVERAGE SUPPLIERS, CREATE OPERATIONAL COST SYNERGIES AND GENERATE OPERATING MARGINS IN EXCESS OF C. 5%
- ACHIEVED BY EXECUTING A BUY & BUILD STRATEGY IN A FRAGMENTED MARKET, WHERE BUSINESSES CAN BE ACQUIRED FOR LOW SINGLE DIGIT MULTIPLES AND SYNERGIES CAN BE READILY IDENTIFIED AND REALISED
- EXECUTED BY A VERY EXPERIENCED TEAM WITH A PROVEN TRACK RECORD IN THE SECTOR

- NATIONWIDE DISTRIBUTOR OF FLOORCOVERINGS AND MATTING
- OPERATES IN THE UK DOMESTIC AND COMMERCIAL SECTORS - MARKET SIZE C. £2.3 BN
- STRONG MANAGEMENT TEAM WITH 300+ YEARS OF COLLECTIVE EXPERIENCE
- LONG ESTABLISHED SUPPLIER AND CUSTOMER RELATIONSHIPS
- RELATIONSHIP AND SOURCING WITH 79 SUPPLIERS IN 19 COUNTRIES
- LISTED ON THE INTERNATIONAL STOCK EXCHANGE IN JANUARY 2019
- CURRENT MARKET CAP £30.5M\* (£12.0M JANUARY 2019)
- BUY AND BUILD STRATEGY TO CREATE NATIONAL FLOORING DISTRIBUTION AND RETAIL BUSINESS
- TAKE ADVANTAGE OF FRAGMENTED MARKET TO CHALLENGE THE LARGER NATIONAL DISTRIBUTORS

# TIMELINE OF EVENTS

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# BUSINESS OVERVIEW - 2 DIVISIONS

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## MAINSTREAM DISTRIBUTION OF RESIDENTIAL AND CONTRACT FLOORCOVERINGS, ACCESSORIES AND ADHESIVES



## DISTRIBUTION OF RUGS, MATS AND DOORMATS, CONTRACT MATTING AND ACCESSORIES













BRUCE STARKE



# SALES RESOURCE

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BRAND	SALES MANAGEMENT	SALES REPRESENTATIVES	SALES AGENTS
	2	4	-
	2	3	5
	2	-	9
	2	2	-
 Scotland	4	1	-
 North East	1	2	-
 North	2	1	-
 South East	2	3	-
 Matting	4	8	2
 Trading	2	-	-
<b>TOTALS</b>	<b>23</b>	<b>24</b>	<b>16</b>

- 63 PEOPLE FOCUSED ON SERVICING CUSTOMER REQUIREMENTS ON A DAILY BASIS



# LOGISTICS NETWORK



● 50 DELIVERY VEHICLES PROVIDING A NEXT DAY SERVICE



**NATIONAL DISTRIBUTION HUB**

DEWSBURY 40,000 & 60,000 FT<sup>2</sup>



**REGIONAL LOGISTICS CENTRES**

GLASGOW 12,000 FT<sup>2</sup>  
NEWCASTLE 7,500 FT<sup>2</sup>  
MANCHESTER 35,000 FT<sup>2</sup>  
DAVENTRY 6,000 FT<sup>2</sup>  
PECKHAM 8,500 FT<sup>2</sup>



**NATIONAL DISTRIBUTION CENTRE**

SUDBURY 80,000 FT<sup>2</sup>



**HEAD OFFICE**

BROMSGROVE



**EUROPE**

MEULEBEKE 20,000FT<sup>2</sup>



COMMERCIAL VEHICLES		
LOCATION	TRUCKS	VANS
GLASGOW	4	2
NEWCASTLE	2	1
DEWSBURY	10	4
MANCHESTER	9	2
DAVENTRY	4	3
SUDBURY	4	-
PECKHAM	3	2
TOTALS	36	14



# SUPPLIERS

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## OVERVIEW

- LONG ESTABLISHED SUPPLIER RELATIONSHIPS
- GLOBAL SUPPLY BASE - 79 SUPPLIERS IN 19 COUNTRIES
- LEADING MANUFACTURERS IN THE UK, EUROPE, TURKEY AND THE FAR EAST

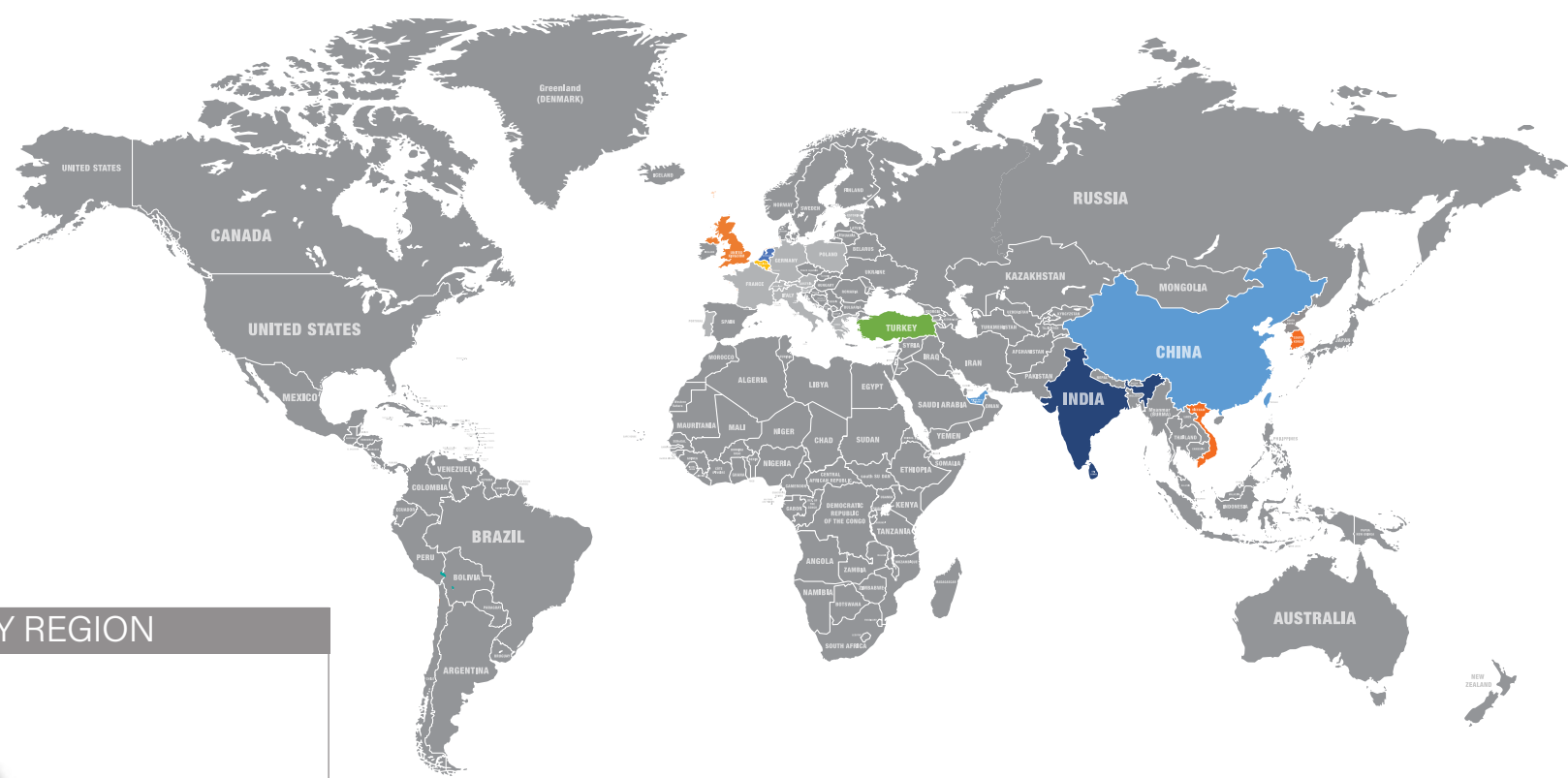
## KEY RESIDENTIAL SUPPLIERS



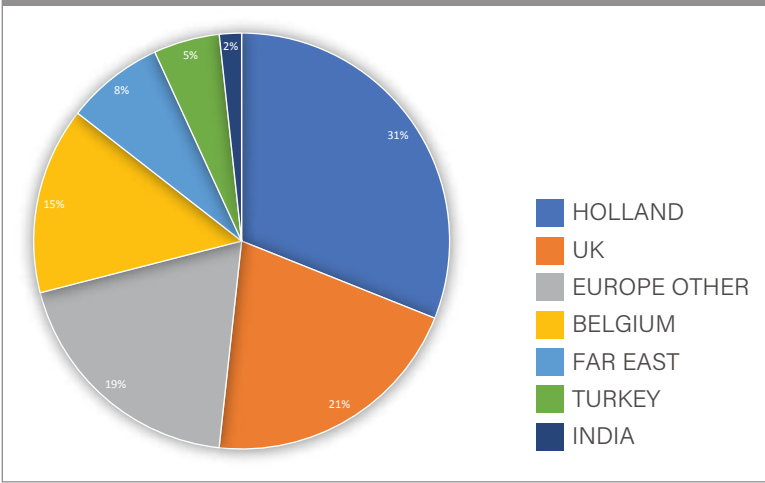
## KEY CONTRACT SUPPLIERS



# SUPPLIERS & EMERGING PRODUCTION REGIONS

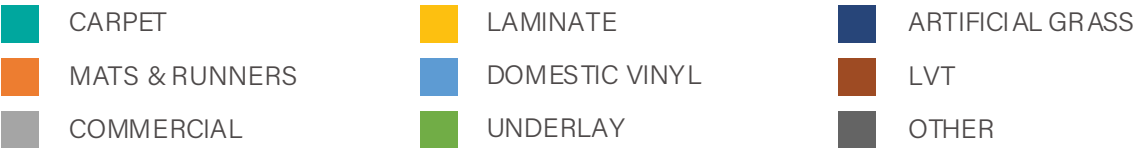
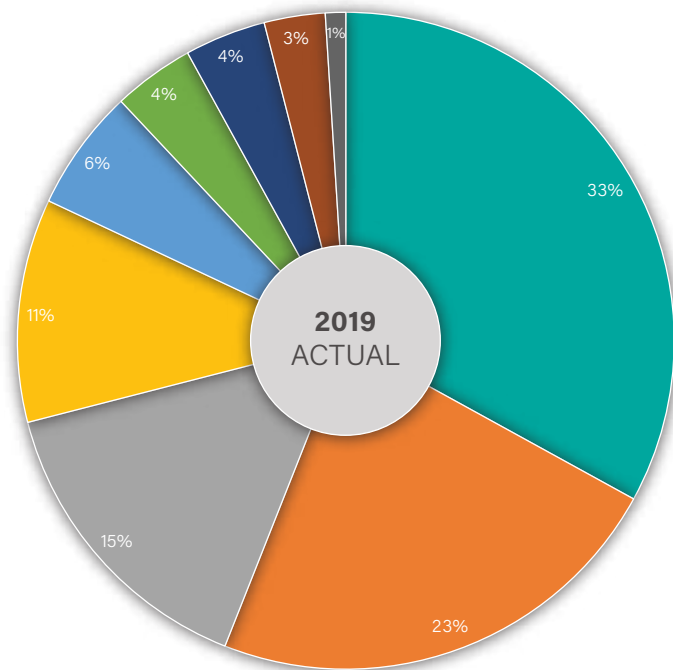


SUPPLIERS BY REGION



EMERGING REGIONS

- RESIDENTIAL AND COMMERCIAL SECTORS INCLUDING MULTIPLE RETAILERS, INDEPENDENTS AND FLOORING CONTRACTORS
- COMPREHENSIVE PRODUCT OFFERING COVERING ALL KEY CATEGORIES



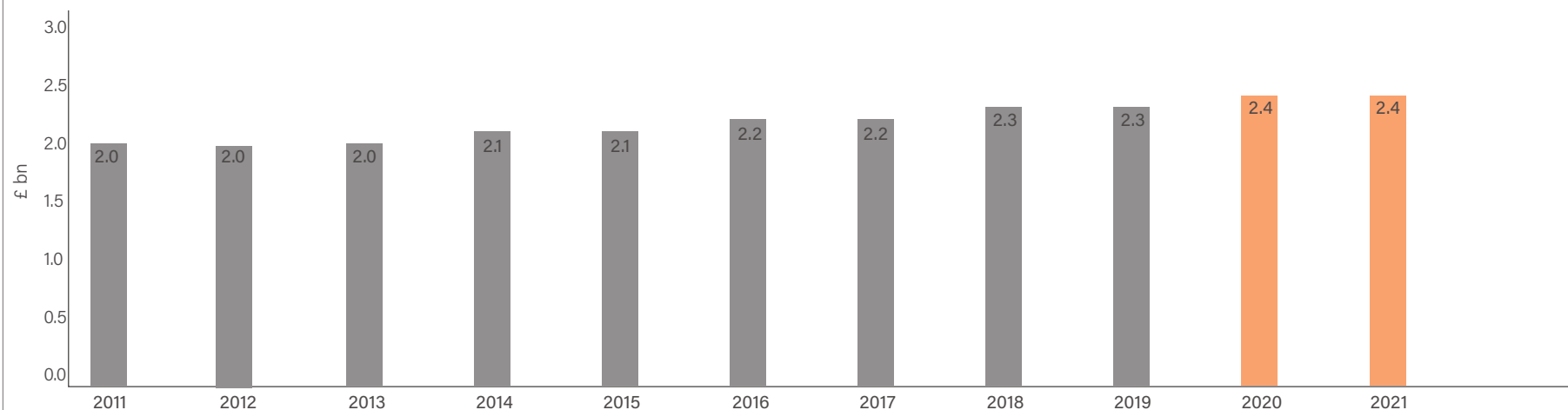
# MARKET AND COMPETITION

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## OVERVIEW

- UK FLOORCOVERINGS MARKET, COVERING RESIDENTIAL AND COMMERCIAL, IS WORTH C. £2.3BN (EXCLUDING CERAMICS) WITH GROWTH FORECAST AT 2–3 PER CENT PER ANNUM
- C.30 PER CENT OF THE MARKET IS ACCOUNTED FOR BY A SMALL NUMBER OF LARGER INDUSTRY COMPETITORS, WITH NATIONAL MULTIPLE RETAILERS, REGIONALLY FOCUSED INDEPENDENT RETAILERS AND FLOORING CONTRACTORS MAKING UP THE REMAINING C.70 PER CENT
- THE DIRECTORS BELIEVE THAT, THROUGH A NUMBER OF INDUSTRY AND MACRO FACTORS, THE MARKET WILL POLARISE TOWARDS LARGER COMPETITORS, AND THAT THE GROUP IS WELL POSITIONED TO BENEFIT FROM THIS TREND

## UK FLOORCOVERINGS MARKET



SOURCE: VERDICT SECTOR SERIES - FURNITURE & FLOORCOVERINGS

## EXPANDING CUSTOMER BASE

- IN ADDITION TO TRADITIONAL ROUTE - INDEPENDENT RETAILERS AND FLOORING CONTRACTORS
  - › MULTIPLE FLOORING RETAILERS
  - › BUYING GROUPS
  - › FINANCE BASED SELLERS
  - › INTERNET RETAILERS
  - › MULTIPLE RETAILERS

## OPERATIONAL DEVELOPMENTS

- MERGER OF MATTING BUSINESSES
- IMPLEMENTATION OF NEW IT SYSTEM
- DEWSBURY RESIDENTIAL HUB
- ESTABLISHING REGIONAL LOGISTICS CENTRES
- NETWORK TRUNKING AND DELIVERY FLEET
- IT ROLL OUT AND IMPLEMENTATION
- SUPPLIER TRADING TERMS AND OVERSEAS SOURCING

## AQUISITION STRATEGY

- CONSOLIDATE THE DISTRIBUTION AND RETAIL SECTIONS OF THE MARKET TO GAIN NATIONAL SCALE AND PROVIDE AN ALTERNATIVE CHANNEL FOR UK AND OVERSEAS MANUFACTURERS
- PROVIDE ADDITIONAL GROWTH TO THAT ALREADY BEING GENERATED ORGANICALLY
- EXPAND GEOGRAPHIC COVERAGE THROUGHOUT THE UK
- ENTER NEW MARKET SEGMENTS AND PRODUCT LINES
- NUMEROUS OPPORTUNITIES ACROSS THE VARIOUS SECTORS

## ● BUY & BUILD STRATEGY TO DATE - C £45M OF TURNOVER PURCHASED



- DISTRIBUTOR AND MANUFACTURERS OF DOMESTIC DOORMATS, RUGS AND RUNNERS

- BASED IN SUDBURY, SUFFOLK

DATE - JANUARY 2018  
SALES - £3.5M  
EV - £2.7M



- DISTRIBUTOR OF RESIDENTIAL FLOORING THROUGHOUT ENGLAND AND SCOTLAND
- MAIN DISTRIBUTION HUB IN DEWSBURY

DATE - APRIL 2019  
SALES - £21.0M  
EV - £8.0M



**BRUCE STARKE**

- DISTRIBUTOR OF MATTING AND FLOORING PRODUCTS

- BASED IN EYE, SUFFOLK

DATE - SEPTEMBER 2018  
SALES - £3.0M  
EV - £0.8M



- SUPPLIER OF FULL ROLLS OF CARPET TO RETAILERS IN THE UK AND GERMANY
- BELGIUM BASED

DATE - MAY 2019  
SALES - €7.1M  
EV - £1



*Floors by*  
**LEWIS ABBOTT**

- MAINSTREAM FLOORCOVERINGS DISTRIBUTOR

- BASED IN PECKHAM

DATE - FEBRUARY 2019  
SALES - £2.4M  
EV - £1.2M



- DISTRIBUTOR OF RESIDENTIAL FLOORING TO RETAILERS IN THE NORTH WEST OF ENGLAND
- BASED IN MANCHESTER

DATE - FEBRUARY 2020  
SALES - £8.6M  
EV - £0.9M

NOTE: FIGURES BASED ON LAST REPORTED FINANCIALS AT TIME OF ACQUISITION

- CREATE A NATIONAL DISTRIBUTOR WITH REVENUES IN EXCESS OF £200M
- THIS ENABLES THE BUSINESS TO LEVERAGE SUPPLIERS, CREATE OPERATIONAL COST SYNERGIES AND GENERATE OPERATING MARGINS IN EXCESS OF C. 5%
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- **TONY BREWER**  
**CHIEF EXECUTIVE OFFICER**
  
- **ROY POVEY**  
**CHIEF FINANCIAL OFFICER**

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