

Likewise

plc



INVESTOR PRESENTATION

OCTOBER 2020



MANAGEMENT TEAM - PLC BOARD



PAUL BASSI
NON EXECUTIVE CHAIRMAN

- Chief Executive Officer 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, Roy 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



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



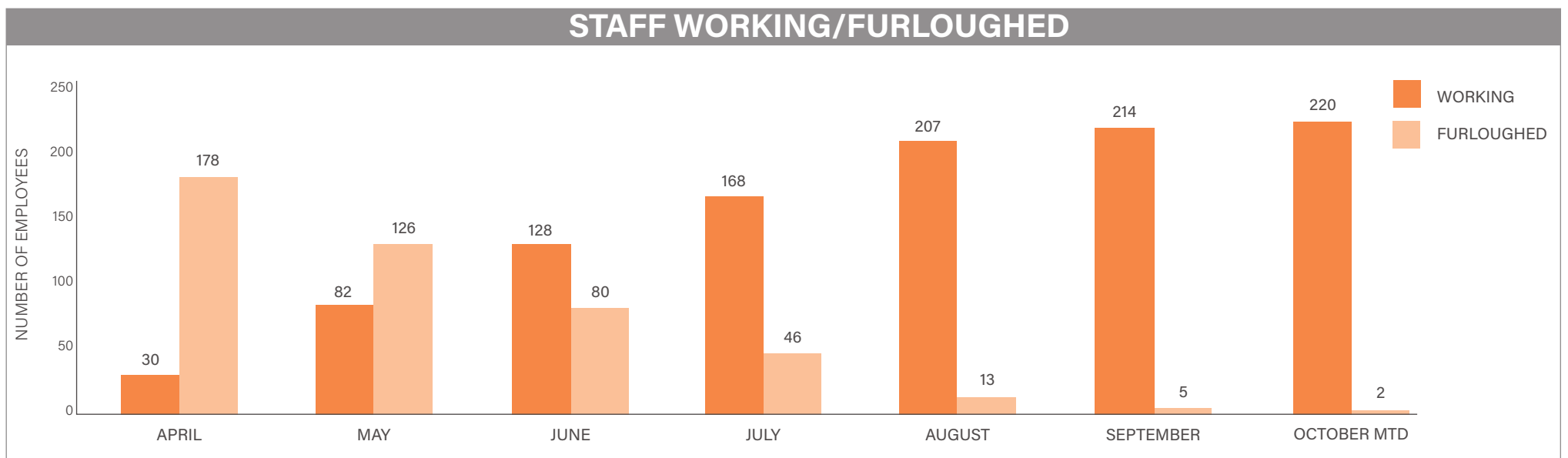
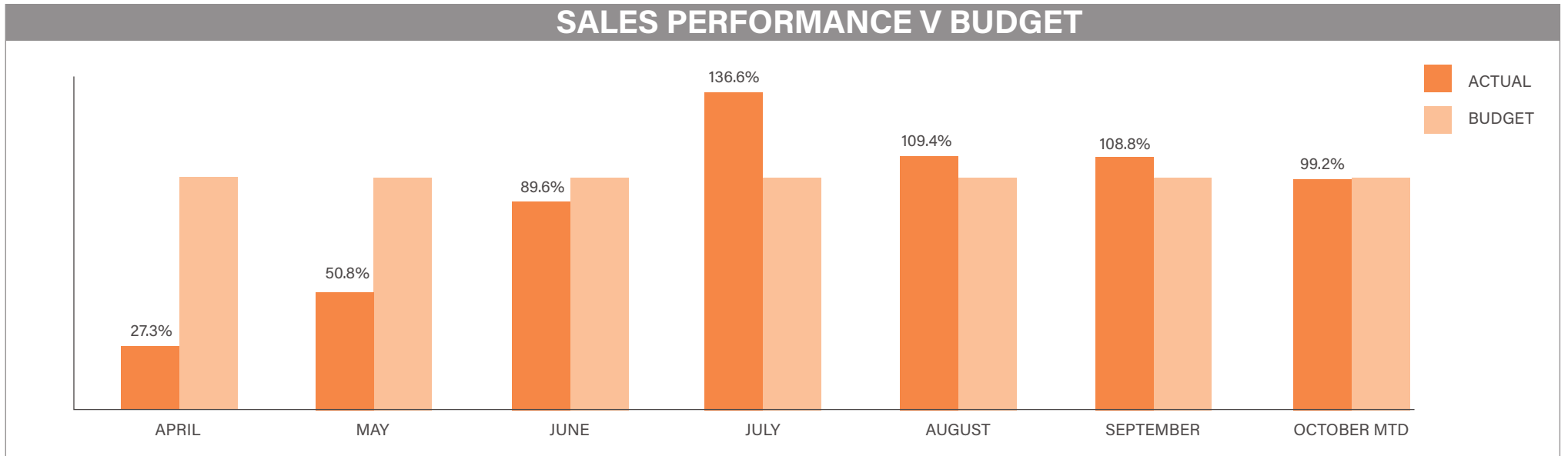
ADRIAN LAFFEY
MAINSTREAM RESIDENTIAL

- 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

HIGHLIGHTS

- MATTING BUSINESSES SUCCESSFULLY MERGED TO ONE SITE AND NOW PROFITABLE
- HEATSEAM PROVIDES GROUP WITH CRITICAL MASS IN RESIDENTIAL FLOORING
- NEW DISTRIBUTION CENTRE TO BE OPENED IN MORLEY, LEEDS
- SUCCESSFUL IMPLEMENTATION OF SINGLE PLATFORM IT SYSTEM INTO ALL BUSINESSES ACQUIRED UP TO DECEMBER 2019
- ALL LIKEWISE BRANDED BUSINESSES ESTABLISHED IN 2019 NOW PROFITABLE
- A&A PERFORMING AHEAD OF EXPECTATIONS

SALES PERFORMANCE SINCE INITIAL LOCKDOWN



IT SYSTEM IMPLEMENTATION



JANUARY
2019



APRIL
2019



MAY
2019



AUGUST
2019



NOVEMBER
2019



JANUARY
2020



MAY
2020



OCTOBER
2020



APRIL 2021
(LATEST)



NEW DISTRIBUTION FACILITY

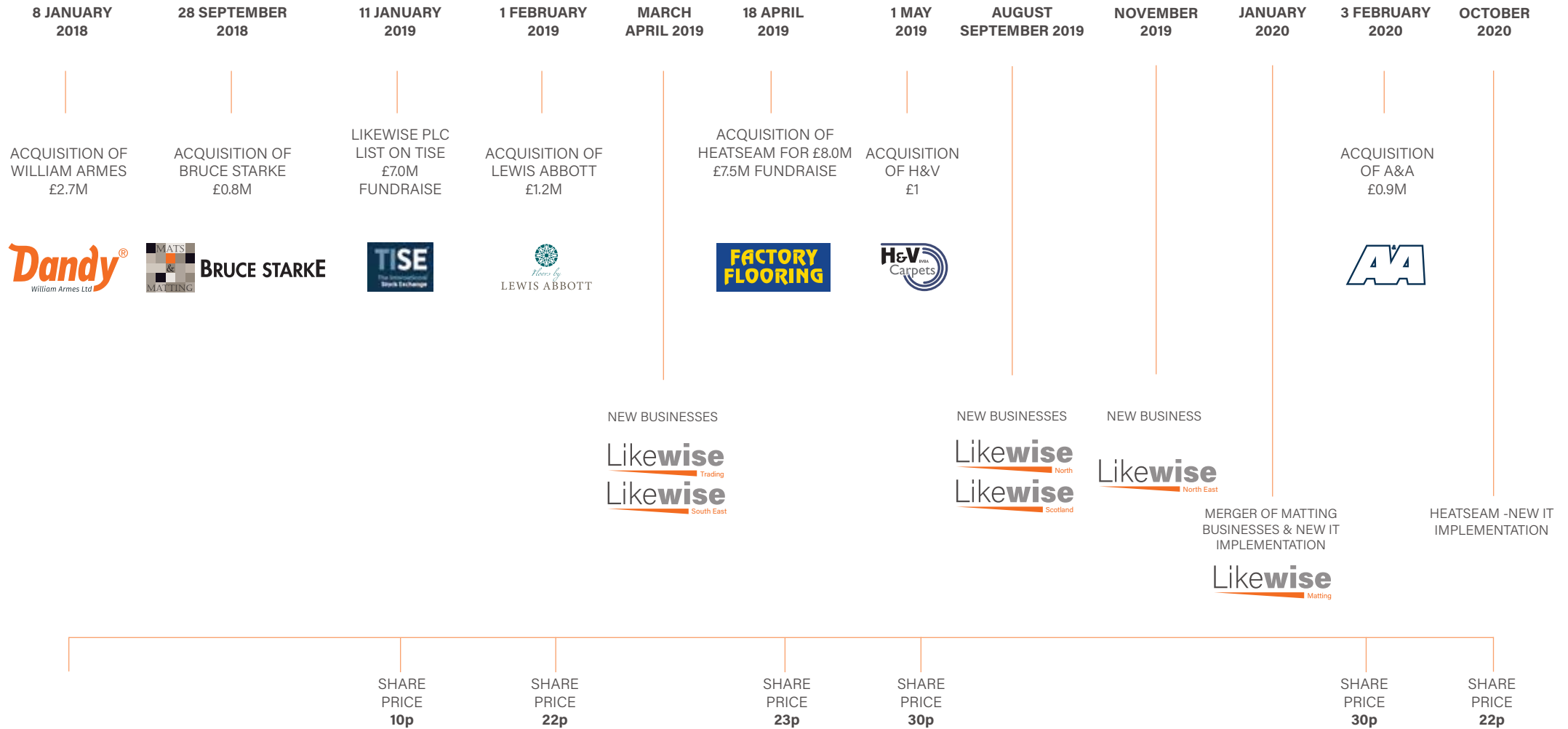
- LOCATED IN MORLEY WITH EXCELLENT ACCESS TO THE M62 AND M621 MOTORWAYS



SHOWROOM DISPLAYS



TIMELINE OF EVENTS



BRUCE STARKE



MERGER OF MATTING BUSINESSES & NEW IT IMPLEMENTATION



BUSINESS OVERVIEW - 2 DIVISIONS











MAINSTREAM DISTRIBUTION OF RESIDENTIAL AND CONTRACT FLOORCOVERINGS, ACCESSORIES AND ADHESIVES



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



SALES RESOURCE

BRAND	SALES MANAGEMENT	SALES REPRESENTATIVES	SALES AGENTS
	2	4	-
	1	3	6
	1	1	9
	1	2	1
 Scotland	2	2	-
 North East	1	2	-
 North	2	2	-
 South East	2	3	-
 Matting	2	6	2
 Trading	2	-	-
TOTALS	16	25	18

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


LOGISTICS NETWORK




● 50 DELIVERY VEHICLES PROVIDING A NEXT DAY SERVICE

 **NATIONAL DISTRIBUTION HUB**
MORLEY 80,000 FT²

 **REGIONAL LOGISTICS CENTRES**
GLASGOW 12,000 FT²
NEWCASTLE 7,500 FT²
MANCHESTER 35,000 FT²
DAVENTRY 6,000 FT²
PECKHAM 8,500 FT²

 **NATIONAL DISTRIBUTION CENTRE**
SUDBURY 80,000 FT²

 **HEAD OFFICE**
BROMSGROVE

 **EUROPE**
MEULEBEKE 20,000FT²



COMMERCIAL VEHICLES		
LOCATION	TRUCKS	VANS
GLASGOW	4	1
NEWCASTLE	3	1
MORLEY	13	2
MANCHESTER	9	2
DAVENTRY	4	3
SUDBURY	4	-
PECKHAM	3	1
TOTALS	40	10



OVERVIEW

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

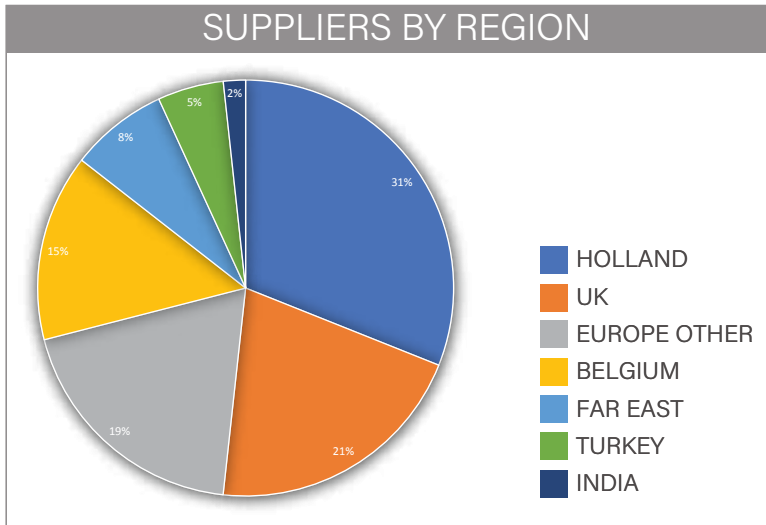
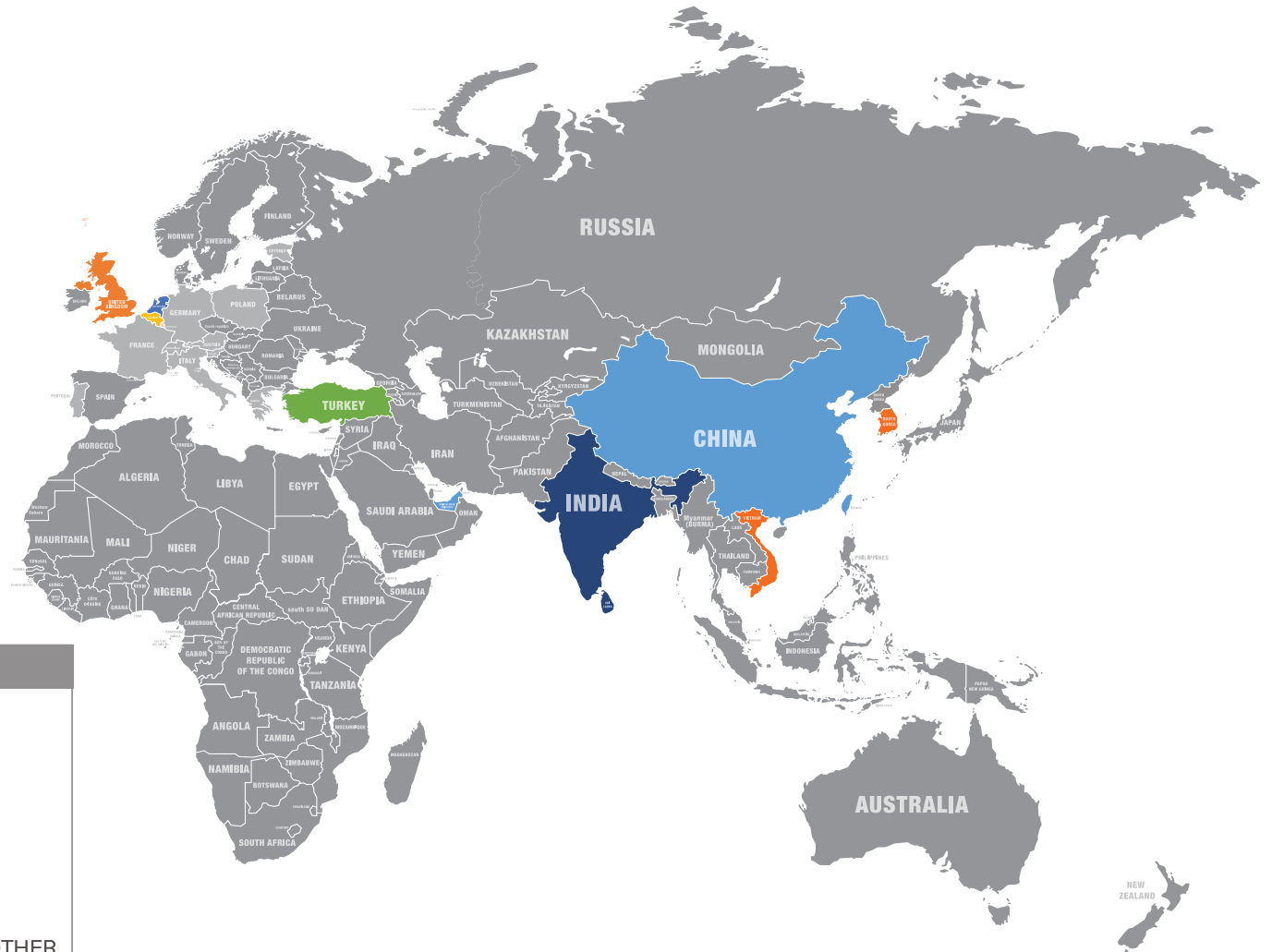
KEY RESIDENTIAL SUPPLIERS



KEY CONTRACT SUPPLIERS



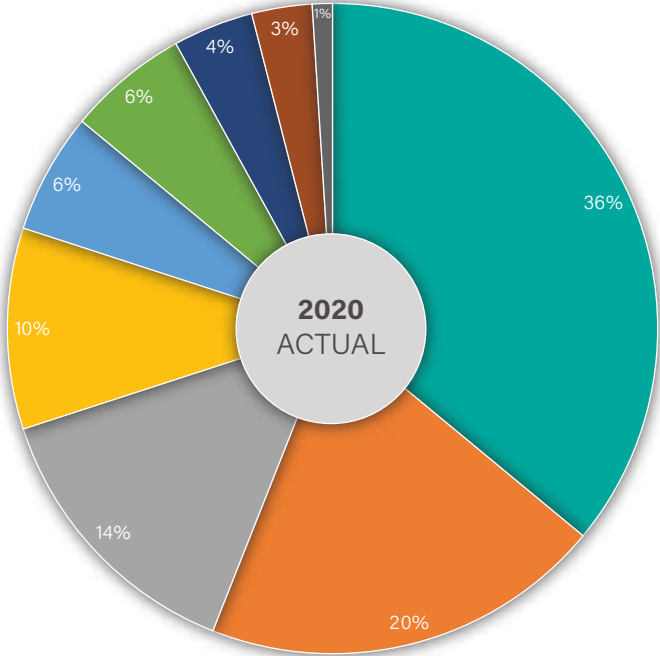
SUPPLIERS BY REGION



EMERGING REGIONS

PRODUCTS

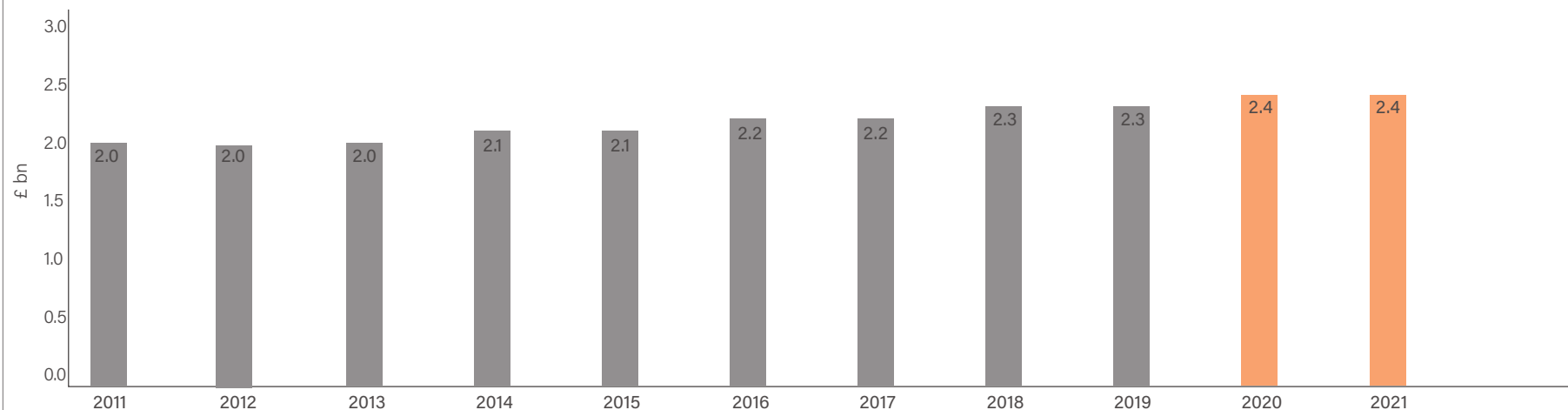
- RESIDENTIAL AND COMMERCIAL SECTORS INCLUDING MULTIPLE RETAILERS, INDEPENDENTS AND FLOORING CONTRACTORS
- COMPREHENSIVE PRODUCT OFFERING COVERING ALL KEY CATEGORIES



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

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

- 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

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