



Victoria PLC
Interim Results
For the period ended 28 September 2019

26 November 2019

Geoff Wilding, Executive Chairman
Philippe Hamers, Chief Executive
Michael Scott, Finance Director

SUMMARY FINANCIALS

Overview

“Continued growth and cash generation”

- **REVENUE: £315.9 million**

- +16% y-o-y growth

- **EBITDA margin¹: 18.5%**

- +70bps LFL² y-o-y increase

- **Successful debt refinancing**

- Including inaugural bond issue of €330m senior secured notes
- Provides significant benefits with a fixed cost over five years, more flexible and covenant-lite structure, and access to a new, deep and highly-liquid capital market

- **PBT¹: £27.5 million**

- Down £0.7m on prior year, of which £0.4m due to IFRS 16. Also adversely impacted by increased interest costs following Saloni acquisition and higher bond interest rate

- **Underlying operating cash flow³: £51.3 million**

- +17% y-o-y growth
- 88% conversion from EBITDA
- Free cash flow generated of £23.8 million, after interest, tax and replacement capex

- **Net debt (pre IFRS 16): £364.3 million**

- = 3.3x EBITDA⁴
- Adversely impacted by £6m translational difference since year-end

Notes

1. EBITDA margin and PBT shown before exceptional and non-underlying items.

2. Like-for-like EBITDA margin after excluding the impact of IFRS16 and the effect of acquisitions in the period

3. Underlying operating cash flow defined as underlying EBITDA, less non-cash items, plus movement in working capital

4. Net debt / EBITDA assessed in line with banking covenants

SUMMARY FINANCIALS

Segmental performance

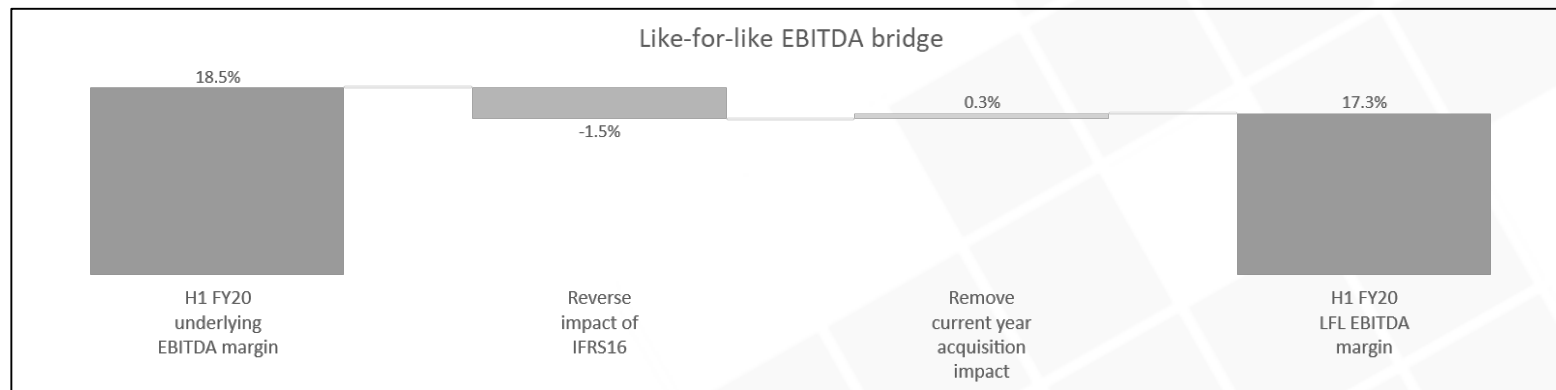
£m	26 weeks ended 28 September 2019					26 weeks ended 29 September 2018				
	UK & Europe – soft flooring	UK & Europe – ceramic tiles	Australia	Central costs	TOTAL	UK & Europe – soft flooring	UK & Europe – ceramic tiles	Australia	Central costs	TOTAL
Revenue	144.2	122.0	49.7	-	315.9	138.6	81.7	53.1	-	273.4
Gross profit	48.0	52.7	15.0	-	115.7	43.8	36.6	15.1	-	95.5
<i>Margin</i>	33.3%	43.2%	30.2%	-	36.6%	31.6%	44.8%	28.4%	-	34.9%
EBITDA ¹	19.4	34.4	5.6	(0.9)	58.5	14.6	26.2	5.4	(0.7)	45.4
<i>Margin</i> ¹	13.5%	28.2%	11.3%	-	18.5%	10.5%	32.1%	10.2%	-	16.6%
EBIT ¹	10.5	26.8	3.3	(0.9)	39.7	8.9	21.7	4.1	(0.7)	34.0
<i>Margin</i> ¹	7.3%	22.0%	6.6%	-	12.6%	6.4%	26.5%	7.7%	-	12.4%

Note

1. Figures have been impacted by the adoption of IFRS 16; shown before exceptional and non-underlying items

SUMMARY FINANCIALS

Underlying margin improvement



	26 weeks ended 28 September 2019				26 weeks ended 29 September 2018			
	UK & Europe – soft flooring	UK & Europe – ceramic tiles	Australia	TOTAL	UK & Europe – soft flooring	UK & Europe – ceramic tiles	Australia	TOTAL
LFL EBITDA margin	11.6%	28.1%	10.1%	17.3%	10.5%	32.1%	10.2%	16.6%

- UK & Europe – soft flooring: reorganisation projects carried out during FY19 are now yielding benefits
- UK & Europe – ceramic tiles: margin reduction driven by the consolidation of Saloni, which historically achieves a lower EBITDA margin (14.7% in the last financial year prior to acquisition) than our incumbent business; offset by significant operational synergies achieved in Spain between Keraben and Saloni, along with continued margin improvement in Italy
- Australia: despite the current challenging market conditions, margins have been maintained due to the reorganisation of underlay manufacturing and other cost saving initiatives

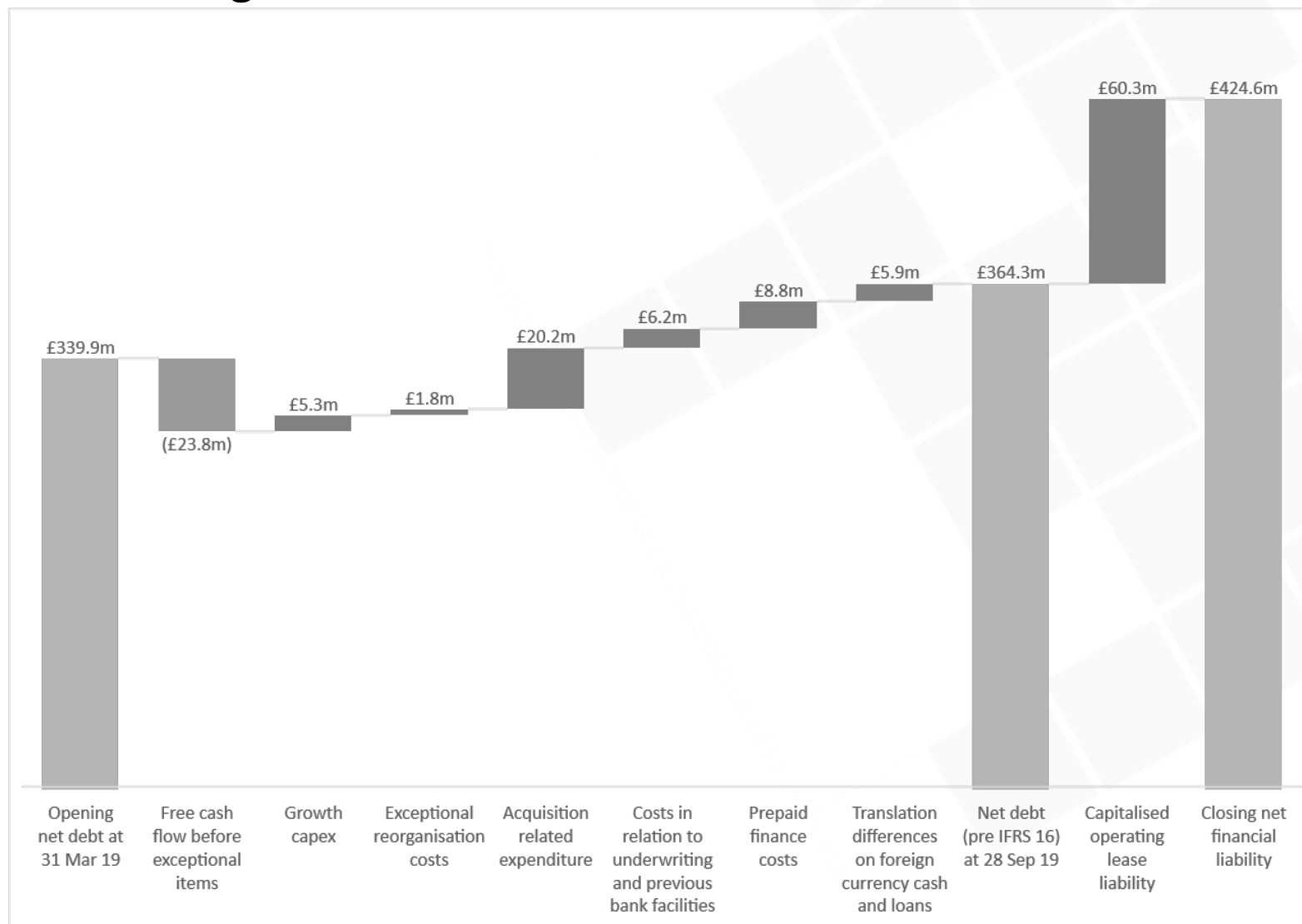
SUMMARY FINANCIALS

Consistent strong cash generation

£m	H1 FY20	H1 FY19	Full-year FY19
Underlying operating profit	39.7	34.0	70.3
Add: underlying depreciation and amortisation	18.8	11.4	26.0
Underlying EBITDA	58.5	45.4	96.3
Non-cash items	(0.4)	(0.2)	(0.8)
Underlying movement in working capital	(6.8)	(1.4)	10.2
Operating cash flow before interest, tax and exceptional items	51.3	43.8	105.7
% conversion against underlying operating profit	129%	129%	150%
% conversion against underlying EBITDA	88%	96%	110%
Interest paid	(6.5)	(4.9)	(16.5)
Corporation tax paid	(4.4)	(7.3)	(16.2)
Capital expenditure – replacement of existing capabilities	(12.3)	(8.8)	(23.5)
Proceeds from fixed asset disposals	0.4	0.4	0.9
Right-of-use operating lease payments (pre- IFRS 16)	(4.7)	-	-
Free cash flow before exceptional items	23.8	23.2	50.4
% conversion against underlying operating profit (pre- IFRS 16)	61%	68%	72%
% conversion against underlying EBITDA (pre- IFRS 16)	44%	51%	52%

SUMMARY FINANCIALS

Net debt bridge



SUMMARY FINANCIALS

Net debt

£m	H1 FY20	H1 FY19	Full-year FY19
Cash	82.1	72.2	60.2
Senior secured notes (EUR330m)	(289.9)	-	-
Term Loan	(143.2)	(402.1)	(387.0)
BGF subordinated debt	(11.7)	(11.4)	(11.6)
Finance leases (pre- IFRS 16) and other debt	(1.7)	(1.4)	(1.6)
Net debt (pre- IFRS 16)	(364.3)	(342.7)	(339.9)
Capitalised operating lease liability	(60.3)	-	-
Net financial liability (post- IFRS 16)	(424.6)	-	-

SUMMARY FINANCIALS

Balance sheet

£m	H1 FY20	H1 FY19	Year-end FY19
Goodwill and intangible assets	466.6	478.3	465.2
Property, plant & equipment and other assets	208.0	186.1	193.9
Right-of-use lease assets (post- IFRS 16) ¹	63.8	3.0	2.7
Non-current assets	738.4	667.4	661.7
Current assets	370.9	329.2	322.9
Current liabilities	(182.4)	(156.8)	(178.1)
Non-current liabilities	(541.2)	(509.6)	(485.0)
Obligations under right-of-use leases (post- IFRS 16) ¹	(62.0)	(1.8)	(1.6)
Net assets	323.7	328.4	319.9

Note

1. Right-of-use lease assets and liabilities predominantly comprise 'operating leases', which prior to adoption of IFRS16 were not recognised on the balance sheet

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