JULY 2020

VICTORIA PLC

INVESTOR PRESENTATION

Preliminary Results for year ended 28 March 2020

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1. COVID-19 – FY21 Q1 IMPACT AND CURRENT TRADING

COVID-19 – FY21 Q1 IMPACT AND CURRENT TRADING
Current status

Revenue has recovered strongly following the ending of lockdowns

(£ millions)	April	May	June	Total
UK & Europe Soft Flooring	3.1	6.9	24.5	34.5
UK & Europe Ceramic Tiles	11.8	20.2	28.2	60.3
Australia	5.3	9.4	8.6	23.3
Total	**20.2**	**36.4**	**61.4**	**118.0**
% of Pre-Covid-19 budget	***35%***	***55%***	***102%***	***64%***

Liquidity remains strong

- Q1 total operating cash flow: only c. -£7 million (not dissimilar to a normal year)
- Net Debt (pre IFRS-16) at 30 June: c. £385 million
- Cash and undrawn credit lines: c. £180 million

Credit rating

- Moody's, Fitch, and S&P have all affirmed their previous credit ratings of B1, BB-, and BB-, respectively (albeit with a 'negative outlook' due to the economic environment)

COVID-19 – FY21 Q1 IMPACT AND CURRENT TRADING

Victoria is in a strong financial and market position

Low operational gearing

- c. 54% of operating costs are wholly variable with revenue. This includes raw materials, energy, and freight
- c. 36% is semi-variable (which the Board defines as being capable of being significantly changed within 60 days) such as direct labour, logistics, and marketing expenditure
- c. 10% is fixed

Secure supply chain

- Highly diversified and invariably localised to the key manufacturing plants. Access to raw materials is secure

Highly experienced and motivated operational management

- Almost all managers are meaningful shareholders
- Many have been in the industry for 30 years or more
- A track record of successfully navigating through deep economic downturns

Wide geographic spread of both manufacturing operations and customers

- The effect on Group revenue (and its subsequent recovery) spread over time, moderating the impact

Diversified customer base

- Creditworthy
- No customer concentration

Resilient balance sheet / adequate cash liquidity

- In July 2019 and in January 2020 Victoria issued a total of €500 million of Senior Secured Notes (“bonds”). These bonds are not due before July 2024 and have **no maintenance financial covenants**
- £75m committed RCF, also maturing 2024

2. FY 2020 RESULTS OVERVIEW

FY 2020 RESULTS OVERVIEW
Financial highlights

"FY 2020 was another record year in terms of revenues and margins, with consistent strong cash flow conversion"

- **REVENUE: £621.5m**
  - *+10% growth*
  - *+0.4% like-for-like growth[1]*
- **EBITDA[2]: £118.1m**
  - *Post-IFRS 16*
  - *19.0% margin*
  - *+70bps organic improvement*
- **PBT[2]: £50.7m, EPS: 28.42p**
  - *Decline from prior year (£57.3m, 35.25p) due to increase in finance costs*
- **OPERATING CASH FLOW[3]: £97.6m**
  - *92% conversion from pre-IFRS 16 EBITDA*
  - *Free cash generated of £39.2 million, after tax, interest and replacement capex*
- **NET DEBT[4]: £365.9m**
  - *Flat on prior year on a like-for-like basis*
  - *Adverse FX increase of £24.8m*
- **LEVERAGE[4]: 3.0x**
  - *Reduction of 0.2x EBITDA*

Note

1. *Like-for-like revenue growth shown on a constant currency basis and adjusted to remove the impact of acquisitions*
2. *EBITDA, PBT and EPS shown before increase in credit loss provision, and exceptional and non-underlying items. EPS shown on a fully-diluted basis*
3. *Operating cash flow defined as underlying EBITDA, less non-cash items, plus movement in working capital. Free cash flow is before acquisition, refinancing and other exceptional items*
4. *Net debt shown before right-of-use lease liabilities, bond issue premia and prepaid finance costs. Leverage (Net debt / underlying EBITDA) consistent with the measure used by our lending banks*

FY 2020 RESULTS OVERVIEW
Financial highlights (continued)

- **Covid-19 impact:**
  - *Revenue in the month of March down -9% year-on-year due to Covid-19, which had a notable adverse impact on overall annual like-for-like sales growth and margins*

- **Acquisitions:**
  - *4 much smaller acquisitions, with total consideration paid in the year of £11.0m:*
    - ***G Tuft** (UK & Europe Soft Flooring, May '19) – strategic acquisition of contract manufacturing supplier with no profit*
    - ***Ibero** (UK & Europe Ceramic Tiles, Aug '19) – high-end ceramic tile manufacturer in Spain with c. €30m revenue*
    - ***Estillon** (UK & Europe Soft Flooring, Nov '19) – underlay distributor in the Netherlands with c. €10m revenue*
    - ***Ascot** (UK & Europe Ceramic Tiles, Feb '20) – mid-high end ceramic tile manufacturer in Italy with €60m revenue*

- **Australia return to growth:**
  - *Year-on-year growth returned to +4% in H2 (constant currency) following -5% reported in H1*

- **Like-for-like EBITDA margin improvement:**
  - *Reported margins impacted by the mix effect of lower-margin acquisitions and the adoption of IFRS 16*
  - *Like-for-like organic margin improvement of c. +70bps despite Covid-19 impact in March, comprising c. +170bps in UK & Europe Soft Flooring, c. +30bps in UK & Europe Ceramic Tiles, and c. -110bps in Australia (due to decline in H1, but reversing in H2)*

- **Cash generation:**
  - *c. £40m of free cash flow in the year (after interest, tax and replacement capex), of which*
    - *c. £12m invested in organic projects (c. £8m growth capex, c. £4m final parts of previous project exceptional costs), and*
    - *c. £27m invested in acquisitions and associated M&A costs*

FY 2020 RESULTS OVERVIEW
Operational highlights

UK & Europe Soft Flooring

- **Carpet manufacturing:**
  - *Re-focus on margin in H2 as confirmed last year, in the aftermath of a more volume oriented approach in FH19 and H1 FY20*
  - *Further rightsizing of production resource following significant reorganisation project in 2018. In the last 18 months, output has increased with approximately 115 fewer FTEs*
  - *Implementation of yarn break detection systems, improving quality and reducing waste*
  - *Gradual increase in operating speed of the new finishing line, with significant further quality improvement*

- **Underlay manufacturing:**
  - *Completion of purpose-built conveyor system linking five production lines to warehouse, increasing efficiency and safety*
  - *Reduction in off-site storage and reconfiguration of onsite warehouse*
  - *Reduction in working capital through JIT arrangements with raw material suppliers*
  - *Trading up in accessories*

- **Logistics:**
  - *Further improvement of service proposition to 85% within 2 days (from 68% in FY19)*
  - *Distribution Centre efficiency gains from 31 to 45 cuts per table per hour*
  - *Extra cutting table added – now 6 cutting tables within 3 DCs with an overall capacity of 24,000 cuts per week*
  - *Invested in a fully-automated sortation system, contributing to efficient and accurate loading*
  - *Ultimate target (now possible within existing infrastructure) of next day delivery for over 90% of orders*

FY 2020 RESULTS OVERVIEW
Operational highlights (continued)

UK & Europe Ceramic Tiles

- **Italy:**
  - *Further refinement of manufacturing processes at Serra boosting output by 10% on 2 out of 3 lines*
  - *Resolved capacity constraint at Serra in porcelain segment through the lease of Ascot, adding 7 million m² of capacity*
  - *SKU rationalisation of c. 40 % of the acquired collection at Ascot*

- **Spain:**
  - *Integration of Saloni and Keraben manufacturing completed, allowing use of only 12 lines out of 15 available to produce the same overall quantity*
  - *Developing purpose-built ranges for the growing DIY segment*
  - *Integration of Ibero to come, involving both consolidation of both production and brand / marketing*

Australia

- **Positive transition:**
  - *Main objectives under the previous challenging market conditions in HY1 were three-fold: rightsizing of costs, cash conservation and margin protection*
  - *Integration of Melbourne underlay manufacturing into the Sydney factory was completed in Q3 FY20, delivering the targeted annual upside of AUD 1.5 million*
  - *Significant focus on product development in new styles of carpet and LVT, which should benefit from H2 this year*

FY 2020 RESULTS OVERVIEW
Segmental performance

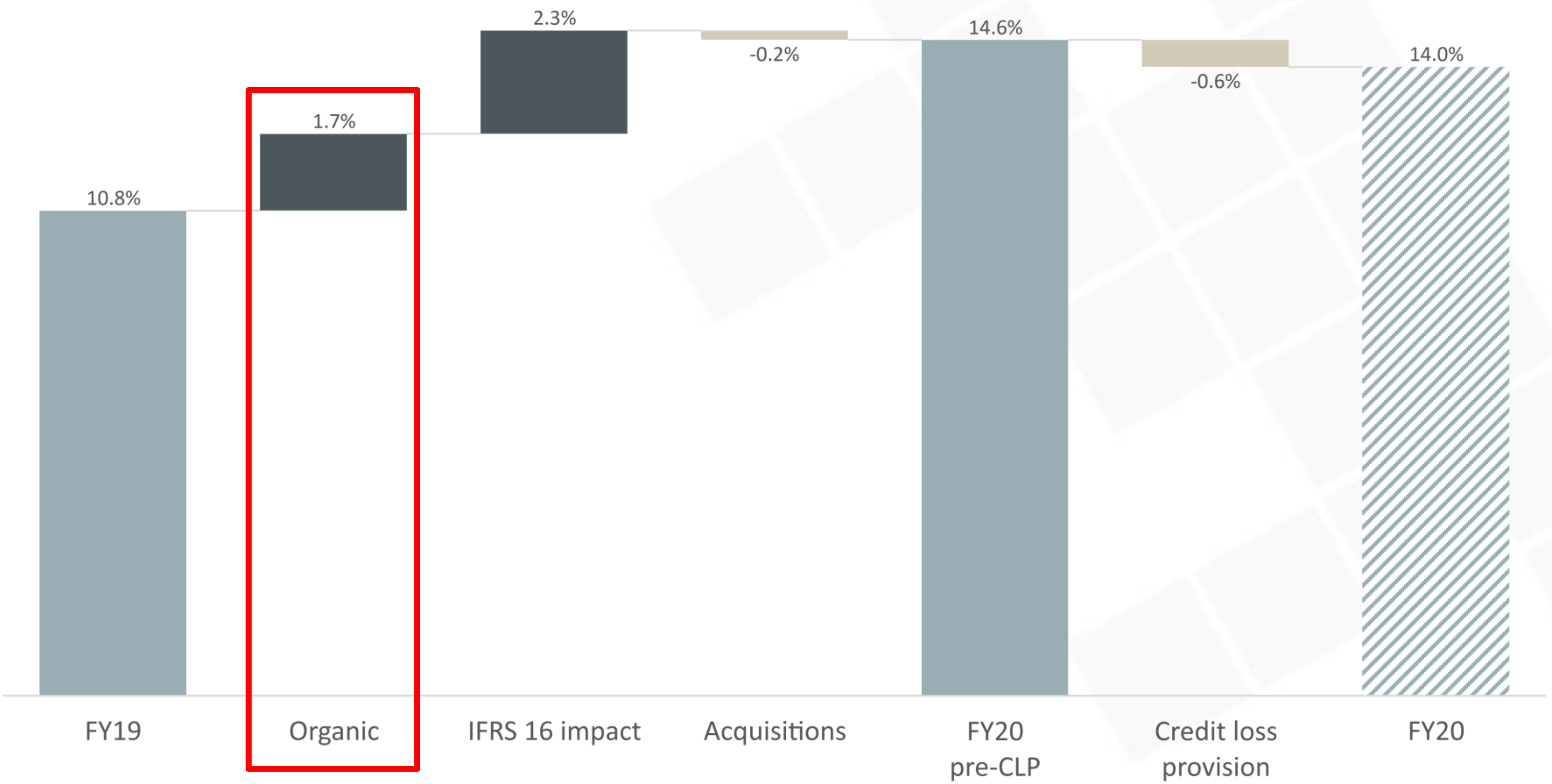
Continuing operations £m	2020					2019				
	UK & Europe – soft flooring	UK & Europe – ceramic tiles	Australia	Central costs	TOTAL	UK & Europe – soft flooring	UK & Europe – ceramic tiles	Australia	Central costs	TOTAL
Revenue	**282.0**	**243.9**	**95.6**	**-**	**621.5**	272.9	193.9	100.0	-	566.8
% growth	*+3.3%*	*+25.7%*	*-4.4%*	*n/a*	*+9.7%*	*+29.1%*	*+311.5%*	*+25.5%*	*n/a*	*+28.1%*
% LFL organic growth	-	*+2.3%*	*-1.0%*	*n/a*	*+0.4%*	*+7.3%*	*-1.3%*	*-6.9%*	*n/a*	*+2.0%*
Gross profit	**95.2**	**102.2**	**29.0**	**-**	**226.4**	86.4	87.6	27.9	-	201.9
% margin	*33.8%*	*41.9%*	*30.3%*	-	*36.4%*	*31.7%*	*45.2%*	*27.9%*	-	*35.6%*
Underlying EBITDA (post-IFRS 16)[1]	**41.3**	**68.3**	**10.3**	**(1.8)**	**118.1**	*n/a*	*n/a*	*n/a*	*n/a*	n/a
% margin	*14.6%*	*28.0%*	*10.8%*	-	*19.0%*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Underlying EBITDA (pre-IFRS 16)[1]	**34.8**	**66.2**	**8.1**	**(1.8)**	**107.2**	29.3	59.3	9.6	(1.6)	96.6
% margin	*12.3%*	*27.1%*	*8.5%*	-	*17.3%*	*10.8%*	*30.7%*	*9.6%*	-	*17.0%*
Underlying EBIT[1]	**21.7**	**51.5**	**5.8**	**(1.9)**	**77.1**	17.0	48.3	6.8	(1.7)	70.5
% margin	*7.7%*	*21.1%*	*6.1%*	-	*12.4%*	*6.2%*	*24.9%*	*6.8%*	-	*12.4%*
Movement in credit loss provision (due to Covid-19 in 2020)	(1.7)	(1.0)	(0.1)	-	**(2.8)**	(0.1)	(0.1)	(0.1)	-	(0.3)

Note

1. *Figures presented are underlying, pre-exceptional and before the increase in credit loss provision*
2. *Continuing operations - not including a small disposal from UK & Europe soft flooring division*

FY 2020 RESULTS OVERVIEW
UK & Europe Soft Flooring – 170bps organic margin improvement

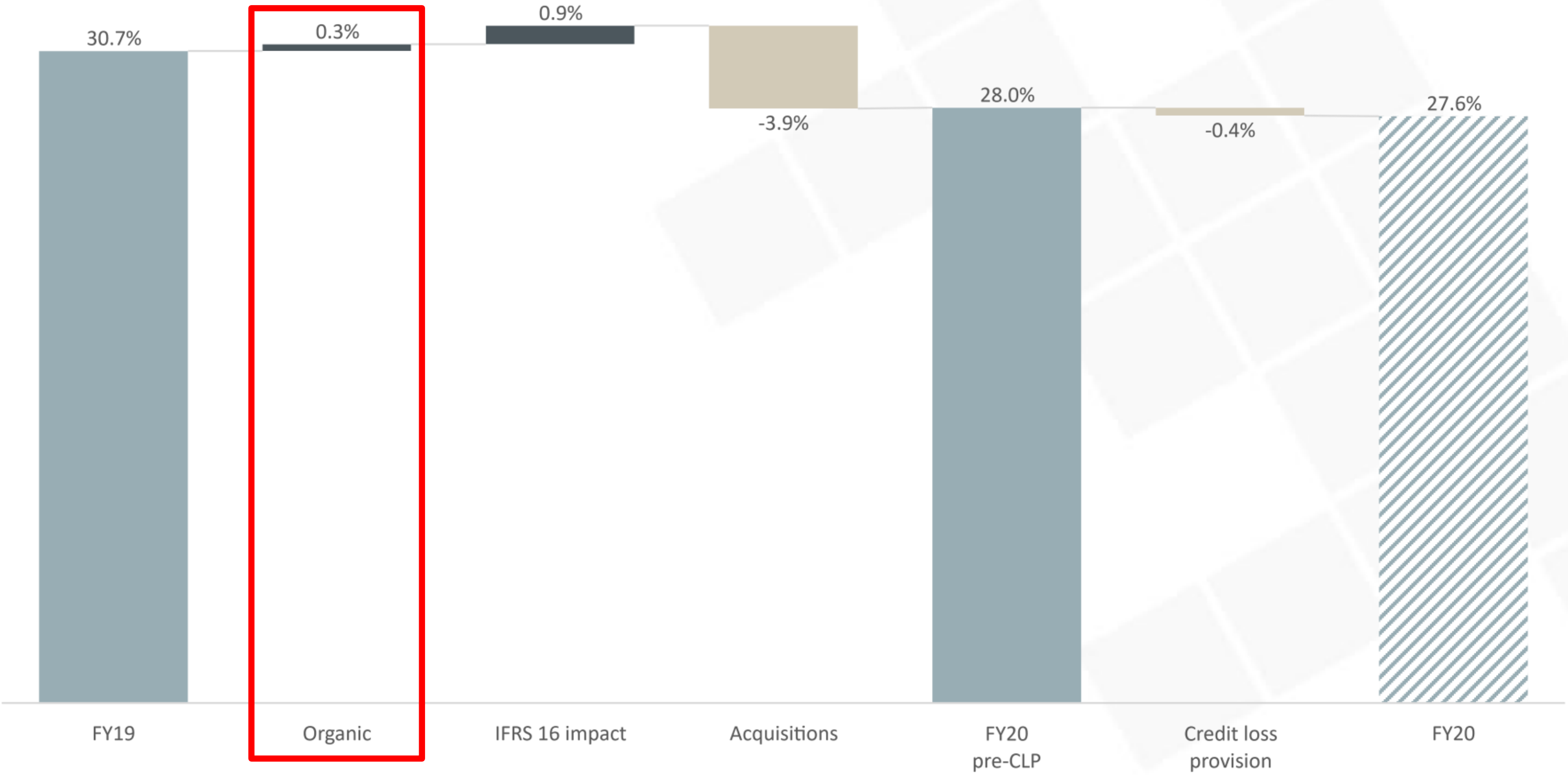
UK & Europe Soft Flooring - underlying EBITDA margin bridge[1,2]



Note
1. *Organic impact strips out the effect of acquisitions made during the current year and comparative period*
2. *Continuing operations - not including a small disposal from UK & Europe soft flooring division*

FY 2020 RESULTS OVERVIEW
UK & Europe Ceramic Tiles – 30bps organic margin improvement

UK & Europe Ceramic Tiles - underlying EBITDA margin bridge[1,2]



Note
1. *Organic impact strips out the effect of acquisitions made during the current year and comparative period*
2. *Continuing operations - not including a small disposal from UK & Europe soft flooring division*

FY 2020 RESULTS OVERVIEW
Impact of adoption of IFRS 16

£m	2020
Initial asset recognised (as at 31 March 19)	56.1
Initial liability recognised (as at 31 March 19)	57.3
EBITDA	10.9
EBIT	1.5
PBT	(1.0)

- Adoption of IFRS 16 had an impact on PBT in FY20 of -£1.0m
- Adverse impact to be expected, as previous linear operating cost has been replaced with: (i) a linear depreciation cost, plus (ii) a logarithmic, reducing finance cost (which ultimately, over the life of any given lease, arrive at the same total)
- Hence, for each lease, there is an increase in initial annual cost on adoption, but reduction in annual cost in the future
- Cash flows of course remain unaffected

FY 2020 RESULTS OVERVIEW
Non-underlying items

Non-underlying items from continuing operations, £m	2020				2019
	Covid-19 related	Refinancing related	Acquisition related	Other	Total
Exceptional items					
Acquisition and disposal related costs			(2.2)		(1.8)
Reorganisation costs				(3.5)	(12.7)
Negative goodwill arising on acquisition			5.8		
Goodwill impairment	(50.0)				
Other items					(5.9)
	(50.0)	**-**	**3.6**	**(3.5)**	**(20.4)**
Other operational items					
Non-cash share incentive plan charge				(5.9)	(1.9)
Amortisation of acquired intangibles			(25.0)		(22.5)
Acquisition-related performance plan charge					(1.5)
	-	**-**	**(25.0)**	**(5.9)**	**(25.9)**
Finance items					
Release of prepaid finance costs		(4.4)			(3.1)
Underwriting fees and costs relating to previous bank facilities		(6.5)			
Write-down of derivative asset representing value of bond embedded call option		(7.3)			
Unsecured loan redemption premium credit / (charge)		0.2			
Deferred consideration liabilities, unwinding of present value and other adjustments			(3.4)		(7.2)
Mark to market adjustments on foreign exchange forward contracts				3.2	(0.7)
Translation difference on foreign currency loans				(13.0)	(3.6)
	-	**(18.0)**	**(3.4)**	**(9.8)**	**(14.6)**

Key: Cash items

FY 2020 RESULTS OVERVIEW
Consistent strong operational cash generation

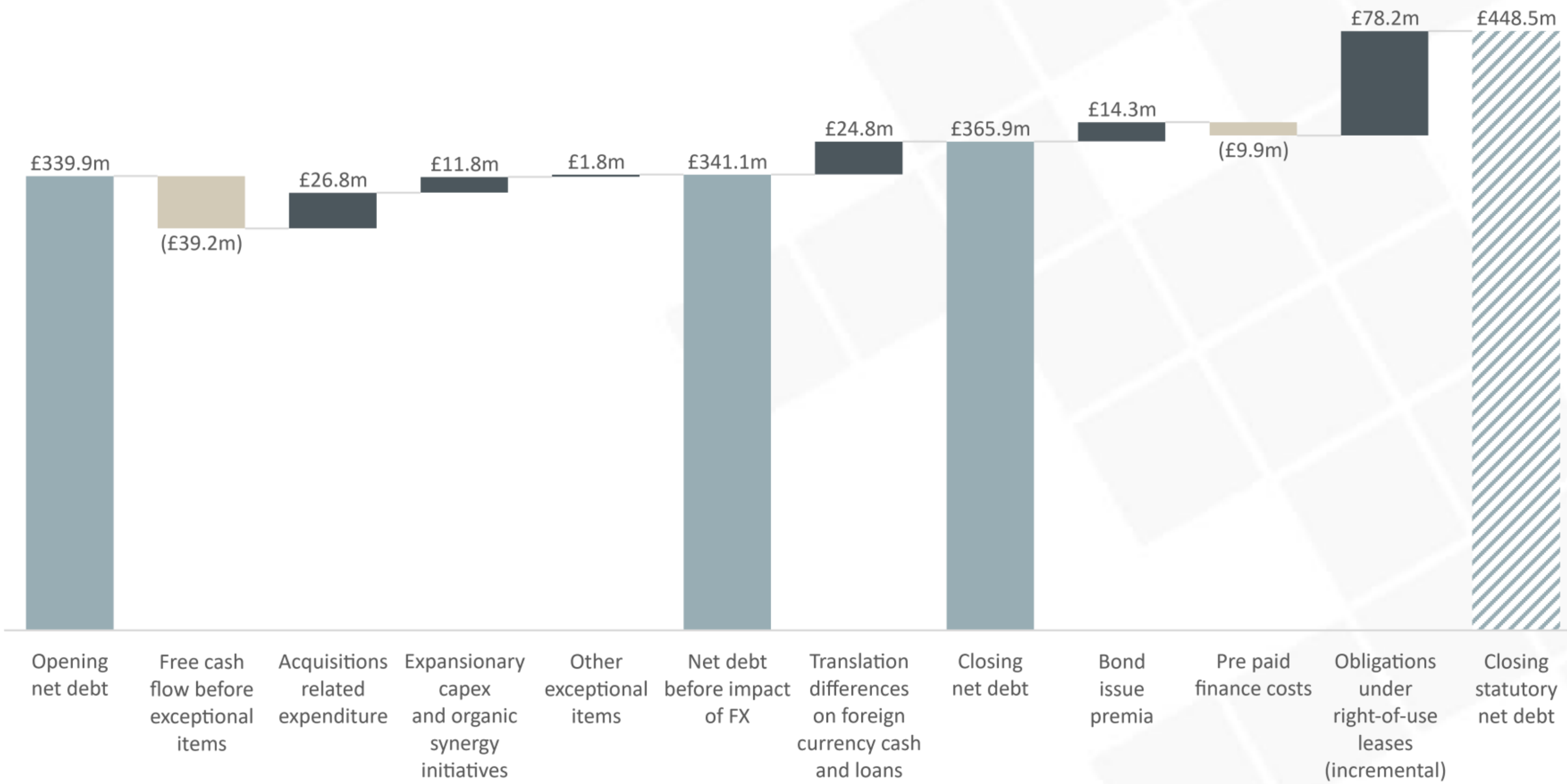
£m	2015	2016	2017	2018	2019	2020 [1]	2015-20 CAGR
Revenue	*127*	*255*	*330*	*425*	*574*	*622*	
% growth	*77.9%*	*100.9%*	*29.5%*	*28.6%*	*35.3%*	*9.7%*	
% like for like growth	*-0.2%*	*2.8%*	*4.6%*	*1.6%* [2]	*2.0%* [2]	*0.5%*	
Underlying EBITDA	**16**	**32**	**46**	**65**	**106**	**118**	
% margin	*12.4%*	*12.7%*	*13.8%*	*15.2%*	*16.8%*	*19.0%*	
Payments under right-of-use lease obligations	-	-	-	-	-	(11.6)	
Non-cash items	(0.2)	(0.1)	(0.5)	(0.2)	(0.8)	(0.8)	
Underlying movement in working capital	2.2	0.1	(1.6)	(0.2)	10.2	(8.0)	
Operating cash flow before interest, tax and exceptional items	**18**	**32**	**44**	**64**	**106**	**98**	**40.2%**
% EBITDA conversion (pre IFRS 16)	*113%*	*100%*	*95%*	*99%*	*110%*	*92%*	
Interest paid	(1)	(3)	(4)	(7)	(17)	(25)	
Income tax paid	(2)	(3)	(6)	(11)	(16)	(9)	
Replacement capex	(5)	(10)	(11)	(14)	(24)	(25)	
Proceeds from fixed asset disposals	1	1	-	2	1	1	
Free cash flow before exceptional items	**10**	**17**	**24**	**35**	**50**	**39**	**31.4%**
% EBIT conversion	*106%*	*78%*	*70%*	*72%*	*72%*	*51%*	
Expansionary capex	-	-	-	(14)	(21)	(8)	
Deferred consideration and earn-out payments	(1)	(8)	(10)	(15)	(9)	(12)	
Exceptional re-org cash items	-	-	-	(3)	(12)	(3)	
Dividends	-	-	-	-	-	-	

Note

1. *2020 figures are from continuing operations and before the increase in credit loss provision*
2. *LFL revenue growth shown on a constant currency basis and adjusted to remove the impact of acquisitions and restructuring effects*

FY 2020 RESULTS OVERVIEW

Free cash flow re-invested, hence little movement in net debt (before FX and IFRS 16)



Note

1. *Net debt shown before right-of-use lease liabilities, bond issue premia and prepaid finance costs, consistent with the measure used by our lending banks*

FY 2020 RESULTS OVERVIEW
Reduction in leverage

£m	2020	2019
Net cash and cash equivalents	174.7	60.2
Senior secured debt (at par)	(523.4)	(386.9)
Unsecured loans	(15.6)	(11.6)
Finance leases and hire purchase arrangements (pre IFRS 16)	(1.6)	(1.6)
Net debt (before obligations under right-of-use leases)	**(365.9)**	**(339.9)**
Bond issue premium - cash	(7.5)	-
Bond issue premium - non-cash (related to embedded redemption option)	(6.8)	-
Pre paid finance costs	9.9	3.6
Obligations under right-of-use leases (incremental)	(78.2)	-
Statutory net debt (net of prepaid finance costs)	**(448.5)**	**(336.3)**
Adjusted net debt / EBITDA	**3.0x**	**3.2x**

3. STRATEGY AND OUTLOOK

STRATEGY AND OUTLOOK
2020/21 outlook positive

Positive trading in all key geographies post-lockdown

- Group revenues recovered to 100% of 2020/21 pre-Covid budget
- Sustained demand in countries that exited lockdown in April

Consumer spending on home furnishings is likely to be more robust than spending generally

- Online businesses specialising in home decorating (which have not been adversely impacted by lockdowns; Wayfair is a good example) have seen increased consumer purchasing
- Since lockdowns have eased, activities around house sales (one of the key drivers of redecorating) is higher than usual
- Throughout Europe consumer debt has fallen / savings increased as a result of government support schemes and inability to spend on travel and entertainment, etc.
- Ongoing 'work from home' drive will continue to motivate consumers to improve their domestic environment

Manufacturing will be matched to demand

- Victoria's distribution model provides high visibility of end-user (consumer) demand & minimal de-stocking risk
- Production will be matched to demand to control costs and minimise working capital

Acquisitions – VCP is actively reviewing opportunities to deploy capital

- Motivated sellers
    - Retirement
    - Financially distressed

STRATEGY AND OUTLOOK

Victoria continues to adopt a consistent strategy, as applied over the last six years

1 Sustainable organic and acquisitive growth

A **Organic growth initiatives**

- Development of new brands and new product ranges, broadening target markets
- Development of entirely new, self-designed LVT range in UK and Australia
- Leveraging of cross-selling opportunities
- Co-ordinated cross-product approach to contract and market specification

B **Complementary strategic acquisitions**

- Cautious origination and execution process
- 13 acquisitions made since 2013, diversifying the Group’s products and end-markets

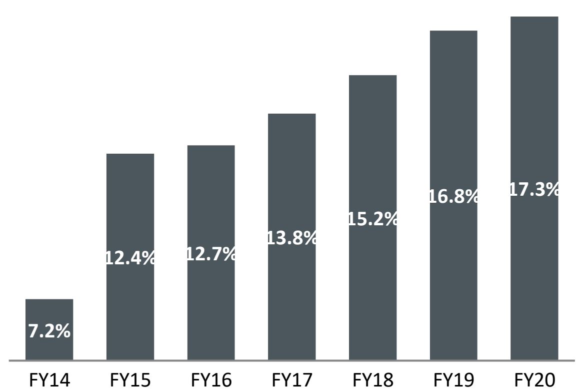
Acquisition criteria

- Growing businesses
- Sustainable above average margins
- Broad distribution channels
- Modern plant and facilities
- Committed management team

2 Synergies and integration to drive margin

- ✓ Customer-facing activities (design, branding, sales and marketing) are maintained independently
- ✓ Operational synergies (procurement, production, logistics and IT) drive margin expansion
- ✓ Commercial synergies drive revenue growth

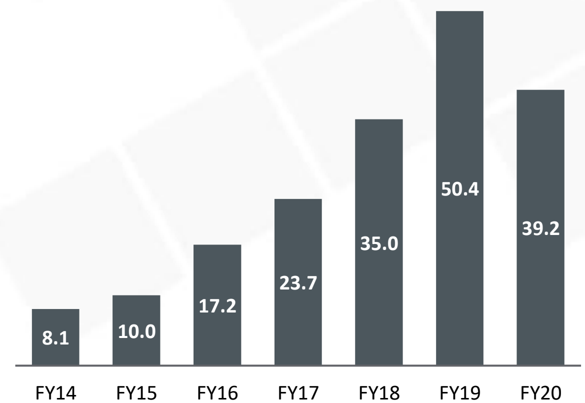
Underlying EBITDA margin (%)



3 Generation of free cash flow to enable deleveraging

- High free cash conversion
- Leverage reduction

Free Cash Flow before exceptional items (£m)



Source: Company information.

(1) Operating cashflow is calculated as underlying EBITDA, plus the movement in working capital, less maintenance capex and less non-cash items.

(2) FY20 EBITDA margin is pre-IFRS 16 and before increase in credit loss provision

STRATEGY AND OUTLOOK
LVT – Luxury Vinyl Tile

westex. FLOORING EXCELLENCE | Distinctive FLOORING | frontier | HEARTRIDGE FLOORS BY DUNLOP

DEMAND

- **LVT demand growing much slower** in UK/Europe than in the US:
  - 2017 sales: 59m sqm (total flooring market: 2,240m sqm);
  - CAGR 2017-22: 2.3%
- **European consumer reluctance to install synthetic versus natural product**
- **Displacing laminates, vinyl,** not ceramics or carpet

MANUFACTURE

- Victoria **designs in-house** and decides specification.
- **Manufacturing is outsourced**.
  - Unlimited scalability,
  - Latest technology fast changing
  - Flexibility,
  - Nil production risk,
- Low operational gearing

DISTRIBUTE

- Victoria has **broad channels to market**, with the key one - given LVT's mid to high-end positioning - being **direct sales to thousands of specialist, independent retailers**.
- Satisfying all flooring category demand is a **key part of the customer proposition and a key defensive quality** of the Company

4. APPENDIX

March 2020 income statement

Continuing operations £m	2020	2019	2020 margin
Revenue	621.5	566.8	
Cost of sales	(395.1)	(364.8)	
Gross profit	**226.4**	**202.0**	**36.4%**
Distribution and admin. expenses	(153.3)	(134.6)	
Other operating income	4.0	3.1	
Underlying operating profit	**77.1**	**70.5**	**12.4%**
Underlying finance costs	(26.3)	(13.1)	
Underlying PBT	**50.7**	**57.3**	**8.2%**
Credit loss provision	(2.8)	(0.3)	
Amortisation of acquired intangibles	(25.0)	(22.5)	
Exceptional costs	(5.9)	(23.8)	
Exceptional goodwill impairment	(50.0)	-	
Non-underlying finance costs	(18.2)	(10.9)	
Translation difference on foreign currency loans	(13.0)	(3.6)	
Reported PBT	**(64.0)**	**(3.8)**	

Note

1. Underlying operating profit and underlying PBT shown before increase in credit loss provision

March 2020 balance sheet

£m	2020	2019
Property, plant & equipment	211.8	190.8
Current assets	309.5	256.5
Current liabilities	(210.1)	(152.0)
Non-current liabilities	(16.8)	(15.0)
Net tangible operating assets	**294.4**	**280.3**
Net cash and cash equivalents	174.7	60.2
Senior secured debt (at par)	(523.4)	(386.9)
Bond issue premium - cash	(7.5)	-
Bond issue premium - non-cash (related to embedded redemption option)	(6.8)	-
Unsecured loans	(15.6)	(11.6)
Finance leases and hire purchase arrangements (pre IFRS 16)	-	(1.6)
Obligations under right-of-use leases	(79.8)	-
Pre paid finance costs	9.9	3.6
Net debt including right-of-use leases	**(448.5)**	**(336.3)**
Goodwill and intangibles	439.9	465.2
Deferred tax liability	(64.7)	(60.3)
Right-of-use lease assets	78.5	-
Deferred and contingent earn-out liabilities	(39.0)	(29.1)
Intangible assets and other items	**414.7**	**375.8**
Overall net assets	**260.6**	**319.9**

Key investment highlights

The Victoria Group presents a unique credit story

1. Global business with a focus on the mid to high-end products
2. Diversified business across products, customers and geographies
3. Stable flooring market underpinned by the resilient improvement and repair segment
4. High structural barriers to entry
5. Low operational gearing through a flexible cost base and limited capex intensity
6. Proven acquisition track record and ability to realise synergies
7. Experienced management team with proven track record of sustainable value creation

1 Global business with a focus on the mid to high-end products

	Ceramic tiles (28% Adj. EBITDA margin[1])	Soft flooring (14% Adj. EBITDA margin[1])			
	UK & Europe	UK & Europe		Australia	
Market position	Strong market positions across key markets	#1 in UK Carpets[(2)]	#1 in UK Underlay and accessories[(2)]	#2 in Carpets[(3)]	#1 in Underlay and accessories[(3)]
Brands span from mid-end mass market up to high-end covering every price point	atlantictiles, Keraben, IBERO PORCELANICO, SALONI cerámica, CASAINFINITA, METROPOL, mono SERRA ceramic, Ascot CERAMICHE, Dom CERAMICHE	Artificial grass: GRASS INC., avalon LVT: westex. FLOORING EXCELLENCE, Distinctive FLOORING Underlay and accessories: Duralay, tredaire, STIKATAK, Gripperrods, estillon, Softstep, Super Step Carpet: westex., Millennium Weavers Europe, LOVE STORY, HUGH MACKAY carpets, whitestone weavers, THOMAS WITTER, WILTON ROYAL, VICTORIA CARPETS, gaskell, STAINFREE, G~tuft		LVT: HEARTRIDGE FLOORS BY DUNLOP, frontier Underlay and accessories: DUNLOP flooring COMFORT THAT LASTS Carpet: VICTORIA CARPETS, Quest	

(1) Adj. EBITDA margin is post IFRS 16 and before credit loss provision
(2) Largest UK manufacturer by volume.
(3) By sales.

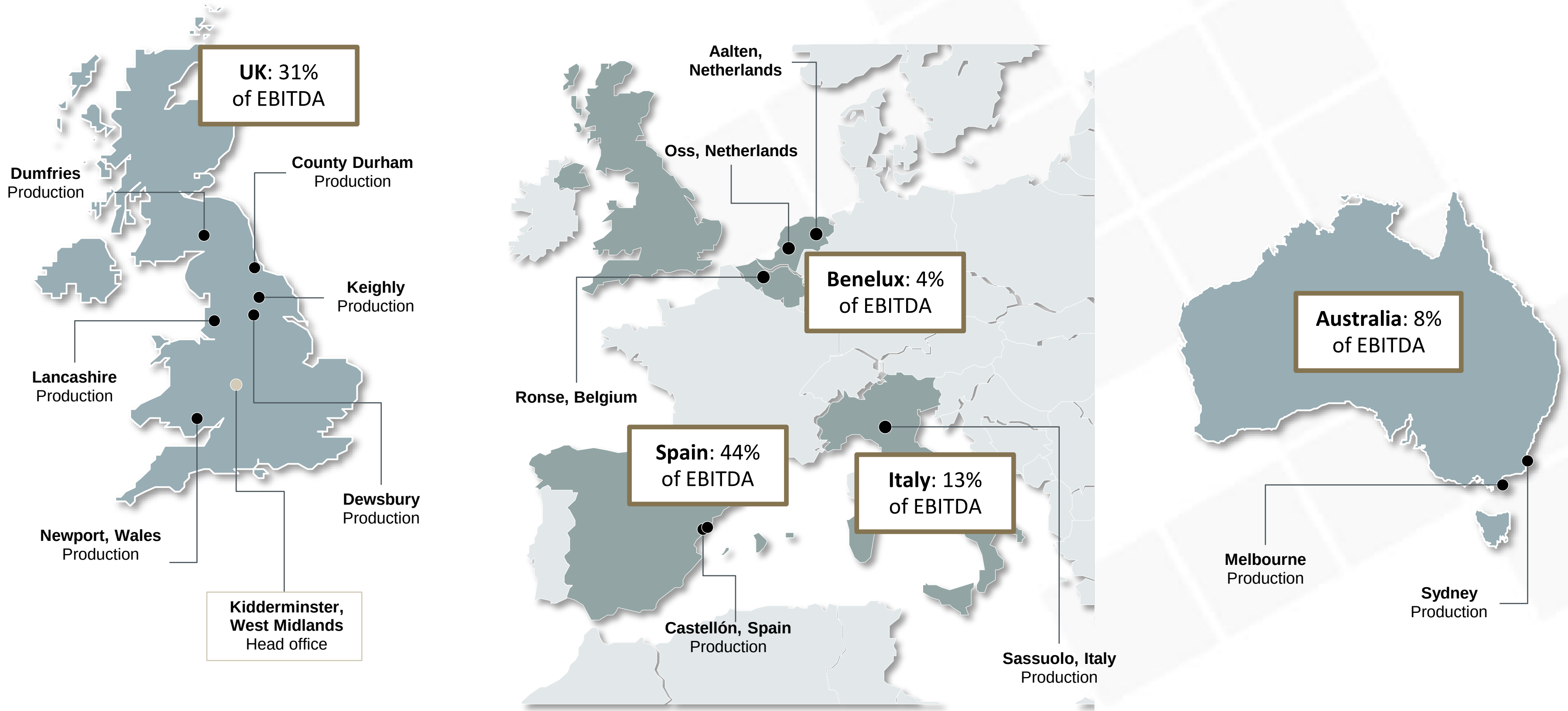
1 Global business with a focus on the mid to high-end products

Proximity of production sites to domestic market allows Victoria to service demand effectively

Significant operational improvement from synergy and reorganisation projects

Enhanced logistic capabilities through several distribution centres across the UK

Underlying EBITDA by Country of Origin:



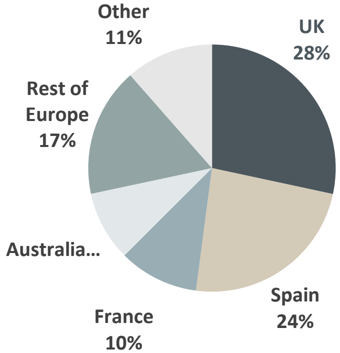
Employees:	*UK & Europe: c. 3,050*	*Australia: c. 350*

Note:
Figures based on FY21 management budget

② Diversified business across products, customers and geographies

Highly diversified geographic exposure

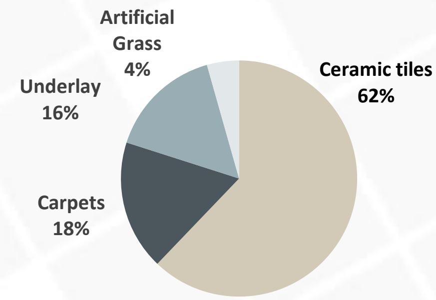
Split of EBITDA by destination country[1]



Flexibility to produce in and serve multiple geographies

Well balanced product portfolio

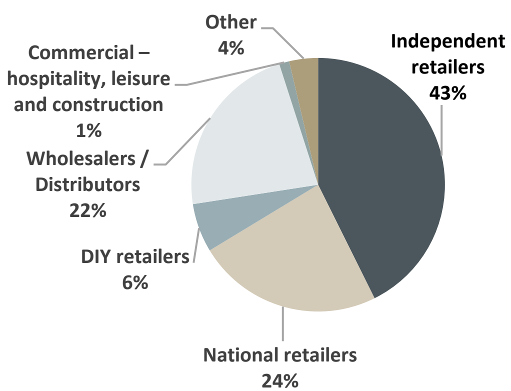
Split of EBITDA by product category[1]



Wide product offering increases cross selling opportunities, visibility and pricing power

Multi-channel customer base

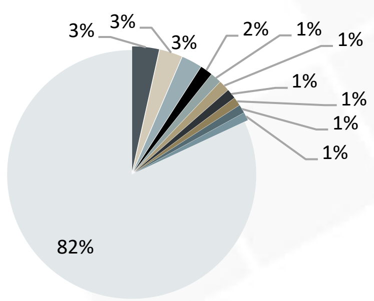
Split of revenue by customer type[1]



Largest group of customers are independent flooring retailers having brand loyalty and long term relationships

Low customer concentration

Split of revenue by key customer[1]

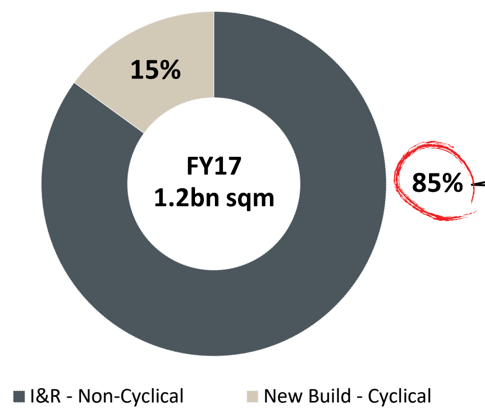


Top 10 customers account for 18% sales with largest customer accounting for 3%

Note:
(1) Figures based on FY19 pro-forma

Stable flooring market underpinned by the resilient improvement and repair segment

Improvement & repair is the primary driver of the Western European and Australian residential flooring markets



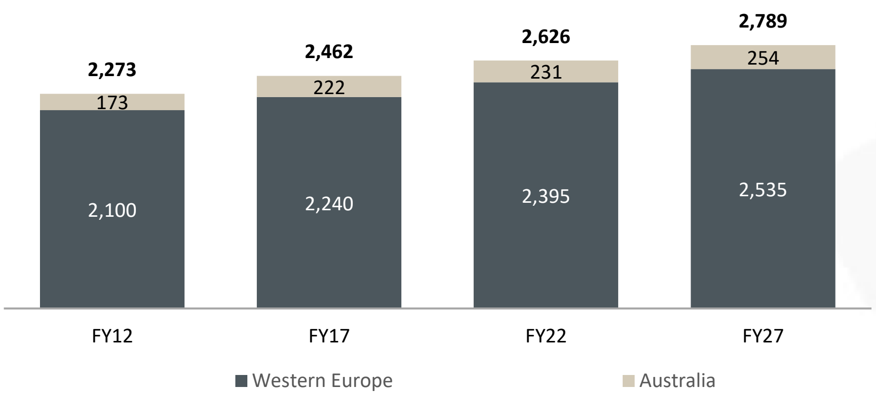
I&R end market **5-6x larger** than new construction

Key advantages of I&R vs. new build

- End users less price sensitive
- More stable through the cycle given lower cost vs. new build

We operate in developed markets with steady growth drivers

Western European and Australian flooring market (m sqm)



	CAGR FY12-17	CAGR FY17-22
Total	1.6%	1.3%
Australia	5.1%	0.8%
Western Europe	1.3%	1.3%

Source: Freedonia Global Flooring Market Report (Jan-19)

4 High structural barriers to entry

Fragmented customer base – focus on long-standing relationships with broad network of independent retailers

Proximity to customers helps influence designs/trends and maintain customer relationships

Established and trusted brands – well known with retailers for certainty of supply and quality

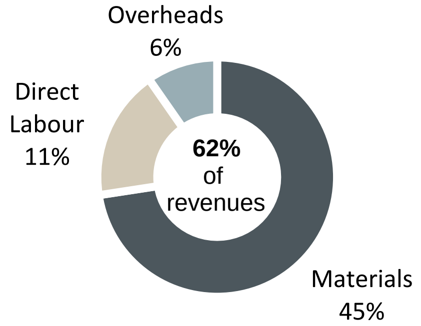
Scale is key – smaller operations / contract manufacturing significantly less efficient than long production runs

Product handling – specialist warehousing and distribution required; difficult over long distances

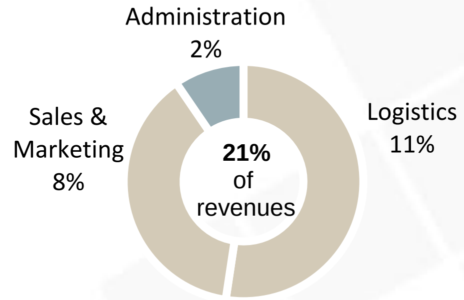
Deep product knowledge and technical expertise – vital to underpin operational efficiency and innovation

5 Low operational gearing through a flexible cost base and limited capex intensity

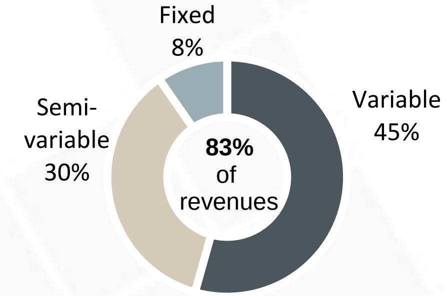
Cost of sales[(1)]



SG&A[(1)]

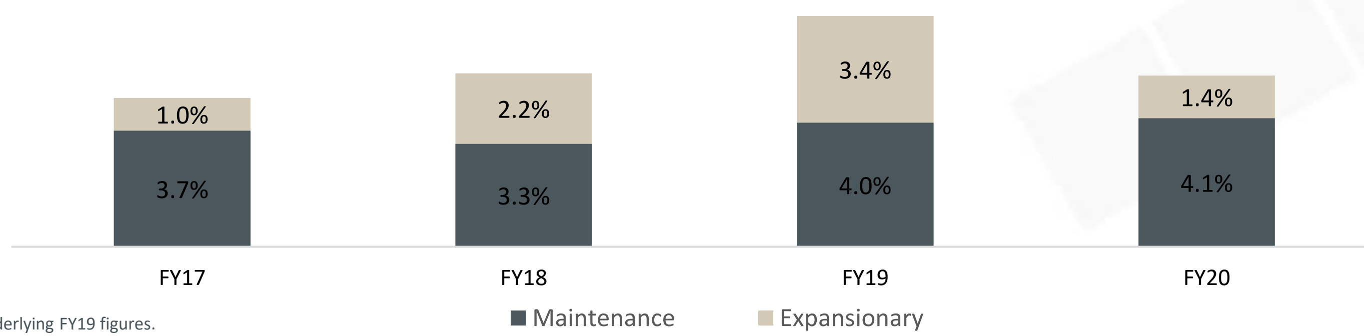


Total cost base[(1)]



- Variable cost – varies directly with revenues
- Semi-variable cost – flexibility within a few months
- Fixed cost (can still be subject to synergies)

Capex % of revenue – low maintenance requirement

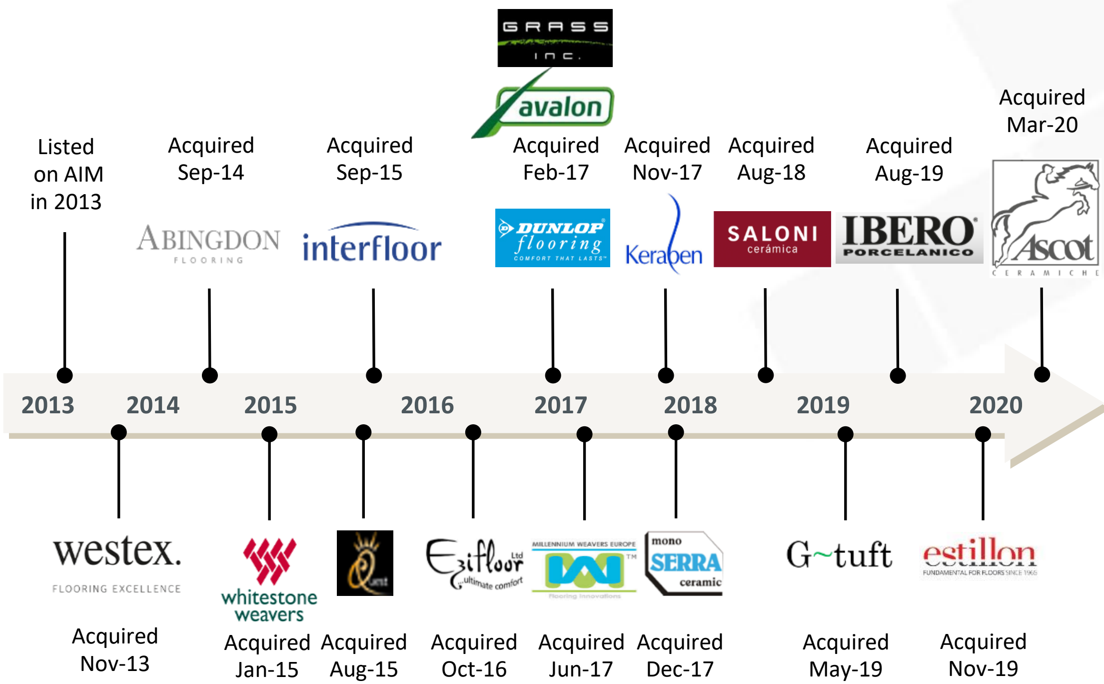


Note: Based on underlying FY19 figures.

(1) Represent costs within underlying EBITDA.

6 Proven acquisition track record and ability to realise synergies

Value accretive acquisitions driving EBITDA growth



	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20[1]
Underlying EBITDA	£2.3m	£5.1m	£15.8m	£32.3m	£45.7m	£64.7m	£96.3m	£107.2m
% margin	*3.0%*	*7.0%*	*12.4%*	*12.7%*	*13.8%*	*15.2%*	*16.8%*	*17.3%*

Consolidator in a fragmented industry

- Built meaningful scale since 2013 with 17 acquisitions
- Keraben, Serra & Saloni propelled group to a strong market position in European Ceramic tiles

Synergies create strong levers for margin expansion

- Better buying power on raw materials
- Rationalisation of product lines and cross selling via new distribution channels
- Ability to affect price increases
- Distribution, warehousing and logistics
- Consolidation of manufacturing capacity

Source: Company information.
(1) FY20 figures from continuing operations, before IFRS 16 and movement in credit loss provision

7 Experienced management team with proven track record of sustainable value creation

Geoffrey Wilding
Executive Chairman

Wider Management Team

- [15] Managing Directors responsible for individual business units
- [20 years] of average industry experience
- Experience, product knowledge, enthusiasm, skill second to none
- Actively incentivised in Victoria's future with significant investment in shares, LTIP plans, and cross-unit Board membership / project

Philippe Hamers
Chief Executive

Retention of management

- All managers retained post acquisition earn-out period ,excluding retirees
- Almost all managers have meaningful amounts of their net worth invested in VCP
- Of the [17] acquisitions to date, [8] have completed earn-out and [5] did not have earn-outs

Michael Scott
Group Finance Director

Value Creation

	FY14	Adj. PF 2020
Revenues (£m)	71	622
EBITDA margin (%)	7.2%	17.3%(1)
Market Cap (£m)	23	301(2)

Note:
(1) FY20 EBITDA margin based on underlying EBITDA, pre IFRS 16 and before movement in credit loss provision, from continuing operations
(2) As of 21 July 2020.

Shareholder register (16 July 2020)

Rank	Investor Name	Shareholding	%
1	Invesco	25,826,095	20.60
2	Mr Geoff Wilding	22,438,650	17.89
3	Spruce House Investment Mgt	18,570,000	14.81
4	Camelot Capital Partners	7,694,103	6.14
5	Morgan Stanley Investment Mgt	6,041,668	4.82
6	Mubadala Investment Company	4,716,717	3.76
7	Danske Capital Mgt	2,499,699	1.99
8	Long Light Capital	2,345,000	1.87
9	Columbia Threadneedle Investments	2,039,970	1.63
10	BlackRock Investment Mgt - Index	1,863,606	1.49
11	Shore Capital Stockbrokers	1,744,603	1.39
12	UBS Securities	1,697,361	1.35
13	Interactive Investor	1,689,290	1.35
14	Hargreaves Lansdown Asset Mgt	1,624,256	1.30
15	Mr Charles Anton	1,520,550	1.21
16	Mr Rodney Style	1,480,000	1.18
17	Banque Syz & Co	1,334,339	1.06
18	Redmayne Bentley Stockbrokers	1,028,734	0.82
19	Miss Georgina Anton	1,006,500	0.80
20	Miss Francesca Anton	1,000,000	0.80
	Others	*17,236,863*	*13.75*
	Total	**125,398,004**	**100.00**

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