19 JULY 2022

VICTORIA PLC

"creating wealth for shareholders"

ANNUAL RESULTS INVESTOR PRESENTATION

Preliminary Results for Year Ended 2 April 2022

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FY2022 Executive Summary

FY2022 Results Highlights

9 years since the current board was appointed by shareholders

REVENUE
£1,019.8m
FY21 £622.3m
+54%

EBITDA[1]
£162.8m
FY21 £127.4m
+28%

EBIT[1]
£107.9m
FY21 £79.8m
+35%

LEVERAGE[2]
2.66x
Net Debt/EBITDA
FY21 3.10x
+14%

CASH FLOW PER SHARE[3]
£0.96
FY21 £0.77
+24%

ADJUSTED EPS[4]
£0.40
FY21 £0.29
+38%

Note

1. *EBITDA and EBIT shown before exceptional and non-underlying items.*
2. *Applying our lending banks' measure of financial leverage (adjusted net debt / EBITDA), adjusting to take into account the full annual contribution from acquisitions and consistent translational FX.*
3. *Cash flow per share based on underlying operating cash flow before interest, tax and exceptional items, and current number of shares outstanding (non-diluted).*
4. *Adjusted EPS shown on a fully-diluted basis.*

Executive summary

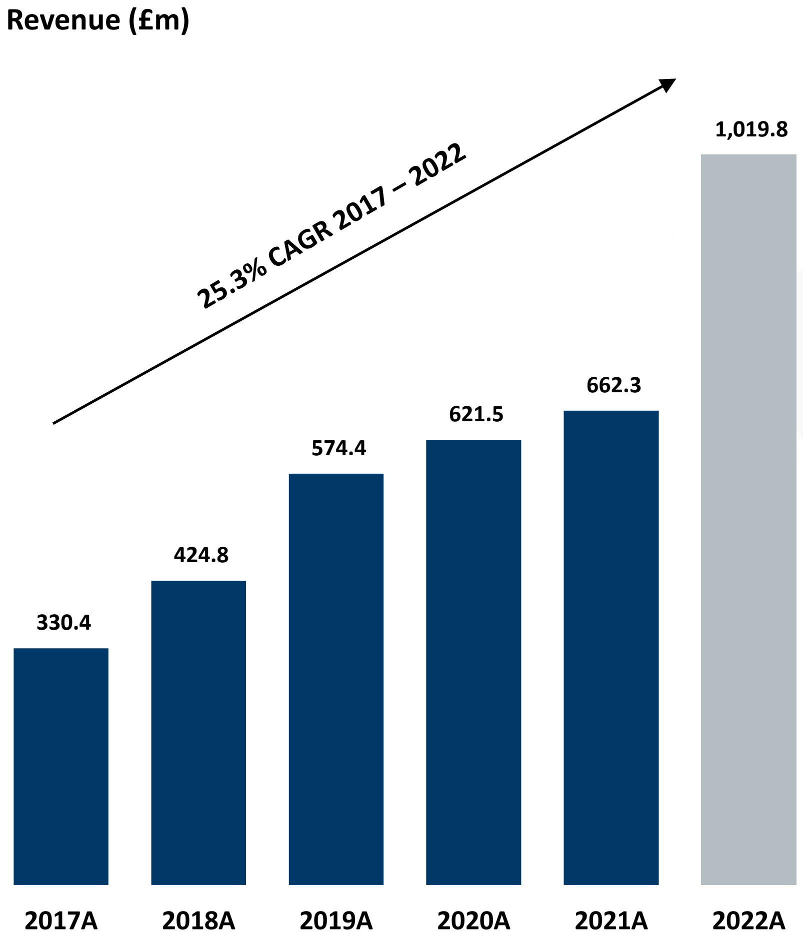
1. **A global flooring products group with a diverse range of brands and products**
   - Victoria PLC is a 126-year-old global designer, manufacturer and distributor of flooring products including ceramic tiles, carpet, underlay, luxury vinyl tile (LVT), artificial grass and flooring accessories
2. **Consistent organic growth**
   - > 3% organic revenue CAGR since 1997 = stable demand
   - Progressive EBITDA margin expansion from 3.3% in FY2013 to 16.0% in FY2022
   - Resilient supply chain
   - Inflationary pressures being managed
3. **Clear, proven acquisition-led growth strategy**
   - Since 2013, Company has successfully integrated 21 acquisitions, successfully generating synergies leading to increased scale and sustainable, above average margins
   - c. £65 million of EBITDA acquired in FY2022 for an average multiple of c. 5.7x = “Margin of Safety”
   - Large number of potential acquisition opportunities in a €60 billion+ industry (US & Europe)
   - Acquisition targets must satisfy strict criteria and are subject to disciplined risk management – significant focus on sustainability of profits and cash flow through the cycle
4. **Robust balance sheet**
   - More than £200m available cash and undrawn credit lines at the year-end (after adjusting for the post year-end completion of Balta)
   - Senior debt: long-dated, covenant-lite bonds with a fixed interest rate. Year-end net leverage of c.2.7x[1], which rose to c. 3.3x on the acquisition of Balta
   - Stated financial policy of targeting leverage of c. 3x

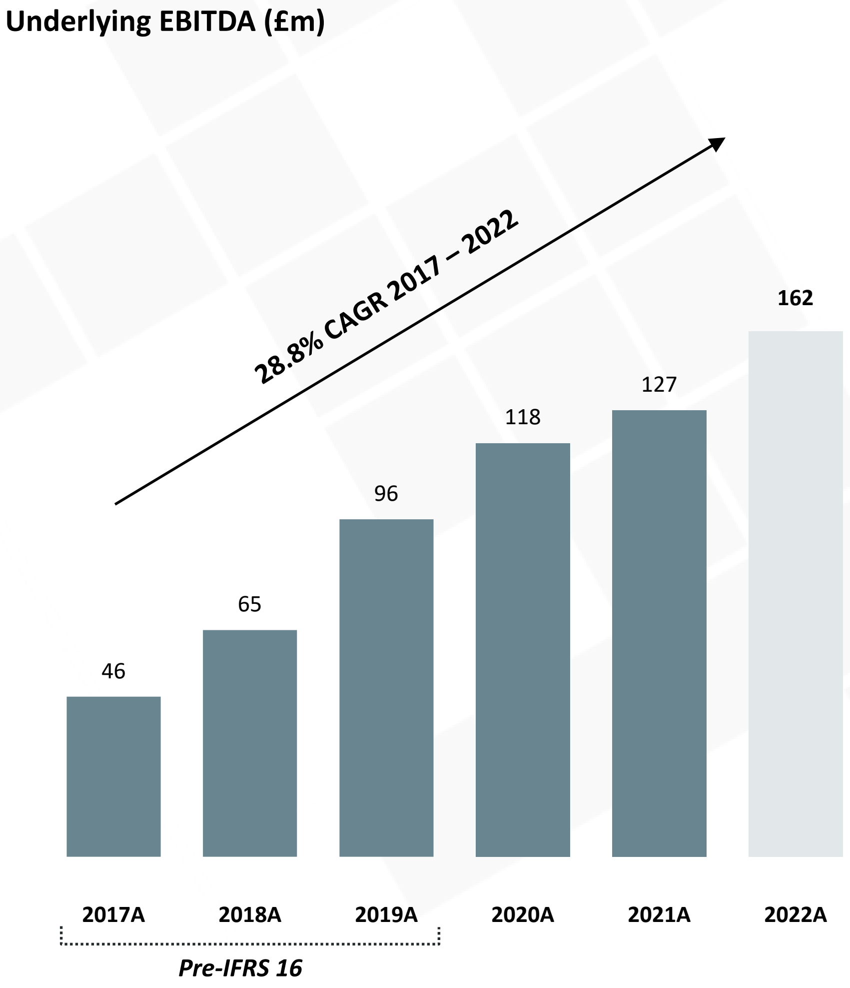
Note

1. Applying our lending banks’ measure of financial leverage (adjusted net debt / EBITDA), adjusting to take into account the full annual contribution from acquisitions and consistent translational FX.

FY 2022 Financial Report – record revenues and earnings

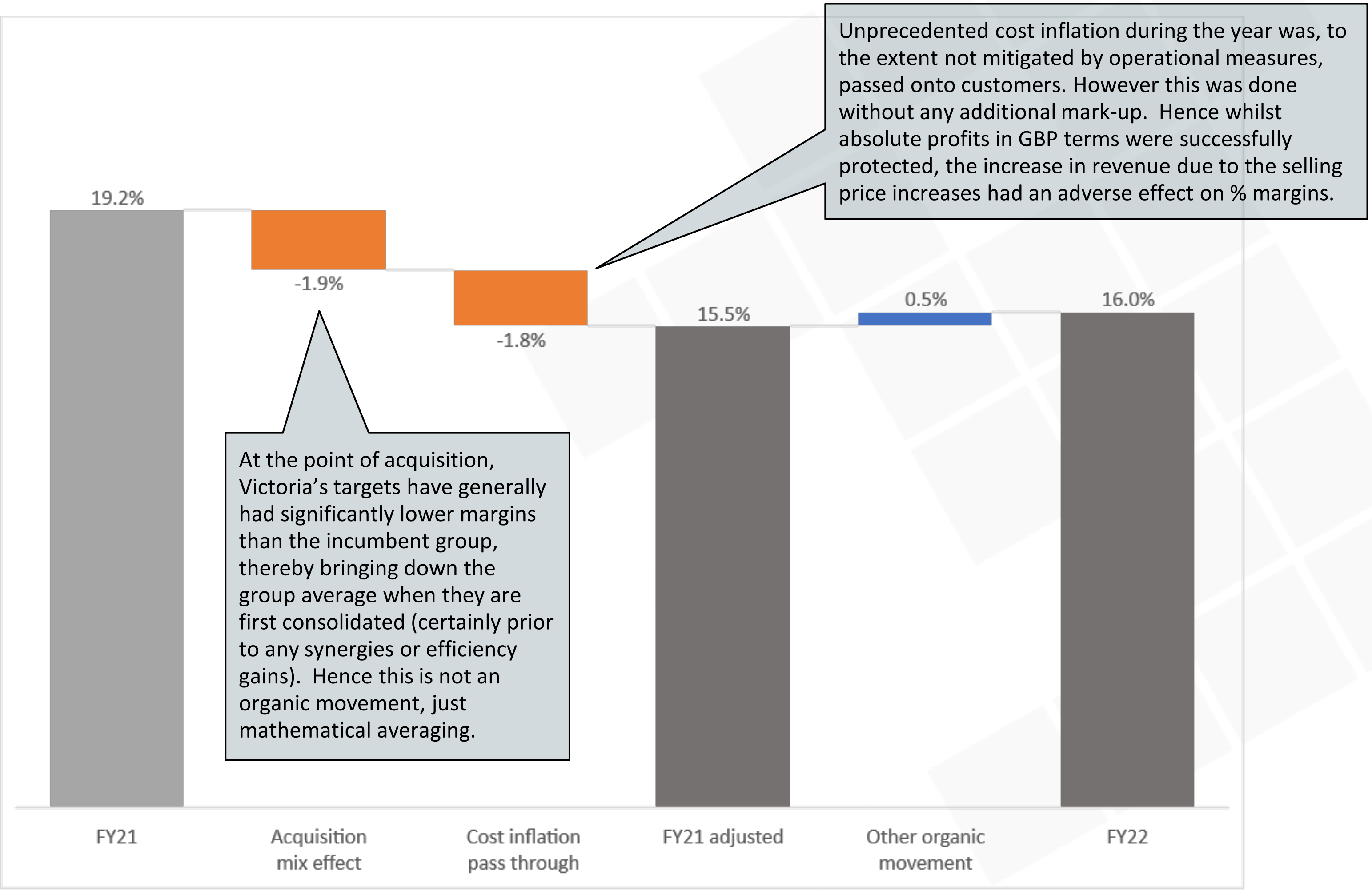
EXECUTIVE SUMMARY
Track record of robust growth





EXECUTIVE SUMMARY

Group - underlying EBITDA margin bridge



Note

1. *Calculation of cost inflation pass-through within LFL margin analysis based on average cost and price inflation, using volume growth for key product categories (as adjusted for the 53-week period in the prior year). Overall cost inflation is assessed using an average operating leverage of 70% variable, which is assessed based on previously disclosed ratios of fixed costs, fully variable costs and semi-variable costs (assumed 50:50).*

EXECUTIVE SUMMARY
Segmental performance

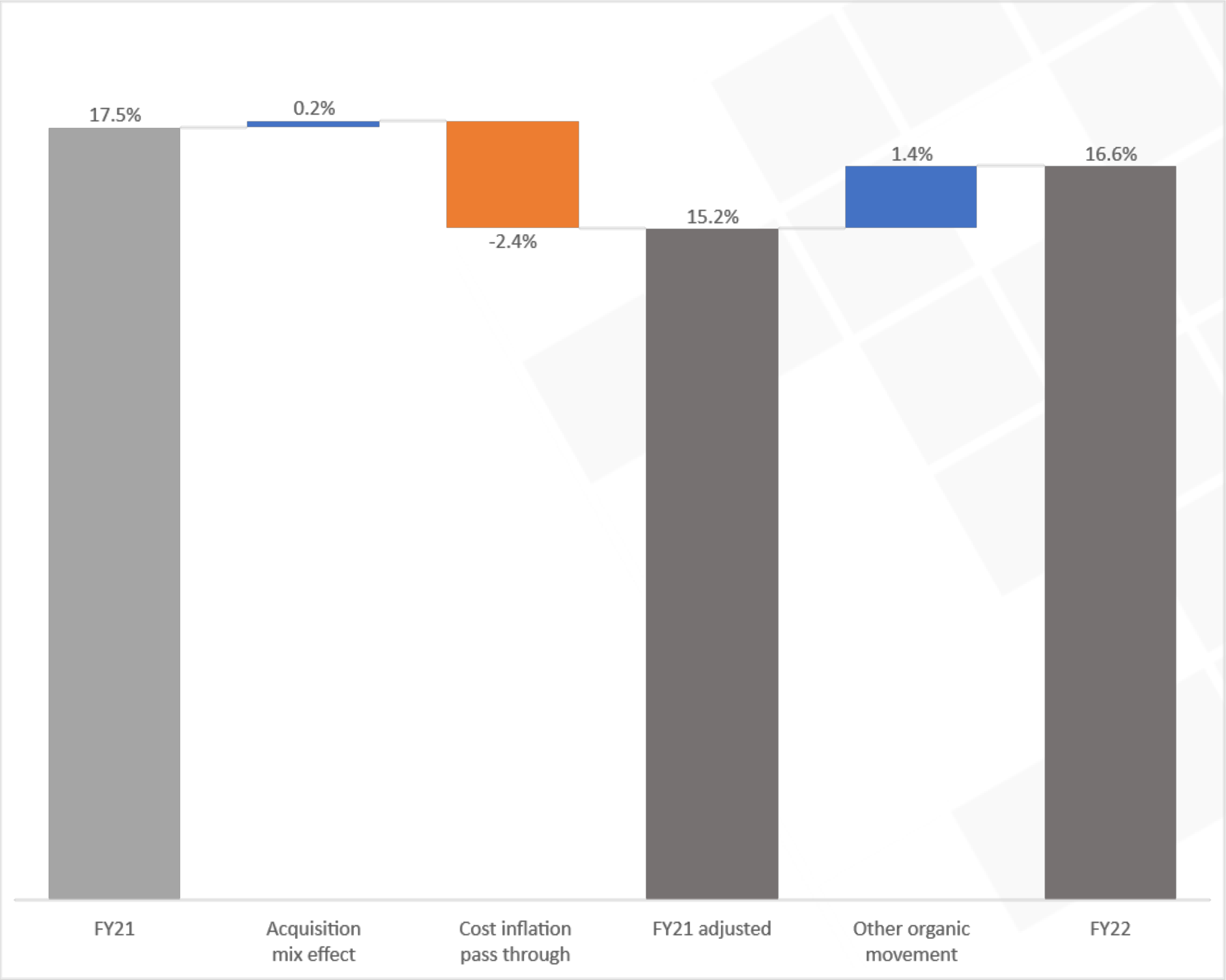
Continuing operations £m	2022						2021				
	UK & Europe – soft flooring	UK & Europe – ceramic tiles	Australia	North America	Central costs	TOTAL	UK & Europe – soft flooring	UK & Europe – ceramic tiles	Australia	Central costs	TOTAL
Revenue	**423.1**	**371.6**	**109.5**	**115.6**	**-**	**1,019.8**	**280.4**	**282.4**	**99.6**	**-**	**662.3**
% growth	*+50.9%*	*+31.6%*	*+10.0%*	*n/a*	*n/a*	*+54.0%*	*-0.6%*	*+15.8%*	*+4.1%*	*n/a*	*+6.6%*
LFL growth[1]	**+30.9%**	**+11.2%**	**+11.4%**	**n/a**	**n/a**	**+19.2%**					
Gross profit	**147.5**	**124.9**	**36.6**	**47.8**	**-**	**356.8**	**97.8**	**102.9**	**34.1**	**-**	**234.9**
% margin	*34.9%*	*33.6%*	*33.4%*	*41.3%*	*-*	*35.0%*	*34.9%*	*36.4%*	*34.2%*	*-*	*35.5%*
Underlying EBITDA[2]	**70.3**	**71.4**	**16.4**	**6.4**	**(1.7)**	**162.8**	**49.0**	**63.1**	**16.6**	**(1.3)**	**127.4**
% margin	*16.6%*	*19.2%*	*15.0%*	*5.6%*	*-*	*16.0%*	*17.5%*	*22.3%*	*16.7%*	*-*	*19.2%*
Underlying EBIT[2]	**45.4**	**47.5**	**11.8**	**5.2**	**(2.0)**	**107.9**	**28.7**	**40.4**	**11.9**	**(1.3)**	**79.8**
% margin	*10.7%*	*12.8%*	*10.8%*	*4.5%*	*-*	*10.6%*	*10.2%*	*14.3%*	*12.0%*	*-*	*12.0%*

- **An analysis of divisional EBITDA margin trend is shown on slides 10 to 12**

Note

1. *LFL revenue growth is shown before the impact of acquisitions, normalised for number of weeks in the period and on a constant currency basis*
2. *Underlying figures are presented before exceptional and non-underlying items*

EXECUTIVE SUMMARY
UK & Europe Soft Flooring – underlying EBITDA margin bridge



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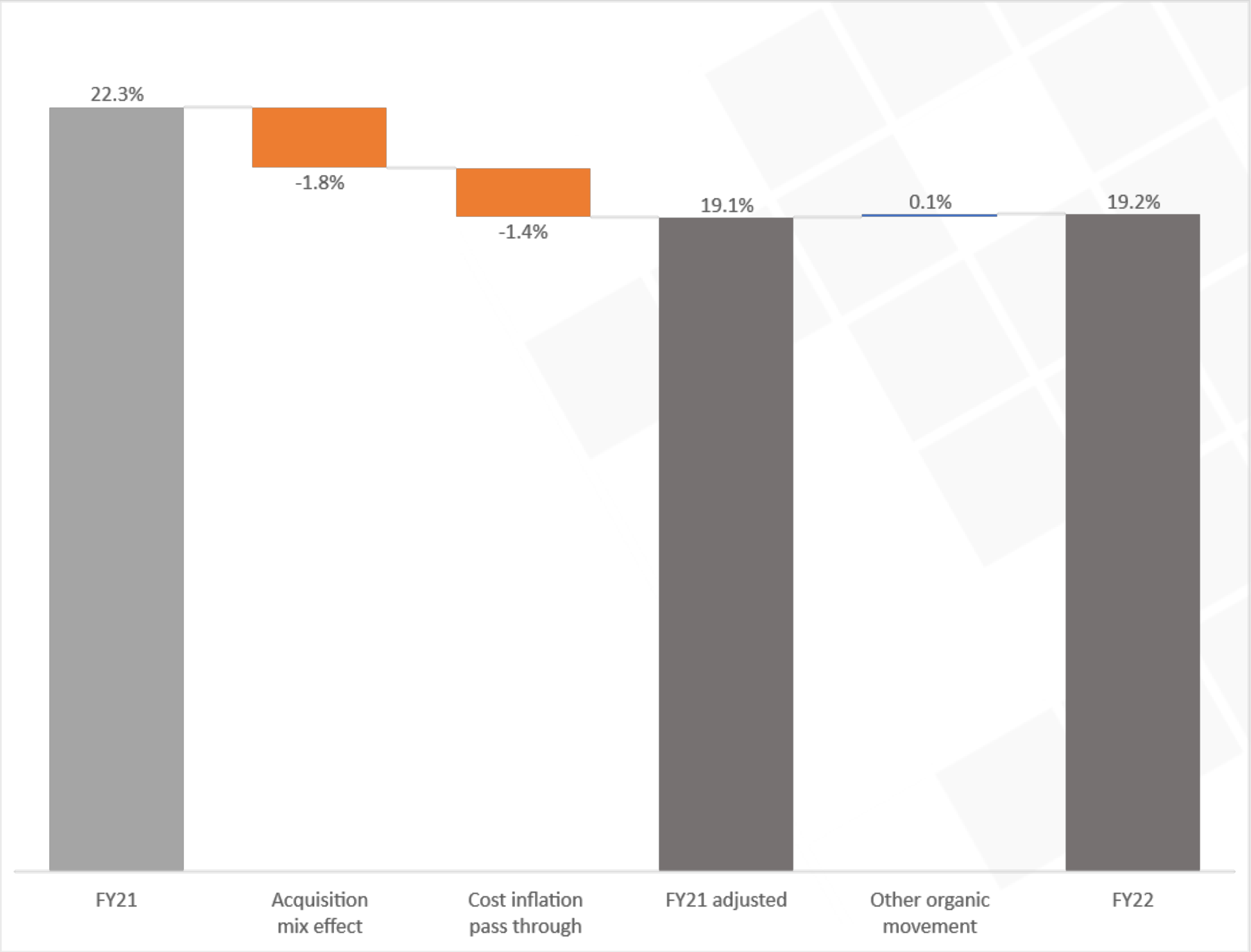
EXECUTIVE SUMMARY
UK & Europe Ceramic Tiles – underlying EBITDA margin bridge



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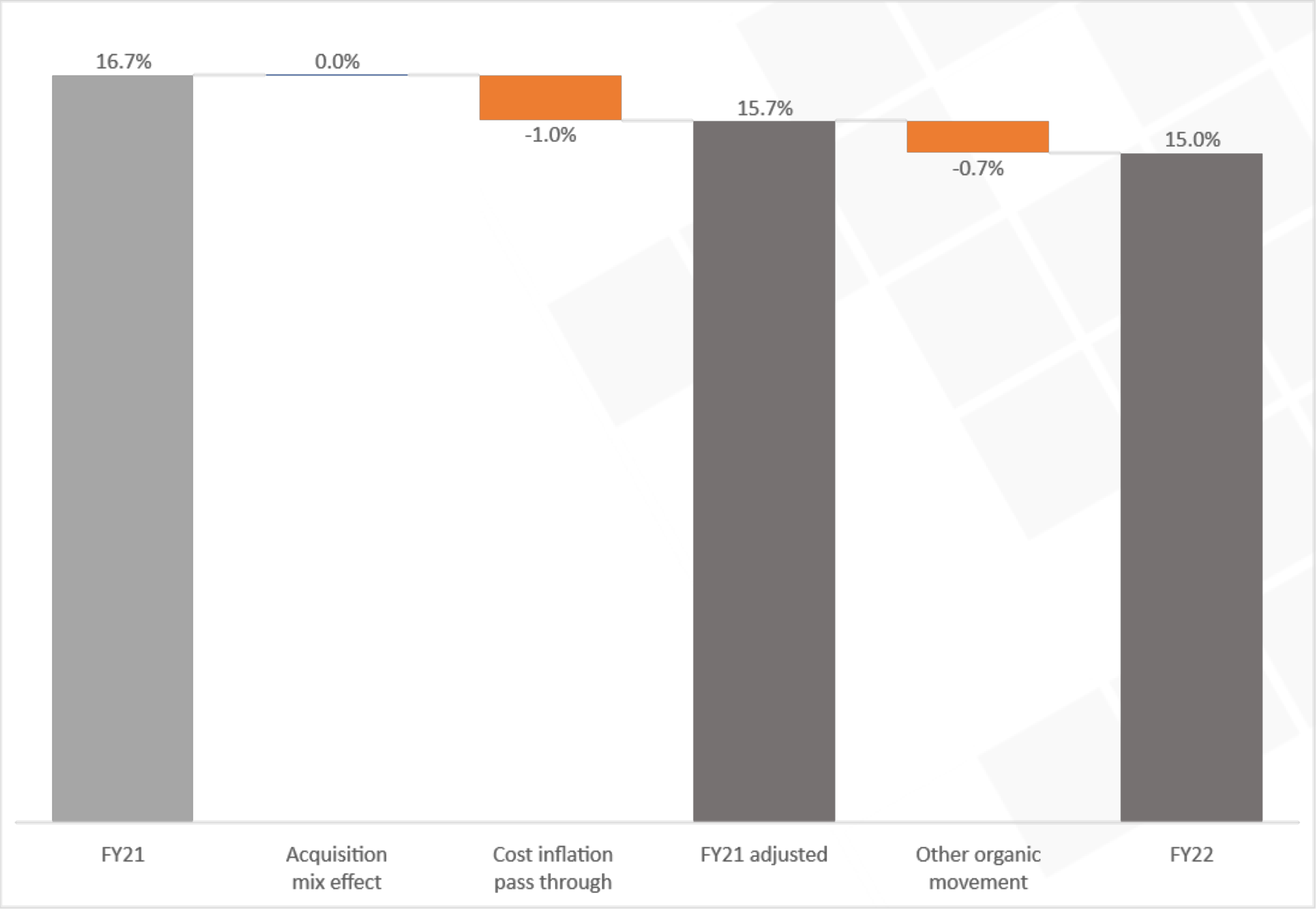
EXECUTIVE SUMMARY
Australia – underlying EBITDA margin bridge



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EXECUTIVE SUMMARY
Non-underlying items

Non-underlying items, £m	2022 Refinancing related	2022 Acquisition related	2022 Other	2022 TOTAL	2021 TOTAL
Exceptional items					
Acquisition and disposal related costs		(10.7)		**(10.7)**	(3.0)
Reorganisation costs			(5.3)	**(5.3)**	(5.5)
Negative goodwill arising on acquisition		6.9		**6.9**	6.5
Contingent consideration linked to positive tax ruling		(0.6)		**(0.6)**	(5.7)
Profit on disposal of fixed assets			2.9	**2.9**	-
	-	(4.4)	(2.4)	**(6.9)**	(7.8)
Other non-underlying operating items					
Acquisition-related performance plans		(7.1)		**(7.1)**	1.7
Non-cash share incentive plan charge			(2.3)	**(2.3)**	(1.0)
Amortisation of acquired intangibles		(32.4)		**(32.4)**	(26.8)
Unwind of fair value uplift to acquisition opening inventory		(5.3)		**(5.3)**	-
Depreciation of fair value uplift to acquisition property		(0.2)		**(0.2)**	-
	-	(45.1)	(2.3)	**(47.4)**	(26.1)
Finance costs					
Preferred equity – host instrument cost			(14.9)	**(14.9)**	(3.4)
Preferred equity – other items	(11.5)		(0.6)	**(12.1)**	(9.7)
Preferred equity – previous KED commitment cost	(6.0)			**(6.0)**	-
Fair value adjustment to notes redemption option			(6.3)	**(6.3)**	4.6
Unsecured loan redemption premium (charge) / credit			(0.4)	**(0.4)**	(0.2)
Mark to market adjustments on foreign exchange forward contracts			2.0	**2.0**	(4.2)
Translation difference on foreign currency loans			5.7	**5.7**	6.3
	(17.5)	-	(14.4)	**(31.9)**	

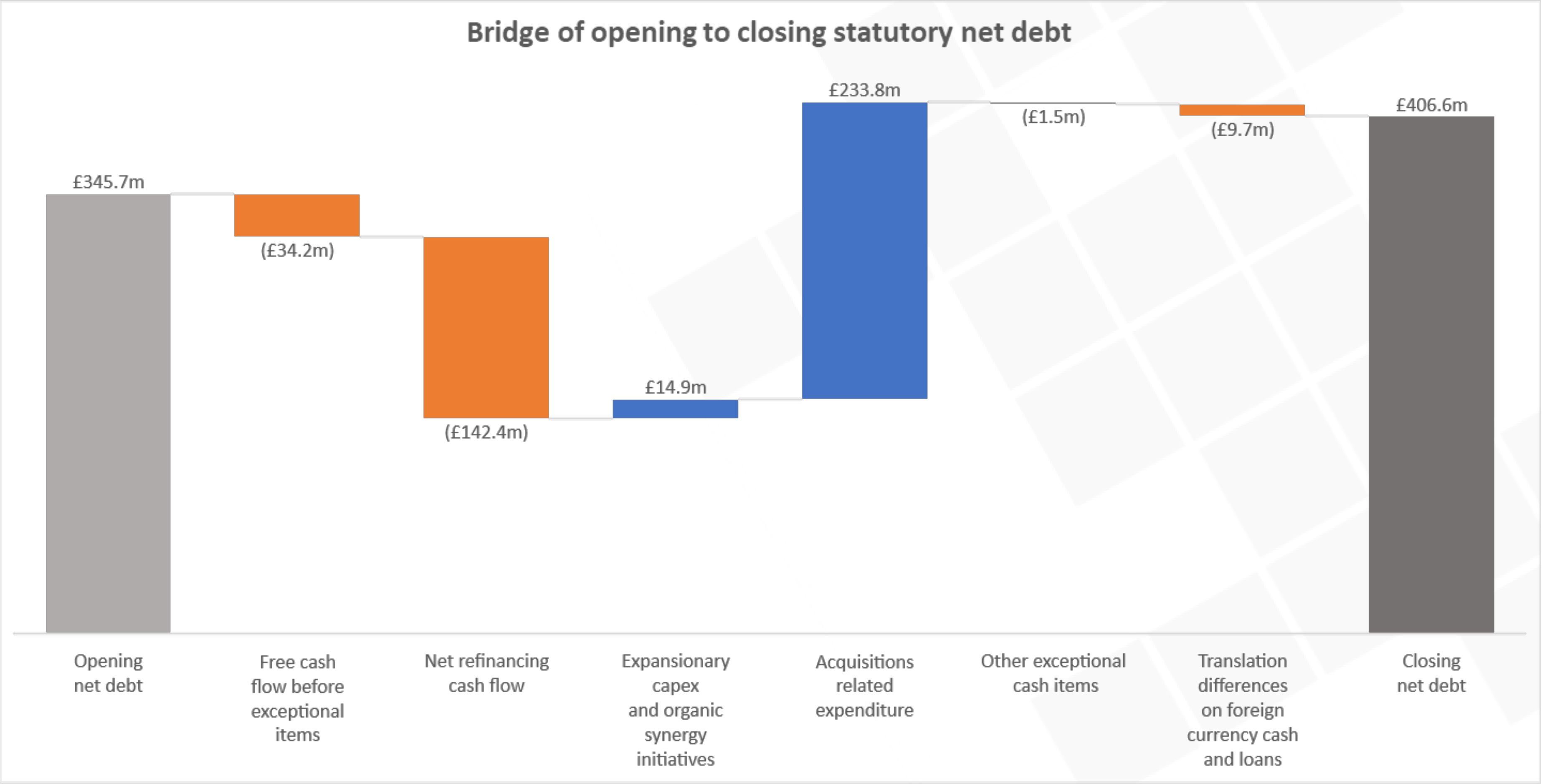
Cash items

EXECUTIVE SUMMARY
Consistent strong operational cash generation

£m	2015	2016	2017	2018	2019	2020[1]	2021	2022	2015-22 CAGR
Revenue	127	255	330	*425*	*574*	*622*	*662*	*1,020*	
% growth	77.9%	100.9%	29.5%	*28.6%*	*35.3%*	*9.7%*	*6.6%*	*54.1%*	
Underlying EBITDA	**16**	**32**	**46**	**65**	**106**	**118**	**127.4**	**162.8**	
% margin	12.4%	12.7%	13.8%	*15.2%*	*16.8%*	*19.0%*	*19.2%*	*16.0%*	
Payments under right-of-use lease obligations	-	-	-	-	-	(11.6)	(14.4)	(18.8)	
Non-cash items	(0.2)	(0.1)	(0.5)	(0.2)	(0.8)	(0.8)	(0.8)	(5.9)	
Movement in working capital	2.2	0.1	(1.6)	(0.2)	10.2	(8.0)	(18.3)	(26.3)	
Operating cash flow before interest, tax and exceptional items	**18.0**	**32.0**	**44.0**	**64.0**	**106.0**	**97.6**	**93.9**	**111.8**	***29.8%***
% EBITDA conversion[2]	*113%*	*100%*	*95%*	*99%*	*110%*	*92%*	*83%*	*78%*	
Interest paid	(1.0)	(3.0)	(4.0)	(7.0)	(17.0)	(25.0)	(30.4)	(28.4)	
Income tax paid	(2.0)	(3.0)	(6.0)	(11.0)	(16.0)	(8.6)	(4.9)	(13.7)	
Replacement capex	(5.0)	(10.0)	(11.0)	(14.0)	(24.0)	(25.4)	(20.9)	(40.9)	
Proceeds from fixed asset disposals	1.0	1.0	-	2.0	1.0	0.7	1.2	5.3	
Free csah flow before exceptional items	**10.0**	**17.0**	**24.0**	**35.0**	**50.0**	**39.2**	**38.8**	**34.2**	***19.2%***
% EBITDA conversion[2]	*63%*	*51%*	*52%*	*54%*	*51%*	*38%*	*34%*	*24%*	
Expansionary capex	-	-	-	(14.0)	(21.0)	(8.4)	(7.6)	(12.4)	
Deferred consideration and earn-out payments	(1.0)	(8.0)	(10.0)	(15.0)	(9.0)	(12.1)	(21.3)	(20.5)	
Exceptional cash items	-	-	-	(3.0)	(19.0)	(5.7)	(8.8)	(13.2)	
Dividends	-	-	-	-	-	-	-	-	

Note
1. *2020 figures are from continuing operations and before the Covid-19 related increase in credit loss provision*
2. *Conversion against EBITDA on a pre-IFRS 16 basis*

EXECUTIVE SUMMARY
Free cash flow re-invested



Note

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

EXECUTIVE SUMMARY
Overview of net debt – stable leverage

£m	2022	2021
Net cash and cash equivalents	258.0	344.8
Senior secured debt (at par)	(631.6)	(637.7)
Unsecured loans	(32.2)	(51.7)
Finance leases and hire purchase arrangements (pre-IFRS 16)	(0.8)	(1.1)
Net debt (before obligations under right-of-use leases)	**(406.6)**	**(345.7)**
Bond embedded redemption option	2.7	9.0
Bond premium – non-cash (related to initial value of redemption option)	(4.3)	(4.3)
Pre-paid finance costs on senior debt	9.8	10.9
Preferred equity and associated instruments (classed as financial instruments under IFRS 9)	(254.2)	(76.2)
Obligations under right-of-use leases (incremental to pre-IFRS 16 finance leases)	(104.8)	(86.0)
Statutory net debt (net of prepaid finance costs)	**(757.4)**	**(492.2)**
Adjusted net debt / EBITDA	**2.66x**	**3.10x**

Operational Overview – driving revenues and margins

UK & Europe Soft Flooring – record revenues and profits

	FY22	FY21	Growth
Revenue	£423.1 million	£280.4 million	+50.9%
Underlying EBITDA	£70.3 million	£49.0 million	+43.4%
Underlying EBITDA margin	16.6%	17.5%	-87bps
Underlying EBIT	£45.4 million	£28.7 million	+58.5%
Underlying EBIT margin	10.7%	10.2%	+51bps

Carpet & Underlay - continued focus on productivity

- Completed the relocation of its prestigious Westex brand manufacturing to new production facilities in Dewsbury, Yorkshire. The significantly improved productivity at the new site has lifted operating margins, and a full payback on the capital cost is expected in less than three years.
- Installation of high-speed tufting machines and a beaming facility in our South Wales factory to enhance productivity, enabling smaller production runs to be efficient, enhancing productivity and reducing working capital.
- The creation of an extra layer of inventory, being 'mother-rolls', to further improve service levels above our competitors and reduce the conversion time of yarn (fibre) into finished product.

Logistics – Victoria's competitive advantage

- Our logistics capability continues to drive market share gains. Retailers value service over the last few pennies in price. It is one of the key reasons for our FY22 +31% LFL revenue growth.
- On-Time-Delivery for available stock further increased to 94.4%, resulting in retailers favouring Victoria products over competitors with slower and less certain delivery.
- Construction of a new roll stock warehouse on the Abingdon site in Wales enabling the fulfilment centres to remain focussed on delivering higher-margin cut length carpet.
- A state-of-the-art carbon neutral, purpose-built 185,000ft² warehouse and HQ is under construction in Worcester and will replace the Kidderminster site from December 2022.

UK & Europe Ceramic Tiles – record revenues and profits

	FY22	FY21	Growth
Revenue	£371.6 million	£282.4 million	+31.6%
Underlying EBITDA	£71.4million	£63.1 million	+13.2%
Underlying EBITDA margin	19.2%	22.3%	-312bps
Underlying EBIT	£47.5million	£40.4 million	+17.5%
Underlying EBIT margin	12.8%	14.3%	-153bps

Italy

- Despite adding substantial capacity, we have an order backlog of many months.
- €10 million Italian investment program, was finalised. This comprised:
    - bringing the Santa Maria plant (acquired in April 2021) up to standard and activation of their 2nd atomiser. Atomising capacity can now serve 3 kilns for the Group;
    - replacing one of three lines at the Serra plant with a new, more efficient and multi-purpose line capable of making both red body and porcelain tiles;
    - at the Dom plant (acquired Feb 2020), installation of a new large-size line, along with a new polishing line that allows us to insource a high-cost process.

Spain

- Focus on organic performance (there were no acquisitions) delivered significant LFL revenue growth, despite continued and substantial disruption from government-mandated actions related to Covid-19 that lasted much longer than in other European countries.

Turkey

- Graniser, acquired in Feb 2022, is a profitable and growing exporter, providing a good quality, low-cost manufacturing platform to the Group.
- The vast majority revenue is in Euros or Dollars whilst most costs are in Lira, providing us with a meaningful competitive advantage for certain product lines and end markets.

Australia – strong LFL revenue growth +11.4%

	FY22	FY21	Growth
Revenue	£109.5 million	£99.6 million	+10.0%
Underlying EBITDA	£16.4 million	£16.6 million	-1.4%
Underlying EBITDA margin	15.0%	16.7%	-174bps
Underlying EBIT	£11.8 million	£11.9 million	-0.8%
Underlying EBIT margin	10.8%	12.0%	-118bps

- FY2022 saw another very strong result from our Australian management team. Incredibly they managed to achieve LFL revenue growth of 11.4%, despite rolling lock-downs that impacted both the Group's production facilities and its customers, and which lasted until October.
- The Victoria brand is particularly strong in Australia and the company is seen as a trusted partner by retailers. Material inflationary pressures alongside higher operating costs due to Covid-19 measures had a small impact on margins, albeit cash profits remained constant. It is also worth mentioning that this was against an especially strong comparative – margins increased by 590bps last year.

North America – strong organic revenue growth +22%[1]

	FY22
Revenue	£115.6 million
Underlying EBITDA	£6.4 million
Underlying EBITDA margin	5.6%
Underlying EBIT	£5.2 million
Underlying EBIT margin	4.5%

- Omni-channel flooring distributor, Cali Bamboo Holdings Inc., acquired 23 June 2021.
- Based in San Diego, California
- Has a long track record of good organic revenue growth (17.6% CAGR for 2016-2020), but this has accelerated under Victoria's ownership to 22% for the 12 months ended March 2022.
- New product categories are being introduced into Cali's omnichannel distribution system – primarily outdoor rugs and artificial grass manufactured by Victoria's European subsidiaries. Our strategy is to diversify the Cali product mix while leveraging Victoria's sourcing, manufacturing, and logistics competencies to capture additional share in the US marketplace.
- As a pure distribution business, Cali requires nominal capex to maintain its income. Therefore free cash flow generation is strong even with lower margins. Nonetheless there are specifically identified opportunities to increase the current operating margins and management are expected to deliver materially improved margins this year alongside continued revenue growth.

Note

1. *Organic growth based on unaudited USD revenues for 12 months ended March 2022 versus March 2021*

Outlook:

- Inflation
- Supply Chain
- Demand

Inflationary Pressures Being Successfully Managed

- **Raw Materials**
- Ceramics: raw material inflation not material
- Soft flooring: increased raw material prices stabilising as supply constraints ease
- **Energy**
- Energy costs comprise c.10% of ceramics revenues, <3% of soft flooring revenues
- Victoria actively hedges key costs, including energy, which mitigates the short and medium term impact of higher energy prices and provides time to respond with price increases.
- **Inventory Management**
- Raw material inflation impacts inventory value. Therefore, we are closely monitoring inventory turn and holding levels to ensure we maintain an acceptable return on capital employed
- **Product Re-engineering**
- The Group works with customers to cost-engineer products to hit price points to maintain volumes and protect margin

- **Multiple Price Increases**
- Victoria has demonstrated its ability to secure price increases over the last nine years with steadily increasing operating margins, despite a wide range of trading conditions. E.g. in 2016 the GBP fall post-Brexit caused a 20% increase in raw material prices and yet EBITDA margin increased by 130bps. This ability continues.
- 4 price increases in FY2022 to protect operating margins
- On-going logistics initiatives continue to make retailers a less sensitive to price increases – being able to fulfil a consumer's order is more important than the last few pennies on the cost of the product
- **Further Productivity Enhancements**
- Integration of acquisitions and identified productivity actions will drive further margin expansion – mitigating inflationary effects.

Supply Chain Secure

No material disruption to Victoria's raw materials supply chain

- True localised supply of many raw materials
- Highly diversified supply chain – multiple sources for raw materials

Energy (gas) supply

- Victoria has confidential (commercially sensitive) plans to mitigate any disruption to gas supplies should this occur

Active management of raw materials

- In 2021 operational management pre-emptively invested in raw materials in anticipation of supply constraints
- Sufficient supply of Ukrainian clay purchased prior to the war to ensure production continuity and provide time for Victoria's chemists to reconstitute the necessary clay composition for high-quality porcelain

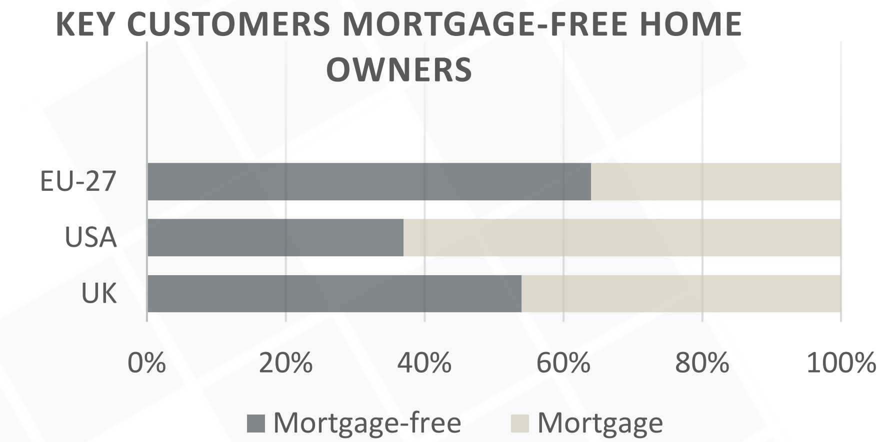
Industry supply chain normalising

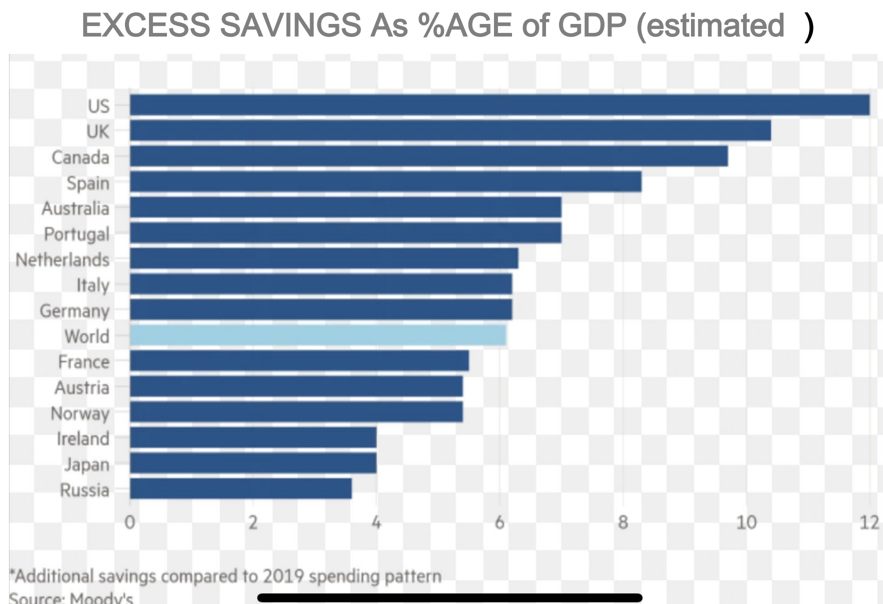
- Raw material supply has begun to normalise

Demand Outlook – high level view misses key VCP demand drivers

Victoria's End-Customer Demographic Resilient

- Victoria's key market – residential renovation – has proven to be extremely resilient over decades. *Organic* revenue CAGR > 3% for 25 years
- Majority of homes in Victoria's key markets (and especially Victoria's customer base) are mortgage-free, which insulates them from the effects of higher interest rates (chart top right)
- Household savings have increased dramatically. This savings growth has been weighted towards higher income households – Victoria's key market (chart bottom right)
- Housing transactions – a driver of renovation – have rebounded across Victoria's key markets.
- Flooring is a small-ticket spend - affordable
- High home equity and aging housing stock should drive continued remodelling
- Diversified exposure to a number of different economies = resilience





Demand Outlook – high level view misses key VCP demand drivers

Reduced Competition

Reduced supply from competitors

- High energy costs have resulted in numerous unhedged ceramics manufacturers materially reducing production.

Clear End-Customer Demand Visibility

Soft flooring supply to order means:

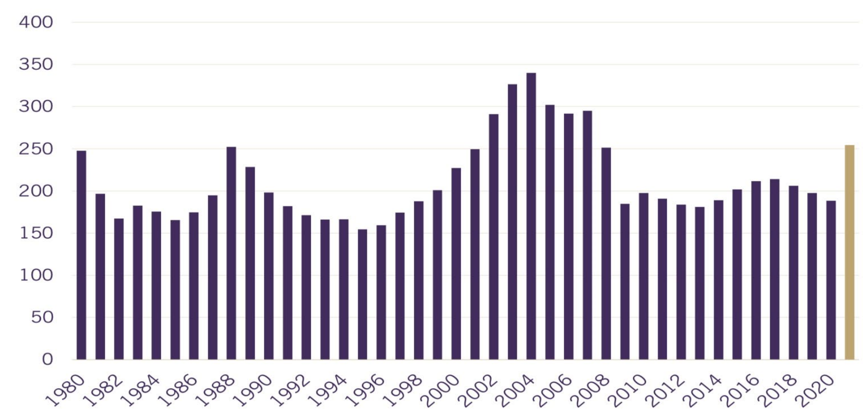
- Reduced de-stocking risk and no artificial re-stocking demand
- Manufacturing aligned to end-customer demand, lowering risk of excess inventory or obsolete inventory at Victoria

Commercial Demand Returning

- After two years of very subdued spending, the hospitality, commercial, construction, and travel industries are investing heavily
- Commercial demand is additive to consumer spending, driving strong ongoing demand for flooring

Chart 7: Planning permission approvals for householder developments; 1980-2021 (000s)

Source: ONS



Appendices

- Koch Preferred Equity Investment
- Bond issues
- ESG Commitment
- Shareholders

Koch Equity Development Investment

£225 million of preferred equity to accelerate Victoria's acquisition plans

Koch Equity Development ("Koch") becomes a major shareholder in Victoria

- Koch undertook extensive due diligence on Victoria's business, management team, and the market opportunity
- Koch acquired 10.7% of Victoria's ordinary equity in the secondary market in November 2020
- Koch has also invested £225 million of perpetual preferred equity to provide "fuel in the tank" for investment

Terms of the Preferred Equity Capital

- Dividend of 8.85%
- Permanent capital that can be redeemed at any time by Victoria
- If not redeemed by November 2026, Koch have the right (but not the obligation) to convert the preferred equity into ordinary shares *at the then share price*

Victoria will continue its conservative financial policy

- New perpetual preferred equity reinforces prudent approach to capital management
- Victoria is committed to its financial policy of c. 3x senior Net Debt / EBITDA post-acquisition, falling to 2x when in 'steady state'

"We are delighted to be partnering with Victoria… we are confident in Victoria's strategy, its management team, and the size of the market opportunity. This investment will help Victoria accelerate execution of its clear growth plans, creating value for all the company's shareholders."

Blake Ressel, Managing Director, Koch Equity Dev.

2021 Bond Issues

"Liquidity and security"

Two bond issues:

- €500m – August 2026, 3.625%
- €250m – March 2028, 3.75%
- For funding acquisitions

Rationale:

- Covenant lite
- Fixed interest rate
- Low cost
- Long duration

ESG commitment

Victoria is committed to its ESG responsibilities – full ESG report within FY2022 Annual Report to be published soon

Environmental	**Meaningful reduction in environmental impact is consistent with optimising operating earnings** • Energy efficiency and carbon emissions - Key risk priority is in the manufacturing of ceramic tiles, low risk in soft flooring production, nevertheless there are initiatives for improvement in all areas throughout the Group - Development of 'green' ceramics production facility in Italy using hydrogen technology to reduce carbon footprint - Power generation using excess heat from clay atomisation process – net producer of electricity in Spain - Investment in new carbon-neutral UK distribution centre • Waste management and product lifecycle - Key risk priority is in soft flooring, low risk in ceramic tiles - Various initiatives across the Group to both reduce waste and recycle waste arising from our processes - Recycled raw materials incorporated in in the production of underlay and ceramic tile products • Chemicals management - Identified as a medium risk priority in soft flooring, low risk in ceramic tiles - All necessary controls in place; continuously risk-assessed; initiatives to further reduce chemicals usage
Social	**Victoria is committed to being an equal opportunities employer with clear policies around diversity and inclusion** • Areas of focus are: Attracting, developing and retaining talent; Diversity & inclusion; Health, safety & wellbeing; Responsible sourcing; and Human rights and modern slavery • Equal opportunities employer; investment in our employees through range of training programmes • Health and safety focused, committed to continued improvement; above industry-average performance
Governance	**Board-level engagement** • Quoted Companies' Alliance (QCA) corporate governance code adopted in 2018 • Committed to continued development of governance practices and reporting

Shareholder register

Rank	Investor Name	Holding as of June 2022	% IC
1.	Mr Geoff Wilding	22,438,650	19.2
2.	Spruce House Investment Mgt	22,170,000	19.0
3.	Vulcan Value Partners (Birmingham, AL)	14,226,409	12.2
4.	KED Victoria Investments	12,500,000	10.7
5.	Camelot Capital Partners	6,484,283	5.6
6.	Capital Research Global Investors	4,814,163	4.1
7.	Baillie Gifford & Co	3,624,554	3.1
8.	Columbia Threadneedle Investments	3,584,199	3.1
9.	Morgan Stanley Investment Mgt	3,108,164	2.7
10.	Mr. M. Karim	2,231,500	1.9
11.	Coeli Asset Management	1,597,734	1.4
12.	Hargreaves Lansdown Asset Mgt	1,514,509	1.3
13.	Banque Syz & Co.	1,334,339	1.1
14.	Mr Rodney Style	1,300,400	1.1
15.	Alta Fox Capital	1,246,660	1.1
Total shares on issue		**116,726,482**	

Source: Company register.