

**volution**

# Healthy air, sustainably

**Volution Group plc**  
**Interim results to 31 January 2025**

Fantech Trade, Melbourne, Australia



# Agenda

Overview

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Financial Review

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Business Review

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Summary and Outlook

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Q&A

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**Ronnie George**  
Chief Executive Officer



**Andy O'Brien**  
Chief Financial Officer



# Overview



# Key takeaways

1

Group revenue up 8.9%; good organic growth of 4.0% cc  
Adjusted operating profit of £42.6m up 10.4% on prior year

2

Acquired Fantech (AUD\$280m), our largest acquisition to date

3

Good momentum with FY2025 earnings expected to be  
ahead of consensus



# Fantech – Volution’s largest acquisition to date

## Strong brand portfolio



## Australia



## New Zealand

- Fantech acquisition completed 2 December 2024, AUD\$280m (c£140m) consideration, \$220m upfront, \$60m after 12 months
- Fully funded through cash and RCF, post deal leverage 1.5x
- LTM 31 March 2024 financials: \$173m revenue (IFRS), \$33m EBITDA
- High quality local management, will become Volution Australasian leadership
- Trading post completion has started well, Australia strong, New Zealand market remains tough
- Integration progressing well, opportunities expected to include:
  - Cross selling and new product introduction
  - Procurement opportunities notably motors and electronics
  - Back office / facility efficiency and leveraging of resources

<b>Strong Brands</b>	founded in 1973
<b>Access to market</b>	leading position in both Australia and New Zealand
<b>Good teams</b>	with significant experience
<b>Opportunities</b>	procurement and cross selling
<b>Aligned purpose</b>	of delivering 'Healthy air, sustainability'

**Well aligned  
with Volution's  
acquisition criteria**



# Focus on sustainability

## ⇒ Product

Low Carbon Sales  
**67.8%** (70.4% ex Fantech)  
(H1 2024: 70.5%)

- Regulations and market preferences in Australia mean that Fantech has much lower low carbon revenue (c30%)
- New product introductions continue to focus on low carbon solutions

## 🌐 Planet

Recycled Plastic  
**84.6%**  
(H1 2024: 77.0%)

- Good early progress in adoption of recycled plastics in Nordics (now c20%) with continued progress expected
- Coupled with UK at c90% drives improvement to 84.6%



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET  
ZERO  
STANDARD

APPROVED NET-ZERO TARGETS

- The Science Based Targets initiative (SBTi) has assessed and approved our Near-Term and Net-Zero targets.
- Our targets have been approved at the most ambitious designation available through the SBTi process.

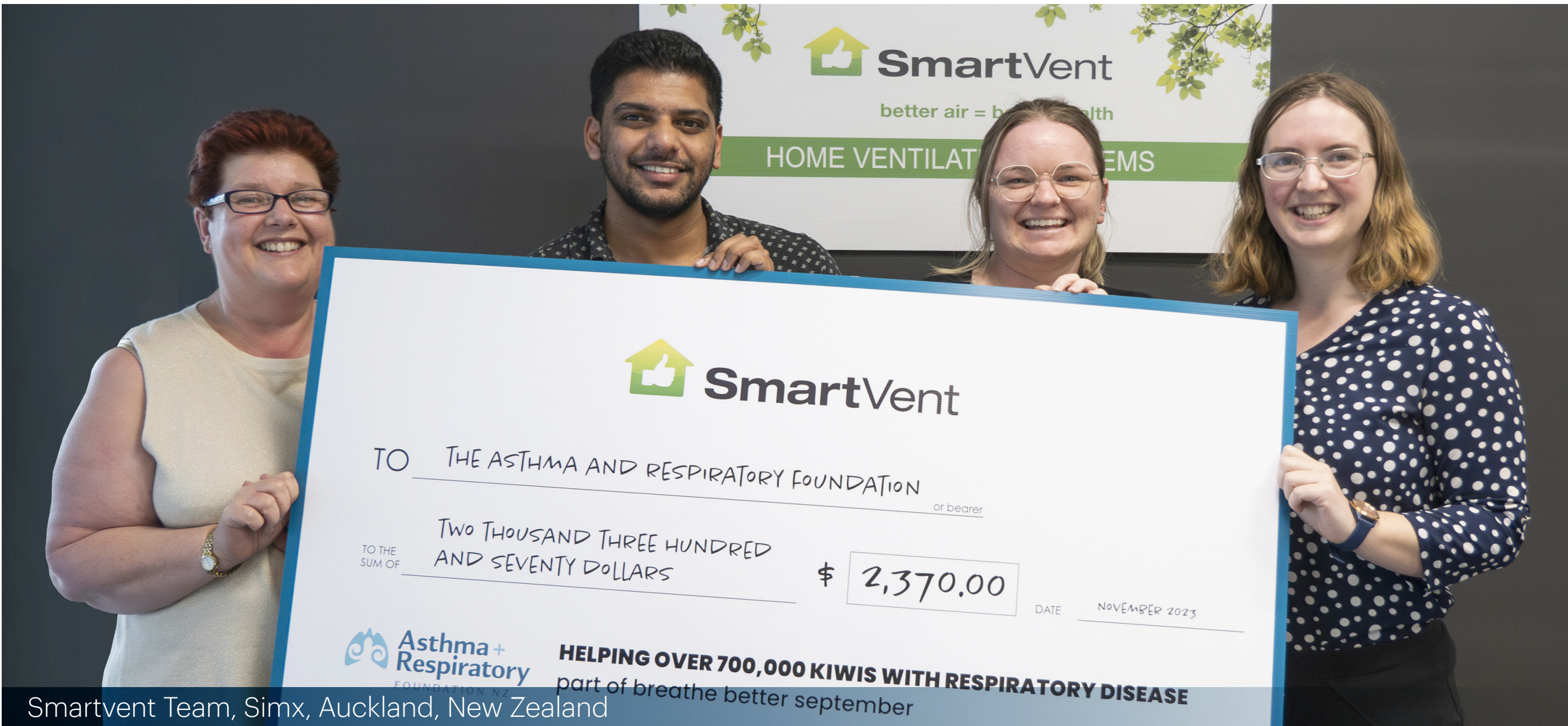


# Continuing to develop our people and capability

## People

Accident frequency rate  
**0.15**  
(FY24: 0.20)

- Continued progress on health and safety with accident frequency rate 0.15 vs 0.2 (FY24), 0.3 (FY23)
- Fantech health and safety culture is strong and in line with Group
- New Regional Leadership structure (Europe and Australasia MDs) creates bandwidth and platform to support growth
- Key new joiners in the period include new leadership in New Zealand, OEM Operations leadership and additional support in our technical teams
- Completed our fourth groupwide Management Development Programme in October 2024



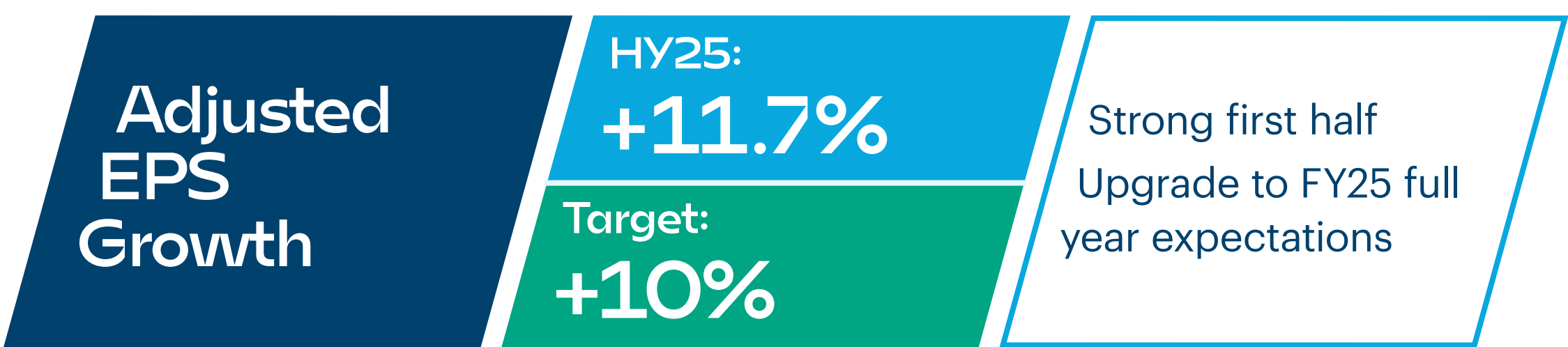
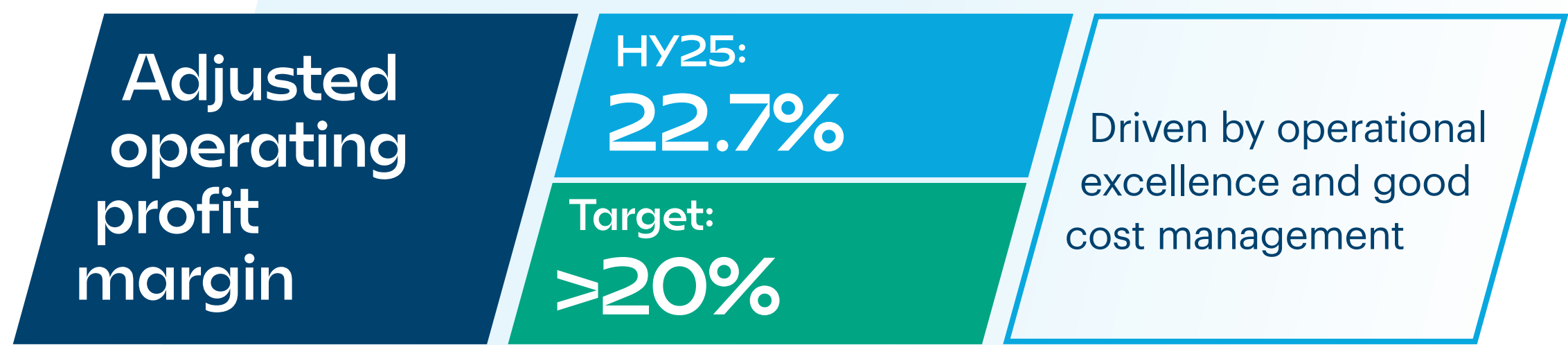
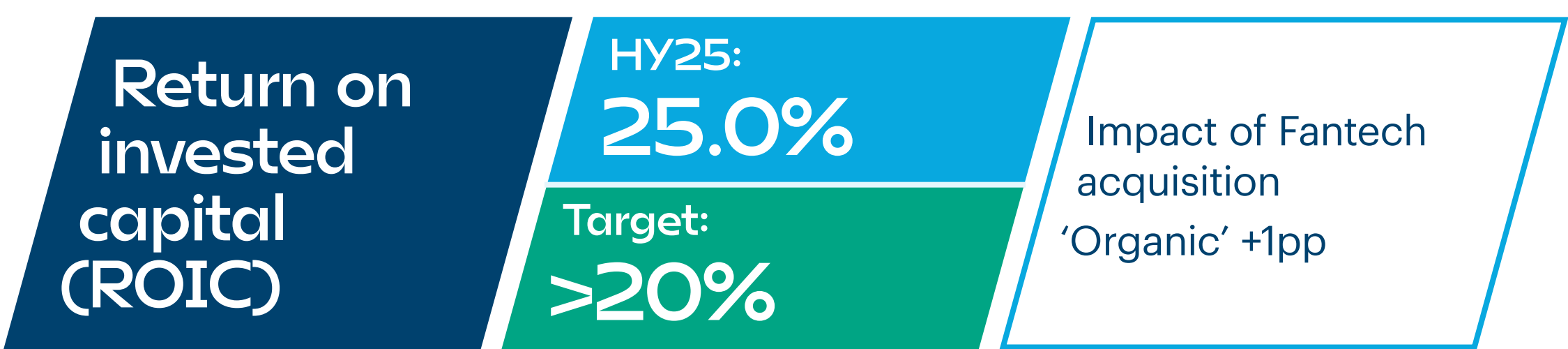
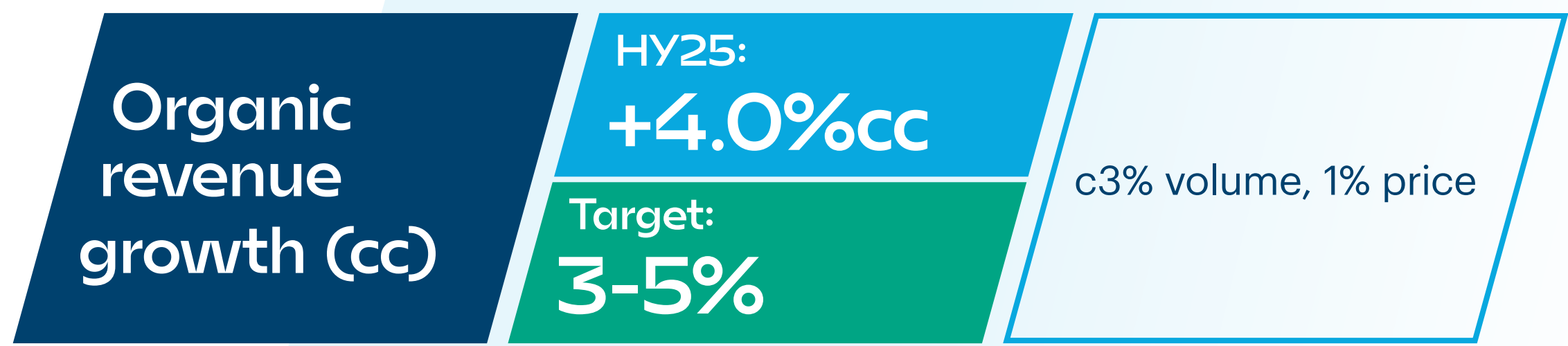
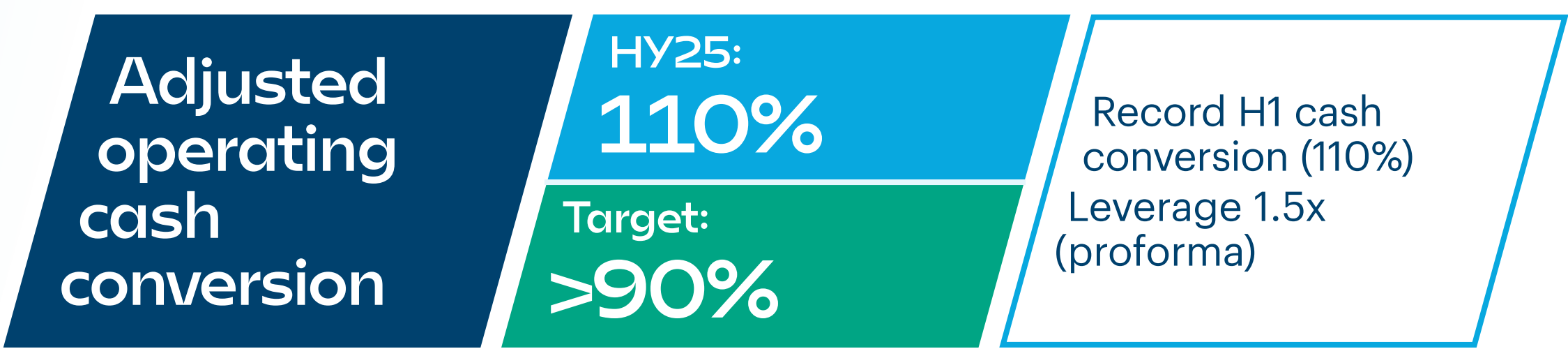
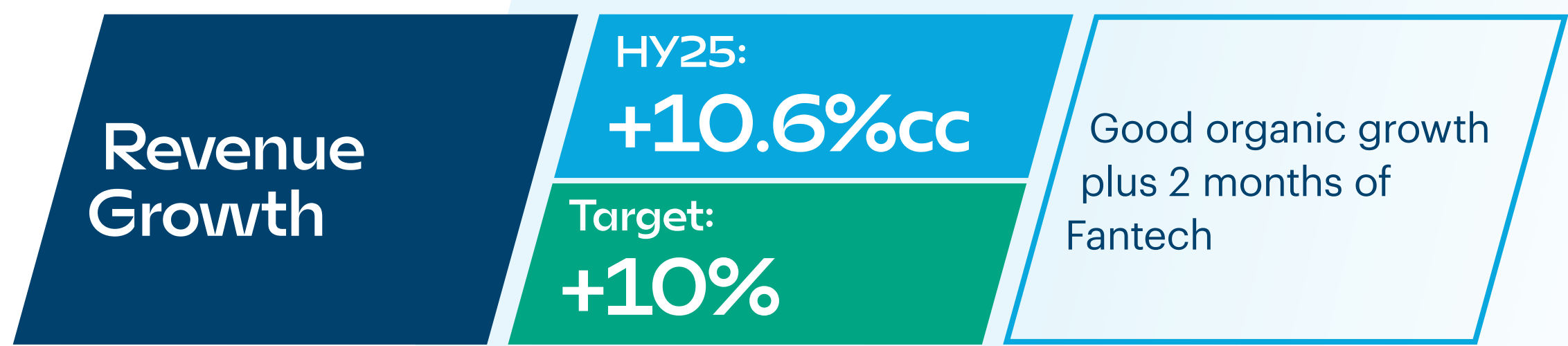


# Financial Review





# Strong performance against our key financial metrics



# Financial highlights

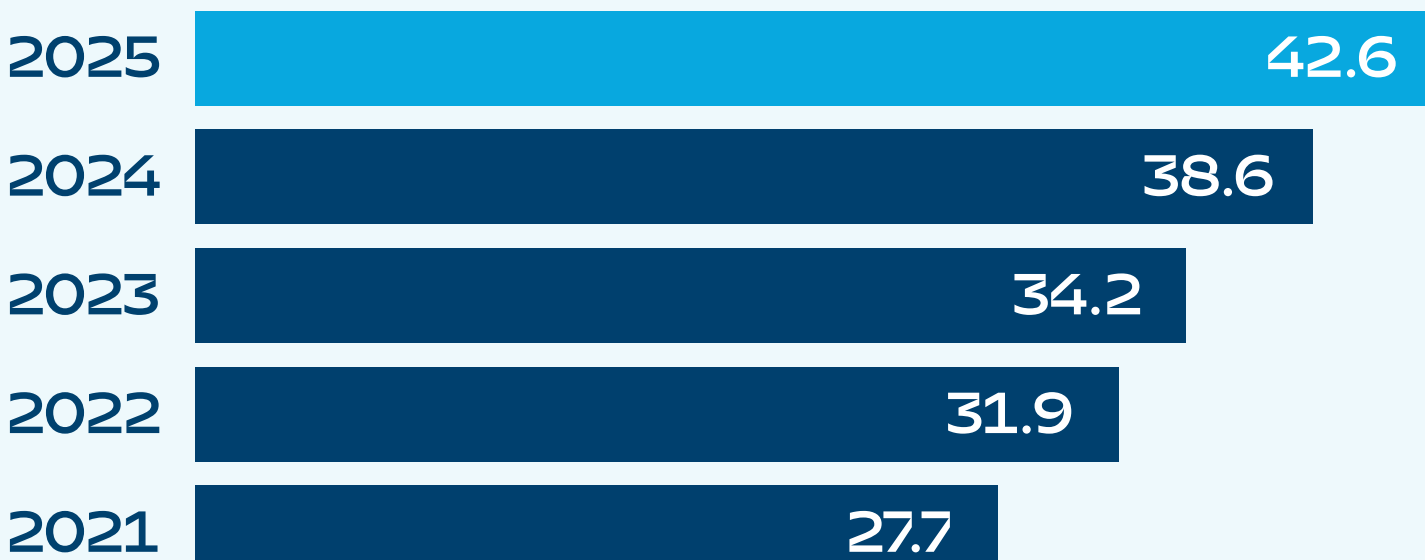
Revenue £m

**£187.8m** +8.9% (+10.6%cc)



Adjusted operating profit £m

**£42.6m** +10.4%(+12.0%cc)



Adjusted operating profit margin %

**22.7%** +30bps



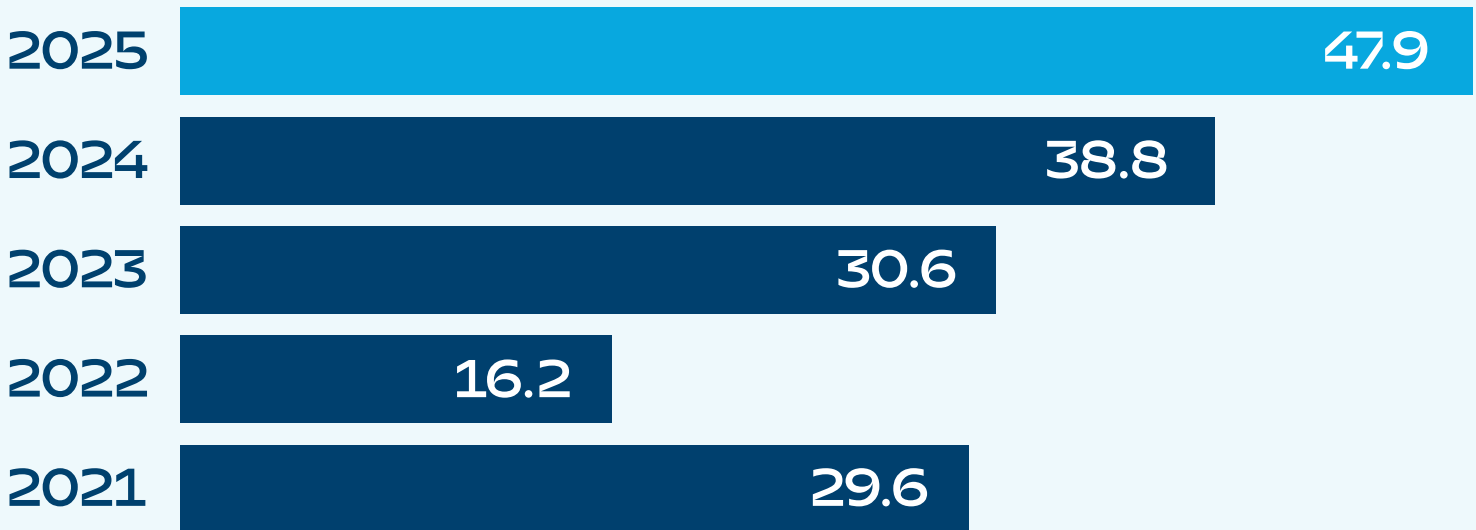
Adjusted EPS pence per share

**15.3p** +11.7%



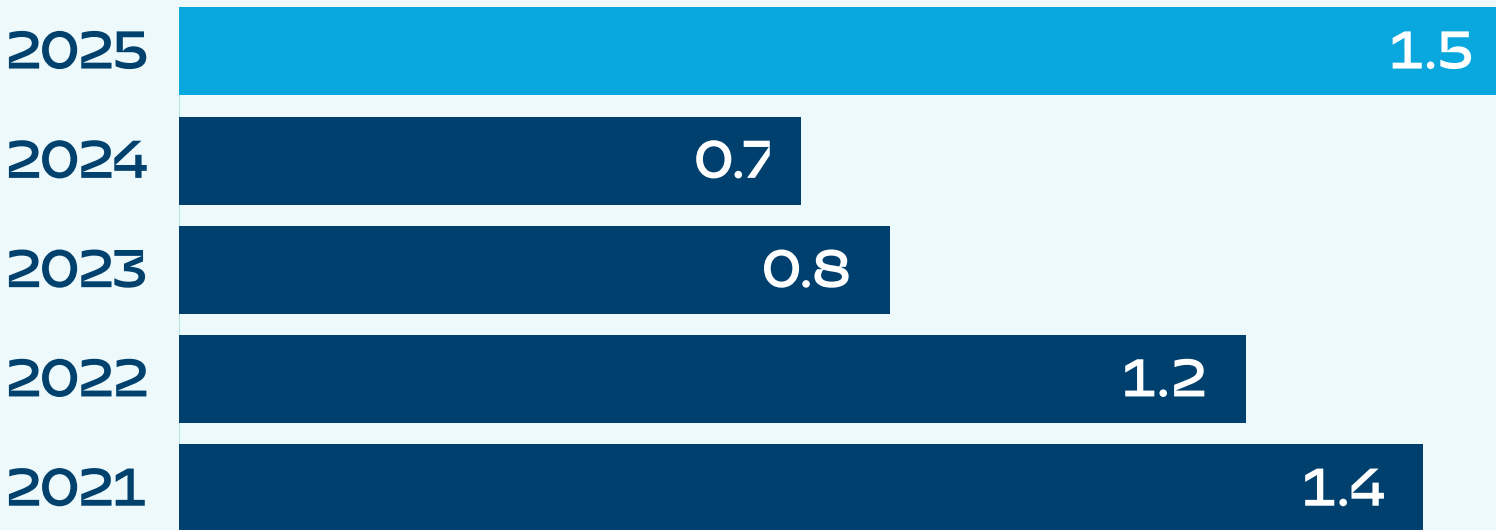
Adjusted operating cash flow £m

**£47.9m** +23.4%



Leverage (excluding lease liabilities)

**1.5x**





# A strong financial performance

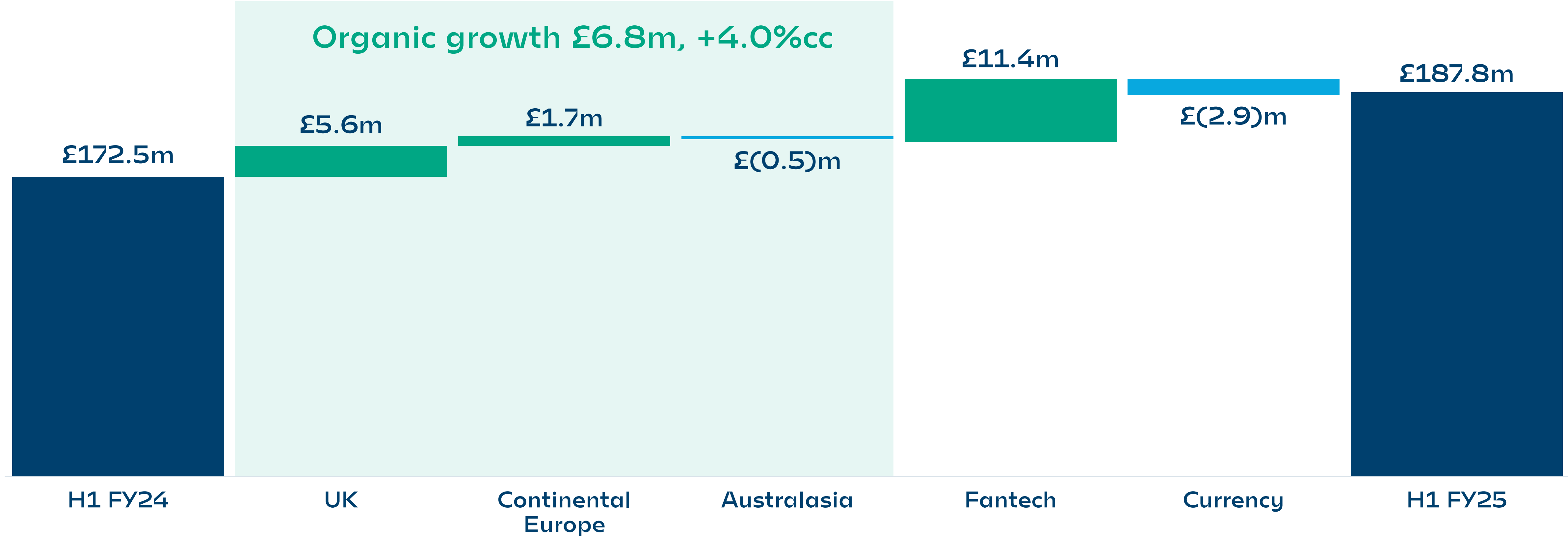
	H1 2025	H1 2024	Movement
Revenue (£m)	<b>187.8</b>	172.5	+8.9%
Adjusted operating profit (£m) <sup>1</sup>	<b>42.6</b>	38.6	+10.4%
Adjusted operating profit margin (%) <sup>1</sup>	<b>22.7</b>	22.4	+30bps
Adjusted EPS (pence) <sup>1</sup>	<b>15.3</b>	13.7	+11.7%
Adjusted operating cash flow (£m) <sup>1</sup>	<b>47.9</b>	38.8	+23.4%
Interim dividend per share (pence)	<b>3.4</b>	2.8	+21.4%

<sup>1</sup> The Group uses some alternative performance measures to track and assess the underlying performance of the business. These measures include adjusted operating profit, adjusted profit before tax, adjusted EPS and adjusted operating cash flow.

- Revenue up 8.9%; 4.0% (cc) organic, 6.6% inorganic, 1.7% adverse FX translation
- Adjusted operating profit margin up 30bps
- Excellent cash generation (conversion 110%), working capital inflow (£1.0 million)
- Interim dividends up 21.4% to 3.4p per share (H1 2024: 2.8p)

**Strong growth in revenue, adjusted operating profit and cash flow**

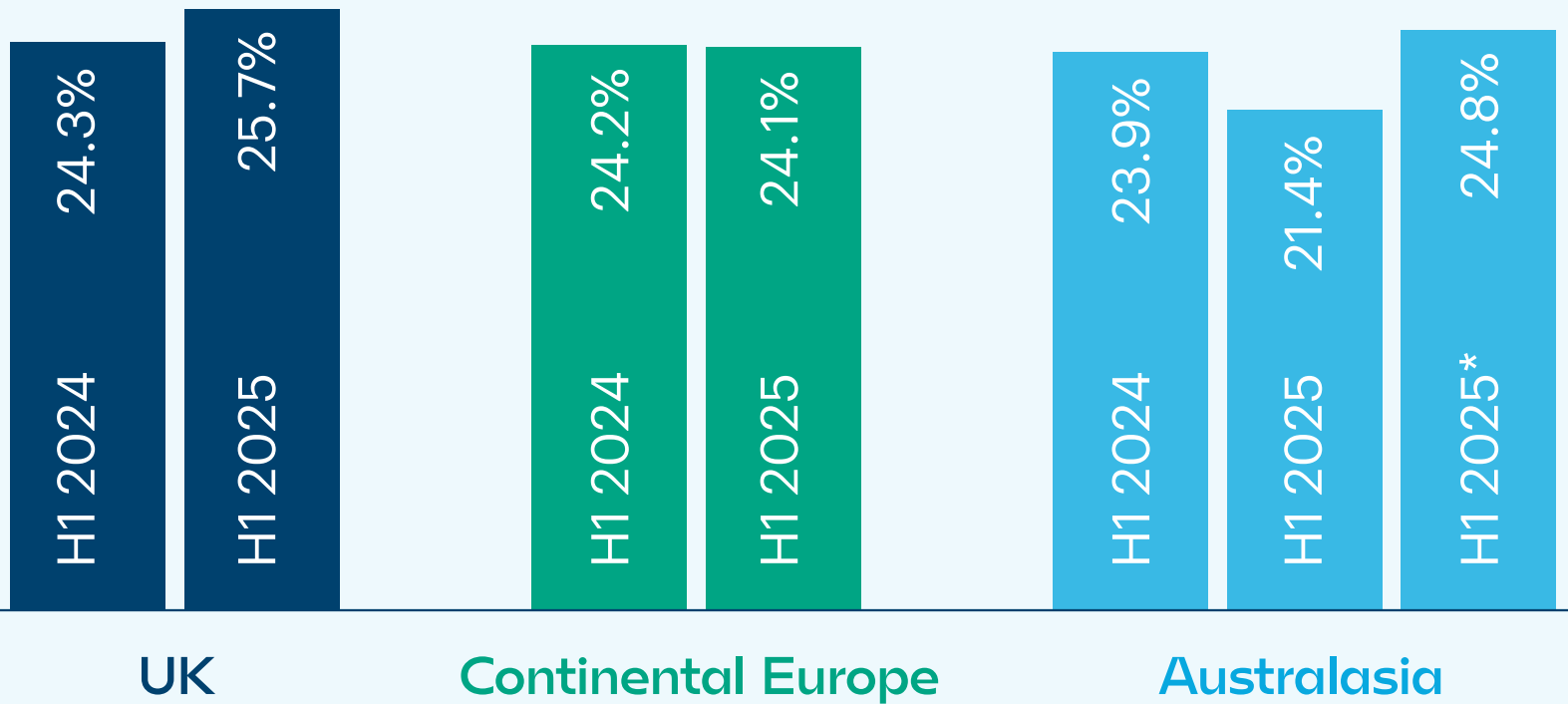
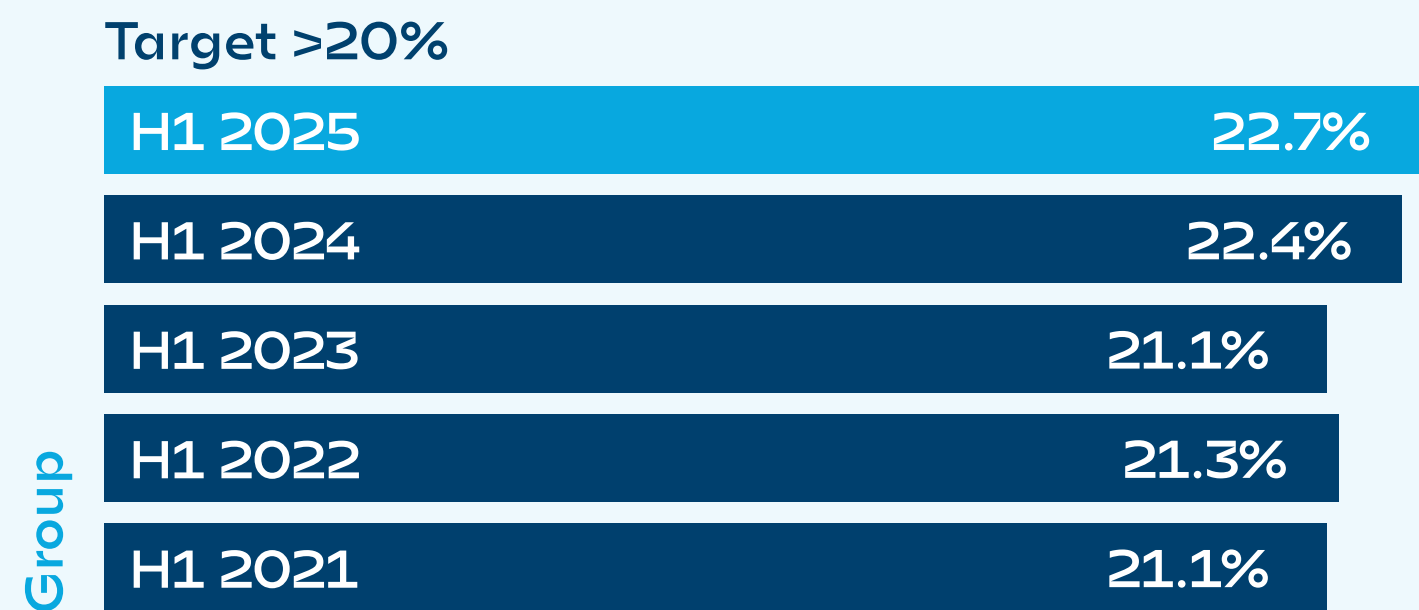
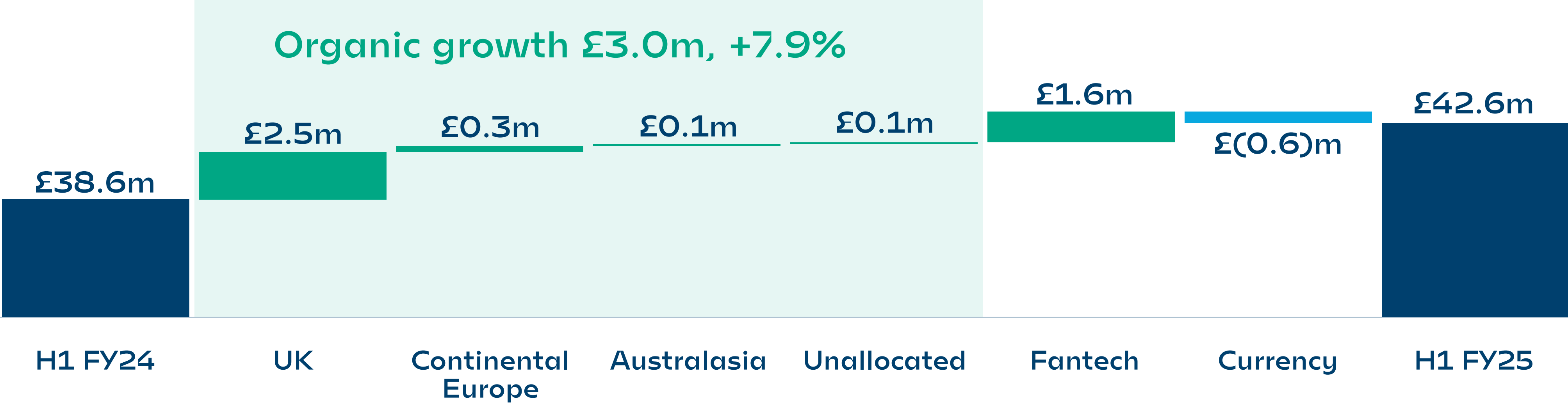
# Revenue (up 8.9%)



Revenue up 10.6% cc, organic revenue up 4.0% cc



# Group adjusted operating profit (up 10.4%)



\*Excluding Fantech

Adjusted operating profit up 10.4% to £42.6m

Margin up 30bps to 22.7%

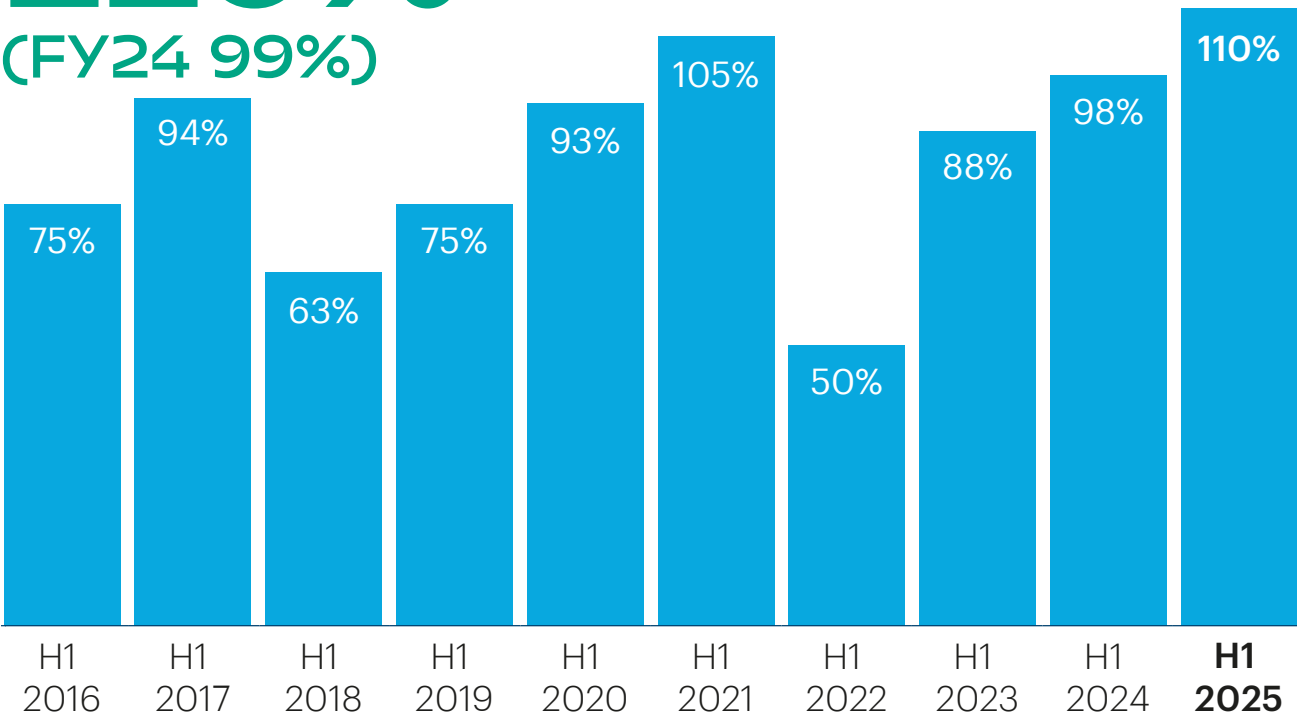


# Excellent cash conversion (110%)

	H1 2025 £m	H1 2024 £m
<b>Adjusted operating cash flow</b>	47.9	38.8
Cash conversion	110%	98%
Interest paid on debt	(3.0)	(2.8)
Tax paid	(8.2)	(7.2)
Dividends	(12.3)	(10.9)
<b>Free cash flow</b>	24.4	17.9
Changes in investments	(106.7)	(8.6)
Consideration paid for 25% of ClimaRad	(29.5)	–
Purchase of shares	(1.3)	(2.7)
Business combination costs	(1.9)	(0.1)
Finance costs paid	(1.8)	–
Long-term lease liabilities adjustment	(12.7)	1.2
Payments of lease liabilities	(2.2)	(1.8)
<b>Cash (outflow)/inflow</b>	(131.7)	5.9
<b>Opening net debt</b>	(57.6)	(89.3)
<b>Cash (outflow)/inflow</b>	(131.7)	5.9
FX on foreign currency loans/cash	2.5	(0.8)
<b>Closing net debt</b>	(186.8)	(84.2)

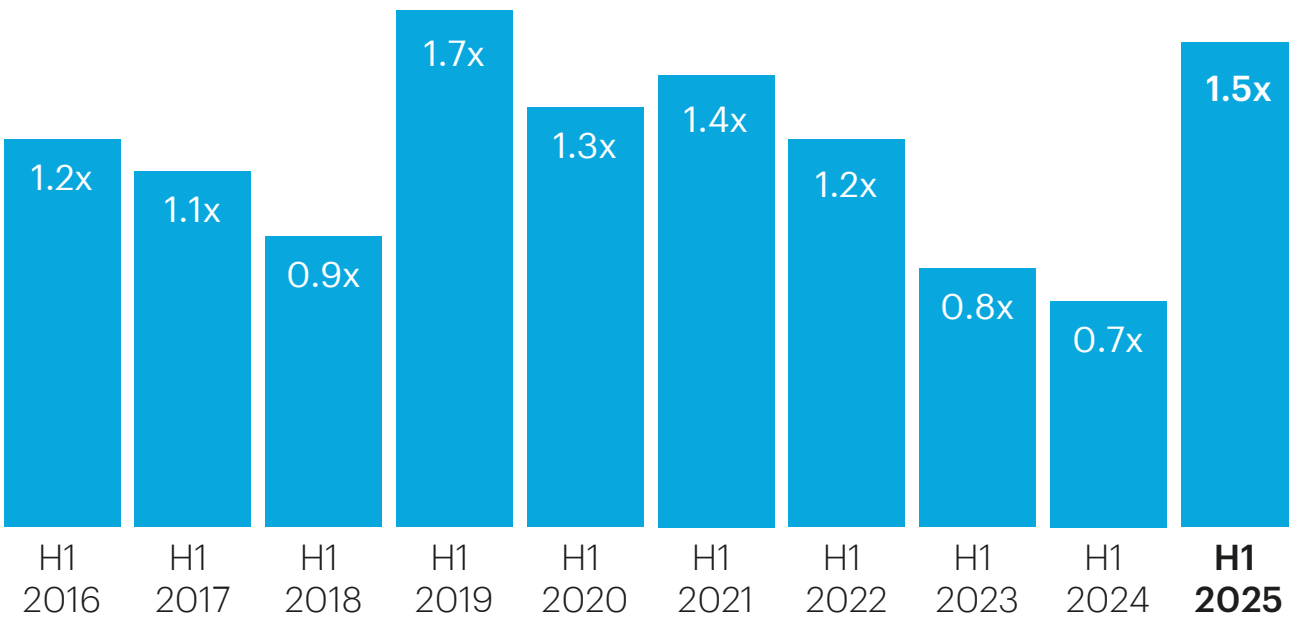
Cash conversion

110%  
(FY24 99%)



Leverage

1.5x (post Fantech acquisition)



Cash conversion 110% (H1 2024: 98%), Leverage 1.5x (H1 2024: 0.7x), Available liquidity £71.1m (31 July 2024: £100.2m)



# Compelling returns on invested capital (ROIC)

	H1 2025 £m	H1 2024 £m
<b>AVERAGE NET ASSETS<sup>1</sup></b>	<b>243.5</b>	224.5
Add/(deduct)		
+ Acquisition-related liabilities	<b>26.6</b>	19.8
+ Net debt	<b>78.0</b>	56.1
+ Historic amortisation charges (net of def. tax)	<b>142.2</b>	132.8
– Goodwill/intangibles of 2012 LBO	<b>(163.0)</b>	(163.0)
<b>AVERAGE INVESTED CAPITAL<sup>1</sup></b>	<b>327.3</b>	270.2
<b>ADJUSTED OPERATING PROFIT</b>	<b>82.0</b>	74.3
<b>ROIC % (pre-tax)</b>	<b>25.0%</b>	27.5%

- Strong pre-tax ROIC of 25.0%, significantly ahead of Group WACC
- Decrease of 250bps vs H1 2024 attributable to the acquisition of Fantech
- ‘Organic’ ROIC up 100bps driven by further margin expansion and good working capital management

1. three point average (31 Jan 24, 31 Jul 24, 31 Jan 25)

**Confident of maintaining ROIC >20% over the medium term whilst continuing to invest to grow the business**

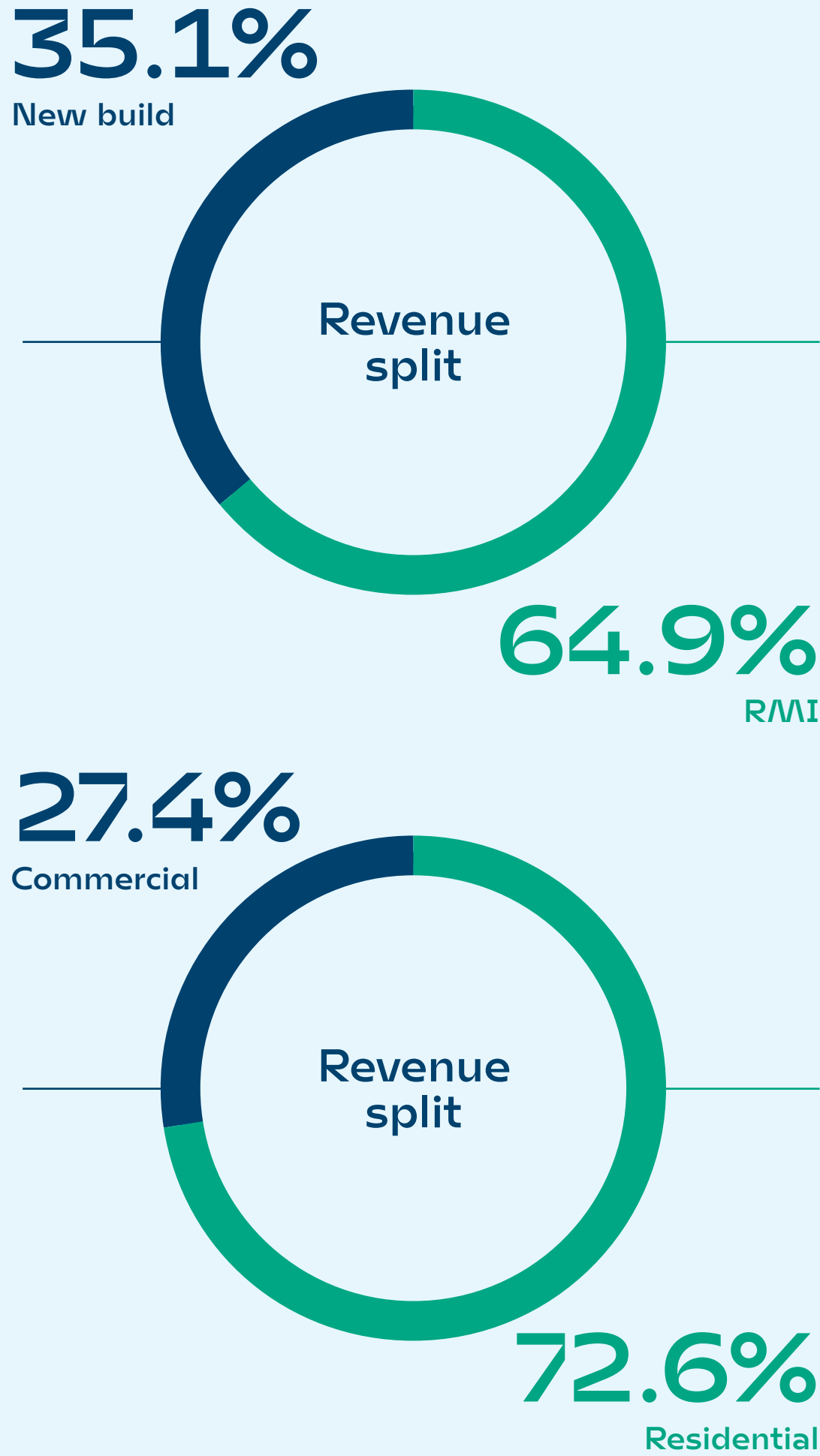


# Business Review





# Volution at a glance

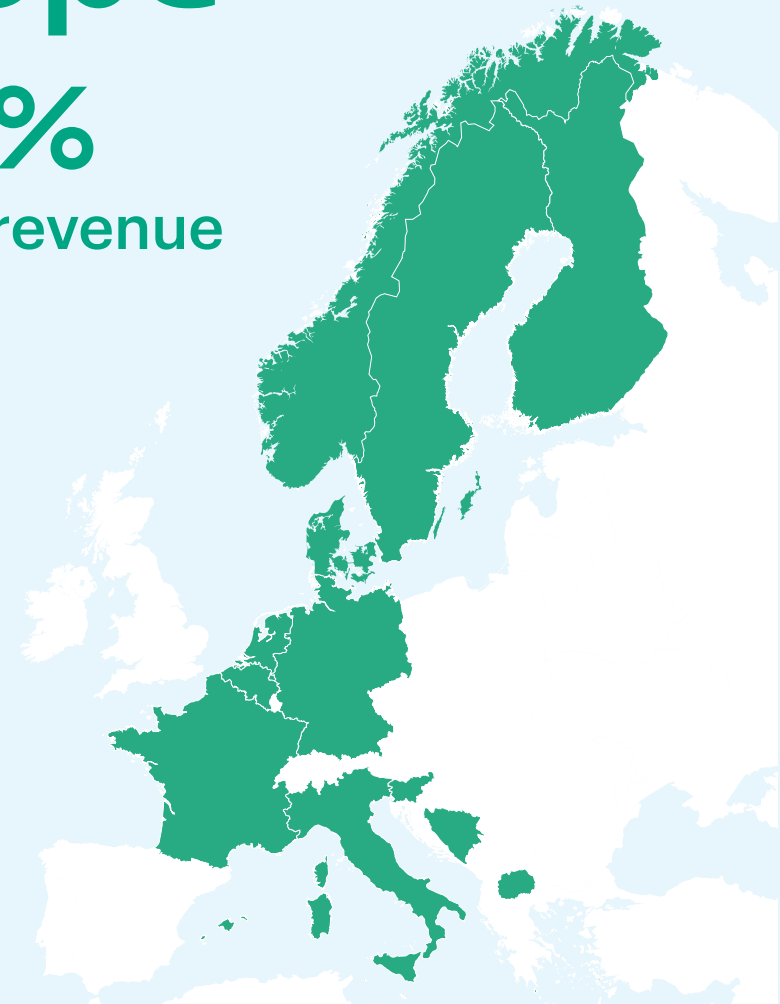


**UK**  
**44.3%**  
of Group revenue



Revenue  
**£83.3m**  
Adjusted operating profit  
**£21.4m**  
Adjusted operating profit margin  
**25.7%**

**Continental Europe**  
**36.3%**  
of Group revenue



Revenue  
**£68.1m**  
Adjusted operating profit  
**£16.4m**  
Adjusted operating profit margin  
**24.1%**

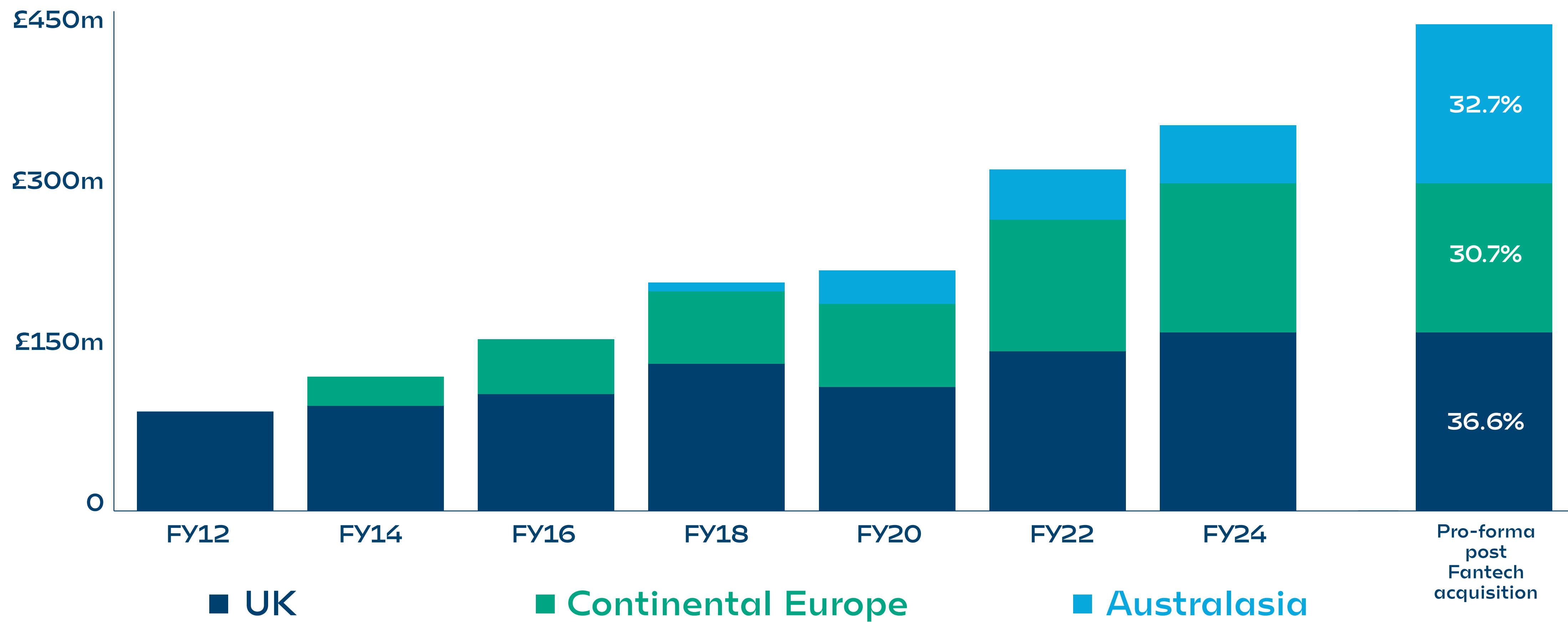
**Australasia**  
**19.4%**  
of Group revenue



Revenue  
**£36.4m**  
Adjusted operating profit  
**£7.8m**  
Adjusted operating profit margin  
**21.4%**



# Our increasing geographic diversity



# United Kingdom: Continued strong residential growth; revenue up 7.3% cc

- Excellent performance in residential (+11.4%) and export (+20.1%)
- Fastest residential growth in New Build, with market share gain and improved product mix due to regulations
- Mould and condensation awareness continues to drive good demand in RMI
- Commercial down 5.5% albeit with growth in Q2 and improved projects order intake
- OEM market demand remains weak, revenue down 5.7%, site consolidation completed and margin improved
- Product mix, pricing and product cost initiatives support 140bps margin expansion to 25.7%

Revenue  
Growth  
**+7.1%**

Organic revenue  
growth (cc)  
**+7.3%**

Adjusted operating  
profit margin  
**+25.7%**

Market sector revenue	6 months to 31 Jan		Growth %
	2025 £m	2024 £m	
<b>UK</b>			
Residential	55.1	49.5	11.4
Commercial	14.4	15.2	(5.5)
Export	6.8	5.7	20.1
OEM	7.0	7.4	(5.7)
Total UK Revenue	83.3	77.8	7.1
Adjusted operating profit	21.4	18.9	13.5
Adjusted operating margin %	25.7	24.3	1.4pp



● Residential 73.8%  
● Commercial 26.2%



● RMI 59.3%  
● New Build 40.7%



# Continental Europe: Modest 2.4% cc growth in the face of generally challenging markets

- Nordics down 3.2% cc due to weak new build markets (Denmark, Finland), with a more resilient picture in Sweden where our focus is more towards RMI
- New build focused business also difficult in Central Europe (Belgium, ERI)
- Completed the acquisition of remaining 25% of ClimaRad, which continues to perform strongly
- InVENTer (Germany) achieved a small growth in the half, supported by a pivot towards RMI and enhancements to the product range
- VMI (France) developing nicely, with good progress in introducing new (Group) products and procurement cost out initiatives
- Adjusted operating margins broadly flat at 24.1% (H1 2024: 24.2%)

Revenue  
Growth  
**-0.5%**

Organic revenue  
growth (cc)  
**+2.4%**

Adjusted operating  
profit margin  
**+24.1%**

Market sector revenue	6 months to 31 Jan		Growth %	Growth (cc) %
	2025 £m	2024 £m		
<b>Continental Europe</b>				
Nordics	23.9	25.4	(5.8)	(3.2)
Central Europe	44.2	43.1	2.7	5.7
Total Continental Europe	68.1	68.5	(0.5)	2.4
Adjusted operating profit	16.4	16.6	(0.9)	
Adjusted operating margin (%)	24.1	24.2	(0.1)pp	



● Residential 70.7%  
● Commercial 29.3%



● RMI 64.8%  
● New Build 35.2%

# Australasia: Fantech acquisition brings leadership in residential and commercial ventilation markets in the region

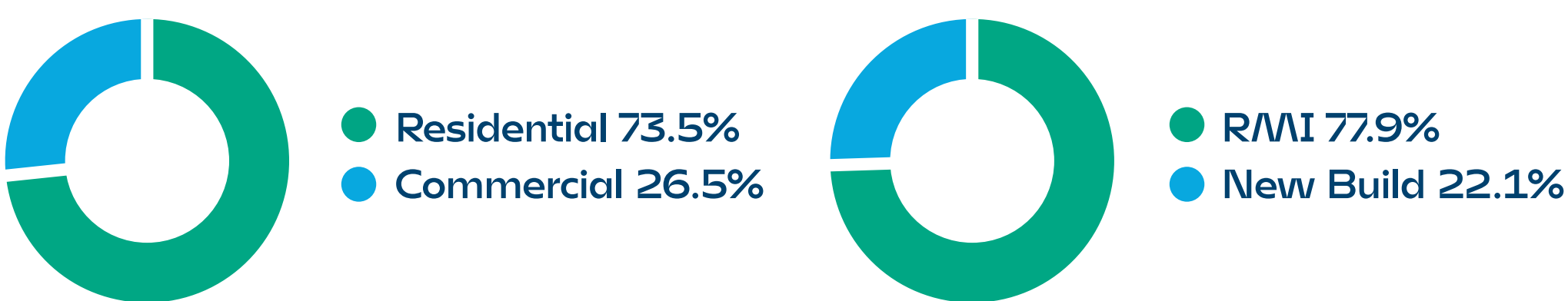
- Australasia revenue up 38.8% (41.7% cc), driven by the acquisition of Fantech
- Organic revenue declined by 1.7% cc, continuing weak economy in New Zealand offsetting a good performance in Ventair with our EC low carbon ceiling fans
- Fantech acquisition completed, our largest acquisition to date, providing us with a significant and more material position in the local market
- Positive first two months trading post completion in the period, integration progressing well
- Adjusted operating margins reduced to 21.4% (H1 2024: 23.9%) due to lower margin profile of Fantech

Revenue Growth  
**+38.8%**

Organic revenue growth (cc)  
**-1.7%**

Adjusted operating profit margin  
**+21.4%**

	6 months to 31 Jan		Growth %	Growth (cc) %
	2025 £m	2024 £m		
Market sector revenue				
<b>Australasia</b>				
Residential	26.8	24.8	7.9	10.8
Commercial	9.6	1.4	572.6	576.1
Total Australasia revenue	36.4	26.2	38.8	41.7
Adjusted operating profit	7.8	6.3	24.3	
Adjusted operating margin (%)	21.4	23.9	(2.5)pp	





# Summary and outlook





# Key takeaways

1

Group revenue up 8.9%; good organic growth of 4.0% cc  
Adjusted operating profit of £42.6m up 10.4% on prior year

2

Acquired Fantech (AUD\$280m), our largest acquisition to date

3

Good momentum with FY2025 earnings expected to be  
ahead of consensus



# Outlook

We have good momentum going into the second half, supported by our ongoing growth initiatives, focus on efficiency and costs, and the benefits that Fantech is bringing to the Group. As a result, the Board expects earnings for the Full Year to be ahead of consensus.



# Thank you Q&A





# Appendix





# Financial summary

	H1 2025	H1 2024	Movement
Revenue (£m)	<b>187.8</b>	172.5	+8.9%
<i>Revenue (cc) (£m)</i>	<b>190.8</b>	172.5	+10.6%
Gross Margin (%)	<b>48.8</b>	50.8	(2.0)pp
Adjusted operating profit (£m) <sup>1</sup>	<b>42.6</b>	38.6	+10.4%
Adjusted operating margin (%) <sup>1</sup>	<b>22.7</b>	22.4	+0.3pp
Adjusted profit before tax (£m) <sup>1</sup>	<b>38.6</b>	35.0	+10.4%
Adjusted EPS (pence) <sup>1</sup>	<b>15.3</b>	13.7	+11.7%
Adjusted effective tax rate (%)	<b>21.5</b>	23.0	(1.5)pp
Statutory operating profit (£m)	<b>31.6</b>	33.7	(6.2)%
Statutory operating margin (%)	<b>16.8</b>	19.5	(2.7)pp
Statutory profit before tax (£m)	<b>25.7</b>	29.0	(11.3)%
Statutory basic EPS (pence)	<b>9.5</b>	11.1	(14.4)%
Adjusted operating cash flow (£m) <sup>1</sup>	<b>47.9</b>	38.8	+23.4%
Statutory net debt (£m)	<b>186.8</b>	84.2	+121.9%
Closing debt leverage (x) <sup>2</sup>	<b>1.5</b>	0.7	+114.3%
Interim dividend per share (pence)	<b>3.4</b>	2.8	+21.4%

1. The Group uses some alternative performance measures to track and assess the underlying performance of the business. These measures include adjusted operating profit, adjusted operating profit margin, adjusted profit before tax, adjusted basic EPS, adjusted operating cash flow, return on invested capital and adjusted operating cash flow conversion. An explanation and reconciliation to reported profit before tax is shown on page 27.

2. Closing debt leverage is net debt to LTM adjusted EBITDA.



# Reconciliation of adjusted to reported profit

	H1 2025 £m	H1 2024 £m	Movement £m
<b>Adjusted profit before tax</b>	<b>38.6</b>	35.0	3.6
<b>Items excluded from adjusted measures:</b>			
Acquisition related costs:			
Professional fees	<b>(1.9)</b>	(0.1)	(1.8)
Amortisation of acquired inventory fair value adjustment	<b>(4.2)</b>	–	(4.2)
Net gain on financial instruments at fair value	<b>1.2</b>	0.2	1.0
Re-measurement of future consideration	<b>(3.1)</b>	(1.3)	(1.8)
Amortisation of acquired intangibles	<b>(4.9)</b>	(4.8)	(0.1)
<b>Reported profit before tax</b>	<b>25.7</b>	29.0	(3.3)

1. The Group uses some alternative performance measures to track and assess the underlying performance of the business. These measures include adjusted operating profit, adjusted operating profit margin, adjusted profit before tax, adjusted basic EPS, adjusted operating cash flow, return on invested capital and adjusted operating cash flow conversion.

## Acquisition-related costs:

- Acquisition related costs:
  - £1.9 million (H1 2024: £0.1 million) of professional fees in respect of the acquisitions during the period.
  - £4.2 million (H1 2024: £nil) amortisation of acquired inventory fair value adjustments.
- Gain of £1.2 million (H1 2024: gain of £0.2 million) on fair value of financial instruments
- £3.1 million (H1 2024: £1.3 million) re-measurement of future consideration
- £4.9 million (H1 2024: £4.8 million) in respect of amortisation of intangible assets

# Consolidated statement of financial position summary

	31 January 2025 £m	31 July 2024 £m
<b>Non-current assets</b>		
Property, plant and equipment	31.6	30.2
Right-of-use assets	35.0	24.9
Intangible assets – goodwill	238.8	171.4
Intangible assets – others	128.7	76.9
	<b>434.1</b>	303.4
<b>Current assets</b>		
Inventories	73.9	53.1
Trade and other receivables	69.7	55.2
Income tax assets	–	0.4
Other financial assets	1.0	–
Cash and short-term deposits	10.7	18.2
	<b>155.3</b>	126.9
<b>Total assets</b>	<b>589.4</b>	430.3
<b>Current liabilities</b>		
Trade and other payables	(61.5)	(46.7)
Refund liabilities	(13.0)	(10.8)
Income tax liabilities	(3.7)	(3.9)
Other financial liabilities	(34.4)	(22.1)
Interest-bearing loans and borrowings	(5.9)	(14.4)
Provisions	(1.9)	(1.4)
	<b>(120.4)</b>	(99.3)
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	(190.5)	(71.7)
Provisions	(0.5)	(0.8)
Deferred tax liabilities	(28.0)	(12.6)
	<b>(219.0)</b>	(85.1)
<b>Total liabilities</b>	<b>(339.4)</b>	(184.4)
<b>Net assets</b>	<b>250.0</b>	245.9
<b>Total equity</b>	<b>250.0</b>	245.9



# Cash flow/net debt

	31 January 2025 £m	31 January 2024 £m	Movement £m	Movement %
<b>Adjusted EBITA (A)</b>	<b>43.7</b>	39.4	4.3	10.9%
Depreciation	5.0	4.5		
<b>Adjusted EBITDA</b>	<b>48.7</b>	43.9	4.8	10.9%
Change in net working capital	1.0	(2.5)		
Share-based payments	1.0	0.9		
Net investment in fixed assets	(2.8)	(3.5)		
<b>Adjusted operating cash flow (B)</b>	<b>47.9</b>	38.8	9.1	23.4%
Cash conversion (B/A)	110%	98%		
Interest paid on debt	(3.0)	(2.8)		
Tax paid	(8.2)	(7.2)		
Dividends	(12.3)	(10.9)		
<b>Free cash flow</b>	<b>24.4</b>	17.9	6.5	36.3%
Changes in investments	(106.7)	(8.6)		
Consideration paid for 25% of ClimaRad	(29.5)	–		
Purchase of shares	(1.3)	(2.7)		
Cash flow relating to business combination costs	(1.9)	(0.1)		
Finance costs paid	(1.8)	–		
Long-term lease liabilities adjustment	(12.7)	1.2		
Payments of lease liabilities	(2.2)	(1.8)		
Cash (outflow)/inflow	(131.7)	5.9	(137.6)	
<b>Opening net debt</b>	<b>(57.6)</b>	(89.3)		
Cash (outflow)/inflow	(131.7)	5.9		
FX on foreign currency loans/cash	2.5	(0.8)		
Closing net debt	<b>(186.8)</b>	(84.2)	(102.6)	121.9%

# Cautionary statement

This document may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as “will”, “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “should”, “may”, “assume” and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject to factors that could cause our actual results to differ materially from those expressed or implied by these statements. The Company undertakes no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.