



**Sigma  
Roc**

# RESULTS PRESENTATION H1 2021 RESULTS

23rd August 2021

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# PRESENTATION AGENDA

David Barrett - Chairman	●	<b>Introduction</b>
Max Vermorken - CEO	●	<b>Operational Review</b>
Dean Masefield - CFO	●	<b>Financial Review</b>
Max Vermorken - CEO	●	<b>Finance Team Changes</b>
Max Vermorken - CEO	●	<b>Outlook</b>
	●	<b>Q&amp;A</b>



# INTRODUCTION

## David Barrett

Executive Chairman

**Sigma  
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# H1 2021 INVEST, IMPROVE, INTEGRATE

Continued strong delivery of the business model across the Group



## FINANCIALS

Solid first half in fifth year of trading; delivering £84.8m sales, £15.2m Underlying EBITDA, 2.68p Underlying EPS for a leverage ratio of 1.7 times Underlying EBITDA. Underlying EBITDA margin of 18.0%.



## HEALTH & SAFETY

Continuing response to the COVID-19 pandemic to ensure safety of our employees and stakeholders. Successful in-house development and implementation of new Health & Safety App (HighVizz).



## ACQUISITIONS

Acquisition of B-Mix concrete businesses in Belgium. Establishment of new European construction materials platform. Joint venture agreement signed with Carrieres du Boulonnais.



## OPERATIONS

Solid progress already made across the new Benelux platform. Greenbloc launched in SigmaPPG and will be offered across its entire product portfolio.



## OUTLOOK

Transformational change with acquisition of Nordkalk, alongside a successful placing of 306 million shares at 85 pence per share. Nordkalk expands footprint into Northern Europe, adds a core limestone products stream to the Group and will form sixth platform.



# H1 2021 OPERATIONS

## Max Vermorken

Chief Executive Officer

The Sigma Roc logo, consisting of the words "Sigma" and "Roc" stacked vertically in a bold, sans-serif font, enclosed within a white square border. The background of the slide is a photograph of a construction site with a worker in an orange safety suit and white hard hat, surrounded by stacks of concrete blocks and rebar structures.

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# TRADING ACROSS H1 2021

Solid performance in 1<sup>st</sup> half of 2021, despite ongoing COVID-19 impact



## **RONEZ - CHANNEL ISLANDS**

Resilient trading in the first six months. A 4-week snap lockdown in late January in Guernsey was mitigated by exceptional demand in Jersey, with concrete volumes particularly strong. Road reconstruction programme in Jersey continued apace leading to above trend asphalt volumes. 'Bounce-back' in 2<sup>nd</sup> quarter in Guernsey in both residential and commercial demand.



## **SIGMAPPG - PRECAST CONCRETE**

Demand for PPG products strong throughout first half of the year, despite headwinds of raw material supply, scarcity of transport and increasing raw material prices. Greenbloc rolled out across CCP and Poundfield and H2 will see significant developments on several major UK-wide projects. Production commenced at additional Poundfield factory in Wrexham.



## **GD HARRIES - SOUTH WALES**

Commenced the year with solid January revenue. New key staff appointed early in the year. Major plant improvements implemented at 3 sites. Margins showing signs of steady improvement during the second quarter of H1 2021.



## **CDH – DIMENSION STONE**

Slightly slow start to the year due to freezing conditions in February, but increasing productivity in the second quarter leading to solid results. Demand for Bluestone continues to be strong in core markets of Belgium, Netherlands, France and Germany.



## **BENELUX**

Take-back control of quarrying operations located at Carrieres du Hainaut leading to good performance. B-Mix acquisition, incorporating Casters, delivering volumes are results in line with targets. Joint venture agreement signed with Carrieres du Boulonnais.

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# OPERATIONAL FOCUS

Driving operational performance



## HEALTH & SAFETY

Successful inhouse development and implementation of our Health & Safety App – HighVizZ.

H&S Climate survey undertaken to promote positive H&S engagement, canvassing opinions of all employees from MDs to shopfloor workers. Continuing maintenance of controls to protect our colleagues and visitors and to ensure compliance with Government guidance.



## MARGIN

Continued and ongoing focus across all Platforms. Slightly lower margins in PPG platform, due to long lead times on some bespoke projects, are set to improve in H2 2021. Margins in GD Harries affected by revenue mix, with contracting and civils work attracting lower margins, however appointment of new key staff and ongoing detailed review is beginning to show improvement here.



## ASSET DEVELOPMENT

Control taken back of quarrying operations in Soignies. CCP added additional production capacity to meet increased demand and Poundfield now has an additional factory in Wrexham. B-Mix group of concrete plants acquired in April and Nordkalk acquisition in August.

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# INITIATIVES ENVIRONMENTAL SOCIAL GOVERNANCE

Continued progress on our ESG initiatives



## GOVERNANCE

Shareholder approval received for acquisition of Nordkalk in early August. Garth Palmer to be appointed as CFO upon completion of the acquisition, with Dean Masefield remaining with the Group as Deputy CFO. Launch of new SigmaRoc Share Incentive Plan for all eligible employees.



## CARBON INITIATIVES

Launch of Greenbloc, UK's first cement free ultra-low carbon concrete building block. This leads to an average reduction of 2.7 tonnes of embodied CO<sup>2</sup> per average semi-detached house. Confirmation that PPG will offer ultra-low carbon cement free products for its entire product portfolio from January 2022.



## ENERGY INITIATIVES

At the operations in Soignies, Belgium, a further 9,670 ground-mounted solar panels have been installed. With the existing solar array the operations will produce 4 million kWh per year, decreasing the annual CO<sup>2</sup> emissions by 1,000 tonnes, and allow it to source 30% of electricity consumption from renewable sources.

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# INVEST ACQUISITION – B-MIX and CASTERS

Deployment of funds raised in December 2020



## **B-MIX AND CASTERS ACQUIRED FOR CASH CONSIDERATION OF €13m**

Located in Tessenderlo and Genk in Belgium, operating 4 concrete plants, producing circa 250,000 cubic meters annually, thus one of the top 5 RMX producers in Belgium. B-Mix business includes quayside operations along the Albert Canal which links the cities of Antwerp and Liege and the rivers Scheldt and Meuse. Option agreement with the right to acquire 11 hectares of quayside industrial land in Tessenderlo for a consideration of €9m.



## **FINANCIALS**

In total, the businesses generated turnover €22m, EBITDA €3.3m and net profit of €1.5m in 2020.

Funded from December 2020 equity fundraising and immediately enhancing to SigmaRoc Group's underlying earnings.

Actual market value of land under option estimated to be circa €4m above cost of option.



## **OPERATIONS**

Strong position in Limberg and Liege area, located along key waterways. An independent producer supplying large volumes, with a strong infrastructure.

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# INVEST ACQUISITION – NORDKALK OY AB

Reverse Takeover and Placing



## ACQUISITION OF ENTIRE ISSUED CAPITAL OF NORDKALK AND PLACING

In July, SigmaRoc conditionally agree to acquire Nordkalk, a wholly-owned subsidiary of Rettig Group, for a total consideration of approximately €470 million (approx. £402 million).

Alongside this, a successful placing was carried out, of 305.9 million shares at a price of 85 pence per share, raising £260m.

Consideration to be satisfied by a combination of €270 million (approx. £231 million ) from the proceeds of the Placing, the drawdown of €150 million (approx. £128 million) under a new £305 million banking facility and the issue of €50 million (approx. £43 million) new Ordinary shares to Rettig Group.

Nordkalk was founded in 1898 and is one of Europe’s prime limestone products operators. It develops limestone-based solutions for agricultural, construction and chemical industries and its main products include crushed limestone, limestone powder, quicklime and hydrated lime. It is a self-sustaining profitable business, with a long-term track record, operating at more than 30 different locations across Finland, Sweden, Norway, Poland, Estonia, Germany and Turkey.



## FINANCIALS

The consideration represents a purchase price of 7x underlying FY 2020 EBITDA.

In 2020, Nordkalk had adjusted revenue of €276 million.

Nordkalk adjusted EBITDA for 2020 was €67 million.

Enlarged SigmaRoc Group would see expected revenue of £376 million (*based on 2020*).

Expected EBITDA of enlarged Group of £83 million (*based on 2020*).

# INVEST ABOUT NORDKALK

Leading supplier with long history, strong assets in key markets and further potential to develop

## ESTABLISHED OPERATIONS WITH STABLE FINANCIAL PERFORMANCE

- Founded in 1898.
- 23 mine locations in six countries, present in 10 countries overall.
- EUR 276 million adjusted revenue (2020).
- EUR 67 million adjusted EBITDA (2020).\*
- Approximately 817 employees (2020).

## LEADING LIME PRODUCTS COMPANY IN NORTHERN EUROPE

- Finland: #1 for limestone, #1-2 for quicklime.
- Sweden: #1 for limestone, #1-2 for quicklime.
- Norway: #1 for limestone.
- Poland: #1 for limestone.
- Estonia: #2-3 for quicklime, #4 for limestone.
- Established presence in Turkey.

\* Adjusted for non-recurring items.

- Quarry
- Grinding Plant
- Kiln
- Slaking
- Harbour access
- Sales office





# H1 2021 FINANCIALS

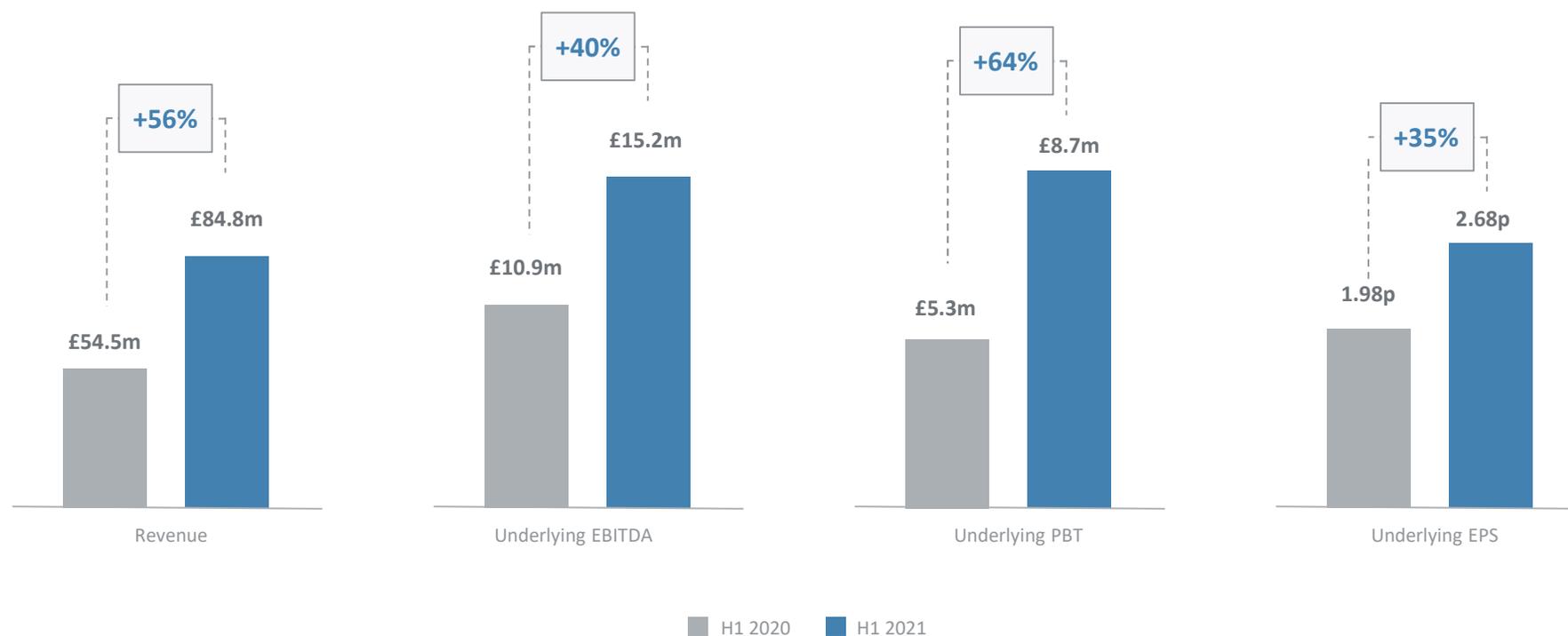
## Dean Masefield

Chief Financial Officer

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# STRONG RESULTS IN H1 2021

Strong H1 21 despite difficulties continuing from the pandemic



Underlying results are stated before holding company costs, acquisition-related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangibles and related tax items. References to an underlying measure throughout this presentation are defined on this basis.

# INCOME STATEMENT FOR H1 2020

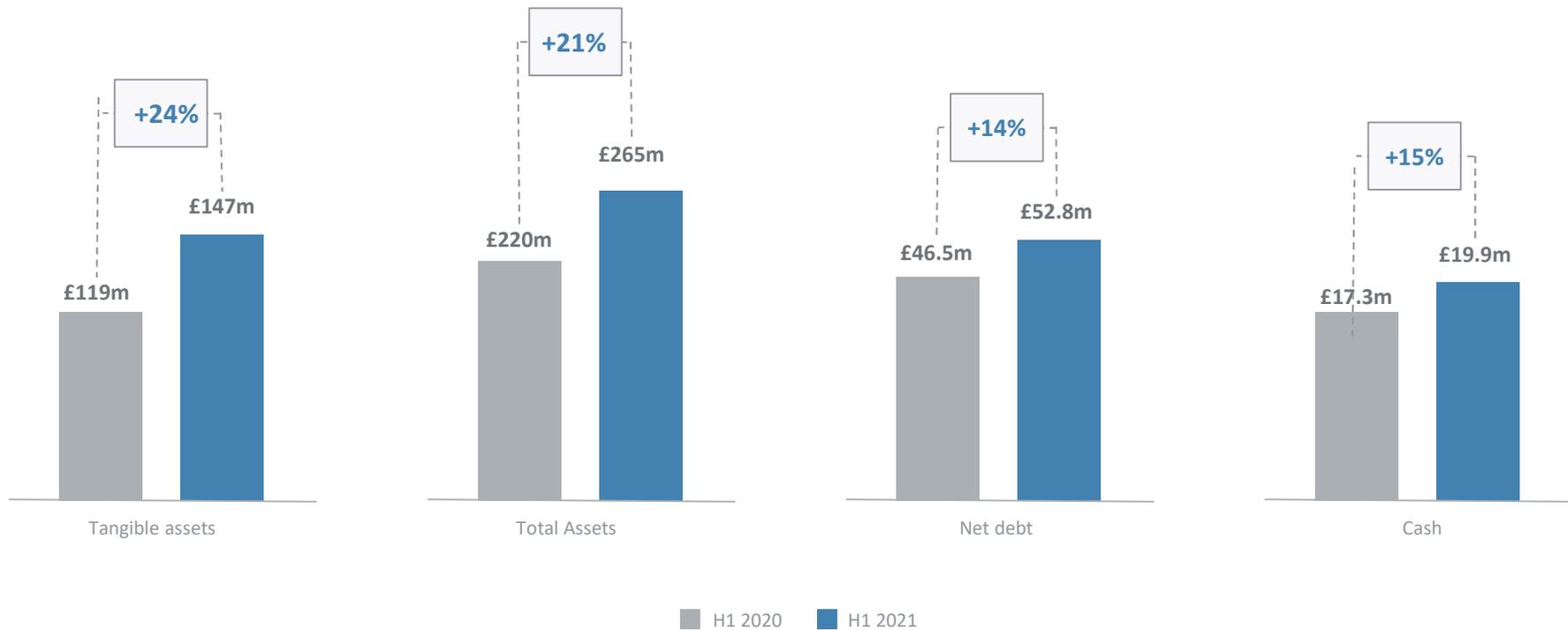
Acquired businesses - GD Harries and B-Mix Group - contributing to the H1 2021 income statement versus H1 2020

	H1 2021 £'000	H1 2020 £'000	Variance %
<b>Revenue</b>	<b>84,760</b>	<b>54,503</b>	<b>+55.6%</b>
Cost of sales	(61,585)	(39,268)	+56.8%
<b>Profit from operations</b>	<b>23,175</b>	<b>15,235</b>	<b>+52.1%</b>
Administrative expenses	(13,117)	(8,851)	+48.2%
Net finance (expense)/income	(1,306)	(1,149)	+13.7%
Other net gain/(loss)	46	73	-37.0%
Foreign exchange (loss)/gain	(89)	7	-
<b>Profit before underlying items and tax</b>	<b>8,709</b>	<b>5,315</b>	<b>+63.8%</b>
Tax expense	(1,236)	(300)	+3123%
<b>Underlying profit after tax</b>	<b>7,473</b>	<b>5,015</b>	<b>+49.0%</b>
<b>Underlying EPS</b>	<b>2.68</b>	<b>1.98</b>	<b>+35.4%</b>

Underlying results are stated before holding company costs, acquisition-related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangibles and related tax items. References to an underlying measure throughout this presentation are defined on this basis.

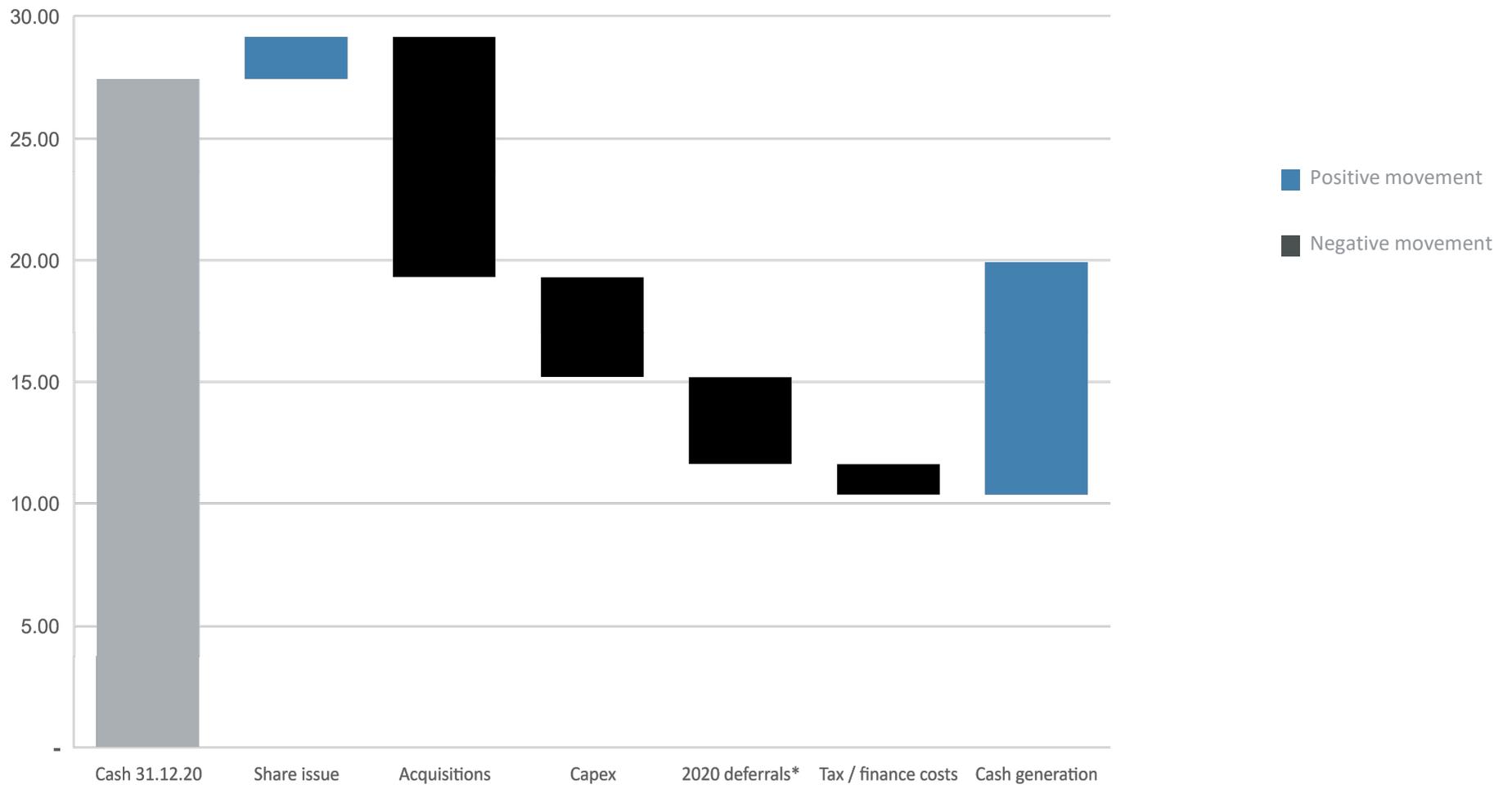
# KEY BALANCE SHEET STATISTICS FOR H1 2021

Clear picture of investment in our businesses while maintaining a solid balance sheet



# CASH MOVEMENT FOR H1 2021

Deployment of proceeds from Dec 2020 fundraise



\*2020 deferrals mainly consist of "Covid deferrals" in GD Harries relating to deferrals made in H1 2020 prior to the completion of the acquisition by SigmaRoc.



# FINANCE TEAM CHANGES

## Max Vermorken

Chief Executive Officer

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## SIGMAROC FINANCE TEAM POST NORDKALK ACQUISITION



### **Garth Palmer to be appointed CFO**

Following completion of the acquisition, Garth Palmer will be appointed CFO, with overall responsibility for the Enlarged Group. Garth held the position of CFO and Executive Director on a part-time basis from the inception of SigmaRoc until April 2020, and has been a Non-Executive Director since then.



### **Dean Masefield to remain with the Group as Deputy CFO**

Dean Masefield will step down from his position as CFO and remain with the Group as Deputy CFO. He will be responsible for overseeing the existing Platforms in the Channel Islands, UK and Belgium.



### **Marcel Gestranius, CFO Nordkalk**

Marcel Gestranius is the current CFO of Nordkalk, reporting to Paul Gustavsson CEO Nordkalk. Marcel will continue in this role and will have additional reporting responsibilities to Garth Palmer as the CFO of the SigmaRoc Group.





# OUTLOOK

# Max Vermorken

Chief Executive Officer

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## SIGMAROC OUTLOOK

- Strong demand across the existing Group looks set to continue for H2 2021, with margin improvement expected particularly in Poundfield and GD Harries.
- Continuing focus on ESG initiatives, and the roll-out of Greenbloc across the entire PPG product portfolio is on line for the beginning of next year.
- Successful conditional placing of 305.9 million shares and shareholder approval received for the acquisition of Nordkalk.
- The acquisition of Nordkalk will represent the cornerstone for a new Northern Europe business platform, offering immediate scale and diversification.
- The Enlarged Group will see us targeting organic growth of approximately 5 % per annum, EBITDA margins > 20% and ROIC of 15%. Net debt is expected to be < 2 x FY 2021 pro-forma EBITDA.
- We become a market-leading quarried materials group in Northern Europe:
  - 6 Platforms
  - 37 quarries
  - 77 operations across 13 countries
  - £740 million Pro forma total assets
  - more than 1 billion tonnes of Reserves and Resources
  - approximately 1,760 employees
- The Enlarged Group is expected to be significantly cash generative with targeted cash conversion ratio of approximately 95%.

# ENLARGED GROUP PRO FORMA INCOME STATEMENT FY2020

GBPk	Underlying SigmaRoc 2020	Nordkalk 2020	Net acquisition adjustments	Comments	Underlying Pro Forma Group 2020
<b>Revenue</b>	<b>124,231</b>	<b>259,723</b>	<b>(7,950)</b>	<i>Carbon credits and non-recurring income</i>	<b>376,003</b>
Cost of sales	(80,663)	(157,595)	-		(238,258)
<b>Profit from operations</b>	<b>43,568</b>	<b>102,128</b>	<b>(7,950)</b>	<i>See above</i>	<b>137,746</b>
Administrative expenses	(19,671)	(40,988)	5,700	<i>NICO Programme and share options</i>	(55,253)
<b>EBITDA</b>	<b>23,897</b>	<b>61,747</b>	<b>(2,250)</b>	<i>See above</i>	<b>83,394</b>
Depreciation & amortisation	(9,365)	(21,585)	1,173	<i>Remove goodwill &amp; add facility fees</i>	(29,777)
Other	-	(84)	-		(84)
<b>Profit before interest and tax</b>	<b>14,532</b>	<b>40,077</b>	<b>(1,077)</b>	<i>See above</i>	<b>53,532</b>
Net finance costs	(2,379)	(3,536)	(1,759)	<i>Delta to new finance facilities</i>	(7,674)
Corporation tax	(662)	(4,156)	(2,400)	<i>Additional corp. tax</i>	(7,218)
<b>Profit after interest and tax</b>	<b>11,491</b>	<b>32,386</b>	<b>(5,236)</b>	<i>See above</i>	<b>38,641</b>
<i>Profit attributable to:</i>					
Owners of the Company	11,491	29,713	(5,236)		35,968
Non-controlling interests	-	2,673	-		2,673
	<b>11,491</b>	<b>32,386</b>	<b>(5,236)</b>		<b>38,641</b>

- Assumes average EUR:GBP exchange rate of 1.125 for FY2020

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# SIGMAROC CARRIERES DU HAINAUT – PERMIT GRANTED

- In early 2021, Carrieres du Hainaut submitted a permit request in respect of the following:
  - the extraction of limestone in an additional area of 116 hectares,
  - the building of a new aggregates plant,
  - the construction of necessary buildings for related operations.
- This permit was granted by the Walloon Authorities on 17<sup>th</sup> August 2021.
- It enables Carrieres du Hainaut to extract 15 million cubic metres of Dimension stone, and 140 million tonnes of aggregates.
- It guarantees the future activities of Dimension stone and aggregates for an estimated additional period of 60 years.



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# QUESTIONS & ANSWERS

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