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16 September 2021

Marley Group

Announcement of Intention to Publish a Registration Document and

Expected Intention to Float on the Main Market of the London Stock Exchange

Marley Group ('Marley' or the 'Group'), a UK leader in the manufacture and supply of pitched roof systems to the construction market, today announces that it is considering an initial public offering (the "IPO" or the "Offer") and that it intends to publish a registration document (the "**Registration Document**") today. The Company is considering applying for admission of its Shares to the premium segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange ("**Admission**"). Admission would be subject to the requisite regulatory approvals being obtained.

Group highlights

- Marley is a UK leader in the manufacture and supply of pitched roof systems to the construction market through three main channel partners, comprising builders' merchants, roofing merchants and roofing contractors.
- Marley is a highly recognised and frequently preferred brand in the Great Britain ("GB") pitched roofing market, with a near 100-year heritage and is widely recognised in the UK roofing industry as a well-established brand, offering a broad range of good quality and reliable products, supported by its services.
- Marley is the largest manufacturer of roofing tiles in GB, with an estimated market share of approximately 21 per cent. and complements its roof tile range with a full range of concrete and clay fittings, timber battens, roofing accessories and roof-integrated solar PV panels, following the recent acquisition of Viridian Solar. In addition, the Group operates a

contracting division in Scotland, primarily offering roofing and main contracting services.

- The Group's financial performance has remained resilient throughout the economic cycle when compared to the general construction industry. For instance, over the past 10 years, the price of the Marley Group's concrete tiles has consistently exceeded CPI. Marley Limited's Underlying EBIT Margin grew from 18.8 per cent. in FY19 to 19.7 per cent. in FY20, despite significant macroeconomic uncertainty arising from both Brexit and the COVID-19 pandemic. Since COVID-19, the Group has seen a strong recovery, with volumes recovering towards 2019 levels and Underlying EBIT Margin growing further to 24.0 per cent. in the six months to June 2021, with profitability sustained despite raw material price increases.
- The Group has a well-invested portfolio of eight production and distribution facilities with additional production capacity available for growth in what the Directors believe to be a capacity constrained market. Its facilities have low capex requirements and are comprised of three concrete tile factories, one clay tile factory, one timber production site, one solar panel facility and two distribution centres (all of which are freehold, save for the solar distribution facility). In addition, the Marley Group owns a clay quarry.
- Demand for Marley's products is driven by its significant exposure to the resilient and growing RMI market from where an estimated 53 per cent. of the Group's revenues are generated. With approximately 65 per cent. of homes in the UK built before 1974, this demand is underpinned by the country's rapidly ageing housing stock which requires roof renovation and replacement.
- Demand is also driven by the structural deficit of new build housing in the UK with the Directors expecting that only 180,000 homes will be built in 2021 compared to the Government's target of 300,000. This ensures a long-term residential new build growth requirement, supporting future demand across all of Marley's products. There are also multiple supportive government programmes to drive both the demand for and the supply of new housing. The Group's integrated solar roof system is also well placed to benefit from government initiatives to improve energy efficiency of new build housing.
- Marley has strategic plans for both organic growth, through market development and innovation, and inorganic growth, through acquisitions and brand expansion. Supported by its track record of profitable growth, the Group is targeting medium term organic revenue growth of 10 per cent. as well as a sustainable Underlying EBIT Margin of 20 per cent. and 80 per cent. cash conversion through the cycle.
- The Marley Group also has a strong track record of sustainable innovation and a clear roadmap in respect of its future ESG credentials. The Directors believe that the Marley Group has been an early pioneer of sustainability in the manufacturing industry. Such ESG credentials have been further strengthened by the Group's plans to expand its solar offering, building on the acquisition of Viridian to expand smart energy solutions for homebuilders, social housing providers and homeowners.

Paul Lester CBE, Marley Group Chairman, commented:

“Marley is a premium building materials brand and a sector leader in roofing thanks to its reputation for quality and service amongst its customer base and a near 100-year heritage. The Group's differentiated proposition is underpinned by significant market demand thanks to the UK's rapidly ageing housing stock. The structural undersupply of new homes, which is high on the political agenda

and supported by multiple government policies, is also a key demand driver and one that plays extremely well to Marley's long track record of innovation and sustainability.

"Led by a highly experienced management team, the Group has delivered a resilient financial performance throughout the economic cycle, resulting in industry leading margins and high cash generation. This, coupled with a clear strategy for growth through further innovation, acquisitions and brand extension, means that the Group is well placed to build on its strong momentum to date."

David Speakman, Chief Executive of Marley, commented:

"Our business combines the most comprehensive pitched roofing system available and well-invested, freehold production sites across the country which can provide significant additional capacity as needed. This, combined with a number of positive market dynamics, gives us the confidence to pursue our growth agenda and we see multiple opportunities for both organic and inorganic expansion.

"Marley is further differentiated by our long and successful track record in sustainability and a clear roadmap to expand our ESG credentials. These credentials are strengthened by plans to expand our solar offering to deliver a range of smart energy solutions to homebuilders, social housing providers and homeowners. This means Marley is well positioned to play an increasingly important role in helping deliver homes that meet the UK's green agenda."

Potential offer highlights

Should Marley proceed with the IPO, it is expected to have the following features:

- Admission to listing on the premium listing segment of the Official List of the FCA and to trading on the Main Market for listed securities of the London Stock Exchange.
- The Offer would be a targeted offering to certain institutional investors in the United Kingdom and to institutional investors located elsewhere outside of the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and in the United States to a limited number of "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the Securities Act.
- The Company is targeting a free float of at least 25 per cent. of its issued share capital immediately following Admission and expects it would be eligible for inclusion in the FTSE UK indices post-Admission.
- Any additional details in relation to the Offer would be disclosed in a Confirmation of Intention to Float announcement and/or the Prospectus, if and when published.
- The Group has engaged Jefferies International Limited ("Jefferies") and Peel Hunt LLP ("Peel Hunt") as Joint Sponsors, Joint Global Co-ordinators and Joint Bookrunners and Panmure Gordon (UK) Limited ("Panmure Gordon") as Joint Bookrunner in the event that the Offer proceeds.

A copy of the Registration Document will be submitted to the National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> once approved by the FCA. A copy of the Registration Document will also be available on Marley's website at <https://investors.marley.co.uk/> subject to certain access restrictions.

Group Overview

Roofing

- *Roof tiles:* the Marley Group is the largest manufacturer of roofing tiles in GB, with a market share in 2020 of approximately 30 per cent. of the GB concrete tile manufacturers and approximately 48 per cent. of the clay plain tile GB manufacturers. The Group primarily manufactures concrete and clay tiles, currently operating two main production lines at a single clay tile manufacturing facility and six main production lines across three concrete tile manufacturing facilities in the UK.
- *Roof fittings:* the Marley Group complements its roof tile range with a full range of concrete and clay fittings, produced across four production lines (two clay and two concrete). A small range of handmade and made-to-order fittings are also produced to meet specific customer requirements.
- *Timber battens:* the Marley Group is the UK's only manufacturer of graded roofing battens, with a market share of approximately 32.5 per cent. in 2020. The Group grades and processes raw timber at its timber manufacturing and sawmill facility, having a total production capacity of 99,000 m³ per annum.
- *Roof accessories:* the Marley Group supplies a comprehensive range of roofing accessories to complement its offering of roof coverings. These roof accessories include ventilation, dry-fix, fire protection and underlay, forming an important element of the Marley Group's comprehensive roof offering. Roofing accessories are sourced from a variety of suppliers. In many cases, the Group has designed, developed and acquired the tooling for production of these products, and places the tooling with supply partners for the manufacture of its products.
- *Ancillary products:* In addition, the Marley Group provides a range of ancillary products such as cedar shingles and shakes, for niche roofing sectors and a commercial timber decking range, which it achieves specification for on commercial projects.

Roof-integrated solar - Viridian

- *Solar panels:* the Marley Group supplies roof integrated solar PV panels branded as Viridian Solar and Marley SolarTile. The Directors estimate that Viridian had a market share of approximately 54 per cent. of the UK roof integrated solar market in 2020. Solar panels are designed to be integrated into the Marley roof system, offering specifiers the ability to introduce renewable energy solutions into the roofscape. The solar panels are also compatible with all other tile and slate roof coverings. This makes them ideal for meeting the requirements of new energy efficiency regulations for new housing and providing solutions for social housing decarbonisation.

Contracting

- *Contracting services:* the Marley Group operates a contracting division in Scotland, primarily offering roofing and main contracting services. This division operates out of the Marley Group's site in Glasgow, on an arms-length basis, acting as another customer of Marley. The contracting division supports the Marley Group's leading position in the Scottish pitched roofing market and provides the Marley Group with good market and customer insight for the innovation and testing of new roofing products and bringing products to market.

Competitive strengths

The Directors believe that the Marley Group benefits from the following competitive strengths:

Market-leading brand with 100 years of heritage

Marley is a highly recognised and frequently preferred brand in the UK roofing industry, having nearly 100 years of history in the UK. According to independent research, Marley continues to be perceived as a well-established brand, offering a broad range of good quality and reliable products, supported by its services. The Group's net promoter score from customers has remained strong during the COVID-19 pandemic, increasing slightly in 2021 from 2019 levels. Marley's unprompted brand recognition is strong amongst key specifiers such as architects, with over four-fifths of architects surveyed for the research claiming to be familiar with Marley as a roofing brand. It is also the most preferred roofing brand across both roofing contractors and merchants.

The most comprehensive pitched roofing systems on the market

The Group believes it offers the most comprehensive roofing system in the United Kingdom. Its product offering includes concrete and clay roof tiles, roof fittings, timber battens, roof-integrated solar panels and roofing accessories. This complete roof solution offers an effective roofing system, which is designed and tested to work together - all supported by a 15-year roof system warranty. Marley believes this enables it to distinguish its offering from competitors in the UK roofing market, supporting its market leading brand position and underpinning its well-regarded reputation in roofing, facilitating premium product pricing and maintaining its significant market share.

A demand generation 'pull' strategy underpinned by strong brand and digital leverage throughout the channel

The Group's commercial strategy is centred around demand generation for the Marley brand, the system and its roofing products, with an emphasis on generating 'pull demand'. The Group's well-regarded marketing resources and its knowledgeable and experienced sales team invest a significant amount of time in their relationships with key specifiers and influencers (e.g. planners and quantity surveyors) to generate strong 'pull' demand for its products. This results in lead generation, project specifications and, ultimately, orders placed by end-customers through Marley's channel partners. This strategy is supported by 'push' strategies through lead provision to channel partners, point of sale support and strong channel customer retention and relationship building. This strategy is designed to effectively maximise the Marley Group's revenue and margin per m² of roofs supplied.

Significant exposure to resilient and growing RMI market

Demand for the Group's products is closely correlated with residential construction activities, comprising the new build and RMI (Repair, Maintenance and Improvement) construction sectors and, to a lesser extent, commercial construction activities in the United Kingdom. The Directors estimate that in FY20, 53 per cent. of the Group's revenue was generated from RMI construction activities. This sector exposure is driven by structural considerations, including the ageing housing stock in the United Kingdom, which requires roof renovation and replacement across a building's lifetime. The Directors believe this exposure provides resilience throughout difficult economic periods when new housing demand may be lower.

A track record of establishing strong ESG credentials

The Group has a strong track record of sustainable innovation and a clear roadmap in respect of its future ESG credentials. The Directors believe that the Group has been an early pioneer of sustainability in the manufacturing industry, having gained ISO 14001 environmental management certification across all of its manufacturing facilities about 20 years ago and having achieved BES6001 accreditation for responsible sourcing of raw materials around 10 years ago. The Group also focuses on responsible resource use and waste management, with 100 per cent. of concrete waste recycled and re-used, 100 per cent. of waste diverted from landfill and 100 per cent. renewable electricity sources used in manufacturing. The Group has identified three generic ESG priorities in the short term, being equality for its employees, carbon reduction and the health and safety of its employees. Such ESG credentials have been further strengthened by the Marley Group's plans to expand its solar offering, building on the acquisition of Viridian to expand smart energy solutions for homebuilders, social housing providers and homeowners.

Demand underpinned by ageing housing stock, historic undersupply of new build housing and supportive government initiatives

Demand for the Group's products is underpinned by a rapidly ageing housing stock, a housing market in structural undersupply and multiple supportive government programmes to drive both demand for and the supply of new housing.

The UK has an ageing housing stock, requiring significant renovation work. The average home is 65 years old, with 65 per cent. of homes built pre-1974. The Directors believe that a significant element of the UK housing stock will require re-roofing in the next few years, underpinning demand for the Group's products.

In addition, the UK housing market is in a structural deficit, giving rise to a long-term requirement for growth in residential new build. The Directors expect that the government's target of 300,000 homes will be missed in 2021 and expect that instead only around 180,000 homes will be built. This leaves a deficit of some 120,000 homes this year alone. The Directors believe that this new build requirement supports future demand across all of Marley's products.

Further, Marley operates within a housing sector that continues to benefit from significant political support. The UK government has implemented a number of initiatives to drive housing demand, such as Help to Buy and the Mortgage Guarantee Scheme, as well as measures to increase housing supply, including the £2.3 billion Housing Infrastructure Fund. The UK government is also focused on improving energy efficiency in new build homes. One example is the requirement under the Future Homes Standard for homes built from 2025 to produce 75-80 per cent. less carbon emissions. The Group's integrated solar roof system is well-placed to leverage this need for new construction activity to satisfy energy performance and carbon emissions regulations and standards.

Eight well-invested sites with low capex requirements in a capacity constrained market

The Marley Group has a well-invested portfolio of production and distribution facilities with additional production capacity available for growth in what the Directors believe to be a capacity constrained market. Marley's facilities have low capex requirements and are comprised of three concrete tile factories, one clay tile factory, one timber production site, one solar panel facility and two distribution centres (all of which are freehold, save for the solar distribution facility). In addition, the Group also owns a clay quarry.

In FY20, the Group operated at approximately 80 per cent. utilisation across its six concrete tile

production lines, approximately 59 per cent. in respect of its clay tiles and approximately 71 per cent. utilisation in respect of its timber battens. The Directors believe that the roofing industry, including the Group's key competitors, are constrained by concrete and clay production capacity in the current market. Accordingly, Marley is well placed to use existing excess-capacity, and invest in additional production capacity, to leverage any future growth in demand for roofing products in the United Kingdom.

Strategic growth plan for innovation, acquisitions and brand expansion

The Group has strategic plans for both organic growth, through market development and innovation, and also inorganic growth, through acquisitions and brand expansion. The Marley Group's innovation provides opportunities for market development and penetration of adjacent and complementary markets. Through further innovation and product development the Group will be able to offer customers an even greater range of products.

Additionally, as Marley explores other opportunities, adjacent and complementary markets provide the potential for further brand expansion. Further, the Group's track record of acquisitions, together with the respected Marley brand, provides an opportunity for portfolio expansion across the wider construction market - extending the Group's product offering and capturing supplier margins through vertical integration.

Further information is included in the Group Strategy section below.

Strong margins and high cash generation

With the benefit of strong demand for roofing products and a premium pricing strategy for its products, the Group has strong margins. This is complemented by high cash generation as a result of relatively low maintenance capex and robust working capital management. In FY20, Marley Limited's Underlying EBIT Margin was 19.7 per cent., having increased from 18.8 per cent. in FY19 with Underlying EBIT decreasing from £27.0 million in FY19 to £23.8 million in FY20. Marley Limited's Underlying Operating Cashflow increased from £28.5 million in FY19 to £32.2 million in FY20 with a Cash Conversion rate of 113.5 per cent. in FY20 (FY19: 90.8 per cent.).

Resilient financial performance through the economic cycle

Demand for construction materials, including the Marley Group's products, is driven in large part by construction activity, which can be sensitive to macroeconomic factors specific to the United Kingdom. However, the Group's financial performance has remained resilient throughout the economic cycle when compared to the general construction industry. For instance, over the past 10 years, the price of the Marley Group's concrete tiles has consistently exceeded CPI. Marley Limited's Underlying EBIT Margin grew from 18.8 per cent. in FY19 to 19.7 per cent. in FY20, despite significant macroeconomic uncertainty arising from both Brexit and the COVID-19 pandemic. The Directors believe that this resilience is due to the Marley brand recognition and preference in the UK roofing market, coupled with its product proposition, commercial strategy and sector exposure. Since COVID-19, the Group has seen a strong recovery, with volumes recovering towards 2019 levels and Underlying EBIT Margin growing further to 24.0 per cent. in the six months to June 2021, with profitability sustained despite raw material price increases.

Group Strategy

The overall strategy of the Marley Group is to capitalise on the attractive market fundamentals in the UK roofing industry (particularly in relation to the growing RMI market) and to consolidate market

share and improve profitability in the short- to medium-term by utilising its existing, well-invested manufacturing facilities and available production capacity. In addition, the Directors believe there are multiple levers to drive future growth. The Marley Group intends to finance its strategy with cash from its operations, however, the Directors will also consider further debt finance, equity offerings or issuing consideration in the form of equity.

The four pillars of the Marley Group's business growth strategy are:

Innovation

Marley also intends to pursue innovation opportunities for product development and penetration of both adjacent and complementary markets. The Directors believe that innovation presents both short and longer-term potential growth opportunities for the Group, with cross-over between the Marley Group's acquisition and brand extension strategies. For instance, the Group intends to build on the acquisition of Viridian by expanding a range of smart energy solutions for homebuilders, social housing providers and homeowners (comprising products such as inverters, batteries, home charging stations and air source heat pumps).

In addition, the Directors consider there is further potential to provide innovative solutions in relation to cladding, recycled tiles and fire protection. The Group may also be able to achieve inorganic growth through an extension of its existing product range, breadth and depth. The Directors believe there are opportunities to extend the Marley brand into additional roofing accessories, flat roofing, and roofing specifications and estimating software.

Market development

The Group intends to invest in new products, while also focusing on new markets. For instance, the Directors believe the Group's solar tiles present a strong growth opportunity and intend to expand this product offering into Continental Europe and Ireland - targeting a new customer base beyond the United Kingdom. In addition, the Group has created proposals to develop a new concrete interlocking tile line with a view to capitalising on growth in new and RMI housing demand in the coming years, and supporting market share growth aspirations, in addition to targeting production efficiencies. Further, the Group is working on manufacturing interlocking clay tiles at its clay production site to start output in 2022.

Acquisitions

The Group intends to achieve growth in margin contribution per m² of roof sold and capture supplier margins through vertical integration. The Group has a track record of successfully enhancing its product offering, having acquired John Brash in April 2016 (a market leader in timber battens) and Viridian in April 2021 (a market leader in roof integrated solar PV panels). The Directors believe that there are a range of potential opportunities to leverage the Marley brand by acquiring roofing components and accessories, with further extensions of the Marley roof system providing cross-selling opportunities. The Directors have identified a pipeline of potential acquisition targets for the short and medium term.

Viridian

The Group's acquisition of Viridian provides exposure to the expanding renewable energy sector.

Given that only approximately 10 per cent. of new build housing includes solar PV, the Directors believe that the GB solar market has growth potential - driven by growing consumer awareness and

favourable UK government policies.

In particular, the Directors believe that the proposed changes as a result of the Building Regulations 2021 have the potential to be transformational for the solar market in England and Wales. Following the introduction of previous, similar, regulatory changes in Scotland, through the Climate Change (Scotland) Act in 2009, the percentage of new build homes with solar panels increased to approximately 67 per cent. in 2020. If the proposed regulatory changes in England and Wales result in 60 per cent. of new homes incorporating solar panels, the Directors estimate that there would be approximately 768,000 potential solar panel opportunities from new housing per year in England and Wales (based on approximately 160,000 housing completions in 2021 and eight panels per house).

Supplementary Information for Bona-fide Unconnected Sell-Side Research Analysts

A presentation and related information for unconnected research analysts will be made available via a link from today. Please contact Powerscourt at Marley@powerscourt-group.com if you would like to receive access to this information.

For further information:

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Further information on the Group

Current and proposed Directors

Name	Age	Position
Paul John Lester CBE	71	Non-Executive Chairman
David Speakman	50	Chief Executive Officer
Dominic Mark Heaton	49	Chief Financial Officer
Paul Gregory Reed	53	Chief Operating Officer
Richard Booth	40	Nominee Non-Executive Director
Stuart Robinson	47	Nominee Non-Executive Director
Serena Lang	51	Proposed Senior Independent Non-Executive Director
Gill Barr	63	Proposed Independent Non-Executive Director
Jack Clarke	55	Proposed Independent Non-Executive Director

The business address of each Director and proposed Director is Lichfield Road, Branston, Burton-Upon-Trent, England, DE14 3HD.

Paul John Lester CBE, Non-Executive Chairman

Paul Lester is the Non-Executive Chairman of Marley, a position he has held since February 2020 and has over 35 years of experience at the senior management or director level of businesses. Paul has significant experience of working with both private equity-backed businesses and businesses in highly relevant sectors to Marley.

Paul currently also serves as Non-Executive Chairman of retirement housebuilder McCarthy Stone, FTSE 250 manufacturing company Essentra plc, the Readypower Group, FirstPort and Appello.

Prior to joining Marley, Paul's notable roles include as Non-Executive Chairman of Forterra Plc, a leading producer of manufactured masonry products, where he led the company's successful IPO; Non-Executive Chairman of Algeco, the largest provider of modular accommodation worldwide; Group Managing Director of infrastructure group Balfour Beatty plc; Chief Executive of support services business VT Group plc; and Non-Executive Director of Invensys PLC, an engineering company previously in the FTSE 100.

He is a Chartered Engineer, a member of the UK Government's Major Projects Review Group and was awarded a CBE for his services to Engineering in 2007. Paul is a Fellow of the Institute of Mechanical Engineers and has been awarded Honorary Doctor of Laws from the University of Portsmouth. Paul has a Diploma in Management Studies from the University of Gloucestershire and a Bachelor of Science (Hons) in Mechanical Engineering from Nottingham Trent University.

David Speakman, Chief Executive Officer

David Speakman serves as the Chief Executive Officer, having joined Marley in 2004. He previously held the post of Etex Regional General Manager between 2016 and 2019 and was Managing Director of Marley Eternit from 2013 until 2016. Prior to these roles, David was the Finance Director of Marley Eternit & Tegral Ireland for 8 years. He is a chartered accountant.

Dominic Mark Heaton, Chief Financial Officer

Dominic Heaton joined Marley as Chief Financial Officer in March 2020. He has almost twenty years of experience in finance leadership posts including the role of CFO at ELeather between 2019 and

2020. Dominic spent 13 years at the Innovia Group, a private equity backed materials business, progressing to Finance Director, prior to which he held commercial finance roles at Sanofi and Electrolux. Dominic is a Chartered Management Accountant, an associate member of the association of corporate treasurers and of the chartered institute of personnel development.

Paul Gregory Reed, Chief Operating Officer

Paul Reed joined Marley in 1989 and is now the Chief Operating Officer, having previously held various marketing and senior leadership positions in the company. Notably, Paul was the Managing Director of Etex UK between 2017 and 2019 and the Commercial Director of Marley Eternit between 2008 and 2017. He graduated from Loughborough University in 1989, with a Bachelor of Applied Science in Geography and has a Diploma in Marketing from Nottingham Trent University and a Diploma of Business Administration from the University of Warwick Business School.

Richard Booth, Nominee Non-Executive Director

Richard Booth joined the Marley Group in 2019 as a Non-Executive Director. Richard is a Partner at Inflexion Private Equity Partners LLP ("IPEP") and represents Inflexion Buyout V Investments LP and Inflexion Supplemental V Investments Limited Partnership (together, the "Inflexion Funds") on the Board. He was involved in the IPEP teams which advised on the investments in Aspen Pumps, the Marley Group and Huws Gray. Richard has a longstanding interest in the industrial sector, having spent ten years at Candover and Arle Capital where he was involved in several transactions covering industrial manufacturing and energy services including co-leading the buyout of Innovia Group. Richard holds a Bachelor of Science degree in Economics from University College London.

Stuart Robinson, Nominee Non-Executive Director

Stuart Robinson joined the Marley Group in 2019 as Non-Executive Director. Stuart is a Partner at IPEP, having been a private equity investor for 20 years and represents the Inflexion Funds on the Board. During his time at IPEP, he has led investments in the Marley Group and Huws Gray. Stuart previously held positions as Managing Director in the London office of US equity investor Levine Leichtman Capital Partners, and as a Director and Partner at 3i, focussing on investments in both private and publicly traded companies. Stuart holds a Law degree from Durham University.

Serena Lang, Proposed Senior Independent Non-Executive Director

Serena is currently Non-Executive Chairman of Eleco plc having stepped down from being Executive Chairman in September 2021 following her appointment to the position in September 2020. Prior to this she was Non-Executive Deputy Chairman from May 2017, and a Non-Executive Director from December 2014. Serena's career includes working at Invensys plc running the North West Europe and Africa region of the Operations Management division between 2009 and 2011 whilst also being a global Enterprise Client Executive between 2008 and 2013 and the Global VP Business Value Solutions between 2011 and 2013, at BP Lubricants as a Global VP Transformation (BP Lubricants Division) between 2005 and 2008 and the Global VP Transformation (BP Refining and Marketing) between 2003 and 2007. She graduated from Kingston University with a MBA in Business (Distinction), holds a Masters in Marketing from Martran College, London and has a Bachelor of Arts in Industrial Business Administration.

Gill Barr, Proposed Independent Non-Executive Director

Gill currently serves as a Non-Executive Director of N Brown Group since January 2018, a Non-Executive Director of Wincanton since September 2017, and a Non-Executive Director of PayPoint plc

since May 2015. Gill has previously served as a Non-Executive Director of McCarthy Stone between 2019 and 2021, a Trustee of LifeSight, Willis Towers Watson's UK DC Master Trust between 2015 and 2018, the Chair of the Customer Challenge Group (in relation to Severn Trent Water) between January 2016 and September 2021 and Non-Executive Director of Morgan Sindall between 2004 and 2012. Her executive roles include Group Marketing Director of The Co-operative Group between 2011 and 2014 and Marketing Director of John Lewis between 2007 and 2009. She graduated from the University of Aberdeen in 1981 with a Bachelor of Science (Psychology). She also has an MBA at the London Business School which was completed in 1984.

Jack Clarke, Proposed Independent Non-Executive Director

Jack was the Group Finance and Executive Director of Marshalls plc from October 2014 to April 2021. Previously, Jack served as the Strategy Director and then CFO of AMEC (E&I) between January 2010 and September 2014. Jack is a qualified chartered accountant, has a diploma in treasury management and graduated from the University of Leeds in 1987 with a Bachelors in Economics & Management Studies (Honours) and in 1989 with Masters of Science (Civil Engineering).

Key financial information

The tables below set out the Marley Group's KPIs based on Marley Limited's historical financial information for the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021 and Monty Topco Limited's consolidated historical financial information for the six months ended 30 June 2020 and 2021:

	Marley Limited				
	Year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
Revenue	£137.4m	£143.5m	£120.7m	£52.1m	£76.0m
Growth %		4.5%	(15.9)%		45.9%
Underlying EBITDA ⁽¹⁾	£25.6m	£31.3m	£28.4m	£9.4m	£21.8m
Underlying EBIT ⁽²⁾	£21.5m	£27.0m	£23.8m	£7.0m	£19.6m
Underlying EBIT Margin ⁽³⁾	15.7%	18.8%	19.7%	13.5%	25.8%
Underlying Operating Cashflow ⁽⁴⁾	£17.3m	£28.5m	£32.2m	£11.9m	£18.4m
Cash Conversion ⁽⁵⁾	67.8%	90.8%	113.5%	125.8%	84.4%

	Monty Topco Limited	
	Six months ended 30 June	
	2020	2021
Revenue	£52.1m	£80.1m
Growth %		53.8%
Underlying EBITDA ⁽¹⁾	£9.3m	£21.8m
Underlying EBIT ⁽²⁾	£6.7m	£19.2m
Underlying EBIT Margin ⁽³⁾	12.8%	24.0%
Underlying Operating Cashflow ⁽⁴⁾	£11.5m	£16.8m
Cash Conversion ⁽⁵⁾	113.6%	77.0%

Notes:

(1) "Underlying EBITDA" is a non-IFRS financial measure that reflects earnings before interest, tax, depreciation and amortisation (EBITDA) excluding the effects of certain exceptional items, audit adjustments for sales rebates and accruals to budget and, in the case of Monty Topco only, exit fee accrual relating to the Marley Acquisition. Underlying EBITDA includes £3.0 million of funding received in FY20 from the CJRS to cover costs in relation to furloughed staff.

(2) "Underlying EBIT" is a non-IFRS financial measure that reflects operating profit (EBIT) excluding the effects of certain exceptional items, audit adjustments for sales rebates and accruals to budget and, in the case of Monty Topco only, costs relating to the Marley Acquisition, including exit fee accrual and amortisation arising from the brand and customer relationships intangible assets recognised at the time of the Marley Acquisition. Underlying EBITD includes £3.0 million of funding received in FY20 from the CJRS to cover costs in relation to furloughed staff.

(3) "Underlying EBIT Margin" is a non-IFRS financial measure calculated as Underlying EBIT as a percentage of revenue.

(4) "Underlying Operating Cashflow" is a non-IFRS financial measure that reflects Underlying EBITDA adjusted for movements in working capital, capital expenditure and audit adjustments for sales rebates and accruals to budget.

(5) "Cash Conversion" is a non-IFRS financial measure calculated as Underlying Operating Cashflow as a percentage of Underlying EBITDA.

The financial information presented in this announcement for the six months ended 30 June 2020 and 2021 has been extracted or derived from the consolidated historical financial information of the Company unless otherwise indicated; the financial information presented in this announcement for the years ended 31 December 2018, 2019 and 2020 has been extracted or derived from Marley Limited's unconsolidated historical financial information unless otherwise indicated. For the period from 30 August 2019 to 1 April 2021, Marley Limited was the only trading and revenue generating entity in the Group, and the Directors believe that the trading performance of the underlying Marley business for the years ended 31 December 2018, 2019 and 2020 is reflected in the historical financial information of Marley Limited. Although the Directors believe that the trading performance of the underlying Marley business for the three year period ended 31 December 2020 is reflected in Marley Limited's historical financial information, the historical financial information of Marley Limited would differ significantly from the consolidated historical financial information of the Company for the corresponding periods. Consequently, the unconsolidated financial information for Marley Limited is not directly comparable to the consolidated financial information of the Company within or across financial periods. Additionally, the Marley business operated as a division of Marley Eternit Limited until 1 January 2019. Marley Limited's financial information for the year ended 31 December 2018 comprises the assets and liabilities, income and expenses and cash flows of the Marley business of Marley Eternit Limited and has been carved out to reflect the business's historical financial performance and position on a standalone basis. As a result, Marley Limited's financial information for 2018 may not necessarily reflect what the Marley business' operations, financial position and cash flows would have been had it operated as a separate independent company during the 2018 financial year.

Important legal information

This is a financial promotion and is not intended to be investment advice. The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by Peel Hunt LLP ("Peel Hunt"), solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended) ("FSMA").

This announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. The Group may decide not to proceed with the possible IPO and there is, therefore, no guarantee that a Prospectus will be published, the Offer will be made or Admission will occur.

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This announcement is only addressed to and directed at: (A) if in member states of the European Economic Area (the "EEA"), persons who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (EU) 2017/1129 (as amended) ("**Qualified Investors**"); and (B) if in the United Kingdom, persons who are (a) both "qualified investors" within the meaning of the UK version of the EU Prospectus Regulation (2017/1129/ EU) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") and either (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (b) other persons to whom it may otherwise lawfully be communicated (all such persons under (a) and (b) together being referred to as "**relevant persons**"). Any investment or investment activity to which this announcement relates will be available in the United Kingdom only to relevant persons and to Qualified Investors in any member state of the EEA and will be engaged in only with such persons.

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Any subscription or purchase of Shares in the possible IPO should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the IPO. The information in this announcement is subject to change. Before subscribing for or purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

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For the avoidance of doubt, the contents of the Group's websites are not incorporated by reference into, and do not form part of, this announcement.