

2024 PRELIMINARY RESULTS

24 MARCH 2025

Expanding beyond the core

Ronan Cox, Group CEO
Gary McGrath, Group CFO



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Business Performance



Ronan Cox
Group CEO



RECORD PERFORMANCE IN REVENUE & PROFIT*

Results Headlines



Record Sales Performance

Group Revenue

- Up 16% to £147.8m
(2023: £127.0m)

High-Performance Products Revenue

- Up 37% to £79.6m
(2023: £58.1m)



Record Earnings*

Record Operating Profit*

- Up 20% to £18.1m

Basic EPS*

- Up 37% to 25.95p



Strong Balance Sheet

Net Debt

- Down 20% to £24.1m
(excl. leases)

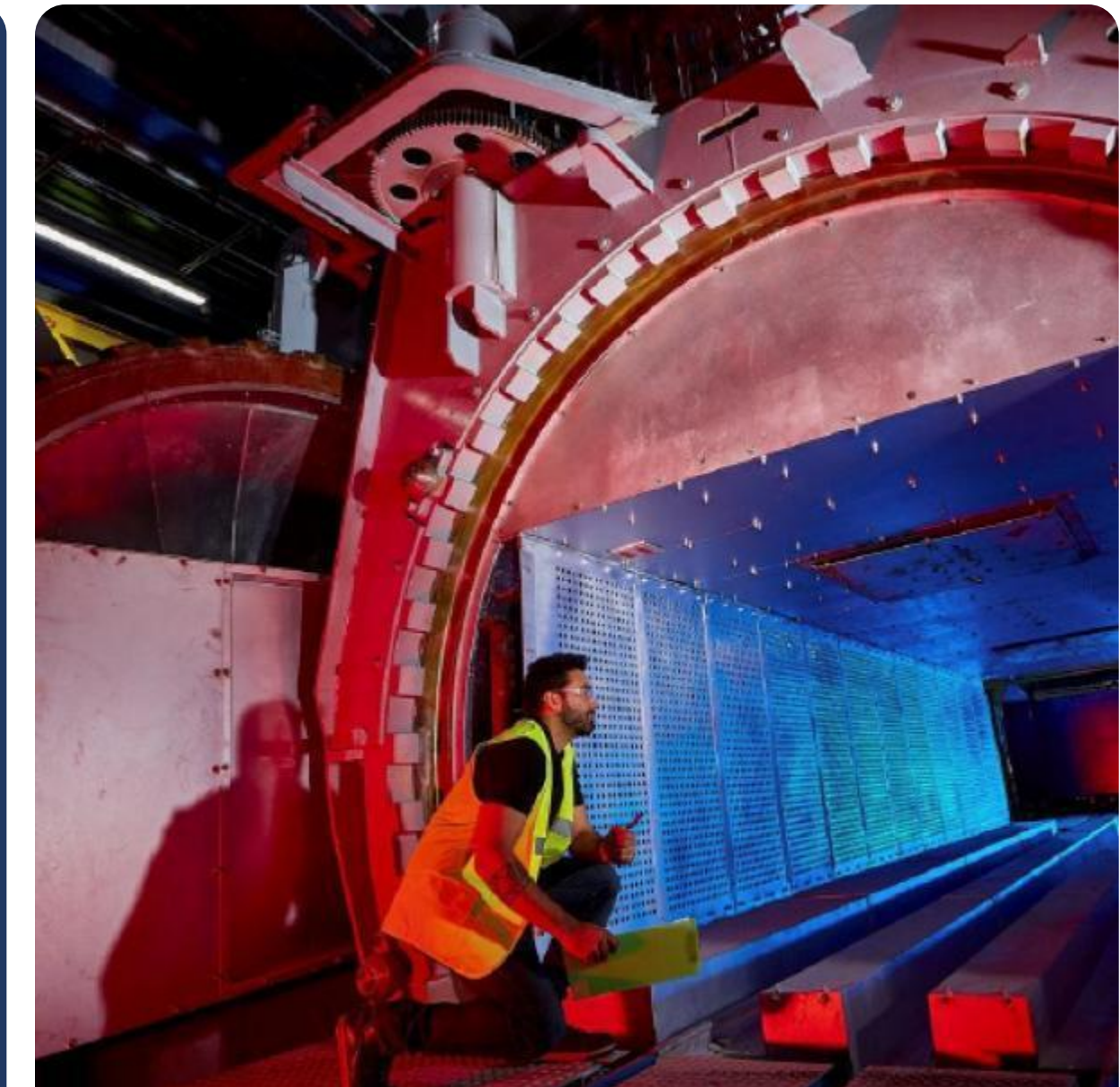
Leverage Ratio

- Down to 0.9x from 1.2x

Exceptional Item

- Decision to pause investment in ReZorce® technology
- £15.2m exceptional charge in income statement

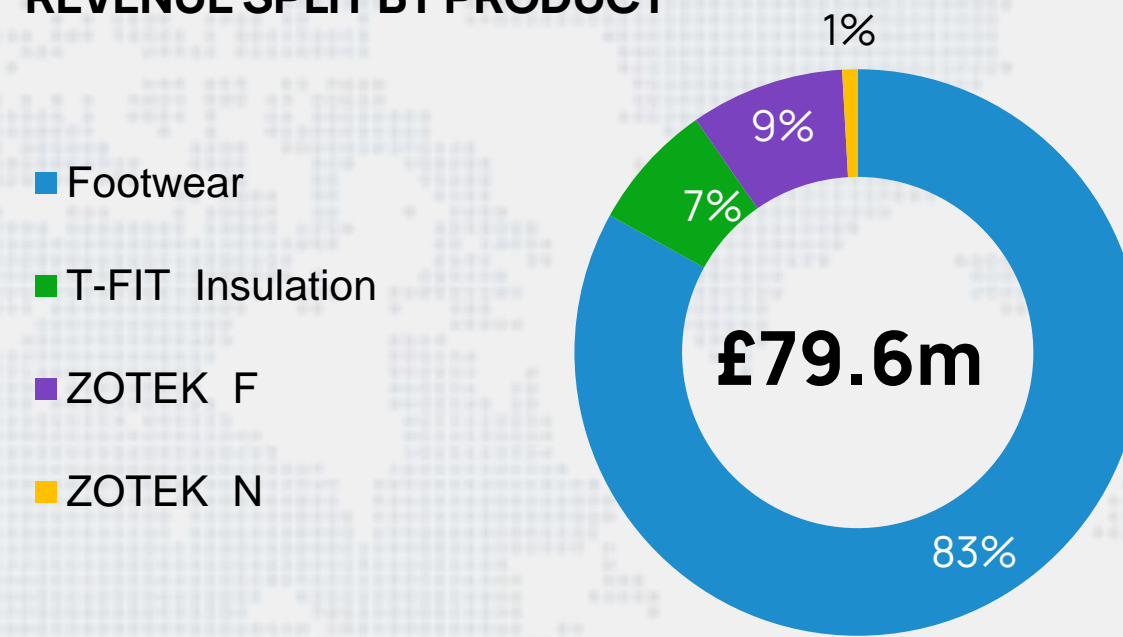
* Before exceptional item





HIGH PERFORMANCE PRODUCTS

REVENUE SPLIT BY PRODUCT



REVENUE

£m	FY 2024	FY 2023	Change
Revenue	79.6	58.1	+37%
Segment margin	26.9%	26.5%	+40 bps

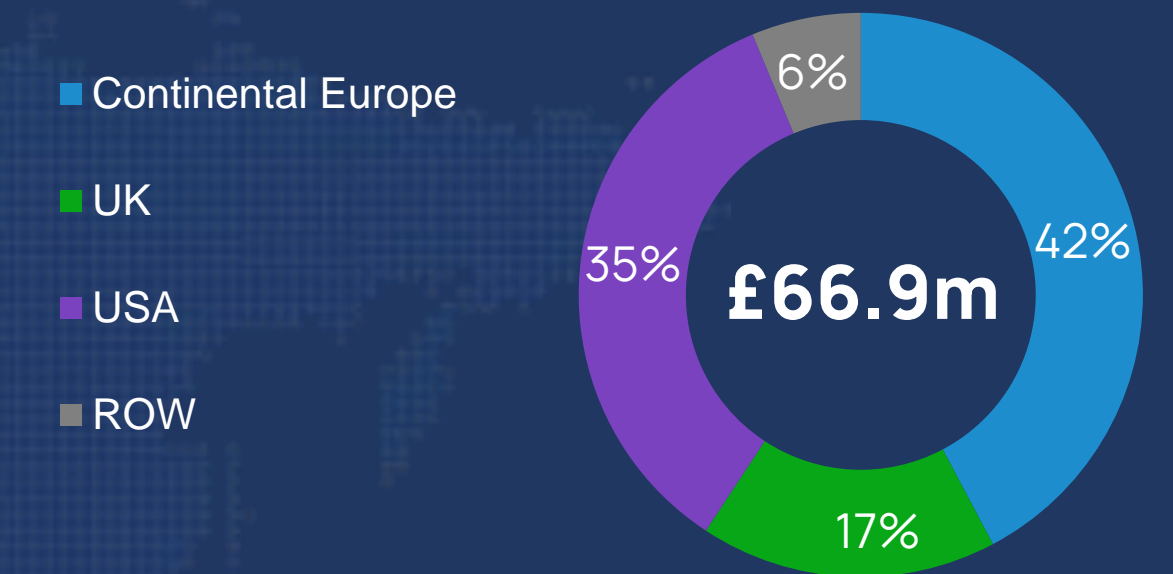
Key Messages

Sales exceed Polyolefin Foams for first time with growth in Footwear & ZOTEK® F

- **Strong footwear sales** helped by tailwinds, increasing 46% to £66.1m, represents 45% of Group revenue (FY23 36%)
- **ZOTEK F sales grew 7%** to £7.0m (FY23: £6.5m) as the aviation sector continues to face challenges despite robust order books
- **Manufacturing facility in Vietnam** a commitment to positioning our capabilities closer to key customers and growth markets
- **Shincell agreement** extends capabilities & brings us closer to key customers
- **Margin up 200 bps to 28.5%** before inventory provision increase and Shincell amortisation

POLYOLEFIN FOAMS

REVENUE SPLIT BY PRODUCT



REVENUE

£m	FY 2024	FY 2023	Change
Revenue	66.9	67.6	-1%
Segment margin	8.2%	11.1%	-290 bps

Key Messages

Mixed demand conditions with opportunities for improved margins in North America

- **Modest volume growth** despite challenging market conditions in certain regions
- **In Europe, sales down 8%**, impacted by economic headwinds, particularly in Germany where automotive and construction markets reached their lowest levels since 2008
- **UK sales resilient, up 4%**, and Far East sales up 18%
- **USA sales up 3%**, with margins impacted by shifts in sales mix and investment in people & capability
- **Second USA low-pressure vessel** on track for commissioning mid 2025



MEL

Key Messages

- Investment paused
- IP retained



1% of revenue, as we pivoted fully towards the ReZorce® Circular Packaging opportunity.

ReZorce technology demonstrated compelling sustainability credentials, including potential carbon footprint reductions of over 50% for commonly packaged foodstuffs.

Decision made in December 2024 to pause investment following a comprehensive strategic review.

- Unable to identify a strategic investing partner
- IP and know-how remains well protected
- Preserving future value

- £4.9m (FY23: £4.4m) operational loss
- £15.2m exceptional item

We will focus our resources and innovation capabilities on our core supercritical fluid foams business, where we see substantial opportunities for growth.



Key Financials



Gary McGrath
Group CFO



FY24 KEY FINANCIALS ¹

Group Revenue

£147.8m

Up 16%
2023: £127m

Gross Margin

31.2%

Down 110bps
2023: 32.3%

Operating Profit ²

£18.1m

Up 20%
2023: £15.1m

PBT ²

£15.3m

Up 19%
2023: £12.8m

EPS²

25.95p

Up 37%
2023: 19.00p

Exceptional Item

£15.2m

2023: -

PBT

(after exceptional item)

£0.2m³

Down 99%
2023: £12.8m

LPS

(after exceptional item)

(5.66)p

2023: 19.00p

Record
Group revenue

Record
underlying
profits

MEL
impairment

¹ Given immateriality, an adjustment for amortisation of acquired intangibles FY24: £250k (FY23: £257k) has been omitted; the above numbers are as reported

² Before exceptional item

³ After rounding



FY24 KEY FINANCIALS

Cash Generated From
Operations

£30.4m

Up 2.5x

2023: £12.1m

Capital Expenditure

£13.6m

Up 60%

2023: £8.45m

Working Capital
Movement

£2.5m

-

2023: £(11.1)m

ROCE

11.7%

Up 140 bps

2023: 10.3%

Net Debt¹

£24.1m

Down 20%

As at 31.12.23: £30.2m

Leverage

0.9x

Down 0.3x

As at 31.12.23: 1.2x

Strong cash
generation
reduces debt
and leverage

Final dividend
up 4% to 5.10p

¹ Net debt excludes the impact of IFRS 16



FY24 KEY FINANCIALS

£m

ReZorce		LP2		OTHER		TOTAL		2024	2023
Intangible	3.2	Intangible	-	Intangible	0.1	Intangible	3.3	2.7	
Tangible	1.3	Tangible	3.9	Tangible	5.1	Tangible	10.3	5.8	
Total	4.5	Total	3.9	Total	5.2	Total	13.6	8.5	

Global Alliance with Shincell is accounted for under IFRS 16 as a Right of Use asset.
Additions (cashflows discounted to present value) in respect of this agreement are £7.7m, with payments of £1.3m made in 2024.

Key Messages

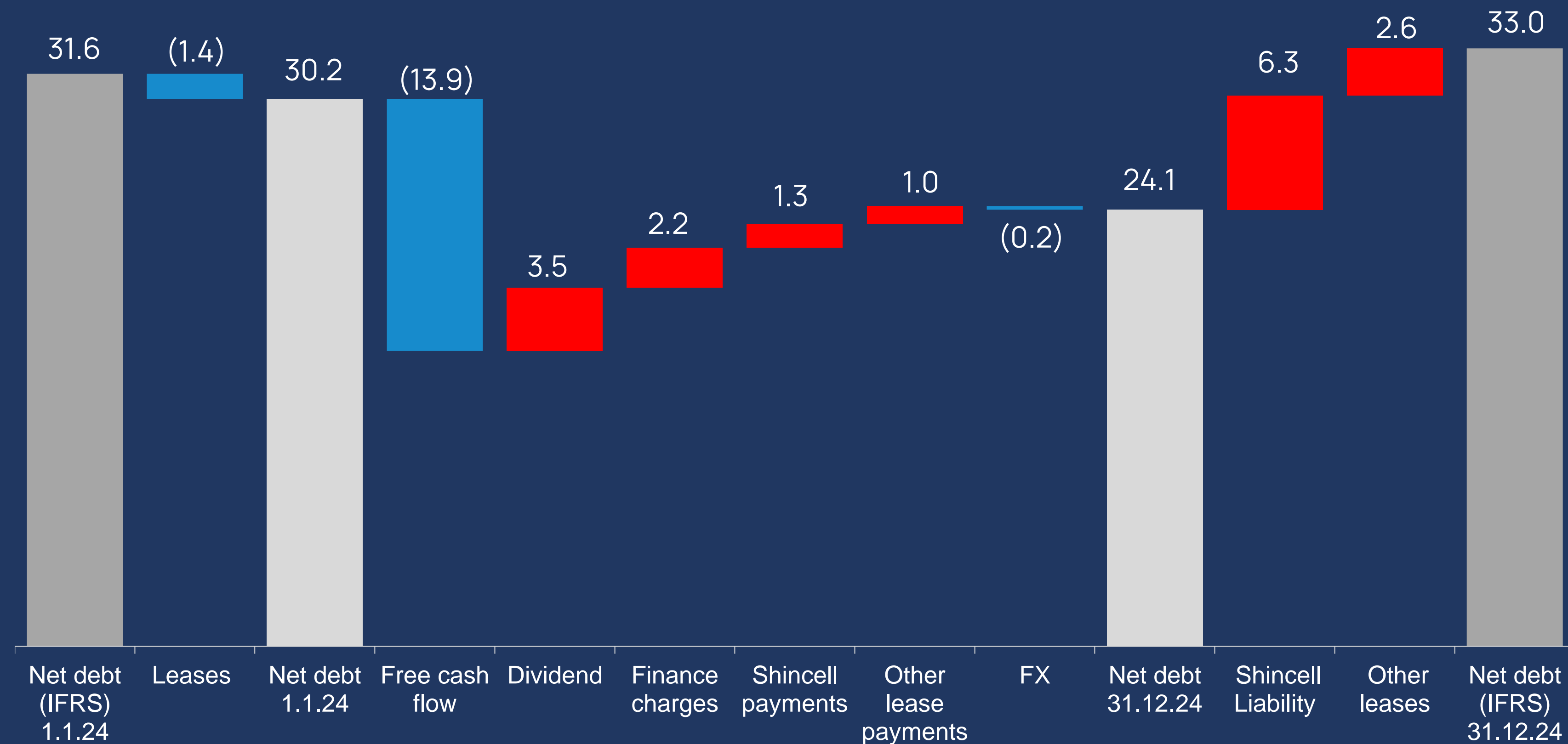
- 69% of capex directed to growth opportunities
- Maintenance capital significantly below depreciation charge
- Shincell not accounted for as fixed asset addition



FY24 KEY FINANCIALS

MOVEMENT IN NET DEBT DURING THE PERIOD

£m



Key Messages

- Strong cash generation
- Net working capital inflow of £2.5m (2023: £11.1m outflow)
- Ex finance leases, net debt is down £6.1m to £24.1m in the period
- Leverage falls from 1.2x to 0.9x
- Strong balance sheet provides a firm foundation for our refreshed strategy



Strategy Overview



Ronan Cox
Group CEO



STRATEGY OVERVIEW

Delivering optimal solutions

Underpinned by Zotefoams' values and with health & safety at the forefront of all that we do, our business model will guide us towards realising long-term vision and ensure we continue to fulfil Zotefoams' purpose


INDUSTRY AND CUSTOMER FOCUS

From product to industry




CLOSER TO THE CUSTOMER

Expanding capabilities




INNOVATION & SUSTAINABILITY LEADERSHIP

Sustainable innovation




M&A BEYOND THE CORE

Moving up the value chain




HIGH PERFORMING TEAMS

Executing the strategy




Health & Safety



KEY FINANCIALS

Organic Revenue

£200-220m

CAGR+7%
2024: £148m

Operating Profit

£36m-£42m >18%

CAGR +17%
2024: £18m 12%

ROCE

>20%

>8 pts over 2024

Exclude the benefits of M&A



ZOTEFOAMS' AMBITION...



> £300m

Revenue



> £60m

Operating Profit

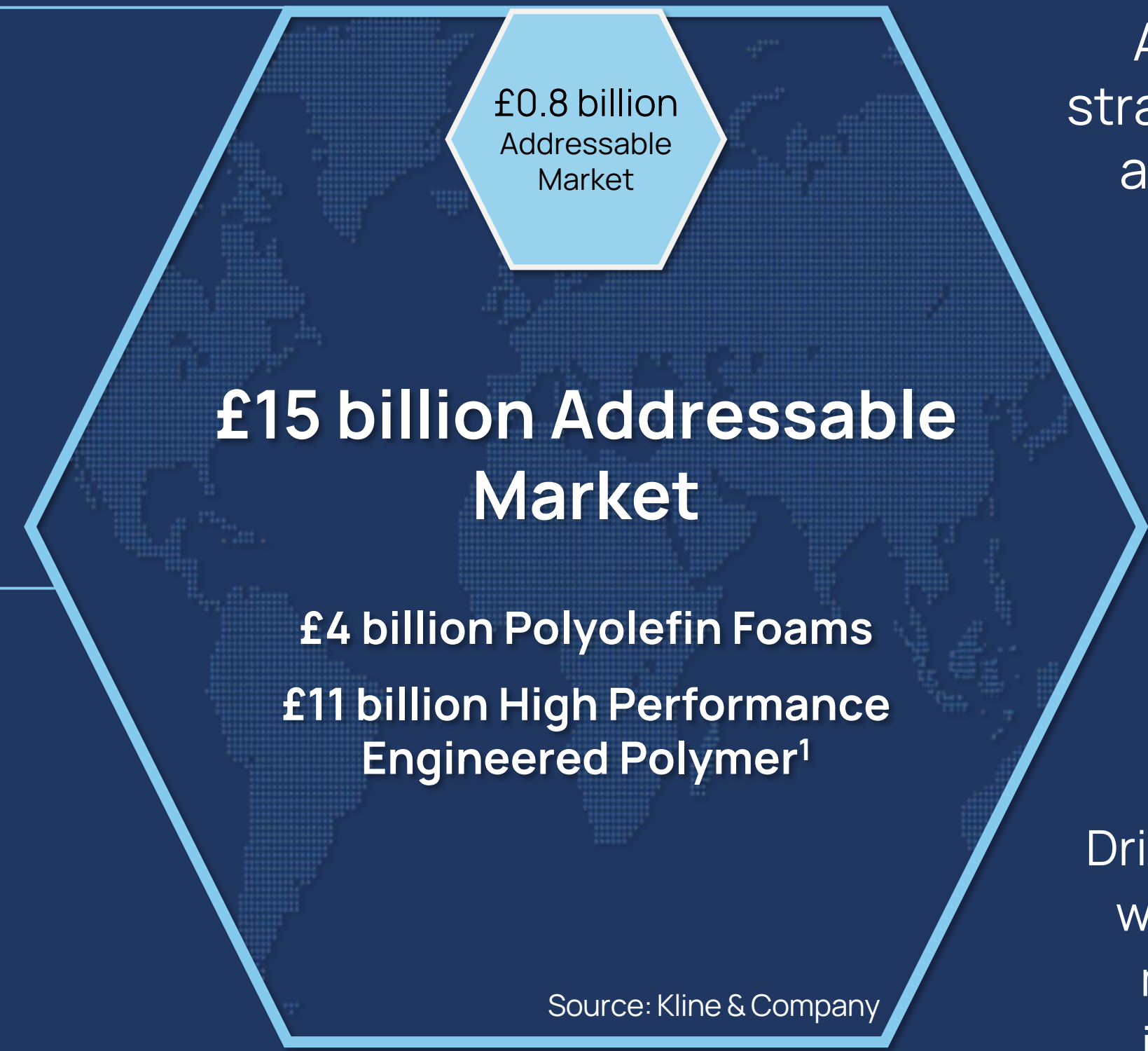


ADDRESSABLE FOAM MARKET OPPORTUNITY

1 Current core business focuses on a portion of the £4 billion polyolefin foam market with some participation in select high-performance engineered polymer¹ foam applications

Zotefoams addressable market has historically been limited to £800m within these segments

2 Moving up the value chain and expanding Zotefoams technology platforms creates a £15 billion market opportunity with improved mix enrichment



Acquisition strategy to open addressable markets.



Drive to operate with focus on market and innovation.

¹ High performance engineered polymer is a subset of the HPP market focused on highly specified or regulated markets delivering to high value applications



MARKET FOCUS

Sponsored extensive market mapping study¹ endorsing strategic direction

Zotefoams will position for high value markets and end use applications



Consumer & Lifestyle

Addressing applications such as footwear and premium consumer goods

Agile, fast response to reflect fashion, design, colours and high product count



Transport & Smart Technologies

Serving automotive, aviation, medical, and high-tech industries requiring advanced material

Understanding regulatory frameworks focused on sustainability, lightweighting and comfort & safety



Construction & Other Industrial

Supporting building, infrastructure, and specialised industrial applications

Project driven applications in structural components and specialised insulation



EXPANDING CAPABILITIES IN REGION



- Factory / Plant**
- Sales office**
- Innovation Centre**

Capacity & capability investment



WHAT WE DO WITH NIKE

Innovative mid-sole foams for world-beating shoes.

First focus with Nike was on pinnacle marathon shoes:



VAPORFLY



ALPHAFLY

Broadened to Premium running and Training Shoes; bringing ZoomX to a wider audience:



STREAKFLY



ZOOMFLY



PEGASUS PLUS



INVINCIBLE



PEGASUS PREMIUM



VOMERO

Extended medal and world records in Track & Field:



DRAGONFLY



VICTORY



ULTRAFLY



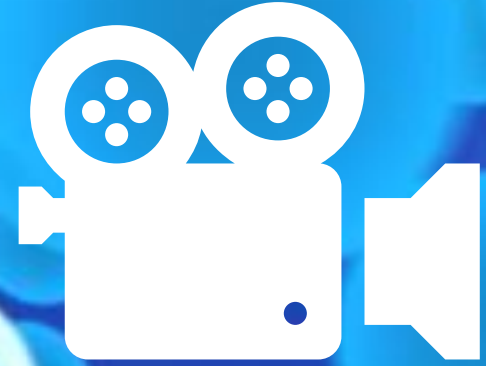
ZEGAMA



BASKETBALL



JORDAN





INNOVATION MODEL

Zotefoams will adopt a “hub and spoke” model for innovation

- Innovation Centre of Excellence:
 - Deep understanding of technologies
- Smaller Industry Innovation Centres:
 - Deep understanding of industries and customers





Summary & Outlook



FY24 SUMMARY



Record 2024 Performance

- Revenue up 16% to £147.8m
- Profit before tax* up 19% to £15.3m



HPP

- Sales surpass Polyolefin Foams for first time
- Footwear a driver of growth
- Investment in Asia



Polyolefin Foams

- UK and EMEA relatively flat with demand challenges in Europe
- US affected by temporary supply chain headwinds in military/ medical
- US capacity on target for early H2 commissioning



Shincell Alliance

- Enhances technical capabilities (one-way sharing)
- Offers growth potential in new and existing markets



ReZorce Circular Packaging

- Investment paused
- IP retained
- Asset impaired

*Excluding exceptional item of £15.2m and amortisation of acquired intangibles of £250k (FY23: £257k)



FULL YEAR OUTLOOK



Positive start to 2025

Consumer & Lifestyle and Transport & Smart Technologies

- Verticals performing well across all regions

Construction & Other Industrial

- Softer start, as expected, but anticipate improvement in conditions as the year progresses

Trading Landscape

- Our diversified manufacturing footprint positions us well to navigate the uncertainties arising from the emerging trading landscape, including trade tariffs

Refreshed Strategy & Global Commercial Team

- Executing a focused, industry-led strategy through a global commercial team, supported by three operating regions, to drive innovation and profitable growth

Investment in manufacturing excellence

- US capacity expansion running to plan

Diversified Manufacturing and R&D Footprint

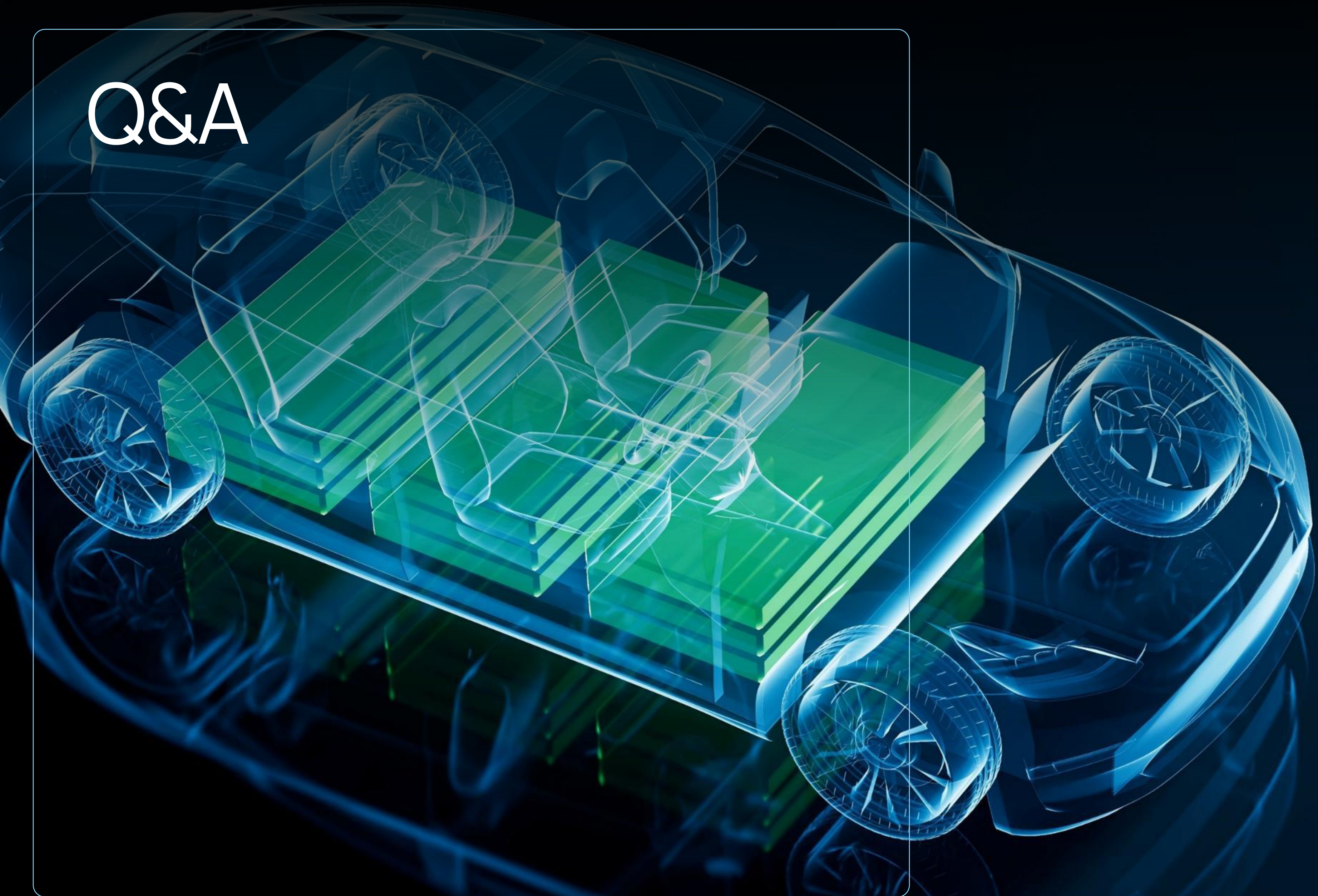
- Our UK Innovation Centre, Vietnam manufacturing, and Korean footwear innovation spoke enhance our ability to navigate the evolving trade landscape while driving innovation and growth

Customer Partnerships & Industry-led Growth

- With our strong customer partnerships and focus on industry-led growth, we are excited by the potential for the Group to deliver both on its medium-term targets and longer-term ambition

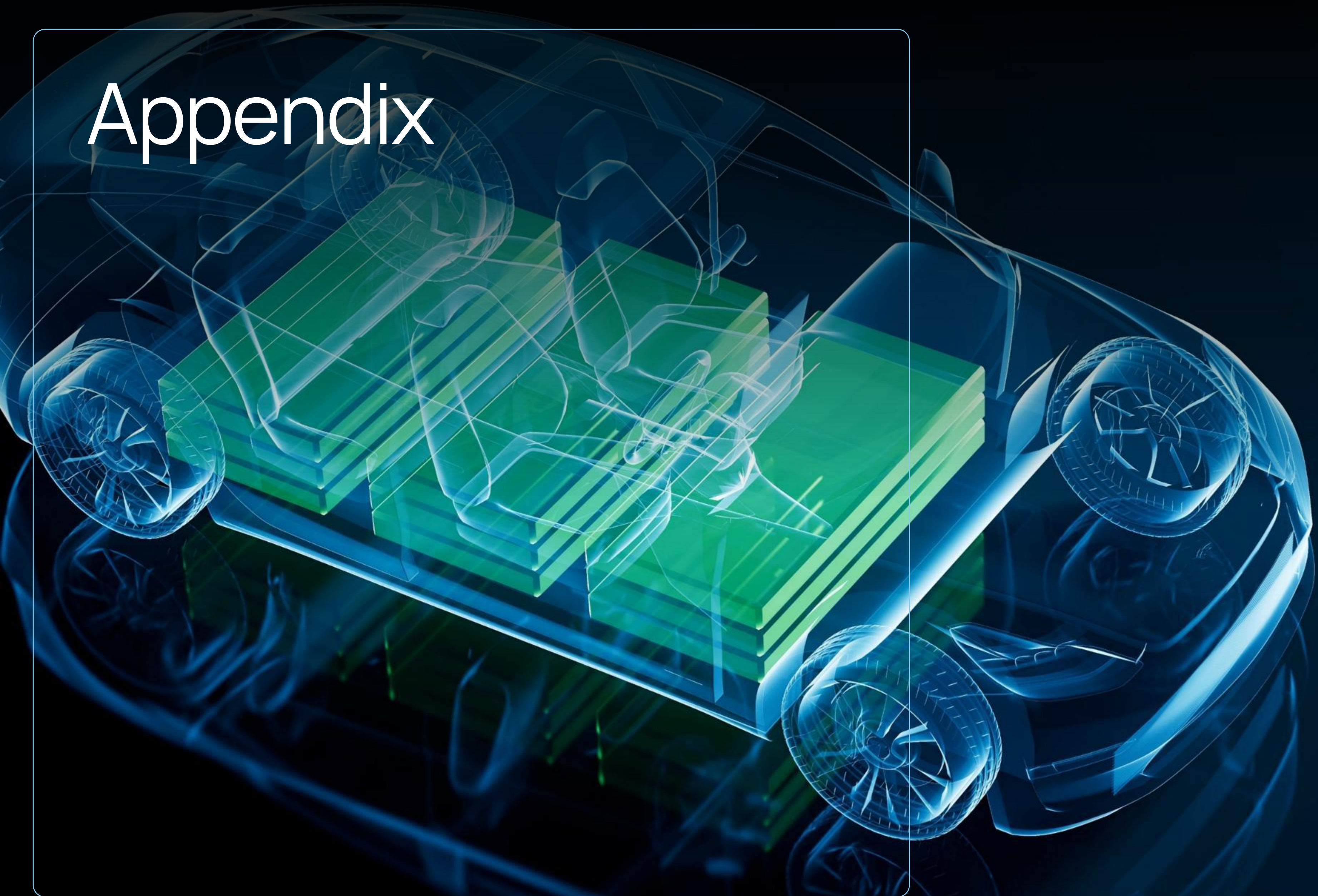


Q&A





Appendix





OUR MARKET VERTICALS & TYPICAL APPLICATIONS

Consumer & Lifestyle



Sports & Leisure

- Impact protection padding
- Life jackets, swim floats, paddle boards
- Sports turf underlay
- Athletic shoes, impact pads

Transport & Smart Technologies



Transport

- Aircraft seats and seals
- Automotive seals and gaskets
- Galley areas, window seals, ECS (air ducting), soft touch trim/close outs, composites panels
- Automotive airducts



Medical

- PPE
- Product protection
- Buoyancy aids
- Prosthetics / orthoses
- Pads, seats and cushions



Product Protection

- Luxury, fine art and museum
- Industrial protective and transit
- Aviation & aerospace
- Electronics
- Space station transit pods
- Consumer (food and household)

Construction & Other Industrial



Building & Construction

- Roof and wall insulation
- District heating pipe spacers
- Seals and gaskets, acoustic dampening
- Piping, signage and insulation



Industrial

- Seals and gaskets
- Marine hoses and fenders
- Cleanroom environments
- High temperature facilities including food processing & personal care plants