Northern Bear Plc

# Interim Results

**24th November 2025**

# Presenter
# John Davies
# CEO

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# Welcome

## A welcome from the CEO

Introduction to the business and half year update for shareholders

## Highlights

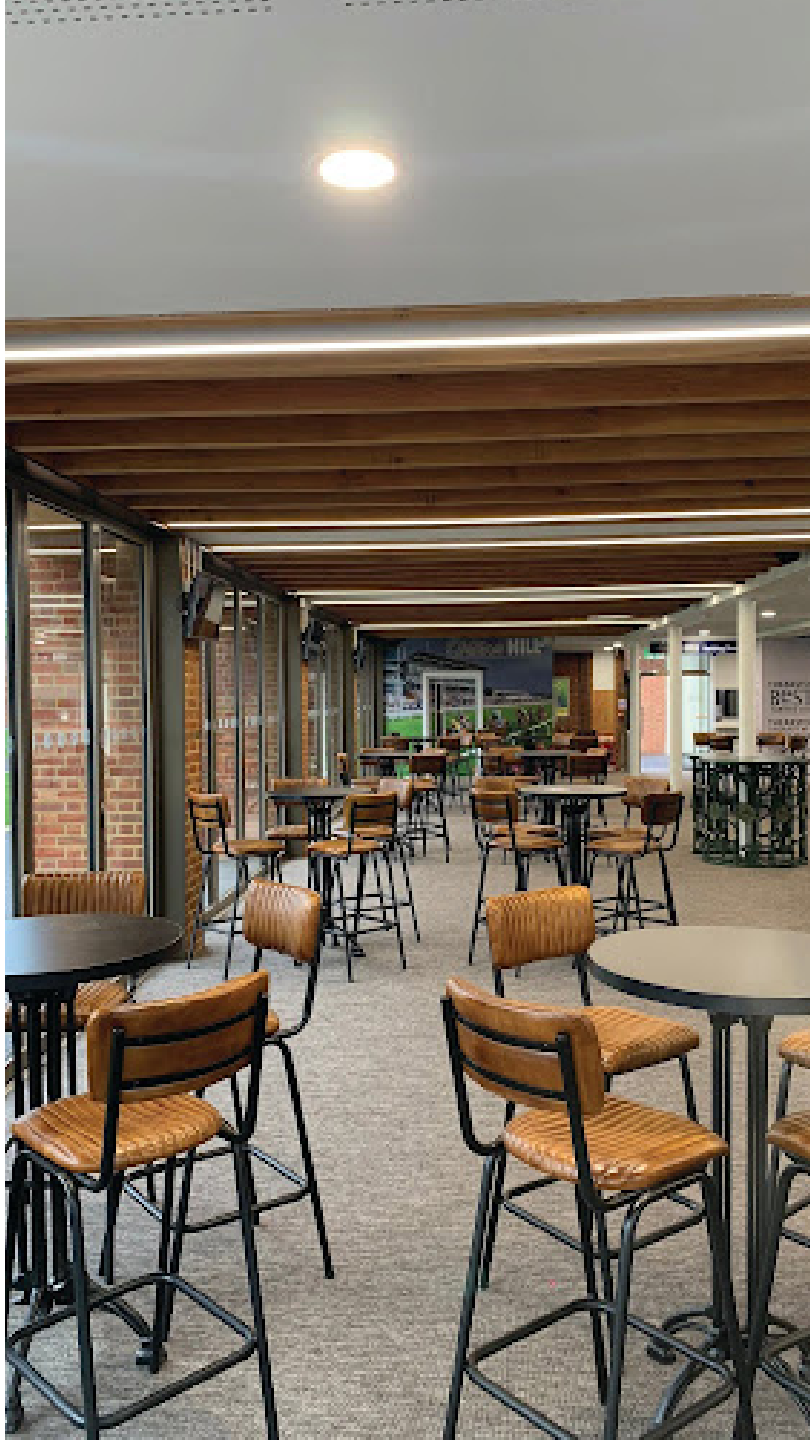
A high-level overview of the Group's key achievements and milestones over the past 6 months

## H1 Financial Performance

A snapshot of the Group's financial health and setting out the financial highlights in past 6 months

## Strategic and operational update

An update the Group's strategic focus areas.



# The Group

**Northern Bear plc**

## Roofing

- Wensley Roofing
- Springs Roofing Ltd
- Jennings Roofing

## Materials Handling

- Alcor Handling Solutions Ltd

## Specialist Building Services

- Arcas Building Solutions
- ISOLER Building Integrity Services
- Northern Bear Safety
- MGM Construction
- J Lister Electrical
- PEEL Creating amazing spaces

Northern Bear plc is an AIM quoted specialist building services provider serving the support services sector. The Group comprises ten businesses in Northern England covering roofing, materials handling, and specialist building services.

Clients include local authorities, housing associations, NHS trusts, universities, hotels, construction companies and national house builders.

Each company within the Group operates as an autonomous business, with Northern Bear providing Group strategic management and financial consolidation.

Highlights

# Operational

- Improve client engagement
- Improving our value proposition
- Improve in group  communications
- Strategic support to Business MD’s
- Process and governance Strengthened
- Targeting  growth opportunities
- Fire stopping focus
- De-carbonisation growth
- Investment in our  people and  premises
- Brand development

## Highlights

# Financial

### Revenue- H1

**£49.4m**

Up 30% from prior year

### Gross margin –H1

**£24.7%**

Up by 0.9% from prior year

### Adjusted Operating Profit*

**£4.1m**

Includes £1.3 million non-Reocurring profit

### Cash generation in period positive

**£3.1m**

### Adjusted EPS*

**21.9p**

Includes £1.3 million Non-Re-occurring profit

### Term Loan fully repaid

**£1.45m**

All restructure debt repaid

* All figures include a £1.3 million no re-ocurring profit in the H1 period.

# Financial Performance

Financial performance

# Group Income Statement

| | 6 months ended 30 September 2025 £m | 6 months ended 30 September 2024 £m | Year ended 31 March 2025 £m |
|---|---|---|---|
| **Revenue** | **49.4** | **37.6** | **78.1** |
| **Cost of sales** | **(37.2)** | **(28.7)** | **(58.9)** |
| **Gross profit** | **12.2** | **8.9** | **19.2** |
| **Gross margin** | **24.7%** | **23.8%** | **24.6%** |
| Net operating costs | (8.1) | (7.2) | (15.8) |
| **Operating profit[2]** | **4.1** | **1.7** | **3.4** |
| **Adjusting items[1]** | - | - | 0.4 |
| **Adjusted operating profit** | - | - | 3.8 |
| Net finance costs | (0.1) | (0.2) | (0.3) |
| Profit before tax | 4.0 | 1.5 | 3.1 |
| Corporation tax | (1.0) | (0.4) | (0.7) |
| **Profit for the period** | **3.0** | **1.1** | **2.4** |
| **Basic EPS** | 21.9p | 8.4p | 16.8p |

1. Adjusted for amortisation and losses relating to the closure of H Peels & Sons Limited
2. Includes non-recurring operating profit of £1.3 million

- **Group revenue** increased 31.4% to £49.4m compared to H1 FY25.
- **Gross margin** increased by 0.9% to 24.7%.
- **Net operating expenses** increased by £3.3m to £12.2m
- **Operating profit** increased £4.1m in H1 FY26 but includes a non-recurring operating profit of £1.3m.
- **Adjusting items**
  - Amortization charges
  - Losses in relation to the closure of H Peel & Sons Limited
- **Basic EPS** increased from 8.4p per share to 21.9p.

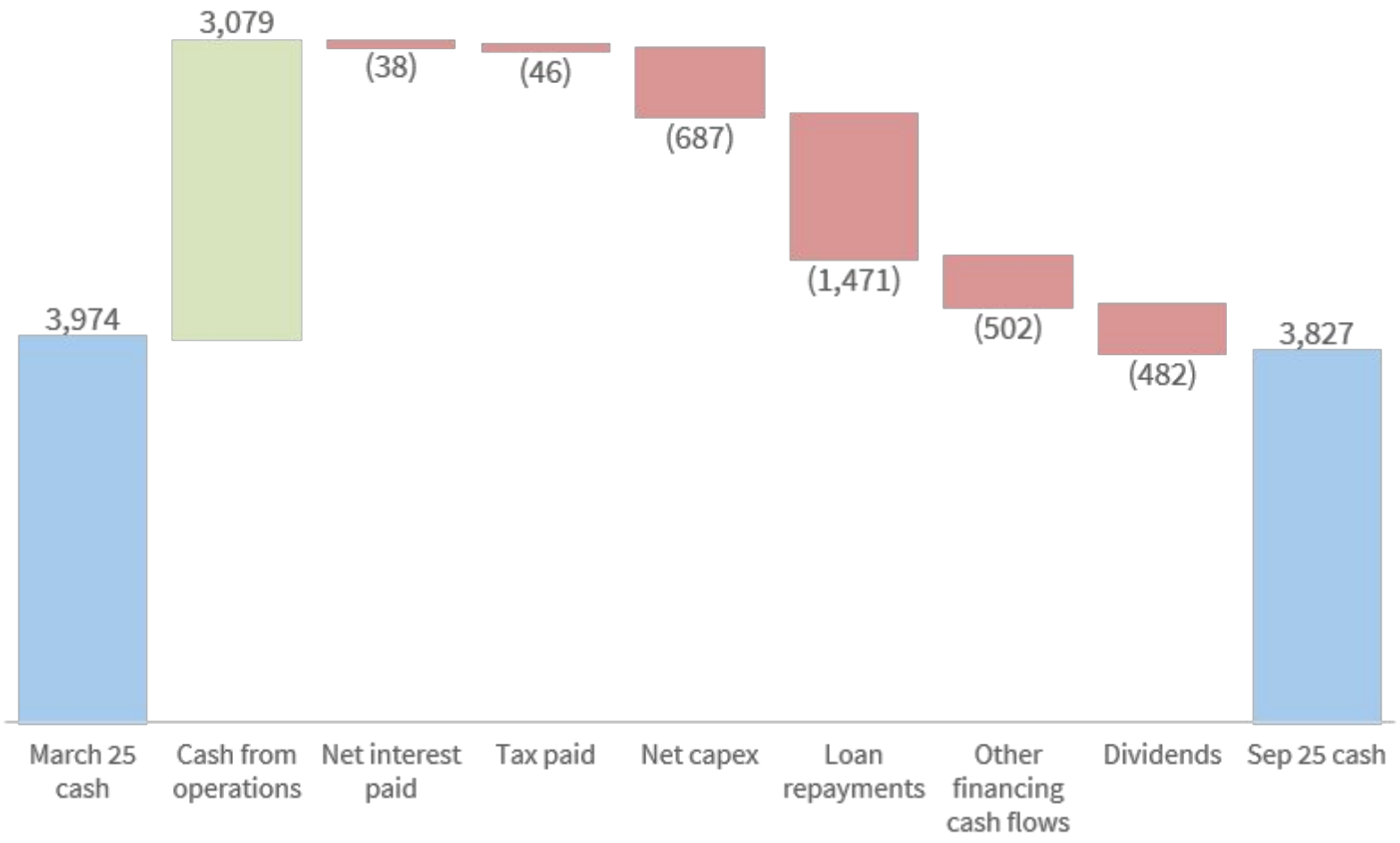
# Balance sheet

| | Sep-25 | Mar-25 |
|---|---|---|
| | £m | £m |
| Goodwill and intangible assets | 15.4 | 15.4 |
| Property, plant and equipment - hire fleet | 4.1 | 4.0 |
| Property, plant and equipment - Other | 3.8 | 3.4 |
| Stocks and WIP | 1.7 | 1.5 |
| Trade and other receivables | 18.3 | 14.3 |
| Cash | 3.8 | 4.0 |
| Trade and other payables | (19.8) | (16.5) |
| Bank loans | - | (1.5) |
| Non-current creditors | (2.5) | (2.3) |
| Net assets | 24.8 | 22.3 |
| | | |
| Annualised ROCE | 29.9% | 13.3% |

**Key points to note are:**

- **Intangible assets** are goodwill and other intangibles created through acquisitions.
- **PPE** is mostly motor vehicles and the materials handling fleet.
- **Net working capital** is principally customer and supplier balances. These can fluctuate significantly on a month-to-month basis. The Group carries limited inventory.
- The Group had £2m of unutilised working capital facilities at September 2025.
- **Bank loans** – Repaid in full in September 2025 out of operating cash flows.
- Increase in annualized Return on Capital Employed ('ROCE') from 13.3% to 29.9%.

# Cash generation




- **Cash from operations** – Significant cash generated in the year through strong trading performance and good working capital management.
- **Capital expenditure** – Ongoing investment in fleet in the Materials Handling business.
- **Loan repayments –** Operating cash flows facilitated £1.45m repayment of bank loan.
- **Other financing cash flows** – Relate to lease finance costs and repayments.
- **Ordinary Dividend** of 2.0 pence per share plus 1.0 pence per share special dividend paid in the period.

# Strategic and Operational Update

# Key Group strategic drivers

- Recognise and reward  success with our people
- Invest in our services
- Improved communication to businesses
- Focus on cash generation
- Public / private client balance
- Improve the quality of the opportunity
- Up-value our offering

# Building services

## Divisions

ARCAS BUILDING SOLUTIONS

Northern Bear SAFETY

MGM CONSTRUCTION

J LISTER ELECTRICAL

## Emerging trends

- **Client's funding** - target public sector and blue-chip private clients.
- **Growth -** affordable homes funding.
- **Increasing prevalence of public sector work -** decarbonisation and affordable homes.
- **Increased regulation** – in our area of delivery.
- **Market** - Investing in business development to maintain position.

## Strategy Focus areas

- **Raise profile** – investing in Business development teams to maintain market position in a toughening market
- **Carbon reduction offering for education and health sectors** – Continue to improve our offering with Listers
- **Up-Value our offer –** developing with Husk existing garage site repurposing for additional housing.
- **Framework & Public Sector Contracts** – Ensure we are fit for purpose for LA legislative challenges ( Awaab's Law)
- **Investment-led growth:** Investing in people and premises to support growth.
- **Health, Safety and training –** focus on supporting business in strategic targets as well as high levels of safety compliance.

# Isoler

## Divisions

ISOLER
Building Integrity Services

## Emerging trends

Increased Regulatory Drivers including:

- **Building Safety Act –** impacting private and public sector resource shortages.
- **Building owners held accountable** – improve building safety by legislation.
- **Grenfell effect** – driving opportunities in all sectors.
- **Tier one contractor remedial works** – negotiated works rather than tender.

## Strategy Focus areas

- **Building Safety Compliance** – Compliance team are developing be spoke solutions for clients that's will in time develop into live contracts for Isoler.
- **National Delivery –** developing strategies and resource to deliver nationally for clients**.**
- **End user clients** – provide holistic solutions to existing premises offering passive fire system that will enable customer operations to continue.
- **Public Sector Frameworks** – We are focusing on developing longer-term, public-sector contracts to maintain the balanced mix in client base.
- **Training & Accreditation –** Continue to maintain highest standards in installation with our in-house team.

# Roofing

## Divisions

WENSLEY ROOFING

Springs Roofing Ltd

JENNINGS ROOFING

## Emerging trends

- **Strong pipeline** of new build homes and retrofitting programs across housing associations and councils.
- **Rising demand for solar PV integration** driven by energy planning legislation and energy costs.
- **Increase in capital expenditure –**public sector has to improve buildings roofing due to lack of investment.

## Strategy Focus areas

- **Solar PV Roofing Solutions** - Design and installation of integrated PV roofing systems for new builds and retrofits increasing value of our offer.
- **Investment for growth** – in new depots to facilitate PV Wensley and new upgraded depot for Jennings.
- **Partnerships with Housebuilders** - Strategic alignment with developers to develop longer term frameworks.
- **Balanced portfolio –** maintain balance of public and private sector clients.
- **Strong supply chain strategy** – to counter market volatility and drive efficiencies through volume.
- **Training & Upskilling Workforce** - Capability to install PV, green roofing, and a wider offering.

# Materials Handling

## Divisions

ALCOR HANDLING SOLUTIONS LTD

## Emerging trends

- **Shift toward electric-powered fleets** driven by sustainability and operational efficiency.
- **Increased outsourcing** of equipment ownership to reduce compliance and capex burdens.
- **Greater integration of telematics** and fleet tracking for usage-based leasing and safety monitoring.
- **Chinese product offer and tougher market** – aggressive marketing of alternative products in a reducing market.

## Strategy Focus areas

- **Compliance-Leveraged Leasing** - Lease package offering with fully compliant maintenance and buyback options provided.
- **Electrification and Fleet Modernisation** - Electric forklift leasing / sales aligned with ESG and decarbonisation strategies.
- **Brand** – as Mitsubishi franchise we reflect the high market position that we deliver to market – depot / training / service.
- **Short-Term Equipment Hire** - Flexible, certified forklift rental for seasonal or project-specific use.
- **Operator Training & Certification** - RTITB/ITSSAR accredited training as a service to lease customers.
- **Widen offering** – racking systems and cleaning systems.
- **Look at new clients –** actively tendering larger clients to bring more long-term stability.

# Inorganic strategic priorities

## Established business

Companies with well-established business models and market positions in the North of England, supporting social housing, construction and infrastructure.

Businesses that would benefit and improve with a group support structure in place

## Resilient

Businesses showing resilience to the challenges of labour/materials cost inflation, and skilled labour shortages in recent years.

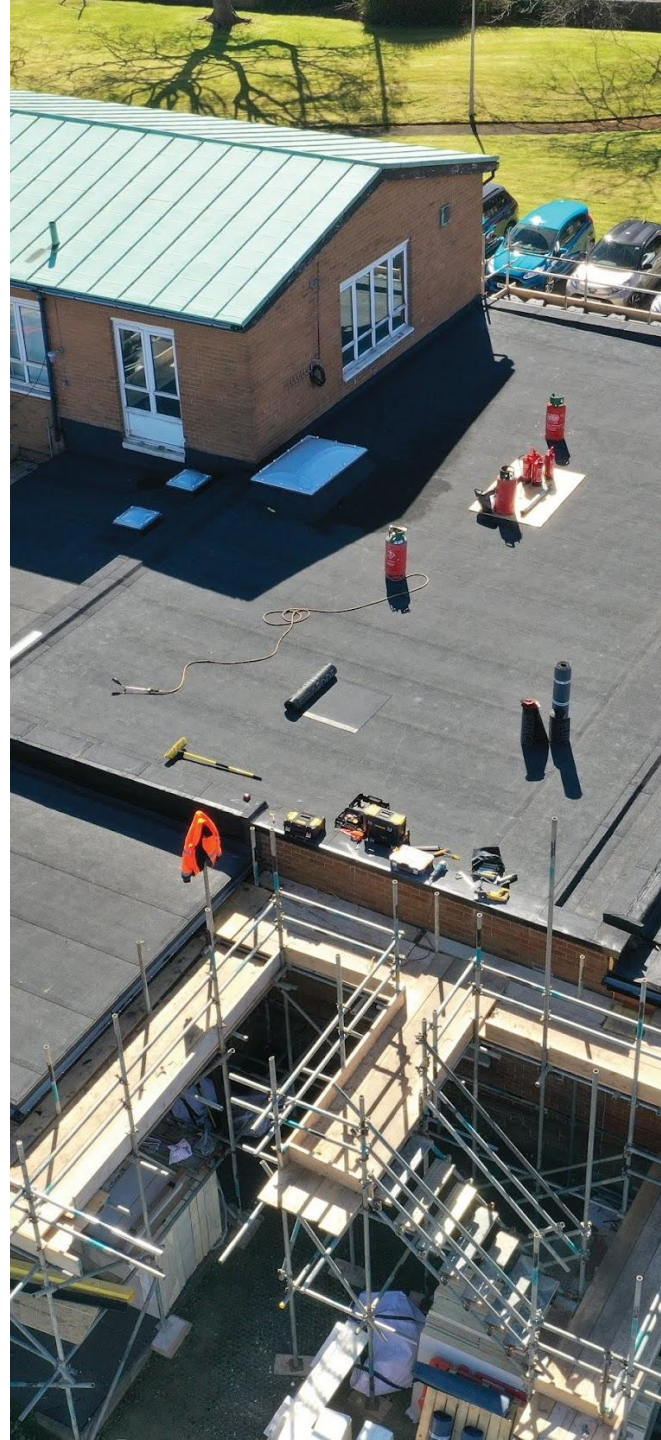
## Balanced client mix

A good mix of blue-chip private and public sector clients.

## Future growth opportunities

Both regulatory-driven and investment-led:

- Fire solutions
- Roofing
- Affordable Housing
- Decarbonisation



# Key points

- Overall trading performance has been good, with the key features being:
  - As year progresses, we are seeing a tightening of the market in the private commercial sector.
  - Growth in both revenue and margin in the first 6 months.
  - One off non-reoccurring profit has positively impacted the profits in period only.
  - Diversified customers and sectors.
  - Strong cash generation from trading is being maintained.
  - Bank loan now paid off.
- Continue to develop a wider offering to a balanced mixed client base and provide reliance against some  market volatility.
- Continue to invest in businesses to offer higher value services.
- Building Services growth opportunities, both customers and geography, incorporating the Isoler business.

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# Questions

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