Northern Bear Plc

Investor presentation

21 July 2026

Presenters

John Davies

Chief Executive Officer

Jim Waring

Interim Finance Director

Welcome

A welcome from the CEO

Introduction to the business and annual update for shareholders

Highlights

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

Financial Performance

A snapshot of the Group's financial health and growth, setting out the financial highlights

Strategic and operational update

An introduction to the Group's strategic focus areas for the next 12 to 24 months.

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
- MGM CONSTRUCTION
- Northern Bear SAFETY
- J LISTER ELECTRICAL
- CALLISTO GLASS FACADES

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

In Year

- Strong underlying performance for first 6 months
- Settled a material historical claim in Isoler
- Developed Callisto Glass facades business
- Private sector works slowed with delay in contract awards
- Supported businesses in second part of year

Long Term

- Continue to ensure a balanced client portfolio
- Focus and support the businesses in organic growth strategy
- Engage in acquisition opportunities
- De-carbonisation opportunities focused on
- Continue to drive cash position
- Investment in our people and premises

Highlights

Financial

Revenue

£86.1m ↑ 10.2%

Up 10.2% from prior year

Gross margin

25.5% ↑ 0.9%

Up by 0.9% from prior year

Adjusted Operating Profit*

£3.8m ↓ 1.9%

Down 1.9% from prior year

Cash flow before financing

£6.9m ↓ £0.8m

Down by £0.8m

Adjusted EPS*

22.7p ↑ 3.5p

Up by 3.5p from prior year

Year end net cash

£6.2m[1] ↑ £2.2m

Up by £2.2m from prior year

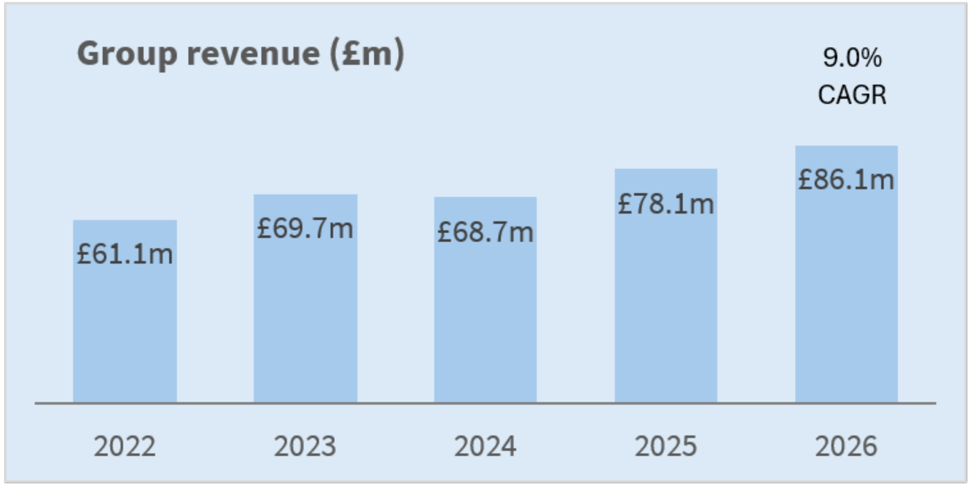
* Stated prior to the impact of provisions for onerous rental contract and one-off profit in Specialist Building Services

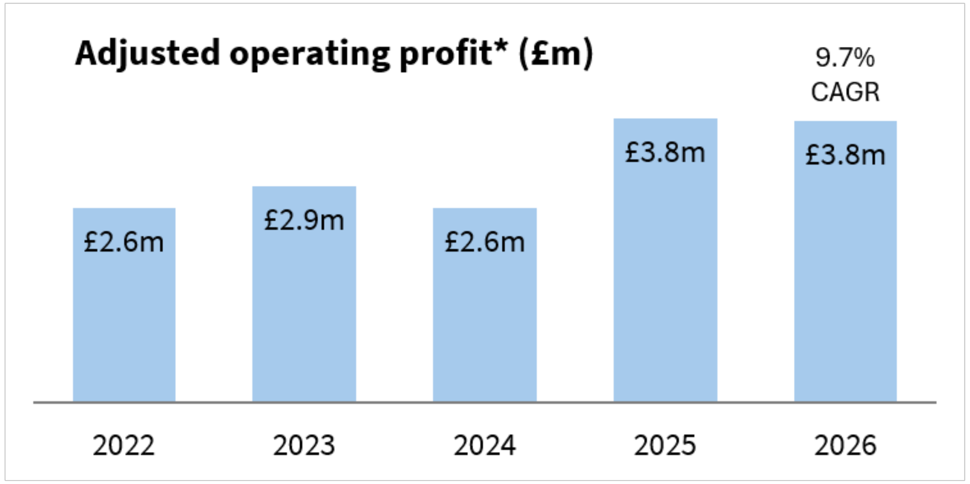
1. Net of bank loan of £0.0m in 2026 (£1.5m in 2025).

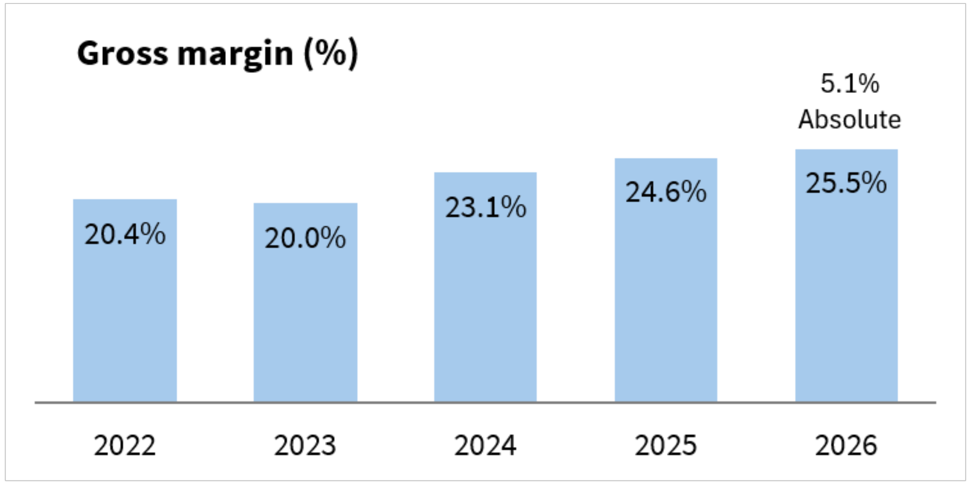
Financial Performance

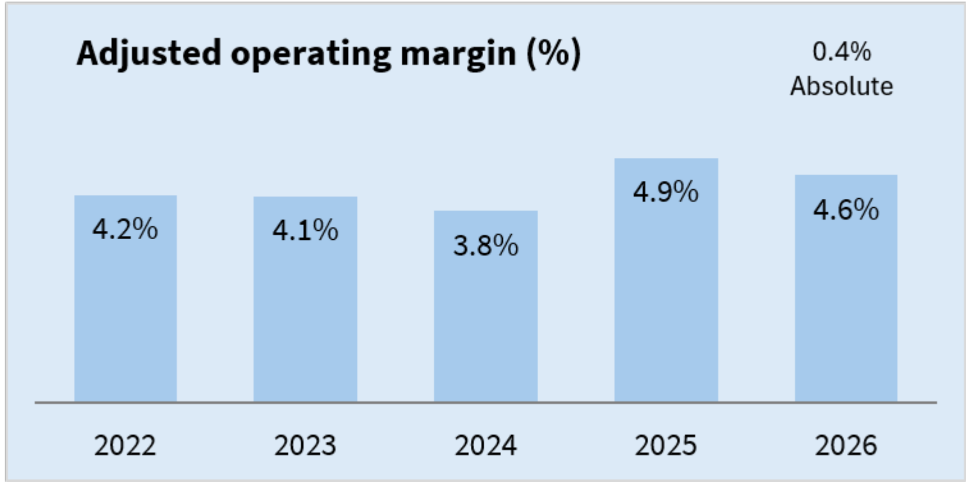
Financial performance

5 year performance









* Stated prior to the impact of provisions for onerous rental contract and one-off profit in Specialist Building Services

Financial performance

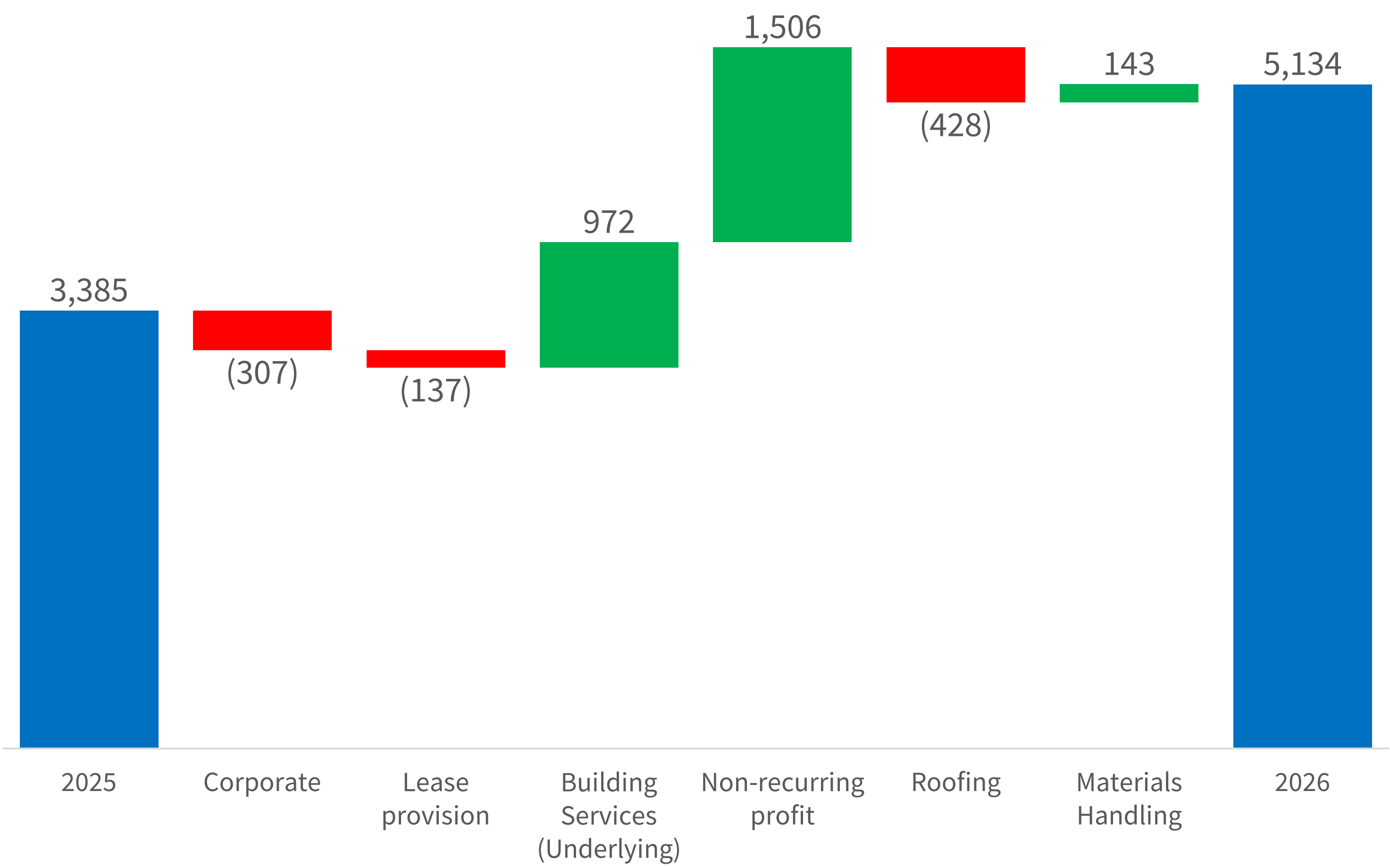
Group Income Statement

	Growth %	2026 £000	2025 £000
Revenue	**10.2%**	**86.1**	**78.1**
Gross profit	**14.3%**	**22.0**	**19.2**
Gross margin		**25.5%**	**24.6%**
Net operating costs		(16.8)	(15.8)
Operating profit	**51.7%**	**5.1**	**3.4**
Adjusting items		(1.4)	0.5
Adjusted operating profit[1]	**-1.9%**	**3.8**	**3.8**
Net finance costs		(0.1)	(0.3)
Profit before tax	65.1%	5.0	3.1
Corporation tax		(0.9)	(0.5)
Profit for the financial year		**3.1**	**2.6**
Basic EPS	**80.1%**	**30.2p**	**16.8p**
Adjusted Basic EPS	**18.0%**	**22.7p**	**19.2p**

- **Group revenue** increased 10.2% to £86.1m.
- **Gross margin** increased by 0.9% to 25.5%.
- **Net operating expenses** increased by £1.0m to £16.8m
- **Group adjusted operating profit** decreased by 1.9% to £3.8m.
- **Adjusting items**
    - Exceptional losses on onerous contracts
    - One-off profit in Specialist Building Services
- **Basic EPS** increased from 16.8p per share to 30.2p.

1. Adjusted for impact of provisions for onerous rental contract and one-off profit in Specialist Building Services

Operating profit bridge



- **Corporate –** Increase in overheads.
- **Roofing –** Small reduction in revenue, further impacted by increased materials and labour cost.
- **Material Handling –** Consistent operating profit and cash generation performance.
- **Building services –** Significant increase in revenue and margins in the year

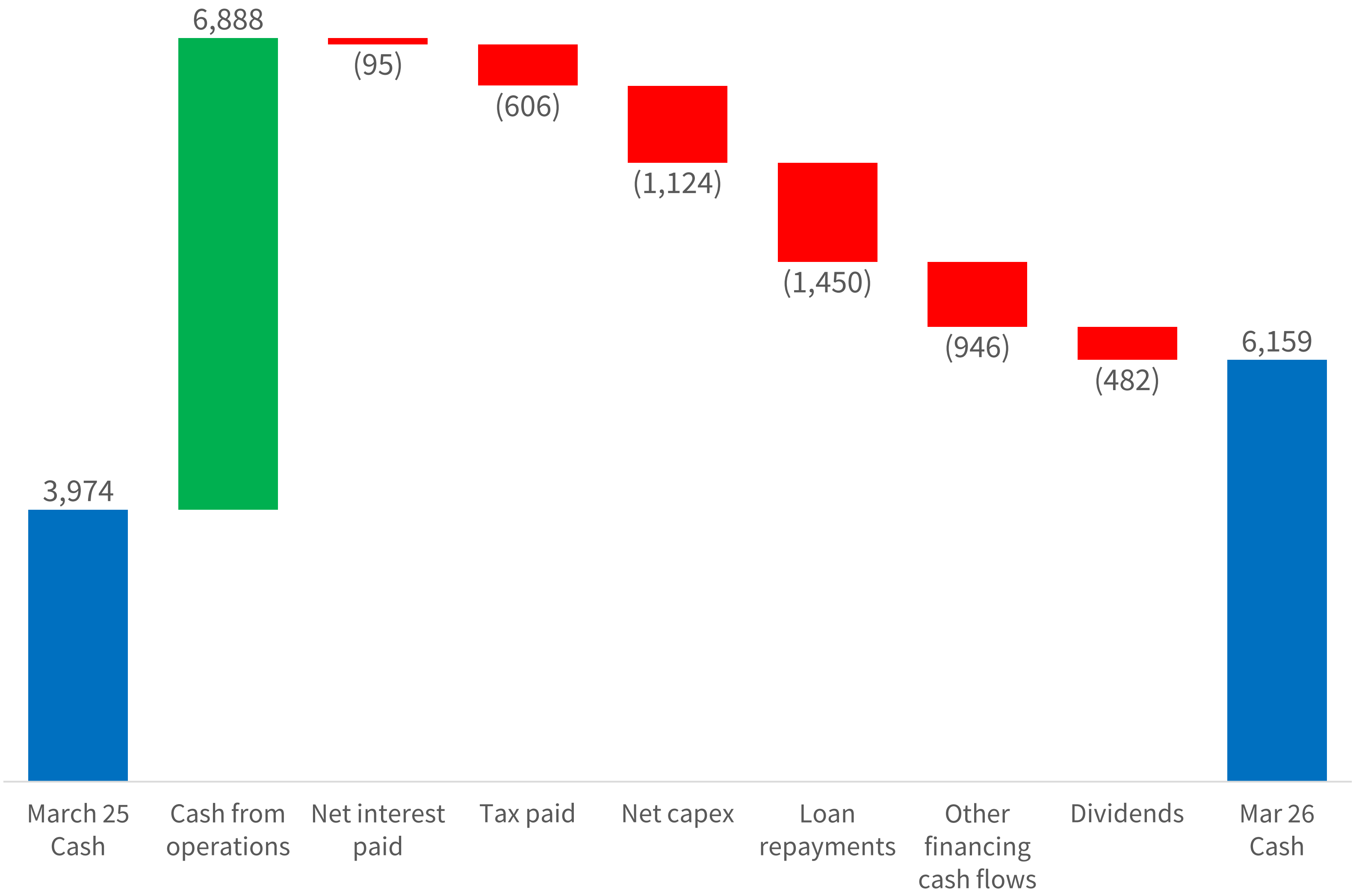
Balance sheet

	Mar-26 £000	Mar-25 £000
Goodwill and intangible assets	15,384	15,384
Property, plant and equipment - hire fleet	4,061	3,973
Property, plant and equipment - Other	4,269	3,378
Stocks and WIP	1,477	1,521
Trade and other receivables	13,302	14,328
Cash	6,159	3,974
Trade and other payables	(15,834)	(16,470)
Bank loans	-	(1,450)
Non-current creditors	(2,796)	(2,325)
Net assets	26,022	22,313
ROCE	17.8%	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 March 2026
- **Bank loans** – Used for share buyback in 2024. Loans were fully repaid in the year to March 2026
- Increase in Return on Capital Employed (‘ROCE’) from 13.3% to 17.8%.

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 of bank loan repayments ahead of agreed repayment profile – loan was fully repaid by year end.
- **Other financing cash flows** – Relate to lease finance costs and repayments.
- **Dividends** – See separate dividend slide.

Returns to shareholders

1 **Sep 23 dividend**

4p Ordinary

1p Special

£836,000

2 **Dec 23**

Return to Shareholders

Share buyback

£3,100,000[1]

3 **Sep 24 dividend**

2p Ordinary

£275,000

4 **Sep 25 dividend**

2.5p Ordinary

1p Special

£482,000

5 **Sep 26 dividend (proposed)**

2.5p Ordinary

5p Special

£1,032,000

1. Funded by £3.5 million loan from Virgin Money plc

Strategic and Operational Update

Key Group strategic drivers

- Up-value our offering
- Improve the quality of the opportunity
- Invest for organic growth
- Develop new business – Callisto
- Review acquisition opportunities
- Drive public / private client balance
- Increase efficiency via ISO accreditation
- Focus on cash generation
- Recognise and reward success with our people
- Provide support in present environment

Strategic and operational update

Building services

Divisions

ARCAS BUILDING SOLUTIONS

Northern Bear SAFETY

MGM CONSTRUCTION

CALLISTO GLASS FACADES

J LISTER ELECTRICAL

Emerging trends

- **Tough market conditions –** Particularly in private sector
- **Expand our offering –** focus on direct appointment opportunities
- **Reduced clients funding –** support businesses to counter this .
- **Growth -** public sector frameworks
- **Increasing prevalence of public sector work -** decarbonisation and affordable homes.
- **High compliance –** higher levels of governance from public sector clients

Strategy Focus areas

- **Raise profile –** focus on promoting delivery businesses in growth areas .
- **Callisto –** start up now moved from division to small company with 12 months plan NTBR trading co .
- **Carbon reduction offering for education and health sectors -** Installation of LED lighting, smart controls, and PV solutions.
- **Up-value our offer –** Husk , early contractor engagement and raising profiles of businesses
- **Framework & public sector contracts –** MGM and Arcas are actively pursuing long term frameworks
- **Investment-led growth -** Investing in people and accreditations , e.g. Callisto Glass Facades as new subsidiary of MGM.
- **Health, Safety and training –** focus on training and safety and improving culture throughout the group

Isoler

Divisions

ISOLER
Building Integrity Services

Emerging trends

Increased regulatory drivers including:

- **Building Safety Act –** problematic; causing delays
- **Building owners held accountable** – need simple and sensible solutions
- **National opportunities –** more workload outside of the NE .
- **Tier one contractor remedial works** – involved in assisting rectification works .
- **Public sector** – access to funding for long term repair and maintenance contracts

Strategy Focus areas

- **Building safety compliance** – we employ a full compliance team that provide fire safety solutions for all clients.
- **National delivery – invested in developing** a London / Southeast market and engage with clients that need support nationally.
- **End user clients** – provide holistic solutions to existing premises offering passive fire system that will enable customer operations to continue.
- **Public sector frameworks** – we continue to successfully focus on long-term public-sector frameworks.
- **Facility and training** – continue to develop our in-house training programs for customers and consultants to promote Isoler's services.

Roofing

Divisions

WENSLEY ROOFING

Springs Roofing Ltd

JENNINGS ROOFING

Emerging trends

- **Material increases –** present economic environment is causing significant increases .
- **Rising demand for solar PV integration -** driven by energy planning legislation and energy costs.
- **Public sector –** long-term framework opportunities
- **New-build housing** – further requirements for solar solutions
- **Private development work** – slowed over the last 6 months.

Strategy Focus areas

- **Solar PV roofing solutions** – Wensley provide a full accredited solar product and are developing Wensley Solar as a brand. Springs are awaiting accreditation .
- **Strong supply chain strategy** – the businesses are using our consolidated purchasing strategy to alleviate increases.
- **New facilities –** major investment has been made in the roofing facilities to enable entry into solar markets and also raise the aspiration of the business
- **Partnerships with housebuilders** – market conditions are tightening and the client base are reverting to price at present; however, resource is still a key issue.
- **Balanced portfolio –** maintain balance of public and private sector clients continues .
- **Public Sector** – Jennings and Springs focusing on increasing public sector work .

Materials Handling

Divisions

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.
- **Market stagnant** – look at larger deals and invest in sales

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.
- **Sales refresh** – to counter the market we have invested in a head of sales and are focusing on new sales
- **Widen offering** – racking systems and cleaning systems
- **Brand** – as Mitsubishi franchise we reflect the high market position that we deliver to market – depot / training / service.
- **Operator training & certification** - RTITB/ITSSAR accredited training as a service to lease customers.
- **Smart telematics integration** - fleet monitoring tools for usage tracking, safety alerts, and predictive maintenance.

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.

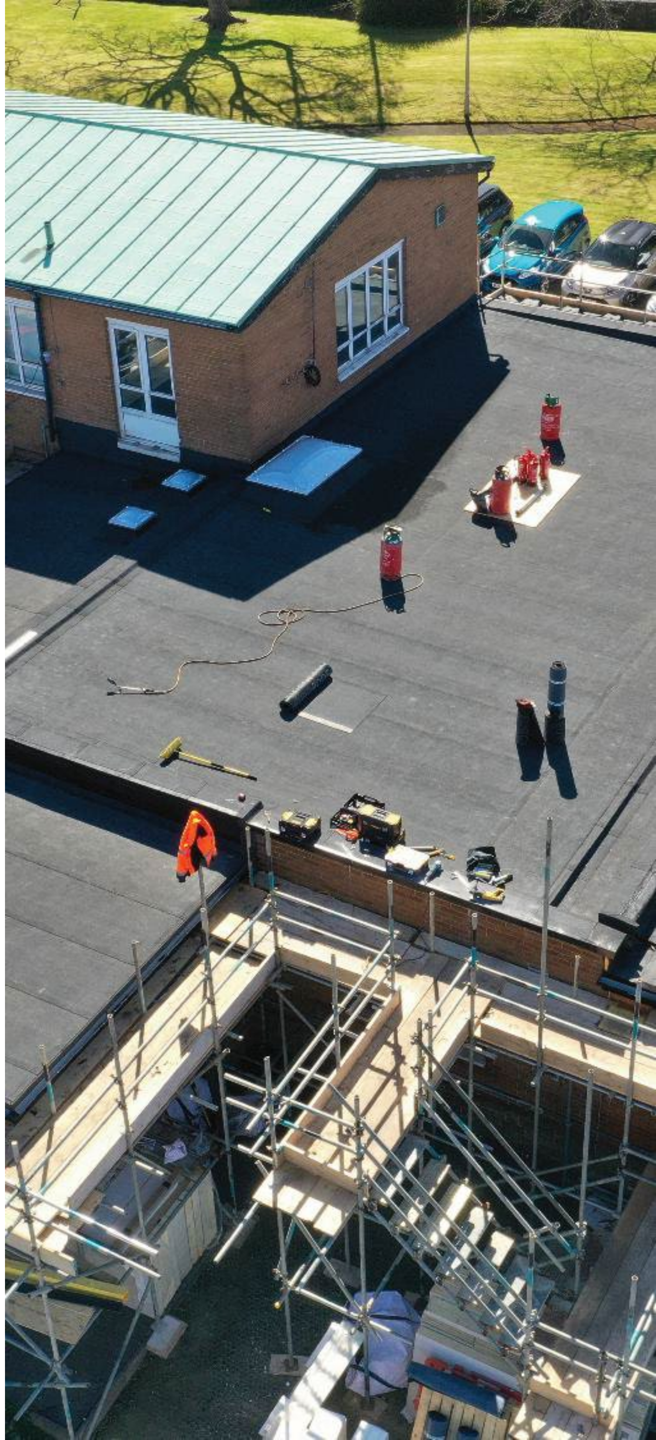
Balanced client mix

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 – linked



Key points

- Overall trading has been stable in our new financial year Q1
    - Good underlying margins achieved in the year based on sound strategies
    - Took advantage of a one-off contract profit opportunity
    - Diversified customers and sectors continue throughout the group
    - Strong cash generation from trading with good advance payments at the year end
- Our policy of ensuring a good mix of private and public sector clients is working in the current economic climate
- Continue to invest in businesses, enabling a more valuable service
- Invest in Isoler, enabling it to enter the national and south-east market
- Increased proposed ordinary dividend of 2.5p ps and special dividend of 5.0p ps
- The Board are confident our underlying 2027 performance will be strong in the present environment

Questions

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