

Commercial in confidence

Good Builds  
start with our **SUPER**  
stores

# CMO Group Plc Full Year 2022 results

Dean Murray, CEO

Sue Packer, COO

Jonathan Lamb, CFO

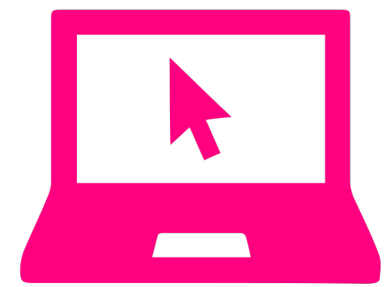


clickbasin

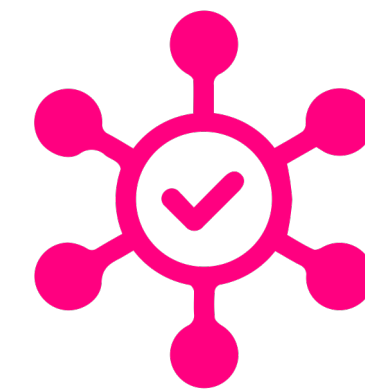




# Introduction to CMO



**UK's leading disruptive online-only retailer of building materials**



**Strategy to expand the range of product categories, organically and through M&A**



**Competitive pricing with high level of service**

**£83.1m FY22 revenue**

**Total sales growth of 9% FY22**

**£2.1m FY22 adjusted EBITDA\***



**Disrupting the £29bn\*\* domestic repair, maintenance and improvements market (RMI)**

**Negative working capital model**

\*Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, foreign exchange, exceptional and acquisition costs.

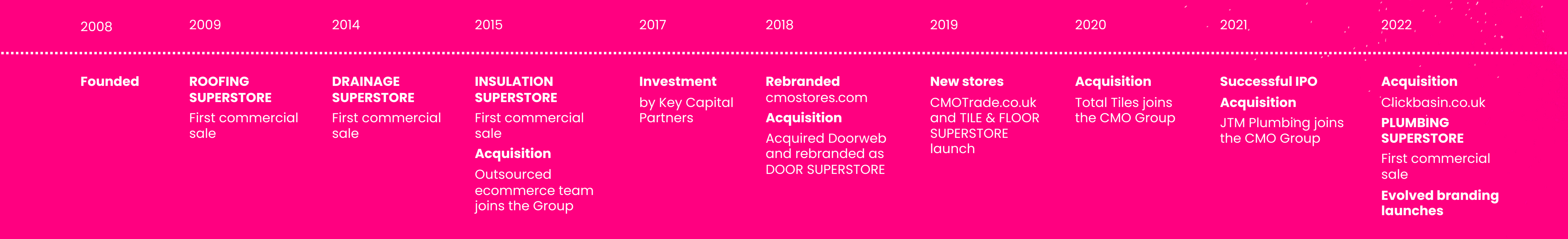
\*\*Source: (1) RMI Index, Travis Perkins, November 2022



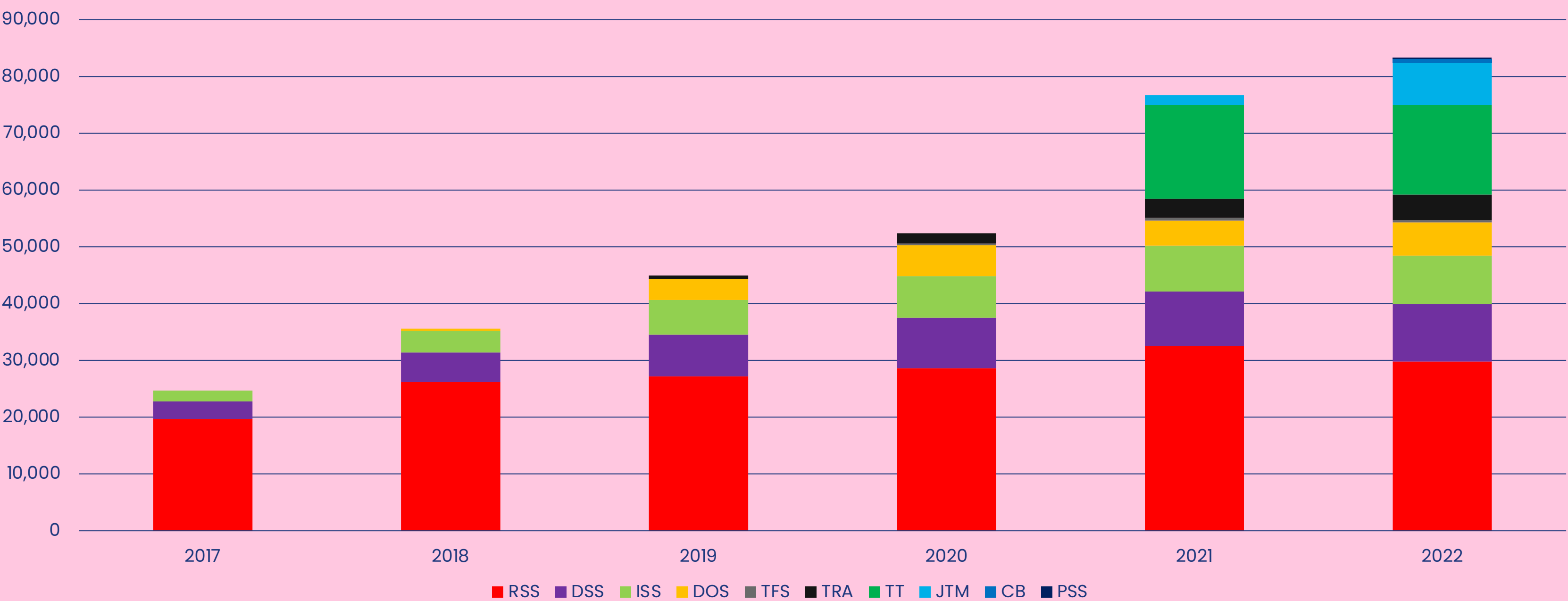


# Consistent YOY revenue growth

Disrupting the market and growing market share organically and through acquisition.



Increasing revenue diversification and consistent growth in verticals.




# Deep category authority and expertise under the Group umbrella

Unique combination of specialist expertise and eCommerce capability

## BUILDING SUPERSTORE

Over 2,000 trade accounts

Trade credit, incentives and a one-stop-shop for trade accounts

**Clickbasin**

★

★

★


★

★

TrustScore 4.8 | 5,153 reviews

Consumer focused

Access to c.£800m online bathroom market

**Door Superstore**

★

★

★


★

★

TrustScore 4.3 | 3,849 reviews

c. 14,000 products from c.50 brands

Brands include XL Joinery, LPD Doors, JBKind, Jeld Wen, Premdor and ZOO Hardware

**Drainage Superstore**

★

★

★


★

★

TrustScore 4.4 | 4,768 reviews

c.31,000 products from c.175 brands

Brands include Clearwater, ACO, Kingspan, Lin`dab, Wrekin and Naylor

**Insulation Superstore**

★

★

★

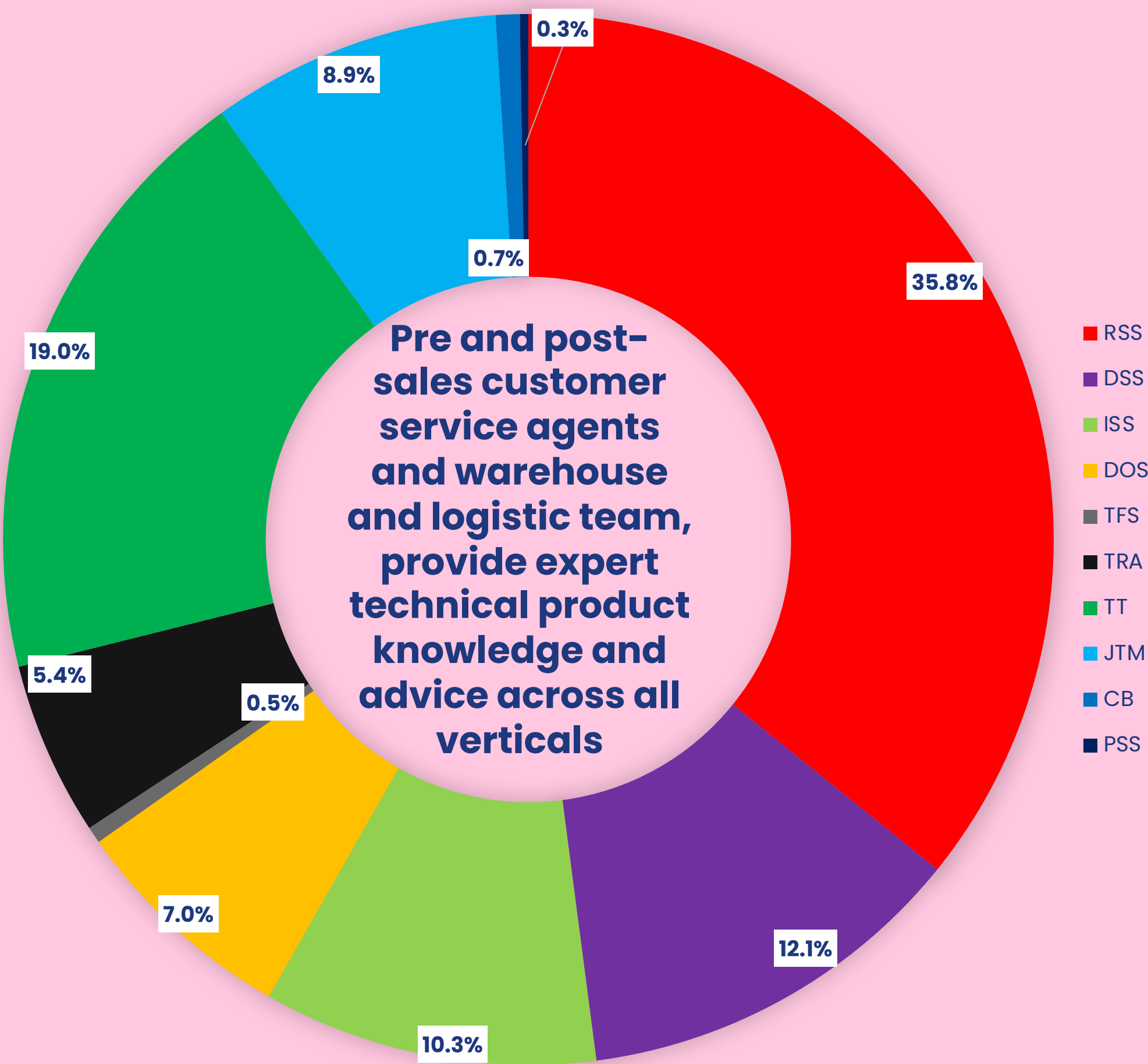
★

★


TrustScore 4.5 | 3,076 reviews

c.7,800 products from c.130 brands

Brands include Kingspan, Celotex, Rockwool, Knauf, Visqueen and Xtratherm



2022 sales split; Trust Pilot reviews as X<sup>th</sup> May 20XX

**JTM Plumbing**

★

★

★

★

★

TrustScore 3.4 | 16 reviews

Trade focused

Access to c£800m online plumbing and heating market

**Plumbing Superstore**

★

★

★


★

★

TrustScore 4.6 | 217 reviews

c.19,000 products from c.95 brands

Integrating JTM and Click Basin ranges

**Roofing Superstore**

★

★

★


★

★

TrustScore 4.4 | 18,956 reviews

c.44,000 products from c.230 brands

Brands include Velux, Eurodec, Calder, Redland, Marley and Fakro

**Tilesuperstore**

★

★

★

★

★

TrustScore 4.4 | 340 reviews

c.2,500 products from c.30 brands

Brands include Johnson, Quickstep, Milliken, Swiss Krono, Junckers and UltraTileFix

**Totaltiles**

★

★

★

★

★

TrustScore 4.7 | 769 reviews

750 products

DIY focused





# CMO is leading the disruption of this market with an online-only service-led offering



## COMPETITION

No obvious competitor with a similar proposition in a £29bn market



## PRICE TRANSPARENCY

Not hampered by traditional market pricing practices



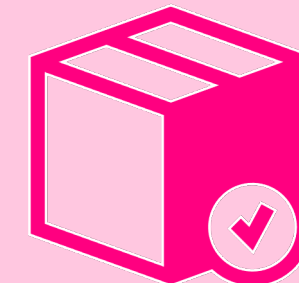
## DIGITALISATION

Singular focus on digitalising a market which has been slow to change



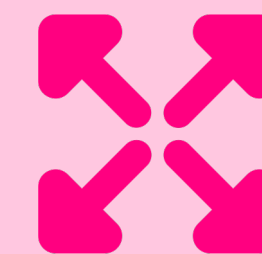
## SERVICE

Interactive hybrid service model providing specialist advice and expertise tailored to the category and customer



## PRODUCT RANGE

No limitations on the product range offering over 130,000 SKUs vs 4,350 on average for trade merchants\*



## AGILITY

Dropship model and scalable platform allows CMO to move at pace to capitalise on the market opportunity



## BUYER BEHAVIOUR

Normalising the purchase experience for the next generation of digital natives

\*Note: calculated as an average of Travis Perkins and MKM





# Key messages

**Total sales growth of 9% to £83.1m (2021: £76.3m)**

**Like-for-Like sales growth 2%**

**Adjusted EBITDA\* £2.1m (2021: £3.7m)**

**Closing cash balance of £6.2m (Net cash of £1.4m)**

**Acquisition of Clickbasin.co.uk**

**Launch of PLUMBING SUPERSTORE**

**Roll-out of new, unified and disruptive branding**

\*Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, foreign exchange, exceptional and acquisition costs.





# 2022 full year results





# Key messages – FY results for the period ended 31 December 2022

**Revenue £83.1m**

↑ **up 9%** 2021: £76.3m

**Gross margin £16.5m**

↑ **up 8%** 2021: £15.3m

**Adjusted EBITDA\* £2.1m**

↓ **down 43%** 2021: £3.7m

**EBIT £0.6m**

↑ 2021: -£3.3m

Reflecting one-off issue in stock pricing in Total Tiles, carriage cost increases, and consumer shifts to some lower margin categories.

\*Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, foreign exchange, exceptional and acquisition costs.

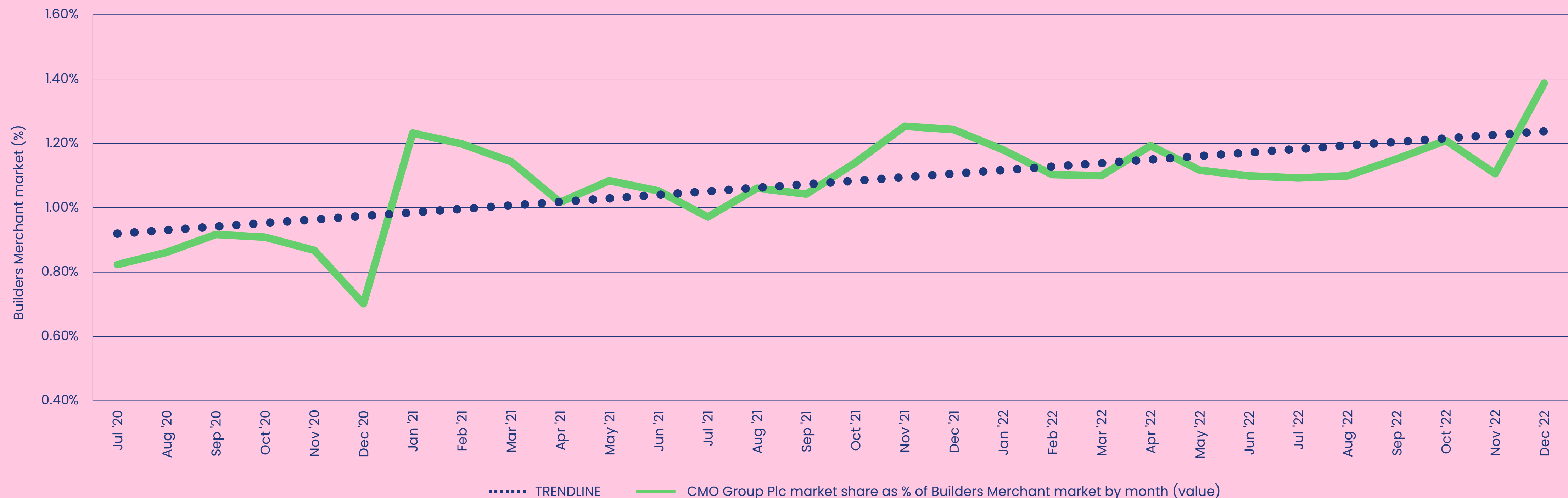




# Key messages

**Average market share for 2022 1.15% (2021: 1%)**

**↑ 64% growth since pre-pandemic period (2019: 0.7%)**



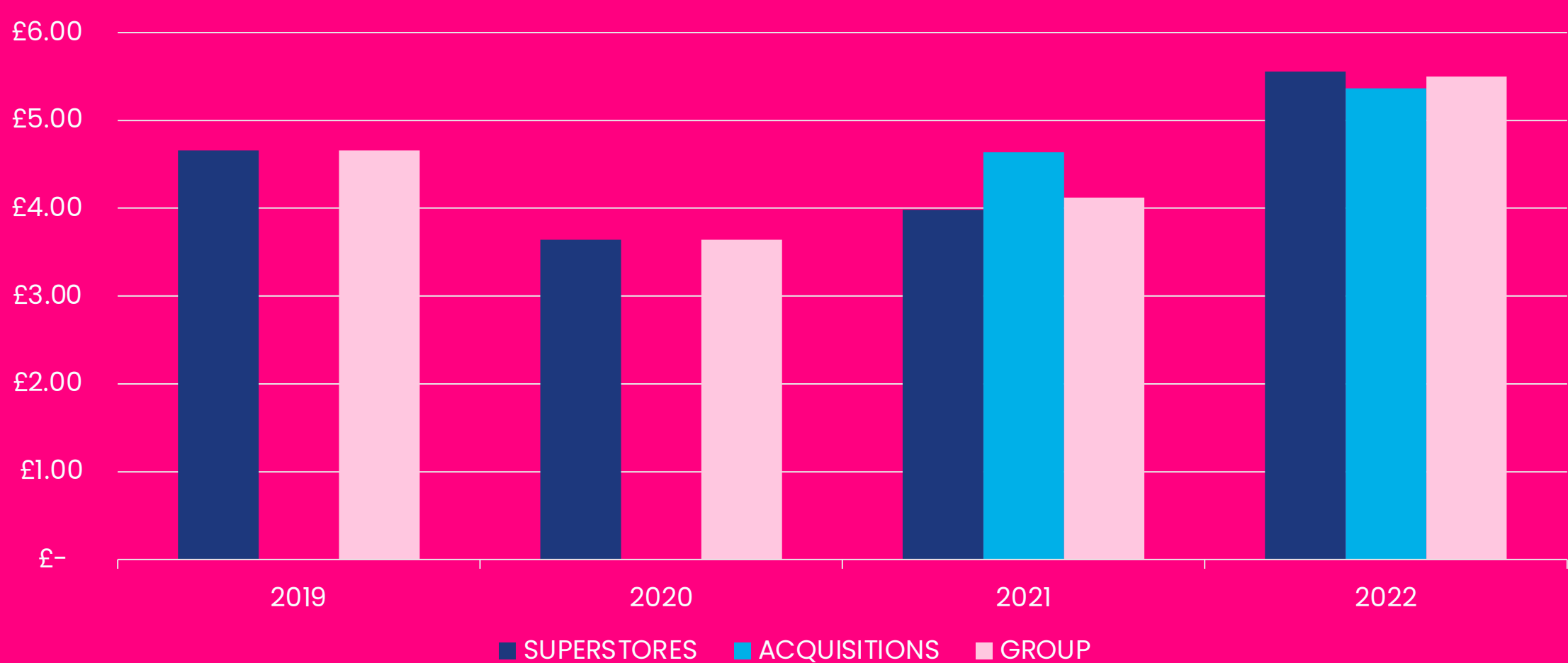
**Market share gains before, during and post pandemic.**



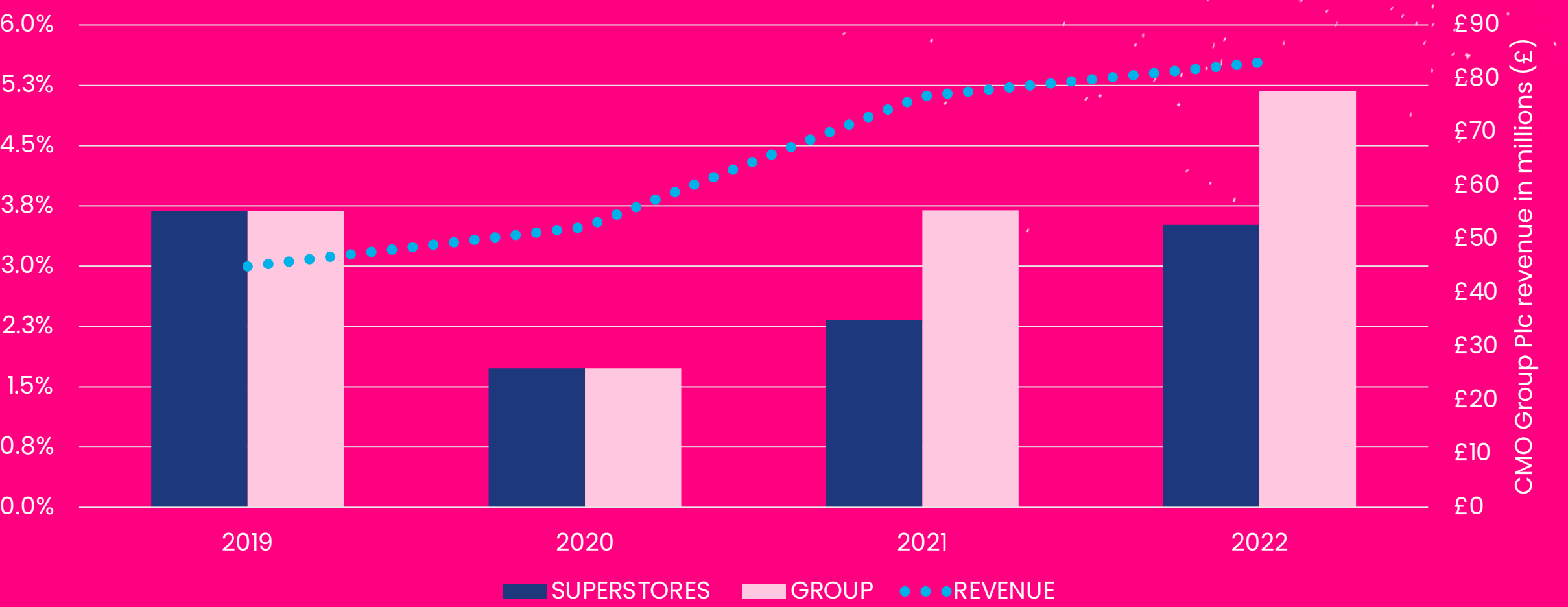


# Key messages – operational KPIs

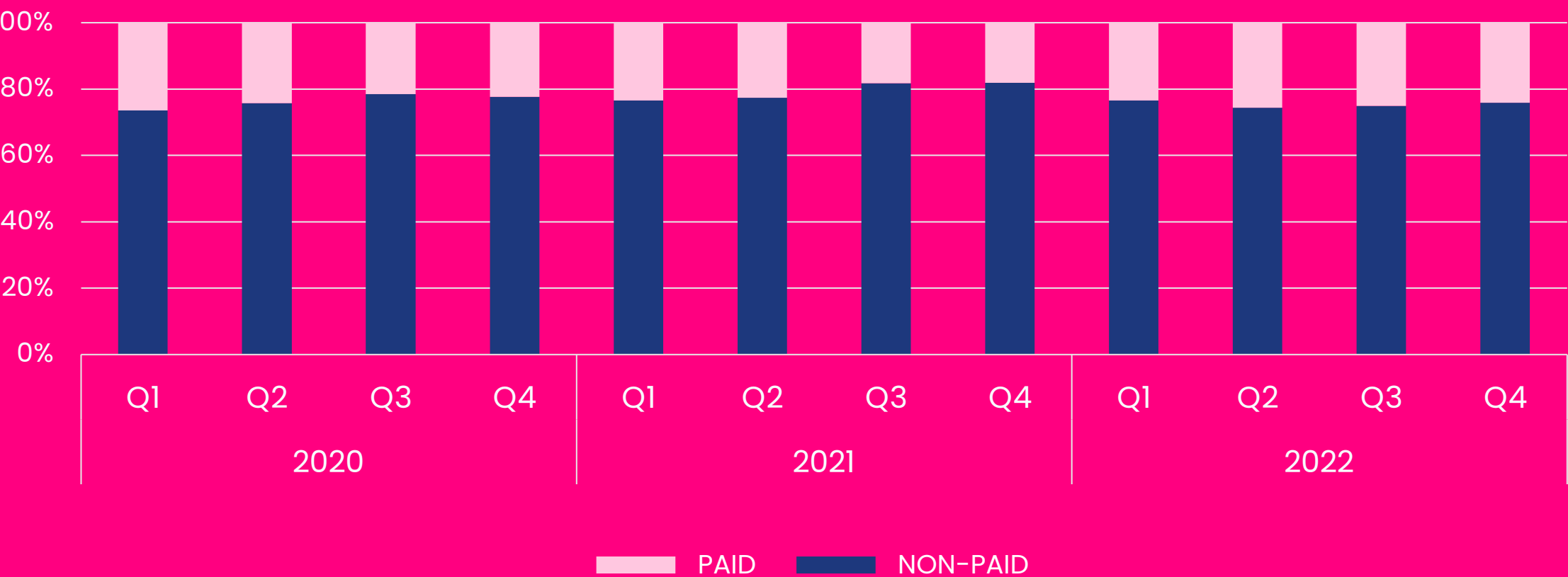
## Revenue per session +34%



## Digital marketing cost remains in line with expectations



## Customer acquisition remains balanced



Marketable database  
has grown by

**+13%**



# 2022 financial progress





# Financial progress

- Sales increased by 9% to £83.1m compared to £76.3m in FY21.
- LFL revenue growth 2% for CMO and (-4%) for Total Tiles against a difficult comparative.
- Overall sales increased year on year by acquisition of JTM Plumbing and Clickbasin.co.uk.
- Growth in sales driven by an improvement in User Experience (UX) delivering increases in conversion and AOV. Conversion also supported by reduction in low quality/low intent searches in prior year.
- Product margins in line with FY21 at 20%.
- Increased contribution from higher margin verticals offset by decline in Total Tile due to one off issue.
- Digital marketing costs reflect increase in market rates per click.
- Overhead increase reflects acquisitions, investment in people and infrastructure as well as full year of PLC costs.
- EBITDA was £2.1m compared to £3.7m in FY21.

## Annual Results 31 December 2022

FY22

FY21

### Revenue

83,090

76,340

Growth [%]

CoS

(66,591)

(60,997)

### Product Margin

16,510

15,343

Margin [%]

20%

20%

Digital Marketing

### Contribution

(4,629)

(3,271)

Contribution [%]

11,881

12,009

14.3%

15.7%

Marketing

(450)

(509)

Employment

(7,176)

(5,997)

Overheads

(2,201)

(1,855)

### EBITDA

2,054

3,711

Margin [%]

2.5%

4.9%



# Summary balance sheet and cash flow

- Inventory levels reduced compared to half year reflecting reduction in lead time and availability issues.
- Trade debtors reflect growth of CMO Trade and inclusion of JTM which has a strong trade customer base.
- Payables – deferred consideration has been paid for Total Tiles (£3m) and JTM (£0.5m) together with consideration for Clickbasin (£1.2m). Balance includes deferred consideration of £1.7m relating to Clickbasin and JTM.
- Loan and borrowings is drawdown on acquisition element of RCF. Increase of £1.7m relates to deferred consideration for JTM and acquisition of Clickbasin.
- At December 2022 CMO had £6.2m cash compared to £9.1m at December 2021 after paying £3m deferred consideration.

## Annual Results 31 December 2022 Key balance sheet extracts

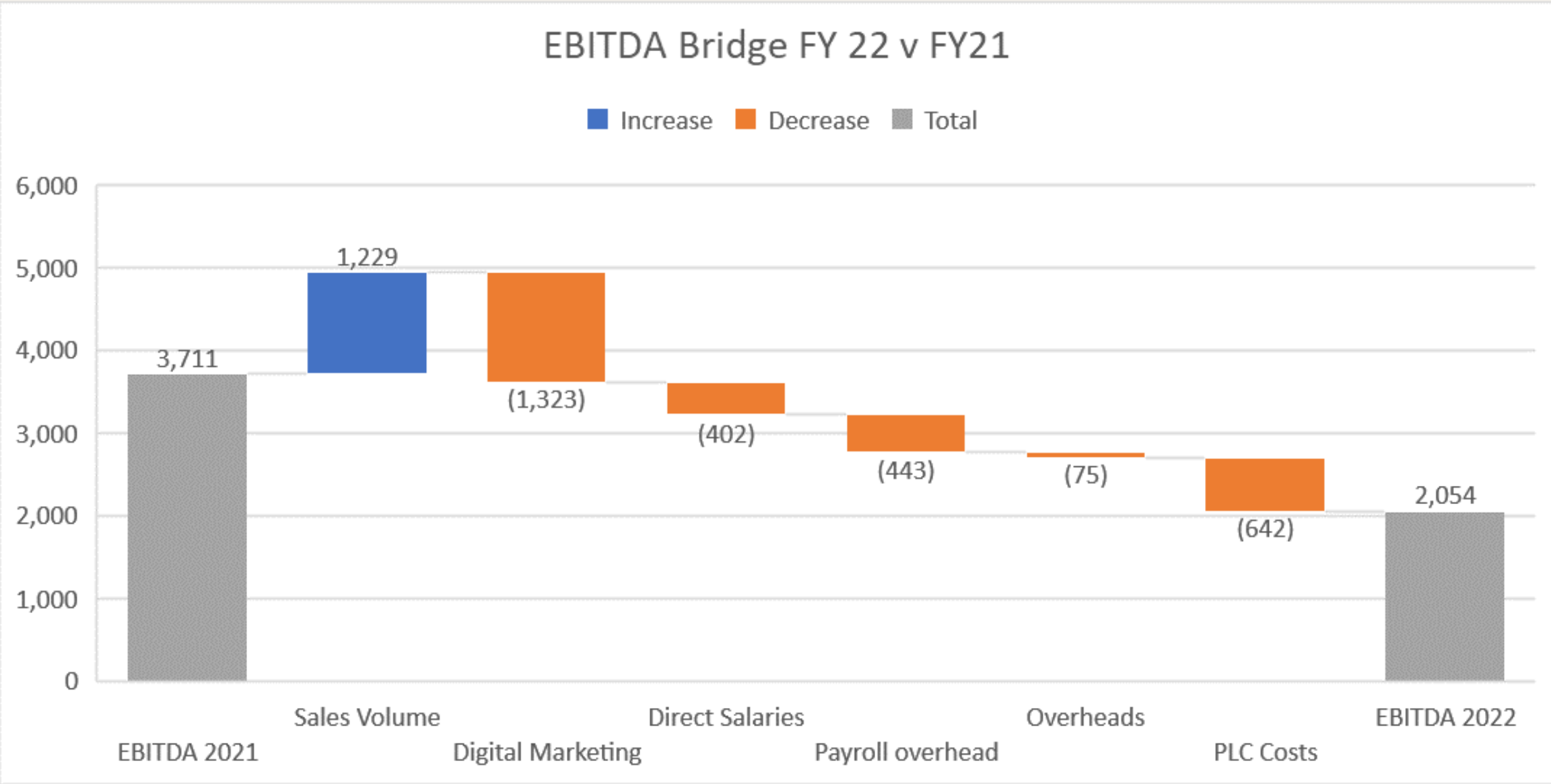
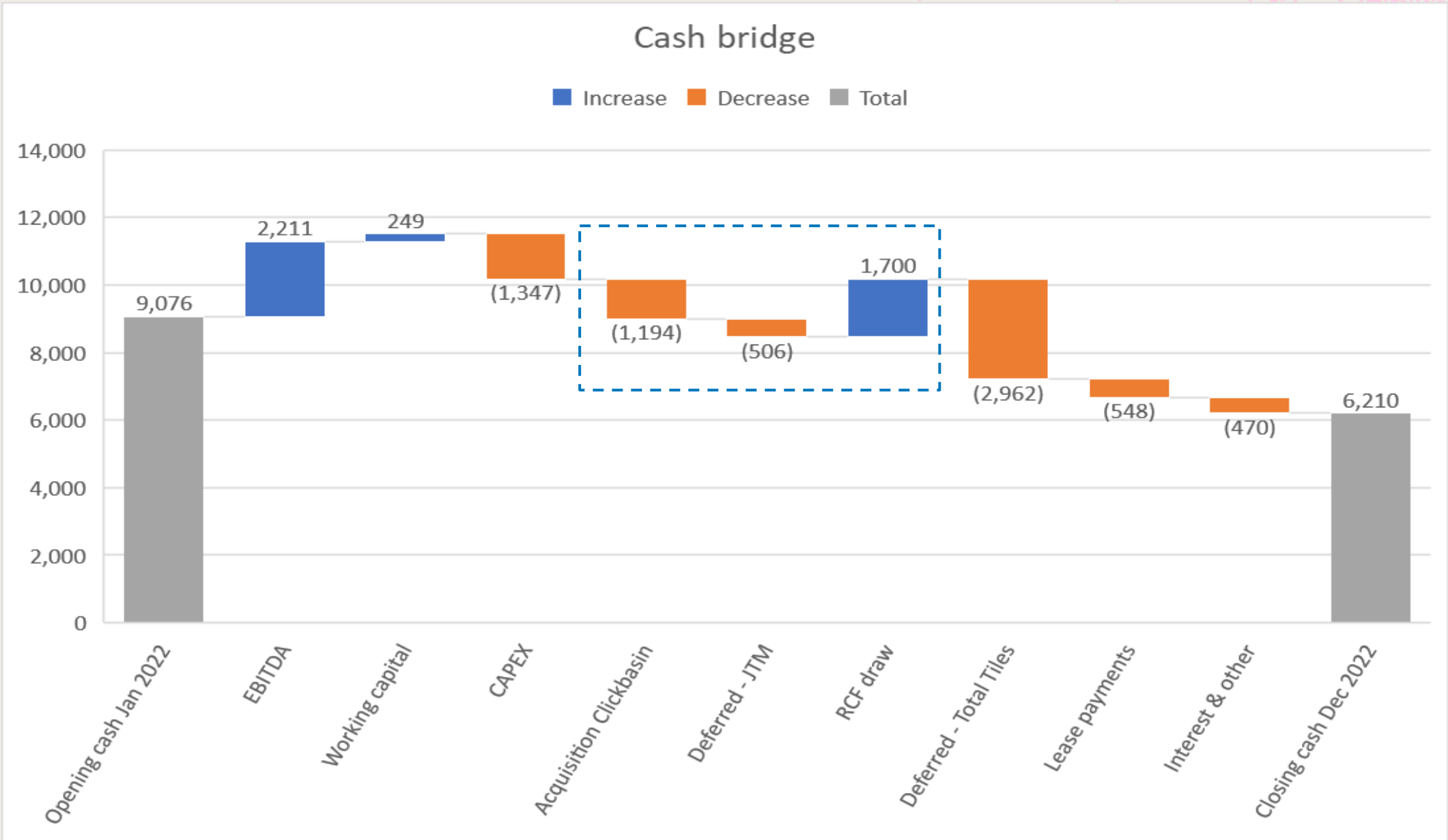
	FY22	FY21
Inventories	5,454	5,474
Trade and other receivables	2,732	2,942
Cash and cash equivalents	6,210	9,076
<b>Total current Assets</b>	<b>14,396</b>	<b>17,492</b>
Trade and other payables	(16,325)	(20,056)
Loans and borrowings	(1)	(3)
Lease liabilities	(210)	(311)
<b>Total Current Liabilities</b>	<b>(16,790)</b>	<b>(20,370)</b>
Loan and borrowings	(4,788)	(3,088)
Lease liabilities	–	(140)
<b>Total non-current liabilities</b>	<b>(4,788)</b>	<b>(3,229)</b>
<b>Total net assets</b>	<b>18,127</b>	<b>18,046</b>





# Adjusted EBITDA and Cash

- Cash margin derived from sales growth.
- Digital marketing costs driven by higher CPC offset product margin increase.
- Majority of increase in salaries are acquisition related together with development of functional capability to support growth.



- Cash generated from EBITDA of £2.1m enhanced by £0.2m working capital inflow.
- Net cash out flow for CapEx and acquisitions includes £1.2m for Clickbasin, £0.5m JTM deferred funded by drawdown from acquisition RCF.
- £3.0m Total Tiles consideration cash paid.
- Closing cash of £6.2m. (Closing net cash of £1.4m.)
- Total drawn on acquisition RCF is £4.8m.
- Sound financial position with undrawn working capital facility of up to £4m.



# 2022 strategic delivery





# Our vision

Where are we going

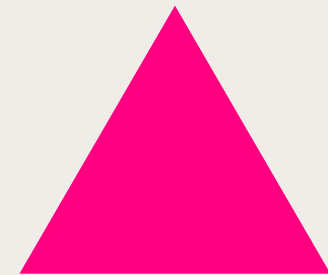
**We will be the retailer of choice for anyone building or improving a home in the UK.**

**“We’ll provide all the products you need in the way you want to buy them”**



# Our strategy

**To acquire or build new  
verticals and horizontals  
in support of our vision**



**How do we know when  
we've delivered this?**





# The goal

Consumer  
horizontal



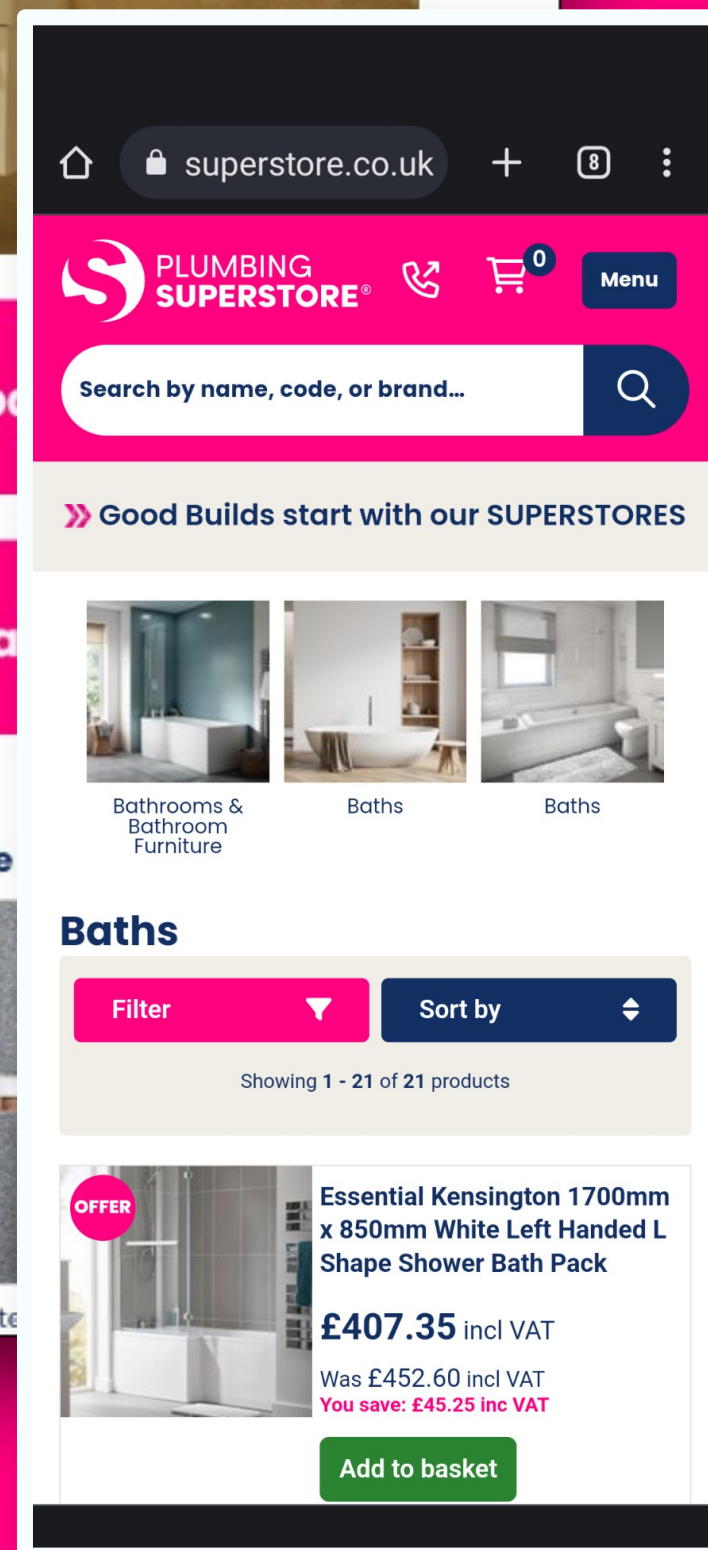
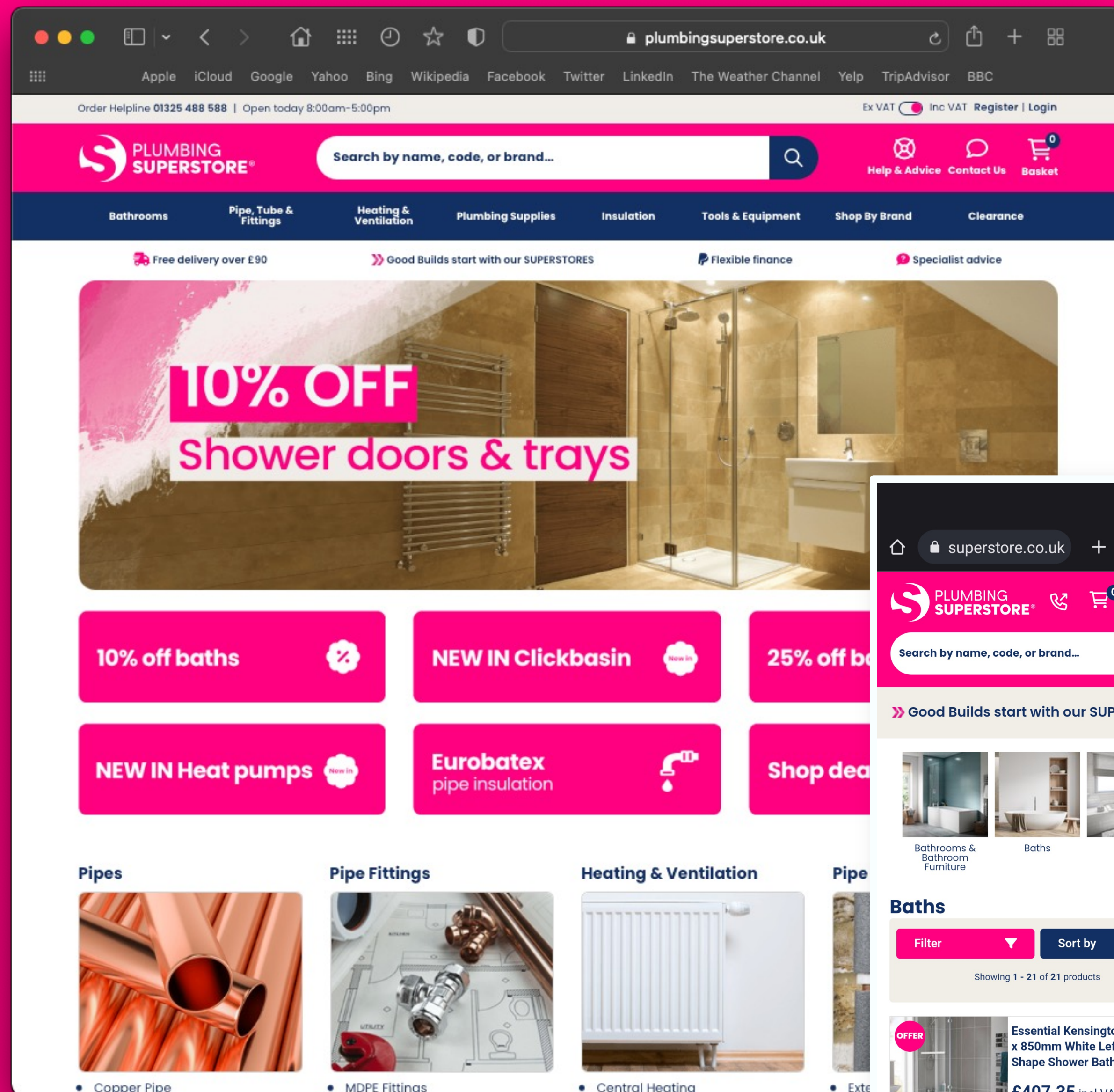
Specialist  
stores



Trade  
horizontal







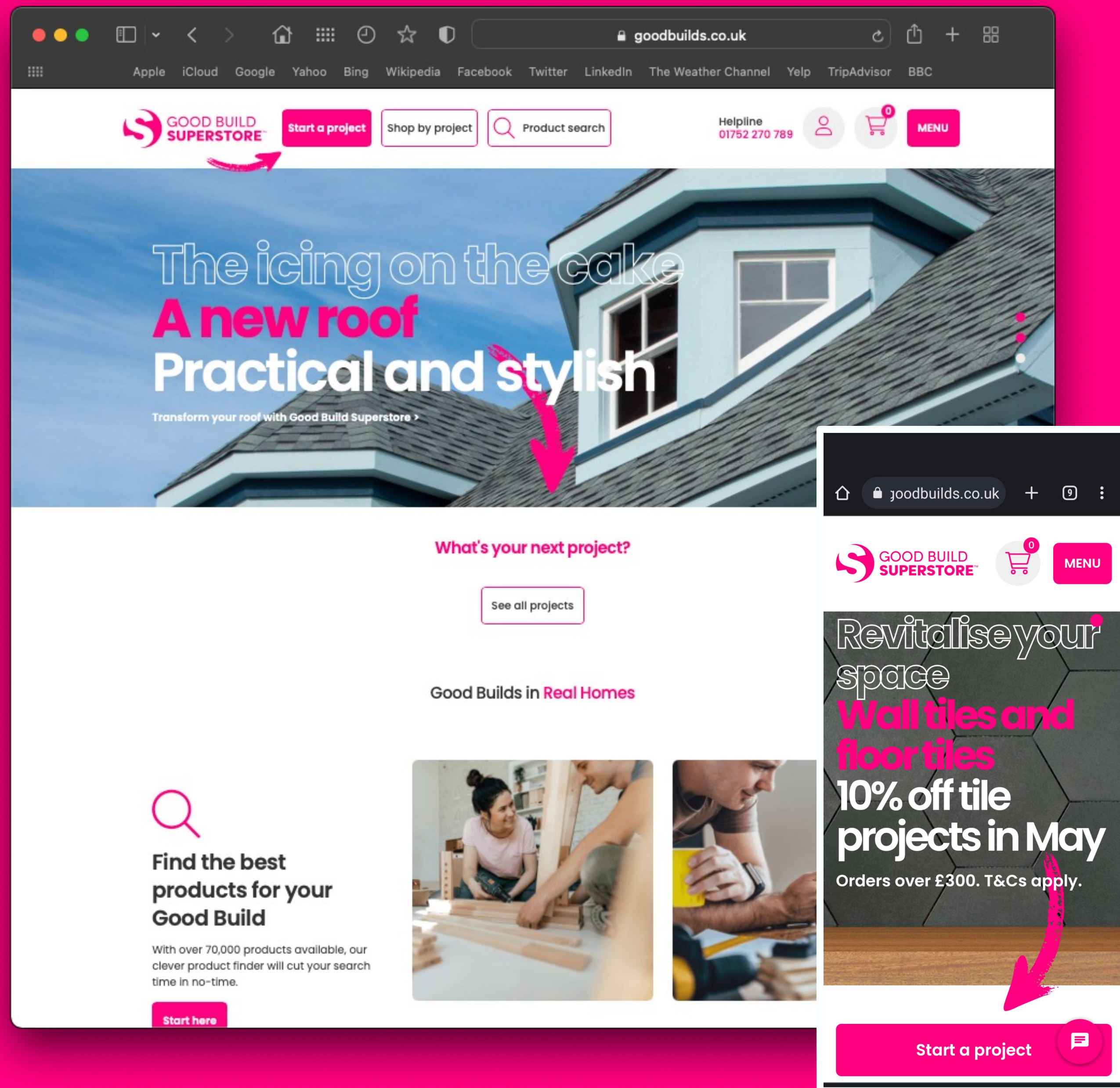
## Key strategic delivery



- To serve c.£1.6bn online Plumbing, Heating and Bathroom market.
- Acquired JTM Plumbing in Q3 2021, acquired Clickbasin in June 2022.
- Launched Plumbingsuperstore.co.uk in September 2022.
- Delivery of centralisation of all warehouse stock movements.
- 2023 integration of JTM Plumbing, Clickbasin into PLUMBING SUPERSTORE.







## Key strategic delivery



A retail destination, where a homeowner can be inspired and buy everything they need for their project.

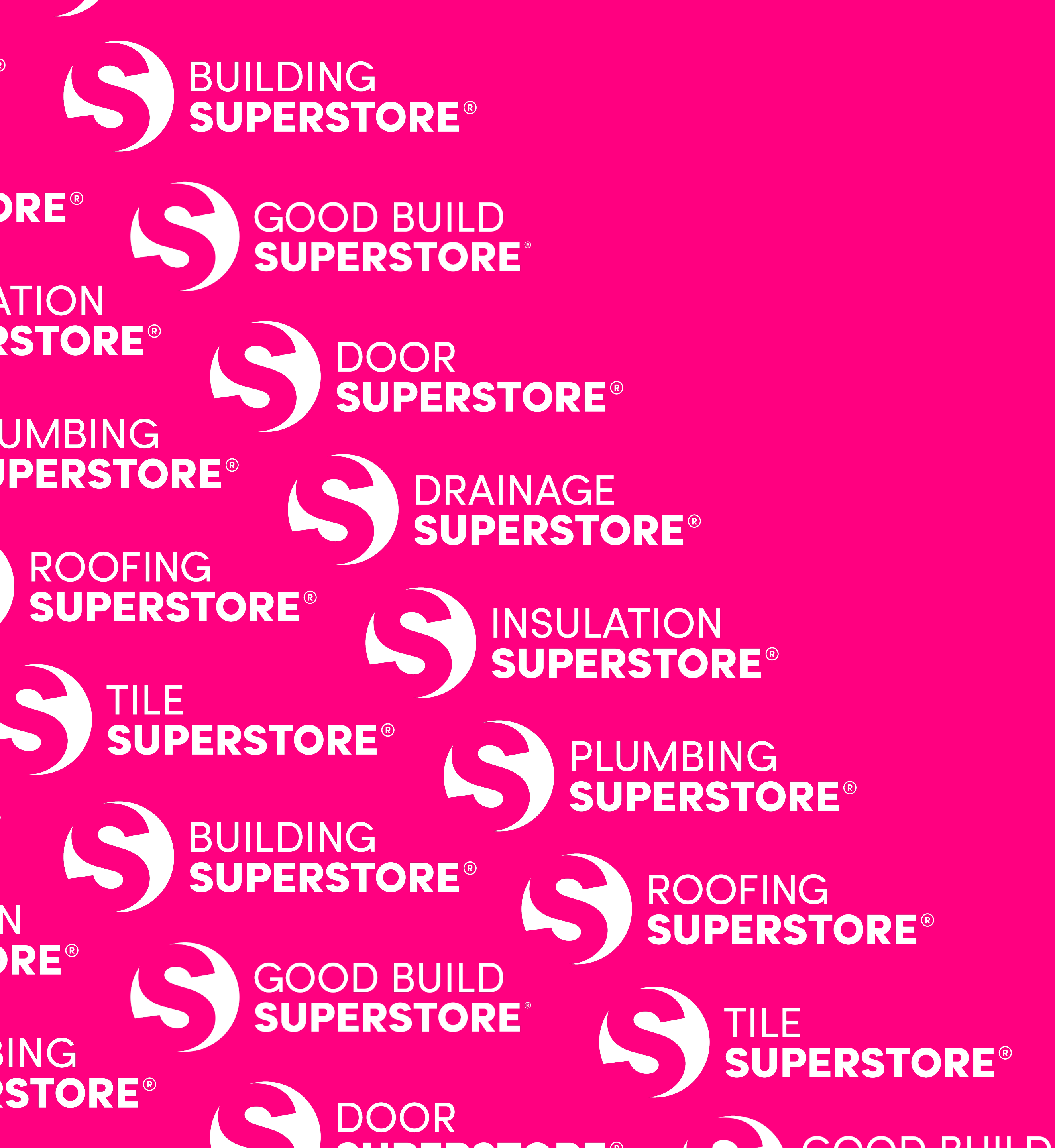
A new disruptive force in the market, driving awareness and engagement with upper funnel positioning.

Launching with:

- 15 home improvement projects, more added monthly.
- 3 key shopping journeys.
- Curated product choice, with access to the full catalogue.
- Over 1200 inspirational and user-generated images.
- Ai driven content and articles.







## Key strategic delivery

**Good Builds  
start with our**



- Renewed brand build journey under a unified and disruptive brand aesthetic.
- Branding rolled out to all SUPERSTORES.
- CMO Trade rebranded as BUILDING SUPERSTORE.
- ® status and URLs secured for all Brand IP



## ESG progress – leading the way

- 90% of tree planting fundraising target reached by FY 2022.
- Already moved from estimates in the 2021 reporting year to actuals on Scope 1 and 2 for 2022.
- 38% reduction in Scope 1 & 2 GHG emissions, with fossil fuel energy consumption down 48%.
- Trialing methodology for Scope 3 measurement using a combination of spend and EPD certificates, that focus on 9 key categories.
- This approach will significantly increase accuracy and robustness and is considered a class leading solution.
- CMO have an overall aim to make carbon reporting of the products they sell accessible to customers to enable more sustainable choices to be made.
- High level of employee engagement in 'Culture Club' company values initiative.





**2023** update





# Key strategic priorities for 2023

Building a platform for future growth

**Margin  
growth**

**Carriage  
cost control**

**Overhead  
efficiency**

**Modest  
revenue growth**

**Brand  
Consolidation:  
5 to 2**



# Key strategic priorities for 2023

Building a platform for future growth

**Margin  
growth**

**+91 basis points  
(3%) Vs FY 2022**

**Carriage  
cost control**

**55% recovery  
improvement**

**Overhead  
efficiency**

**15% reduction  
in headcount**

**Modest  
revenue growth**

**Q1 Group revenue  
-10%, in line with  
management's  
expectations**

**Brand  
Consolidation:  
5 to 2**

**In process**





# Current trading – Q1 2023

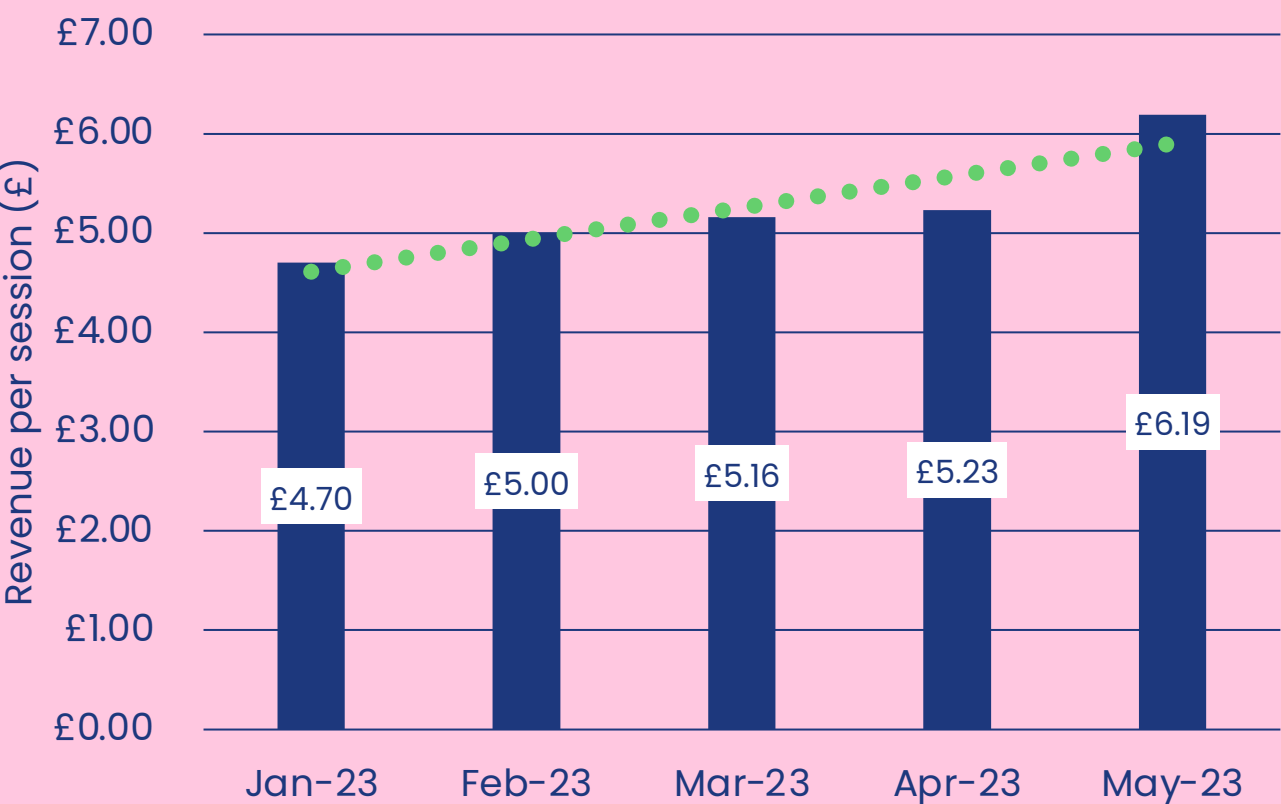
Total Group sales growth

↓ -10%

3YR LFL

↑ 41%  
GROUP GROWTH  
88%

2023 revenue per session by month\*



In line with management expectations and 2023 strategic pillars against strong 2022 comparatives and a declining market.

\* Ex. JTM Plumbing and Clickbasin.



# Building a better customer experience

CMO's strategic goal is to offer our customers everything they need to build and improve their home through the widest range at the right value and right time with helpful people and effortless, inspirational e-Commerce.

- Launch of GOOD BUILD SUPERSTORE.
- Brand consolidation of JTM Plumbing, Clickbasin.co.uk and PLUMBING SUPERSTORE and TILE SUPERSTORE and TOTAL TILES to create unified shopping experience.
- New vertical launches planned for 2023/24.





Thank you

Good Builds  
start with our **SUPER** stores

Any questions?



clickbasin

