



Good
builds
start
here

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Strictly private and confidential

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



Market position of competitive pricing with high level of service

£76.3m

FY21
Revenue

**Over 180k
customers
served in
2021**

£3.7m

FY21
EBITDA



Disrupting the £27bn¹ domestic repair, maintenance and improvements market

Negative working capital model

Consistent Y-O-Y revenue growth

Disrupting the market and growing market share organically and through acquisition

2008

Founded

2009

First commercial sale by Roofing Superstore

2014

First commercial sale by Drainage Superstore

2015

First commercial sale by Insulation Superstore

2017

Investment by Key Capital Partners

Acquired outsourced ecommerce team

2018

Rebranded as cmotrade.com

Acquired Doorweb and rebranded as Door Superstore

2019

Launched cmotrade.com and Tile & Floor Superstore

Total Tiles

2020

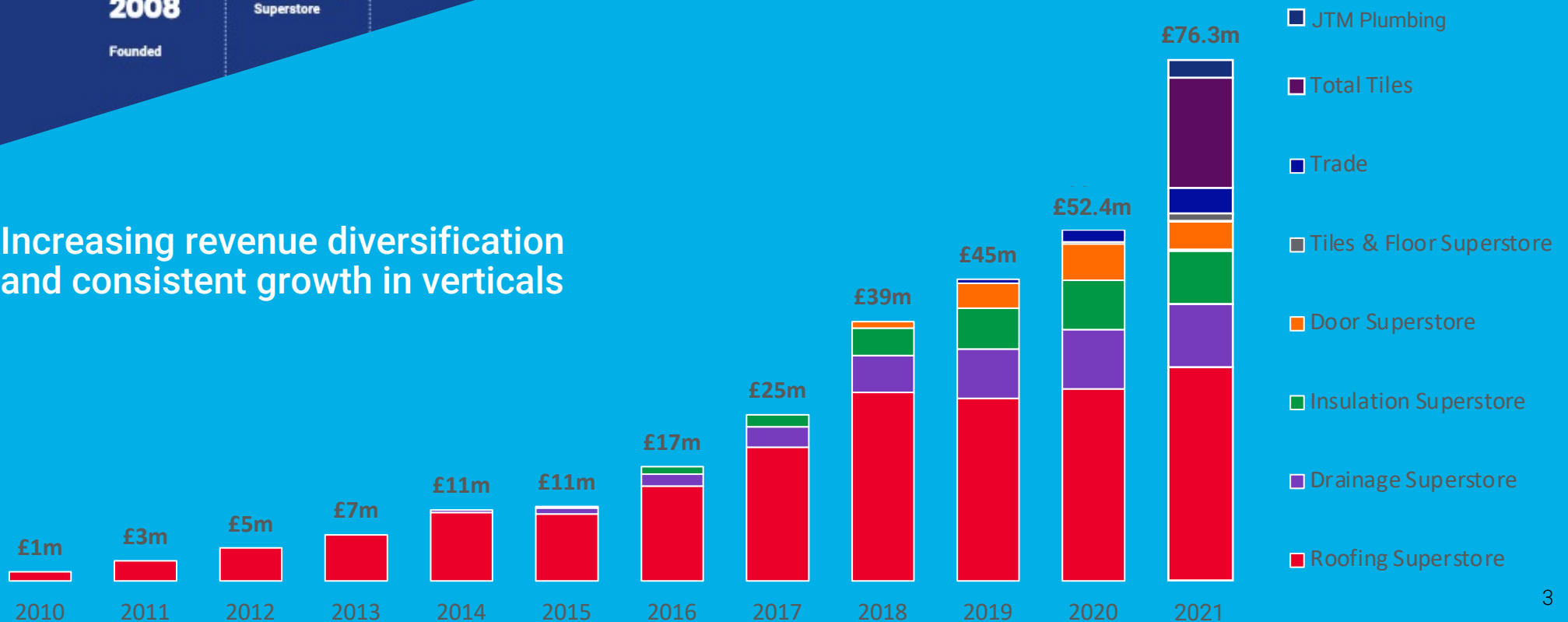
Acquired Total Tiles

2021
Successful IPO

2021

Acquired JTM Plumbing

Increasing revenue diversification and consistent growth in verticals



Deep category authority and expertise under the Group umbrella

Unique combination of specialist expertise and pureplay eCommerce capability



Reviews 17,012 • Excellent

★

★

★

★

★

★

★

★

★

★

4.4

c. 44,000 products from c.230 brands

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



Reviews 2,416 • Excellent

★

★

★

★

★

★

★

★


★

★

4.5

c. 7,800 products from c.130 brands

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



Reviews 258 • Excellent

★

★

★

★

★

★

★

★

★


★

4.5

c. 2,500 products from c.30 brands

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

Trade focused



Reviews 700 • Excellent

★

★

★

★

★

★

★

★

★

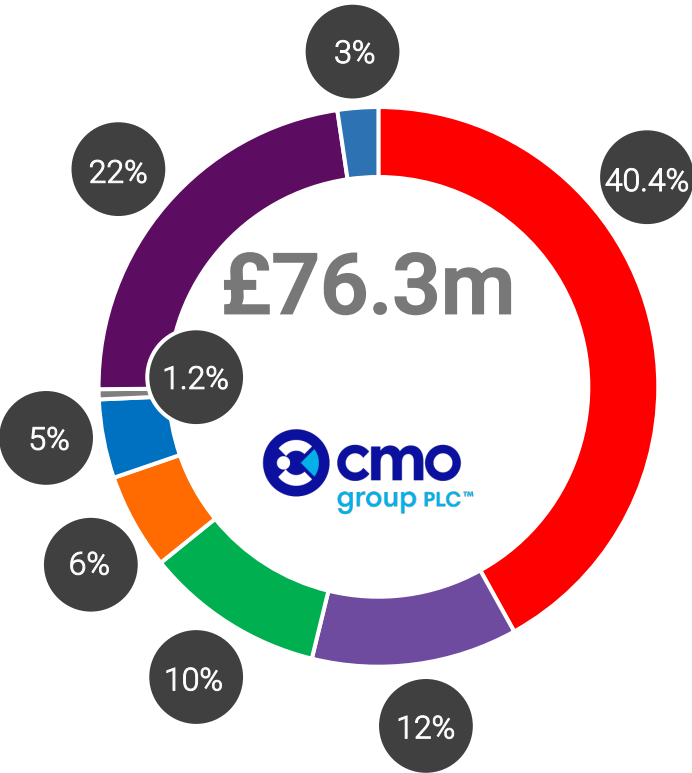
★

4.7

750 products

DIY focused

2021 Sales Split



Pre- and post-sales customer service agents and warehouse and logistic team provide expert technical product knowledge and advice across all verticals



Reviews 3,861 • Excellent

★

★

★

★

★

★

★

★

★

★

4.4

c. 31,000 products from c.175 brands

Brands include Clearwater, ACO, Kingspan, Lindab, Wrekin and Naylor



Reviews 3,048 • Excellent

★

★

★

★

★

★

★

★

★

★

4.3

c. 14,000 products from c.50 brands

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



Reviews 10 • Average

★

★

★

★

★

★

★

★


★

★

3.5

Over 2,000 trade accounts

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



Reviews 10 • Average

★

★

★

★

★

★

★

★

★

★

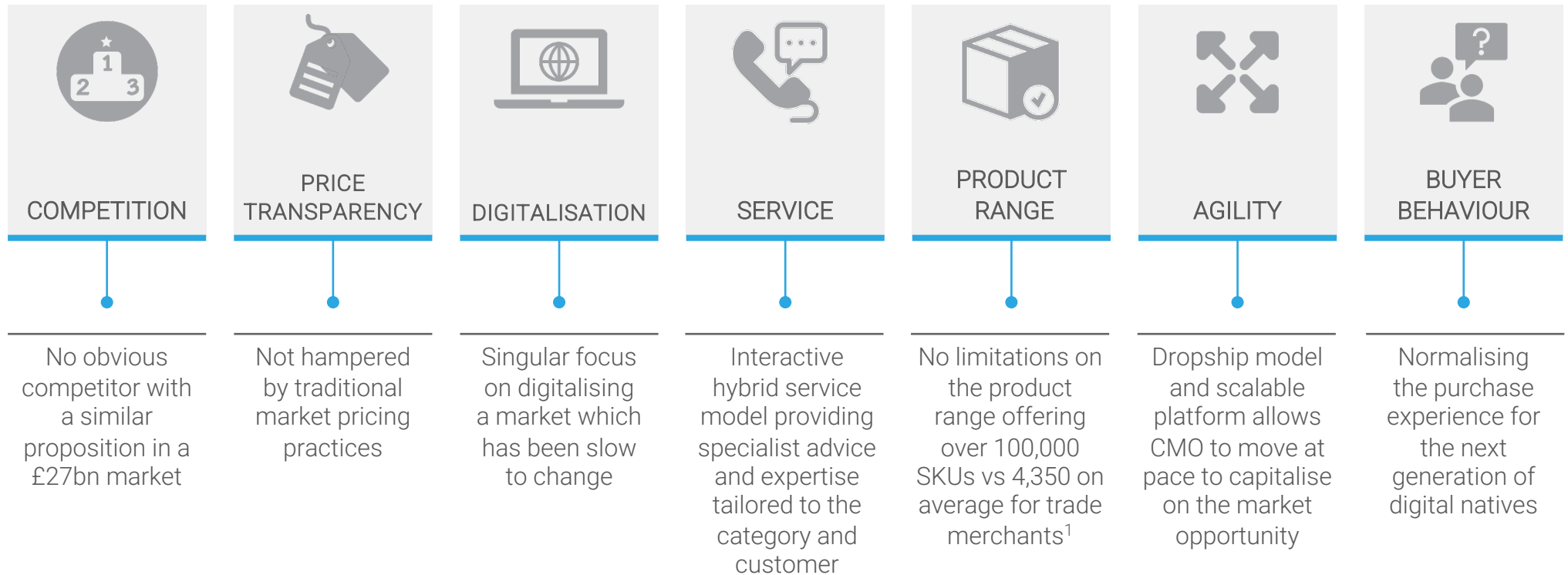
3.5

Trade focused

Access to c£800m online plumbing and heating market

Notes: Trust Pilot reviews as at 5th May 2022

CMO is leading the disruption of this market with an online only offering



Note: (1) Calculated as an average of Travis Perkins and MKM



Full Year results for the year ended 31 December 2021

Revenue
and growth



£76.3m

up 46% 2020: £52.4m

Gross
margins



£15.3m

up 88% 2020: £8.1m

Market share growth of

11% YoY

CMO grew faster than the wider builders merchant market which recorded record growth of 28%.

EBITDA

£3.7m

up 42%
2020: £2.6m

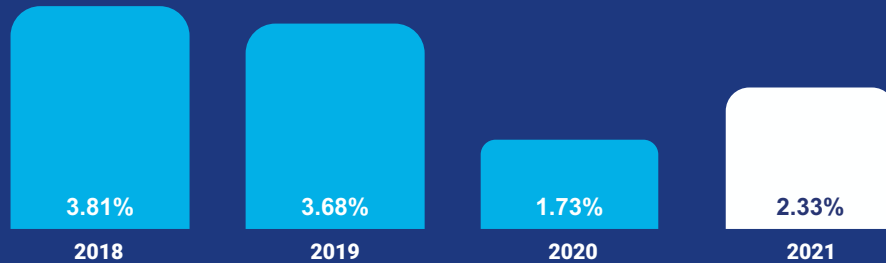


What we delivered in 2021



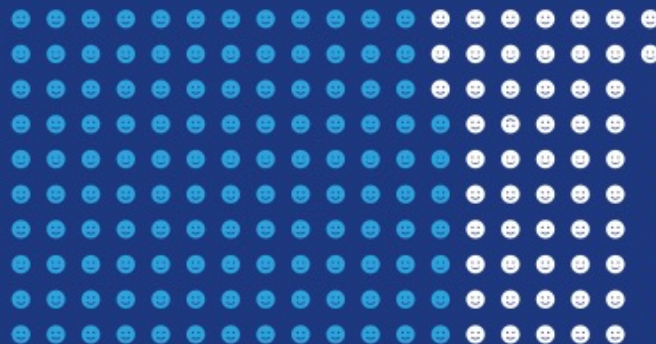
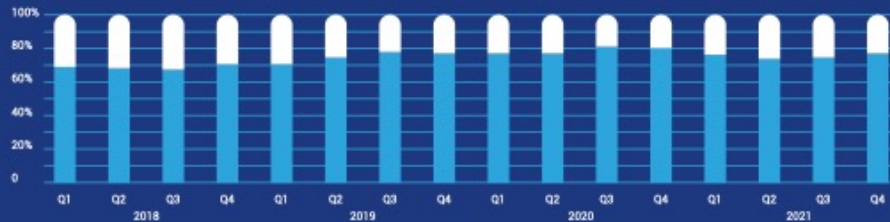
JTM performing in line with expectations

Marketing cost remains less than 5% of sales



Traffic remains balanced

Non-paid | Paid



Over
182k
customers
in 2021 2020: 127k

Over 42%* of sales came from repeating customers

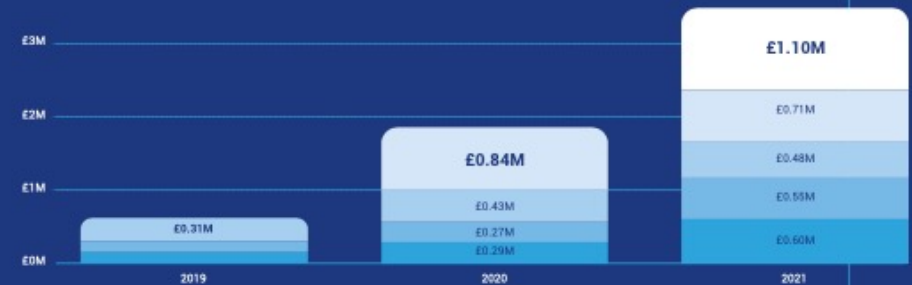
*Exc. JTM plumbing



Repeat rates from Trade cohort

Total Sales by Year and Join Year Cohort

2017 2018 2019 2020 2021



Marketing database grow by over

30%**

AOV grew by over

10%*



* 2020: £248.60, 2021: £273.44 ** 31.45% growth in marketable database

What we delivered in 2021

Leading product catalogue with over 100,000 SKUs* driving organic category authority

Launch of CMO Trade APP.



Great relationships with over 350 suppliers and manufacturers



Launch of own brand door range, giving a competitive, entry level product for CMO customers.



In-house team of developers, e-commerce experts and product specialists

20,000+ customers rated us 'Excellent'.

★ Trustpilot



Specialist customer service available 8am-5pm

Shortlisted for the Institute of Customer Services Customer Strategy award.



Transparent on pricing and margin

Winner of the Tile Association's website of the year.



Warehouse Drop ship



22%

78%

mix driving a negative working capital model.

Total Tiles



Category growth through the dual acquisition of Total Tiles and JTM Plumbing Merchants.



Direct shopping from manufacturer to consumer, reducing supply chain costs



What's coming in 2022



CMO's strategic goal is to provide our customers with everything they need to build or maintain a home, through a simple, convenient and supported shopping experience

Progress

M&A JTM plumbing merchants acquired 31st September 2021

Store launches Plumbing Superstore early Q3 2022
Homeowner horizontal Q4 2022

Enablers One Admin, Customer Management System and Customer Loyalty Engine
Evolved branding for CMO Superstores

Understanding the customer



Tradesmen working for home owners

My life is hectic and I want it made easier by good technical advice, my favourite brands at great prices and reliable delivery to multiple site.



Engaged home owners

I like to invest in my home. I will seek inspiration, research ideas and want good value, quality products whether it's me doing the work or my builder.

Financial progress

Annual Results 31 December 2021	FY21	FY20
Traffic	18,285	14,379
Conversion	1.49%	1.20%
AOV	274	332
Revenue	76,340	52,351
<i>Growth [%]</i>		
CoS	(60,997)	(44,222)
Product Margin	15,343	8,129
<i>Margin [%]</i>	<i>20.1%</i>	<i>15.5%</i>
Digital marketing	(3,271)	(1,071)
Contribution	12,009	7,058
<i>Contribution [%]</i>	<i>15.7%</i>	<i>13.5%</i>
Marketing	(509)	(417)
Wages	(5,997)	(3,094)
Overheads	(1,471)	(735)
Other	(384)	(194)
EBITDA	3,711	2,617
<i>Margin [%]</i>	<i>4.9%</i>	<i>5.0%</i>

Notes: FY21 shows the results for the Group whereas FY20 reflects the performance for CMO

Traffic and conversion reflects reduction in low quality searches in FY21

FY20 is CMO only AOV comparative for the Group is £248

FY21 sales increased by 46% to £76.3m from £52.3m in FY20

Strong CMO sales increased by contribution to Group by:

- ▶ Total Tiles £16.5m (22%)
- ▶ JTM £1.7m (2%)

LFL revenue growth 12%

Sales increases achieved against backdrop of well documented ongoing supply chain challenges

Product margins enhanced to 20% from 15% in FY20
Achieved higher margin in acquired businesses

PPC costs higher in acquired businesses than CMO. CMO had increased CPC costs

Overhead increase reflects investment in people and infrastructure

EBITDA has increased to £3.7m (4.9%) compared to 5.0% FY20. Overheads now includes costs associated with listing

Summary balance sheet and cashflow

Negative working capital model drives strong cash conversion

Inventory growth driven by inclusion of acquisitions and ongoing market dynamics

Acquisitions and higher activity levels increase creditor and deposit balances

FY 20 balance sheet reflects pre-IPO ownership structure with £3m of drawn bank facilities and £17.5m in loan notes and accrued interest now repaid.

As at FY21 CMO had £9m cash (£6m net)

Annual Results 31 December 2021	FY21	FY20
Inventories	5,474	3,342
Trade and other receivables	2,942	1,223
Cash and cash equivalents	9,076	6,050
Total current Assets	17,492	10,615
Trade and other payables	(20,056)	(11,297)
Loans and borrowings	(3)	(392)
Lease liabilities	(311)	(269)
Current tax liabilities	-	(302)
Total Current Liabilities	(20,370)	(12,260)
Loan and borrowings	(3,088)	(23,017)
Lease liabilities	(140)	(465)
Total non-current liabilities	(3,229)	(23,482)
Net assets / (liabilities)	18,046	(5,415)
Annual Results 31 December 2021	FY21	FY20
EBITDA	3,711	2,617
Change in working capital	708	1,595
	4,419	4,225
CAPEX	(694)	(497)
Free cash flow	3,725	3,715
<i>Free cash flow %</i>	<i>100%</i>	<i>142%</i>
Acquisition 1	(2,187)	(503)
Adjusted free cash flow	1,538	3,212
<i>Adjusted free cash flow %</i>	<i>41%</i>	<i>123%</i>

Notes: (1) Cash paid for acquisitions net of cash acquired

ESG progress

- TCFD reporting
- Adopted SASB reporting standards for non-financial risks and opportunities
- 2,500 trees planted with over 22k raised
- Measurement of GHG for Scope 1 and 2; Scope 3 in next 12 months

CMO's 2021 Carbon Footprint, by scope

Scope	Emissions (tCO2e)	Percentage
1	20	0.02%
2	286	0.21%
3	133,589	99.7%
TOTAL	133,895	100%

As part of this process, Ricardo has independently reviewed CMO's scope 1 and 2 emissions and has verified these as being materially correct.



Current trading – Q1 '22

Total group growth

↑ **13%**

1YR LFL*

↑ **3%**

2YR LFL*

↑ **49%**

SUPERSTORES

8%

TOTAL TILES

-11%

(against very strong comps)

TOTAL TILES

63%

*Excludes carriage



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