



ProCook[®]

FY22 Results

6 July 2022



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Introduction

Daniel O'Neill – Founder & CEO

FY22 Performance highlights

Continued growth and market share gains

Revenue

£69.2m

Underlying PBT

£9.5m

Total YoY sales growth

+30%

Total Yo2Y LFL growth

+123%

New customers acquired

723k

Active customers L12M

+75%

Increase in 12m repeat rate to 25.5%

+6.9%pts

New stores opened

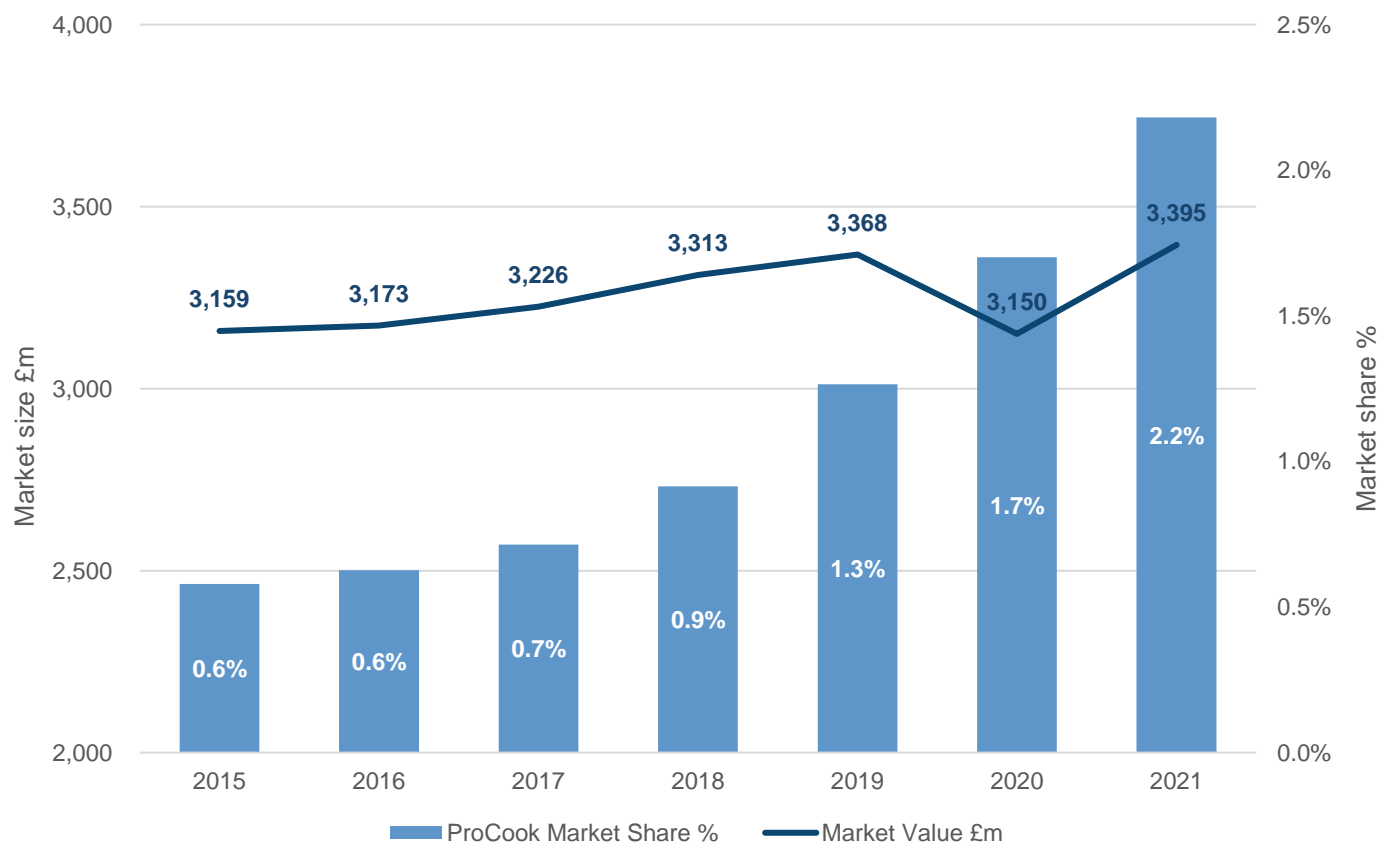
+8



Outperforming the market

Track record of consistently growing our market share

UK kitchenware market size £m and ProCook market share %



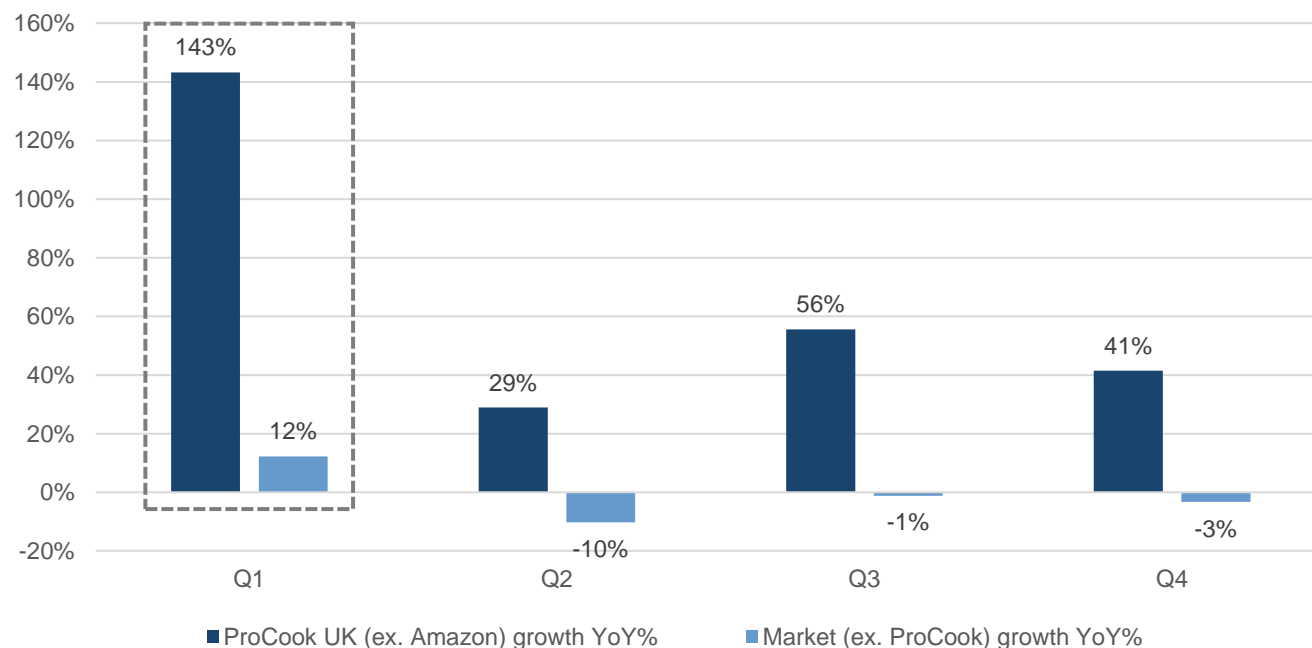
Note: UK Kitchenware market size data, presented in retail selling prices incl. VAT, is sourced from analysis by Euromonitor in their "Homewares in the UK" report dated May 2022. ProCook market share data is estimated by ProCook based on these market sizes.



Exceptional performance last year in Q1

Trading comparatives are particularly strong in Q1 with +143% growth last year, softening later in the year

Revenue growth % and market growth % by quarter



- Pent up demand as retail reopened
- Ecommerce remained strong before summer
- Strategic exit of Amazon UK at end of June 2021

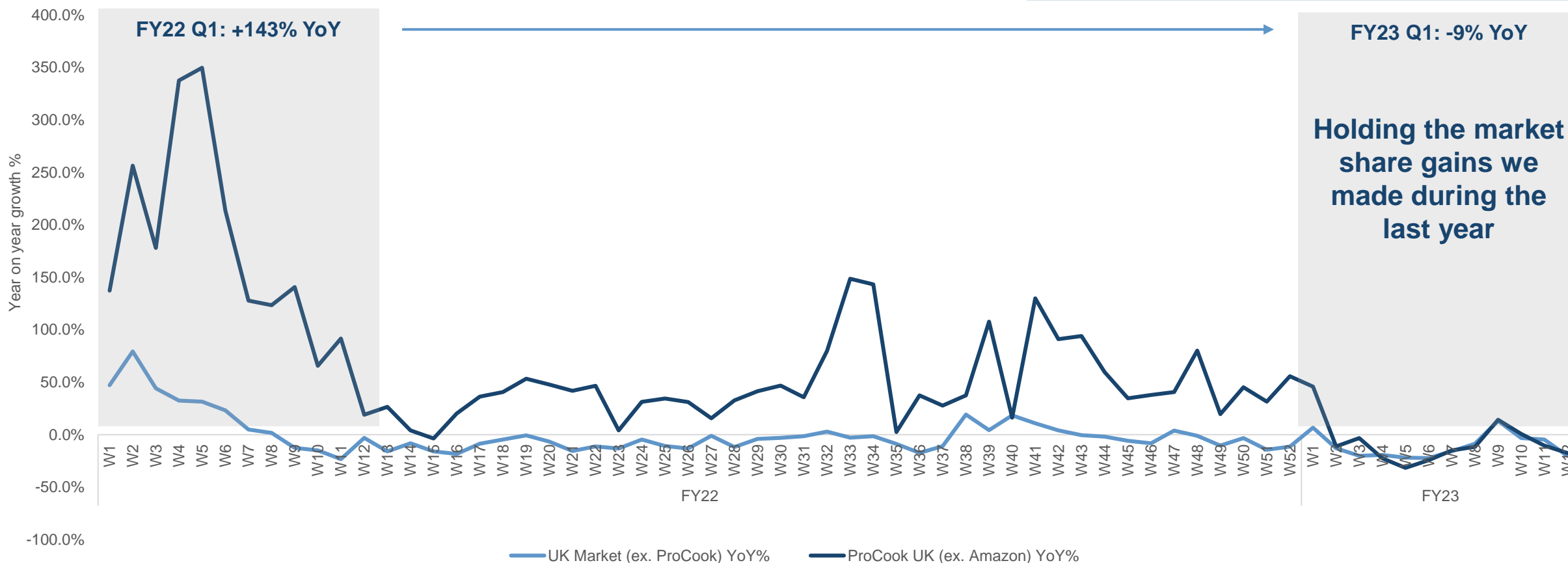
Note: UK Kitchenware market growth YoY (excluding ProCook) calculated using weekly GfK data and management estimates.



Holding onto the market share gains made in FY22

Market down -11.7% compared to ProCook UK (ex. Amazon) -9.0%

UK Market vs ProCook UK (ex. Amazon) growth %



FY23 YTD Sales	FY23 Q1 YoY%
UK Kitchenware market	(11.7%)
ProCook UK (ex. Amazon)	(9.0%)
ProCook UK total	(18.0%)

Trends we are experiencing in Q1

Consumer confidence and squeeze on discretionary spend impacting customer's shopping behaviour

- Consumer confidence:
 - Footfall & website traffic vs LY's tough comps
 - Customer intent down slightly on LY (Conversion & ATV)
 - Mix shift away from our “entry” products towards more premium ranges
- New customer numbers similar YoY
- Trading has returned to more normal seasonal profile
- Pricing has begun to move in the kitchenware market



Business model creating even better customer value

We have begun selected price rises to combat inflationary cost pressures, with value gain growing against comparable products

Example price comparison

Cookware, Baking & Cast Iron



Cast Iron 24cm Casserole

ProCook® Was £64 **£69**

LE CREUSET® Was £250 **£270**

Knives & Kitchen Accessories



20cm Chef's Knife

ProCook® Was £99 **£109**

MIYABI Was £199 **£225**

Tableware



4 Piece Crystal Wine Glass Set

ProCook® Was £16 **£22**

LSA Was £75 **£100**

Short term trading initiatives

Focused on growing our core UK market

1. Refocusing on the UK

- Paused launch of EU website
- Withdrawing from Amazon in EU

3. Website development

- Increased experimentation
- Preparing for re-platform

5. Product & pricing

- Cautious price increases, managing margins
- New product launches

2. Marketing

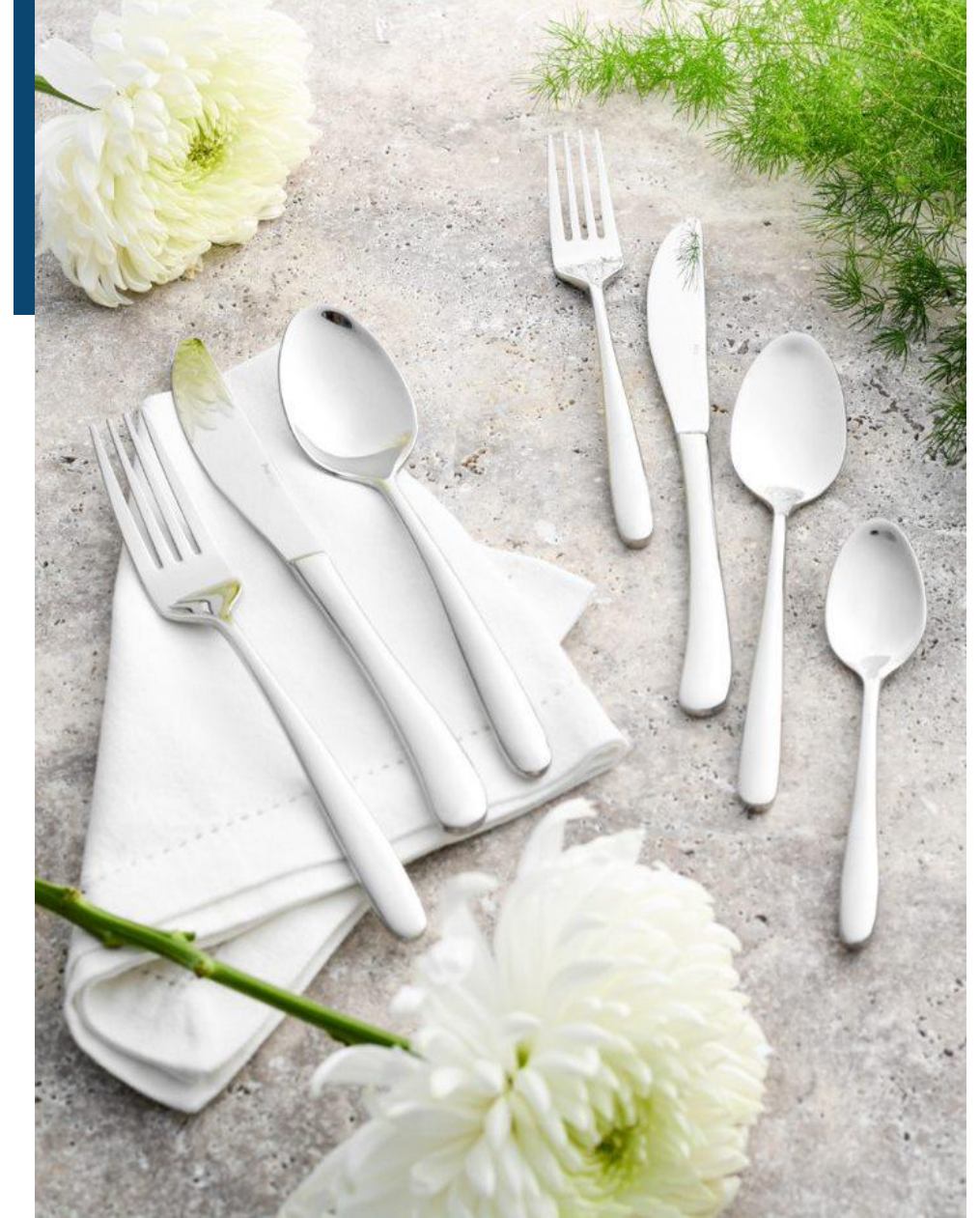
- Testing recruitment offer
- Top of funnel activities
- Relaunching brand campaigns

4. Retail

- Service, standards and KPIs
- Increased email collection

6. Managing Inventory

- Careful intake management
- Retaining >95% availability





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FY22 review

Dan Walden – CFO

Summary financials

Strong revenue growth +29.5% YoY. PBT increased to £9.5m (13.7% of sales)

£m	FY22 ¹	FY21	YoY %
Revenue	69.2	53.4	+29.5%
<i>LFL %</i>	32.1%		
Gross profit	45.0	35.9	+25.5%
<i>GM%</i>	65.1%	67.2%	-210bps
Underlying PBT	9.5	8.3	14.5%
<i>Underlying PBT %</i>	13.7%	15.5%	
Net bank cash / (debt)	(1.8)	3.1	
Net debt including lease liabilities	(24.2)	(16.4)	
Net assets	13.4	9.5	

1: Underlying PBT presented before non-underlying items in FY22 of £9.4m in relation to IPO costs and IPO employee share awards

— Final dividend of 0.9p (£1.0m) in late September



Revenue growth

Revenue of £69.2m was +29.5% YoY and +78.0% vs pre-pandemic

£m	FY22	FY21	YoY%	FY20	Yo2Y %
Revenue	69.2	53.4	+29.5%	38.8	+78.0%
Ecommerce	32.3	39.9	(18.9%)	14.3	+124.9%
Retail	36.8	13.5	+171.9%	24.5	+50.5%
LFL Revenue	55.0	41.6	+32.1%	24.6	+123.5%
LFL Ecommerce ¹	31.0	31.6	(2.2%)	10.4	+197.1%
LFL Retail ²	24.0	10.0	+140.7%	14.2	+69.3%

Ecommerce

- Own website -1.5% YoY (+250.3% Yo2Y) despite reopening of stores
- Total Ecommerce -18.9% YoY (+124.9% Yo2Y).
- Strategic exit of Amazon UK impact -17.2%

Retail

- Retail +50.5% Yo2Y, with net 6 new stores opened in year
- Yo2Y LFL of +69.3%

¹ LFL Ecommerce: Continuing ecommerce websites and marketplaces that have been trading for at least one full financial year prior to 29 March 2020, excluding the UK Marketplace which ceased trading on 28th June 2021

² LFL Retail: Continuing Retail stores which were trading for at least one full financial year prior to 29 March 2020 inclusive of any stores which may have moved location or increased/ decreased footprint within a given retail centre



Strong gross profit margins

Gross margins of 65.1% reflect constant pricing, and -200bps impact of supply chain disruption costs

£m	FY22	FY21	YoY %
Gross profit	45.0	35.9	+25.5%
Gross margin %	65.1%	67.2%	<i>(210bps)</i>
<i>Ecommerce gross margin %</i>	<i>65.8%</i>	<i>67.5%</i>	<i>(170bps)</i>
<i>Retail gross margin %</i>	<i>64.4%</i>	<i>66.1%</i>	<i>(170bps)</i>
Memo:			
<i>Gross margin pre-restatement</i>	<i>67.2%</i>	<i>68.6%</i>	<i>(140bps)</i>

- Higher marine freight costs -£1.4m in year (-200bps impact)
- Pricing held constant in year
- GP restated¹ to include costs of transporting inventory to its final selling location:
 - FY22 impact (-200bps vs previous reporting)
 - FY21 impact (-150bps vs previous reporting)

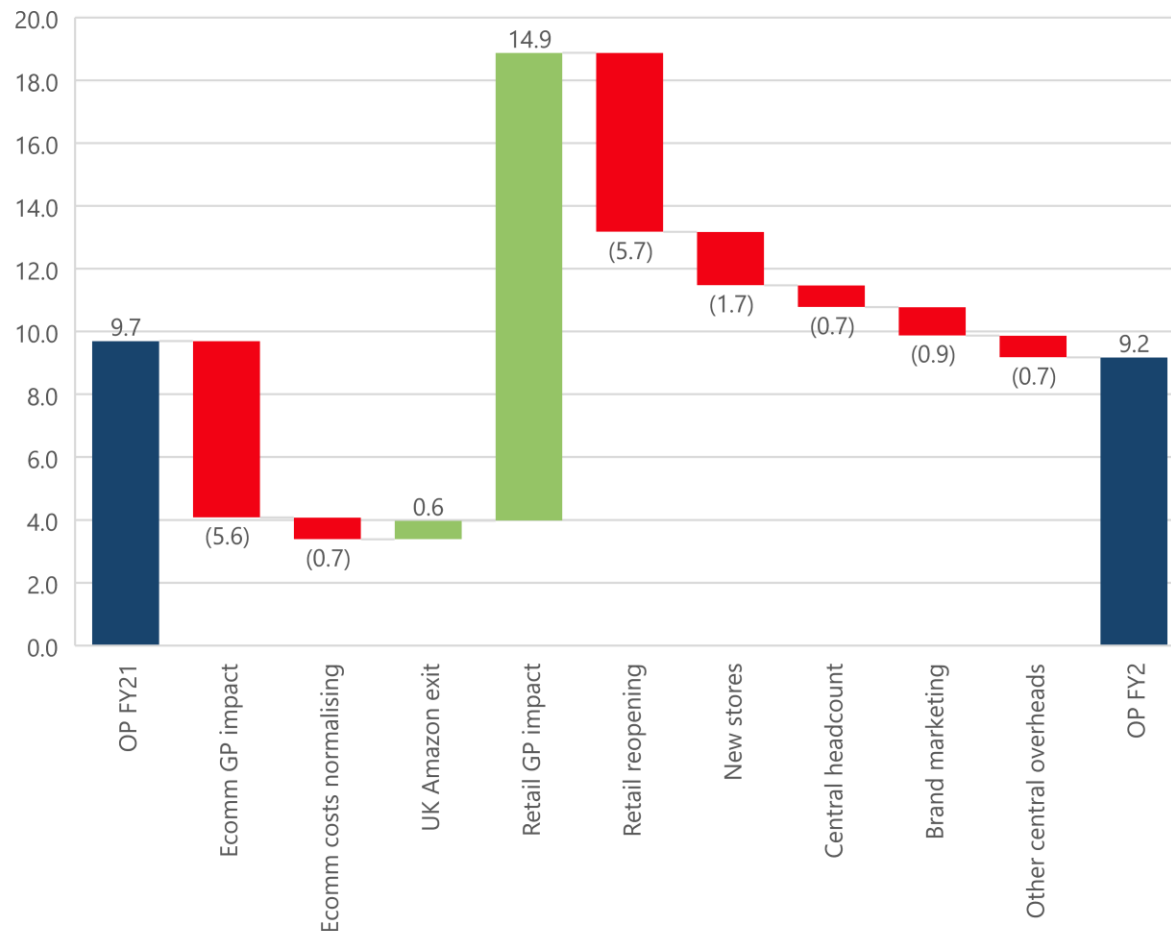
¹ Nil net impact on operating profit



Underlying operating profit

Underlying operating profit of £9.2m reflects margin impact, channel switch and investment in central cost base

Underlying operating profit £m



£m	FY22	FY21	YoY %
Ecommerce operating profit	8.1	14.1	(43.1)%
<i>Ecommerce OP%</i>	<i>24.9%</i>	<i>35.5%</i>	
Retail operating profit	9.6	1.8	443.4%
<i>Retail OP%</i>	<i>26.2%</i>	<i>13.1%</i>	

Ecommerce

- CPA returned to more normal pre-pandemic levels
- Amazon cost savings following UK exit

Retail

- Retail stores open more post pandemic
- Net six new stores

Central

- New headcount to support growth
- Brand marketing to build awareness

Profit before tax reconciliation

Underlying PBT increased to £9.5m (13.7% of revenue), after exceptional costs reported PBT was £0.1m

	FY22	FY22	FY22	FY21
£m	Underlying	Non-underlying items	Reported	Reported
Operating profit	9.2	(9.4)	(0.2)	9.7
OP %	13.3%	-	(0.3%)	18.2%
Finance expense	(0.6)	-	(0.6)	(0.5)
Other gains/ losses	0.9	-	0.9	(0.9)
Profit before tax	9.5	(9.4)	0.1	8.3
PBT %	13.7%	-	0.1%	15.5%

Finance costs

- Finance expenses +£0.1m - higher use of trade finance facility
- FX gains of £0.9m in FY22 – reversing prior year loss

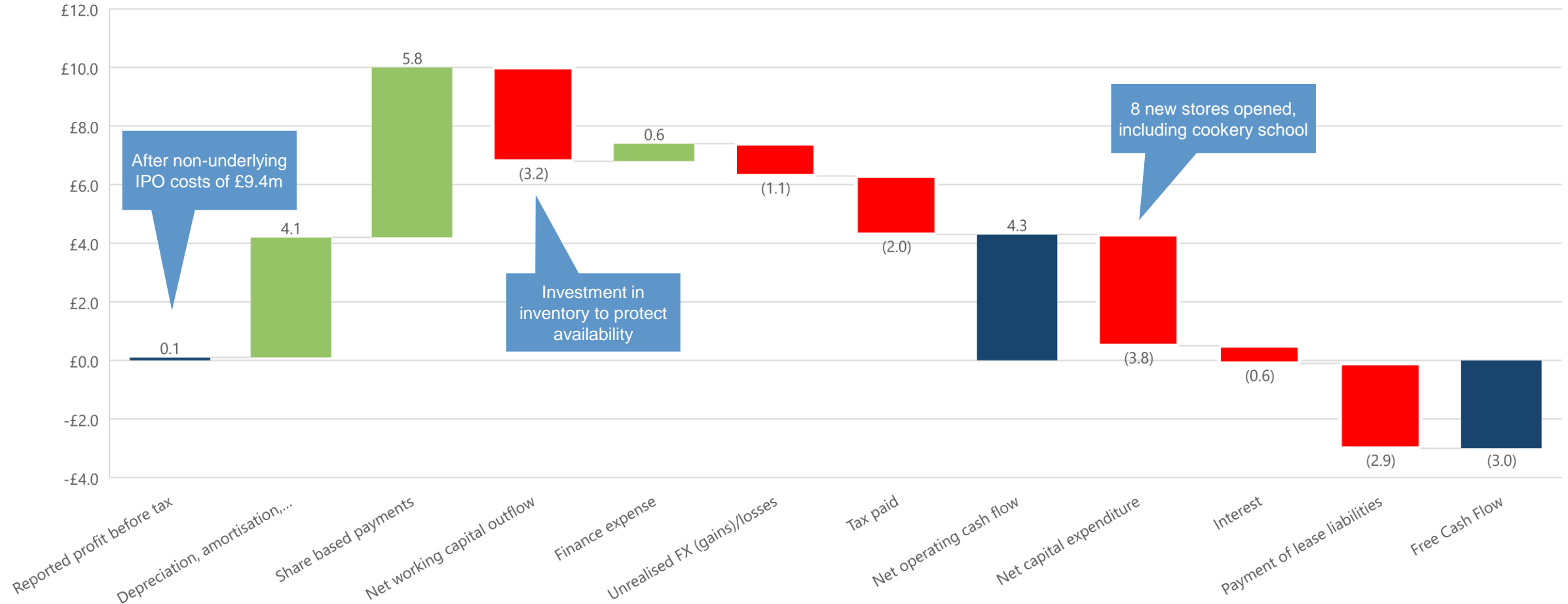
Non-underlying costs

- Non-recurring IPO costs of £2.7m
- Employee share-based IPO awards of £6.7m in year (non-cash)
 - Accelerated expense compared to IPO expectation



Free cash flow

Free cash outflow in FY22 reflects IPO exceptional costs, increased capital investment and investment in stock levels to ensure strong availability for our customers



1: Operating profit presented after exceptional items of £9.5m in relation to IPO costs
 2: Covenants are calculated on a pre-IFRS 16 basis

Net debt and finance facilities

New RCF in April 2022 – providing additional headroom and flexibility for growth

£m	FY22	FY21
Free Cash Flow	(3.0)	8.2
Dividends	(1.9)	(1.5)
Proceeds from share issue	0.1	0
Change in borrowings	2.8	(3.8)
Net Cash Flow	(2.1)	2.9
Cash & Cash equivalents	3.8	5.9
Borrowings	(5.5)	(2.8)
Net (Debt)/ Cash	(1.8)	3.1

Revolving credit facility

Facility	£10.0m
Expiry	April 2025
Committed	Yes
Covenants¹	
Leverage: (net debt : EBITDA)	<2.0x
Fixed charge cover: (EBITDAR : Fixed charges)	>1.7x

Trade finance facility

Facility	£6.0m
Expiry	September 2023
Committed	No
KPI tests	
KPI: Stock ratio (Inventory less payables : facility)	>1.5x

1: Covenants are calculated on a pre-IFRS 16 basis

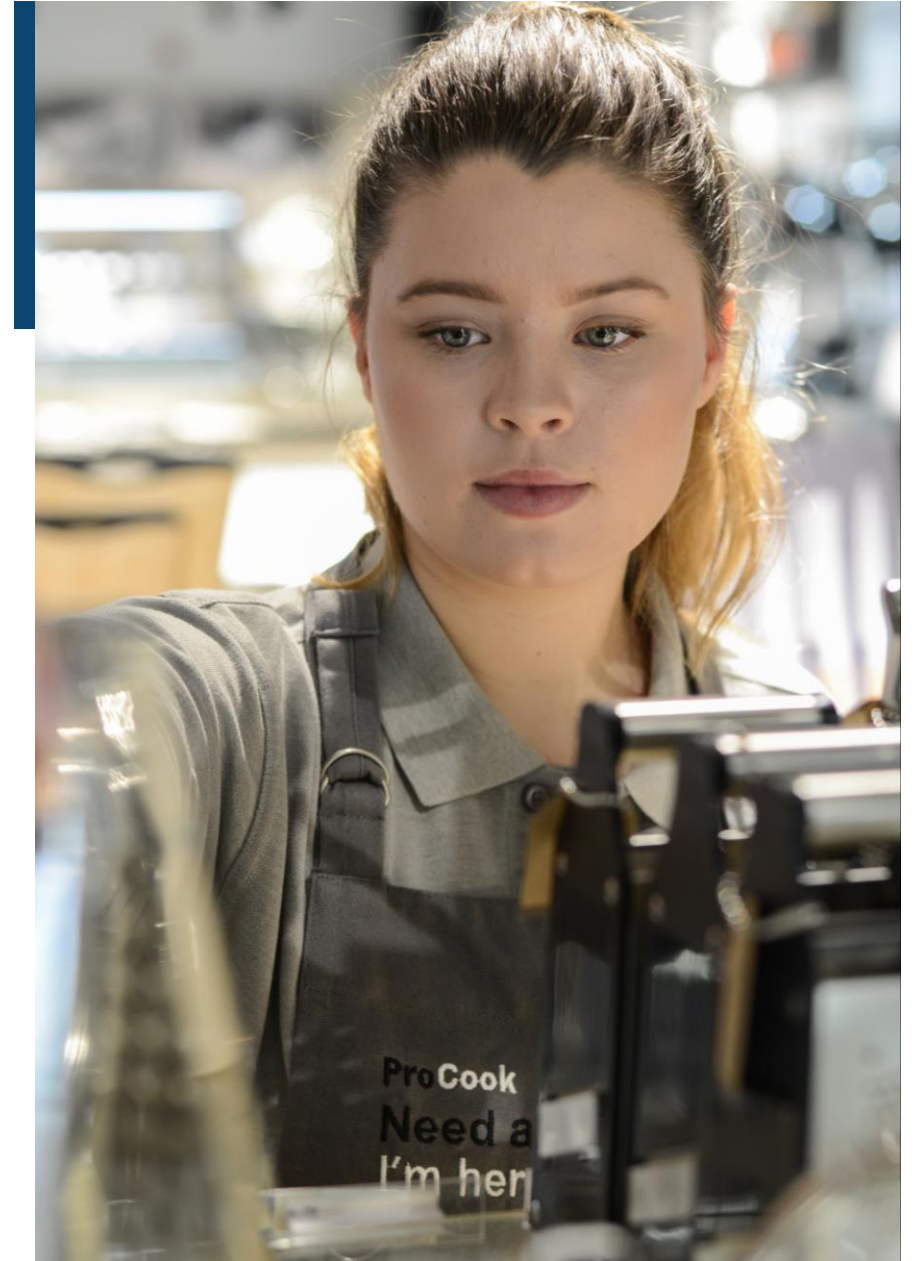
FY23 Q1 trading results

Holding share in a challenging market, against exceptionally strong last year performance

Q1 FY22 Revenue

- UK Kitchenware market -11.7%.
- ProCook UK excl. Amazon, -9.0% (+49.9% vs FY20)
- Total revenue of £11.4m, -21.6%, (+35.5% vs FY20)

- Market showing small recovery since lows of April and May
- Q2 will give us a better baseline to assess performance
- Softer comps ahead, including Omicron effect in Q3
- Much uncertainty still, with volatile summer trading ahead
- Taking appropriate action to capture every trading opportunity



Outlook and guidance

We expect revenue for FY23 to be broadly in line with last year and underlying profit before tax to be between £4-6m

- Sales broadly flat year on year
 - Core UK growth of 5-10% in challenging market
 - Flat LFLs, 4 new stores
 - Amazon reduce sales by ~£4m YoY - UK & EU
- Small improvement in GM%
- Cost base increases
 - Inflation
 - 4 New stores (net 6 LY), rates holiday LY
 - Annualisation of increased central costs post IPO
- PBT £4-6m – H1: small loss – reflecting seasonal profile
- Capex £5-6m in FY23 including new DC and HQ
- Net working capital to reduce
- Dividend £1.0m in September



A still life photograph of a dining table set. The table is made of dark wood and is set with various pieces of rustic, greyish-brown ceramic dinnerware, including bowls, plates, and mugs. There are also several clear glass wine glasses and a tall, clear glass vase filled with green eucalyptus branches. A small green artichoke is visible on the right side of the table. The background is a plain, light-colored wall.

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Strategy update

Daniel O'Neill – Founder & CEO

Strategic plan

Medium to long term strategy remains unchanged, sharpened focus on organic growth in the UK for now

<p>Our purpose and ingredients for success</p>	<p>Sharing our passion for cooking</p> <ul style="list-style-type: none"> We design & source beautiful products at great value We create inspirational & memorable experiences for customers We offer friendly, knowledgeable service customers can trust 			
<p>Our mission and strategic priorities</p>	<p>To be the customers' first choice for kitchenware</p> <ul style="list-style-type: none"> Attract more customers to our brand Increase the life time value of our customers 			
<p>Develop our customer offer</p>	<p>Organic growth in the UK market</p>	<p>Develop channel capabilities in Europe</p>	<p>Extend and improve product ranges</p>	
<p>Build on our foundations</p>	<p>Continually develop agile and scalable technology solutions</p>	<p>Develop our supply chain capability and capacity</p>	<p>Make ProCook an even better place to work</p>	<p>Reduce our environmental footprint</p>

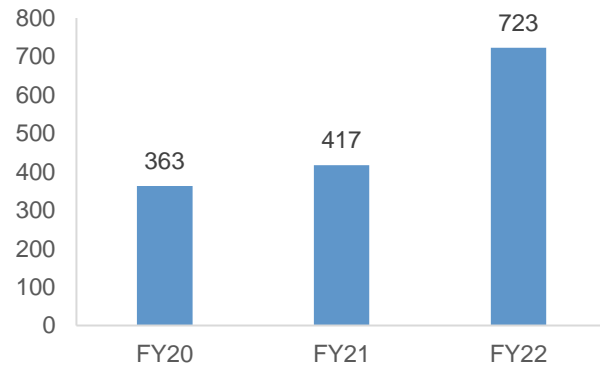
Attracting, engaging and retaining more customers

Significant opportunity to grow our market share from current 2.2% in the UK. Focusing on new acquisition and increasing repeat rates

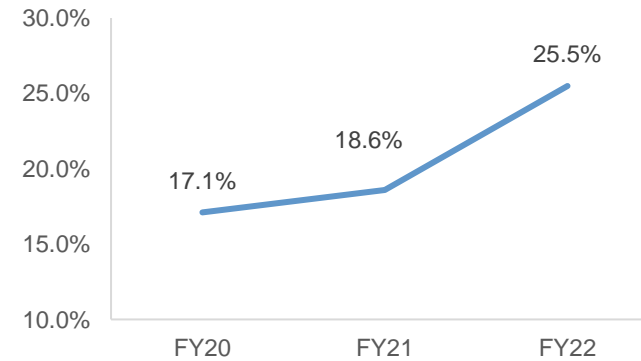
Marketing

- New CMO – Angela Porter (Tesco, Dunelm, Ladbrokes/ Coral)
- New customer experience platform
- Personalisation and targeting
- Top-of-funnel brand campaigns
- Optimising Paid Media

New Customers Acquired ('000)



12 Month Repeat Rate



Developing our customer offer

Focusing on service and product proposition

Ecommerce

- Continue focus on conversion rate optimisation and UX
- Re-platform UK website to new technology stack
- Redesigns to enhance site visitor experience

Retail

- Elevating customer service levels
- Focus on retail performance metrics (ATV & Conversion)
- 4 planned new stores & 2 upsized relocations

Products

- Range refreshes and extensions
- Further price increases, managing margins
- Development of Kitchen Electricals



Building on our foundations

Developing an agile and scalable platform for future growth

Logistics and HQ

- Investment in new BREEAM-certified DC & HQ
- Efficiencies from single stock holding
- Capacity for continued UK growth

Technology

- New customer experience platform
- Migrate UK website to new code-base
- Improve WMS to drive efficiencies
- Enhance security capabilities
- Continual website performance improvements



People and ESG

Doing the right thing for our people and the environment

People

- Build on Great Place To Work success
- Launching colleague advisory panel
- Enhance our training and development programmes

ESG

- Progressing B Corp certification
- Minimal remaining plastic packaging
- Environmental management framework developed
- Woodland Trust partnership for Scope I/II offsetting
- Finalising Net Zero Emissions by 2030 roadmap



Summary

A strong FY22 performance. Focused on the core UK opportunity in this challenging market to emerge a stronger business for future growth

- Pleased with FY22 achievements in pursuit of our mission to become the customers' first choice for kitchenware
- Well placed to manage current economic challenges:
 - Strong financial position
 - Resilient business model
 - Clear strategy for sustainable and profitable growth
 - Customer proposition focused on exceptional service and quality with a growing value advantage
- Refocused on core UK business, with opportunity for organic growth
- Significant opportunity to raise customer awareness
- Continuing to invest in initiatives to drive our brand forward



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Appendices



Investment Case

1

Market

Highly attractive market dynamics with a fragmented competitive landscape in the UK and overseas



2

D2C Brand

D2C business model transcends all aspects of the business



- a. Products
- b. Supply chain
- c. Channels
- d. Customer
- e. Marketing

3

Infrastructure

Well invested infrastructure provides an agile and scalable platform for growth



4

Growth

Clear strategy for growth through customer acquisition & retention, and channel development



5

Financials

Consistent growth in revenue and stable margins leading to excellent cash conversion



6

Management

Highly experienced management team with strong governance framework



Income Statement

	FY22	FY22	FY22	FY21	YoY% (FY22 Underlying)
£m	Underlying	Non- underlying	Reported	Reported	
Revenue	69.2	-	69.2	53.4	29.5%
Gross profit	45.0	-	45.0	35.9	25.5%
<i>GP%</i>	65.1%		65.1%	67.2%	
Net operating costs	(35.9)	(9.4)	(45.3)	(26.2)	37.0%
Operating profit	9.2	(9.4)	(0.2)	9.7	(5.4%)
<i>OP %</i>	13.3%		(0.3%)	18.2%	
Finance expense	(0.6)	0	(0.6)	(0.5)	36.3%
Other gains/ losses	0.9	0	0.9	(0.9)	(199.5%)
Profit before tax	9.5	(9.4)	0.1	8.3	14.5%
<i>PBT %</i>	13.7%		0.1%	15.5%	
Taxation	(1.9)	1.7	(0.2)	(1.9)	
Profit for the period	7.6	(7.7)	(0.1)	6.4	18.8%

Financial position

Well positioned with a strong inventory position protecting availability for customers during supply chain disruption

£m	3 April 2022	4 April 2021
Non current assets	7.3	3.7
Right of use assets	21.0	17.8
Inventories	16.8	10.1
Trade and other receivables	2.0	1.5
Corporation tax	0.3	-
Cash and cash equivalents	3.8	5.9
Total current assets	22.8	17.4
Trade and other payables	(8.3)	(6.2)
Lease liabilities	(2.8)	(2.8)
Borrowings	(5.5)	(2.8)
Other current liabilities	(0.2)	(0.5)
Total current liabilities	(16.8)	(12.4)
Lease liabilities	(19.6)	(16.7)
Other non-current liabilities	(1.3)	(0.4)
Total non current liabilities	(20.9)	(17.1)
Net assets	13.4	9.5

Cash flow

Continuing to invest in future growth opportunity, well positioned with ample facility headroom

£m	FY22	FY21
Reported profit before tax	0.1	8.3
Depreciation, amortisation, impairment and profit/loss on disposal	4.1	3.8
Share based payments	5.8	-
Net working capital outflow	(3.2)	(3.8)
Finance expense	0.6	0.5
Unrealised FX (gains)/losses	(1.1)	0.9
Tax paid	(2.0)	(2.0)
Net operating cash flow	4.3	7.7
Net capital expenditure	(3.8)	3.1
Interest	(0.6)	(0.5)
Payment of lease liabilities	(2.9)	(2.1)
Free Cash Flow	(3.0)	8.2
Dividends	(1.9)	(1.5)
Proceeds from share issue	0.1	-
Change in borrowings	2.8	(3.8)
Net Cash Flow	(2.1)	2.9
Cash	3.8	5.9
Borrowings	(5.5)	(2.8)
Net debt / cash	(1.8)	3.1

Revolving credit facility

Facility	£10.0m
Expiry	April 2025
Committed	Yes
Covenants¹	
Leverage: (net debt : EBITDA)	<2.0x
Fixed charge cover: (EBITDAR : Fixed charges)	>1.7x

Trade finance facility

Facility	£6.0m
Expiry	September 2023
Committed	No
KPI tests	
KPI: Stock ratio (Inventory : facility)	>1.5x

¹ Covenants are calculated on a pre-IFRS 16 basis

Glossary of terms

12m	12 month full financial year period	FY	Financial Year
%pts	Percentage points	GP	Gross profit
AOV	Average Order Value (ex-VAT)	H1	First half of the financial year (28 weeks)
ATV	Average Transaction Value (ex-VAT)	H2	Second half of the financial year (24 weeks)
bps	Basis points	LFL	Like for Like ¹
BREEAM	Building Research Establishment Environmental Assessment Method	IPO	Initial Public Offering
CRO	Conversion Rate Optimisation	PBT	Profit before tax
D2C	Direct to Consumer	OP	Operating profit
DC	Distribution centre	YoY	Year on Year (same financial weeks)
ESG	Environmental, Social and Governance	Yo2Y	Year on two Year (same financial weeks)
EU	European Union	YTD	Year to date

1. Like for Like performance measure defined as follows:

Retail Yo2Y LFL – Continuing ProCook retail stores which were trading for at least one full financial year prior to 29 March 2020 inclusive of any stores which may have moved location or increased/ decreased footprint within a given retail centre

Ecommerce LFL / Yo2Y LFL– Continuing ecommerce websites and marketplaces that have been trading for at least one full financial year prior to 4 April 2021 / 29 March 2020, excluding the UK Marketplace which ceased trading on 28th June 2021