



Results for the 12 months ended 31 December 2022

April 2023

Presentation Team



Mark Smith
Chief Executive Officer

Mark has an in-depth knowledge of the construction industry with over 35 years' experience, driving for growth and profit in competitive markets. Mark joined Billington as COO in June 2014 and subsequently took over as CEO from 1 January 2015.



Trevor Taylor
Chief Financial Officer

A fellow of the Institute of Chartered Accountants in England & Wales (ICAEW) with over 20 years' wealth of experience in Construction & Financial Services. Trevor joined Billington in 2008 and subsequently became Group Chief Financial Officer in 2011.

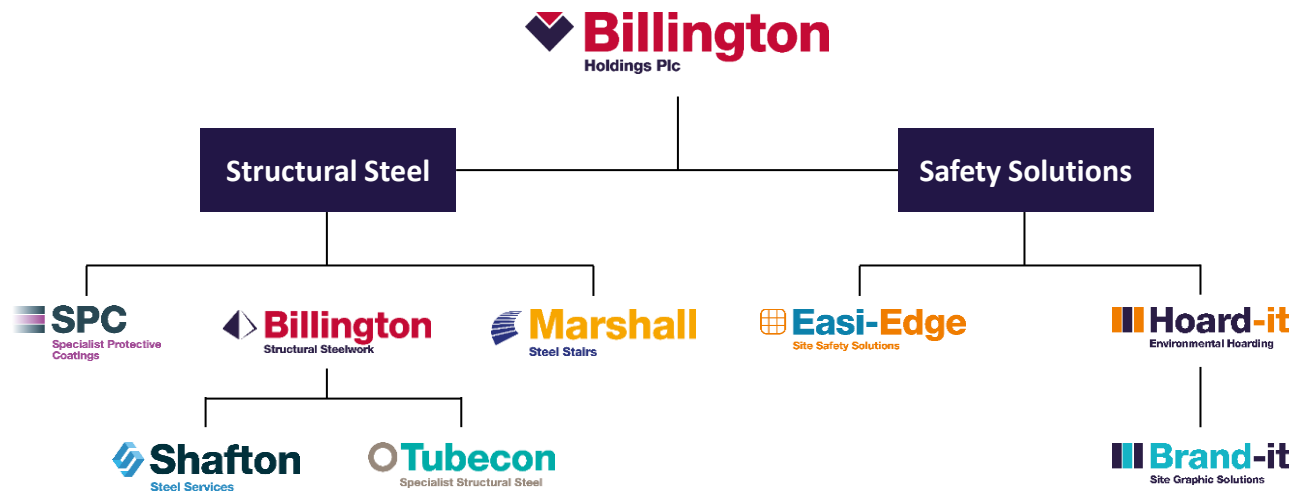
Data Centre, Slough

Executive Summary

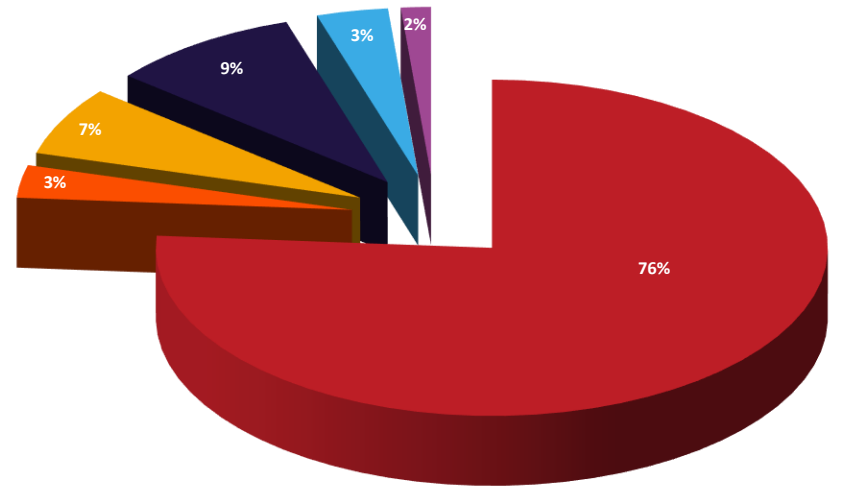
- Billington is a leading UK structural steel and construction safety solutions specialist.
- Turnover has increased 4.7 per cent in the year.
- Operating profit margin of 6.8 per cent.
- Dividend declared of 15.5 pence per share.
- Successful integration of Specialist Protective Coatings in the period.
- Continued implementation of strategic capital investment programme to improve efficiencies and operating margins.
- Larger contracts completed in the period with higher associated margins.
- The Group is performing well in a challenging macro economic environment.
- Navigated the initial significant impacts of the Russia / Ukraine conflict well.

City Square, Leeds

Divisional Breakdown



2022 Revenue Breakdown



- Billington Structures
- Easi-Edge
- Marshall Steel Stairs
- Hoard-it
- Shafton
- Specialist Protective Coatings

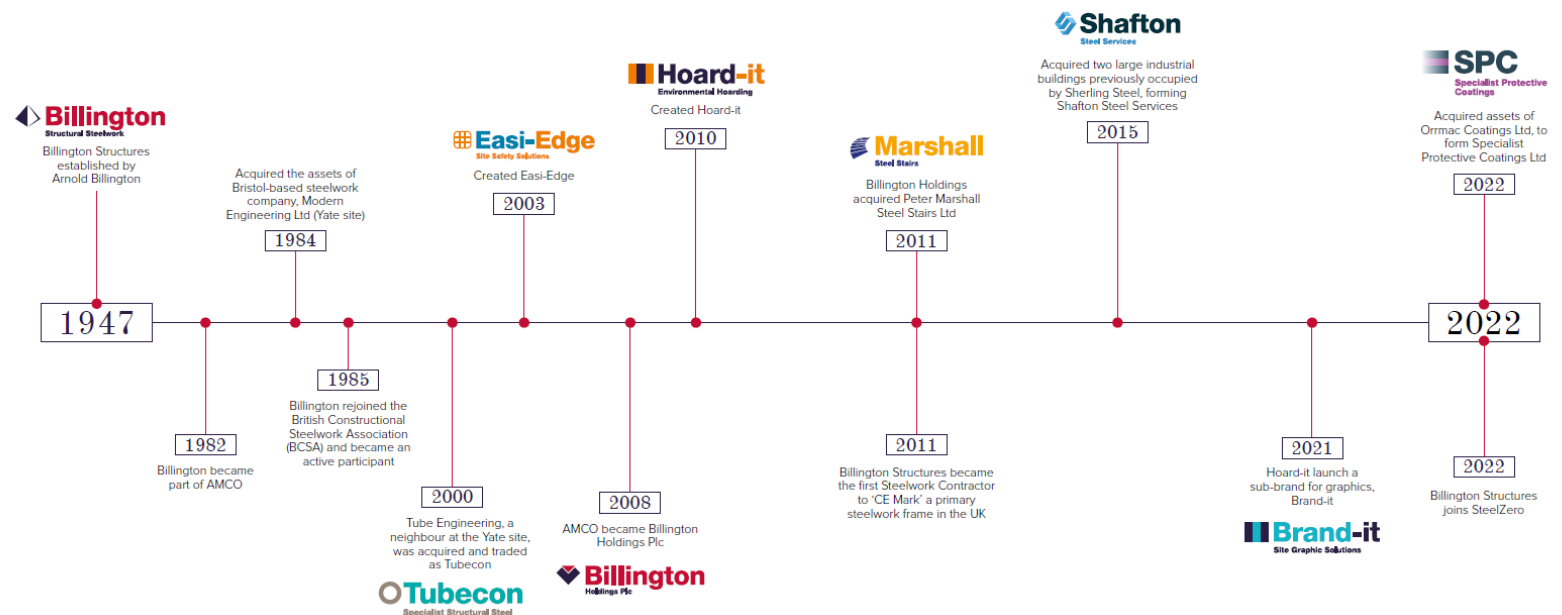
Celebrating 75 Years

“2022 is a very special year for us, and we are delighted to be celebrating 75 years.”

The very first Billington steel fabrication shop opened in 1947 in Barnsley. The company has grown over the years with the addition of Yate, the creation of Easi-Edge and Hoard-it, the acquisition of Peter Marshall Steel Stairs and the purchase of the Shafton site.

In 2022, we are very pleased to have launched SPC, our specialist paint facility in Sheffield - a long-awaited asset to the Group portfolio.

Our ambition is to keep growing both organically and through acquisition.



Corporate

London (AIM)

BILN

as of 14/04/2023

Share Price

395.00p

Ordinary Shares in issue (No.)

12,934,327

Market Cap. (GBP, millions)

51.09



Share Price Graph – 12 month period (Source: LSE)

Major Shareholders

Gutenga Investments PCC Ltd	36.4%
Close Brothers	11.9%
Ocorian Trustees Ltd	6.29%
Otus Capital	9.7%
Ruffer LLP	4.9%
GPIM	5.3%

Advisors

Bankers	HSBC Plc
NOMAD and Broker	finnCap Ltd
Auditors	Grant Thornton UK LLP
Solicitors	Walker Morris LLP
Financial PR & IR	IFC Advisory Limited

Divisional Highlights – Billington Structures Ltd

“Large, multi sector projects”



Recent Projects:

- Triathlon Industrial Warehouse, Essex - ISG Ltd.
- Magna Park Industrial Units, Lutterworth - TSL Projects Ltd.
- NewCold, Corby - TSL Projects Ltd.
- Next Brookfield Park, Rotherham - Bowmer & Kirkland Ltd.
- Segro Industrial Unit, Coventry - Buckingham Group.
- Westfield Energy Recovery Facility, Fife - Hitachi Zosen Inova AG.
- Wakefield Trinity RUFC Stadium - Morgan Sindall Group plc.
- Shepperton Studios, London - Sir Robert McAlpine Ltd.



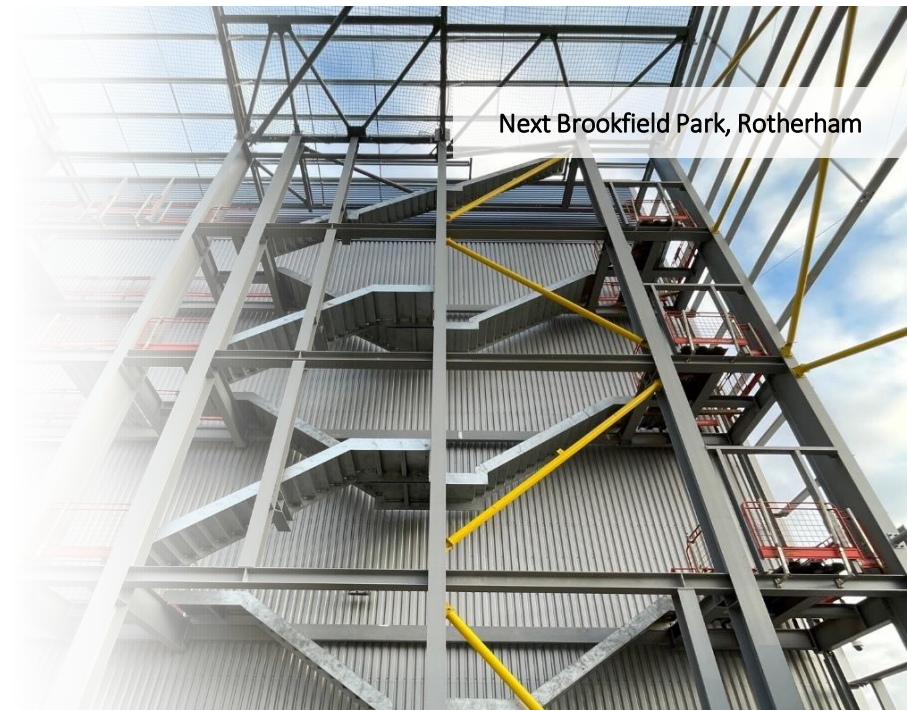
Divisional Highlights – Peter Marshall Steel Stairs Ltd

“Diverse client base”



Recent Projects:

- Data Centre, Slough - Billington Structures Ltd.
- Morrisons, Thrapston - ISG Ltd.
- Next Brookfield Park, Rotherham - Billington Structures Ltd.
- One Leadenhall, London - William Hare Ltd.
- HH4 Data Centre, Hemel Hempstead - Flynn Management Ltd.
- Data Centre, Harlow - JCA Engineering Ltd.
- Cherry Park Residential Development, Stratford - Westfield Europe Ltd.



Divisional Highlights – Easi-Edge Ltd

“Market leader in edge protection systems”



Recent Projects:

- RAF Coningsby - Galliford Try plc.
- Bolton Medical Sciences College - Willmott Dixon Ltd.
- Stockport Exchange Office - James Killelea & Co Ltd.
- Deyes High School, Manchester - Kier Group.
- Snelsmoor Primary School, Derby - Morgan Sindall Group plc.
- Lancashire Cricket Ground Hotel, Manchester - Eric Wright Construction Ltd.
- Aintree Fire Training Facility, Liverpool - Wates Construction Ltd.



Stockport Exchange Office



RAF Coningsby

Divisional Highlights – Hoard-it Ltd

“Record performance in 2022”



Recent Projects:

- Canvey Island, Essex - Balfour Beatty plc.
- West Cumberland Hospital, Whitehaven - Graham Group.
- Birmingham Council House - ISG Ltd.
- Granton Station, Scotland - Kier Group.
- University Hospitals, Bristol - BAM Construction Ltd.
- Wigan Galleries - BCEGI UK.
- Coundon Secondary School, Coventry - Wates Construction Ltd.



Divisional Highlights – Brand-it

“New division established in the market”

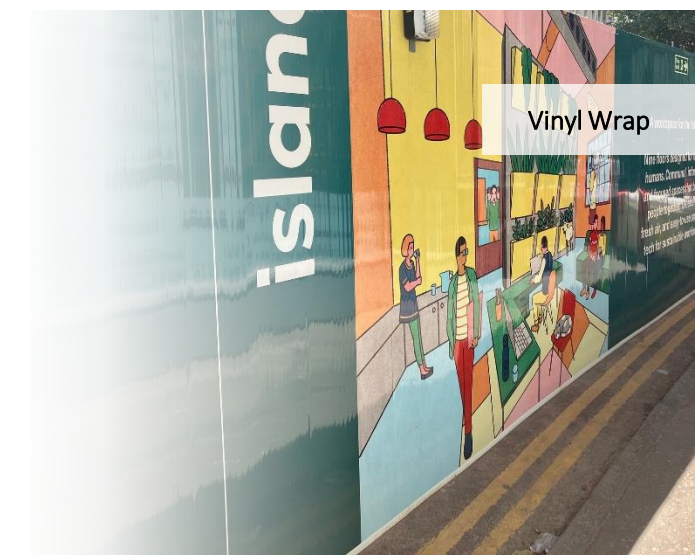


A division of Hoard-it, Brand-it provides a comprehensive range of site graphic solutions.

The hoarding that surrounds your site offers an ideal solution for promoting your business and construction project. Previously considered as only a necessity when construction work was taking place, perimeter hoarding is now a prime marketing tool, ideal for promoting your brand.

Recent Projects:

- Select / LOR, Birmingham - Flush Fit Di-bond (graphics only, alternative systems used).
- HBD, Manchester - Vinyl Wrap (graphics only, alternative systems used).
- Northend Shipyard / Maritime, Hull - Gloss Lam Infill Panels (Hoard-it system).



Divisional Highlights – Shafton Steel Services

“Capacity expansion in 2022”



Recent Projects:

- Specialist Bridge Beams - Severfield plc.
- Thick plate Profiling - ADEY Steel Ltd.
- Fitting Packages - Nationwide Structures Ltd.
- Shear Punch Line Fittings - Newbridge Engineering Ltd.
- Plate Shotblasting - Metinvest/Spartan UK Ltd.
- Misc. Steel Profiles - Taziker Industrial Ltd.
- Plate Girder Manufacturing - Apex Steel Structures Ltd.
- Shotblasting and Painting - BM Steel & Architectural.



Divisional Highlights – Specialist Protective Coatings

“Increased demand for intumescent paint treatments on structural steelwork”



Recent Projects:

- Blast Cleaning and Surface Preparation.
- Single and Multi-Coat Paint Systems.
- Tank Linings.
- Fire Protection.
- Technical Support.
- Quality Control.
- On-Site Work.



Financial Highlights

- Contracts being delivered across the full range of market sectors.
- Record performance within Hoard-it and Peter Marshall Steel Stairs.
- Dividend declared of 15.5 pence per share - covered 2.52 times underlying earnings.
- Continuation of capital investment programme, further utilising the HMRC capital allowance incentives.
- Operating profit margin of 6.8 per cent.
- Record orderbook level.
- Gross (net) cash balance of £11.6m (£10.9m) at year end.
- Defined Salary Pension Scheme remains in significant surplus.
- Main contractors' financial stability under constant review.
- The Group is now debt free following the repayment of the final outstanding mortgage balance in January 2023 (£0.75m).

Income Statement

"6.8% Operating Profit Margin"

£'000	12 months to 31 December 2022	Underlying 12 months to 31 December 2021	Statutory 12 months to 31 December 2021
Revenue	86,614	82,720	82,720
Total costs (excluding depreciation)	78,659	79,421	79,421
EBITDA	7,955	3,299	3,299
Depreciation	2,044	1,960	1,960
Impairment losses	-	-	1,123
Group operating profit	5,911	1,339	216
Net finance expense	(82)	(37)	(37)
Profit before tax	5,829	1,302	179
Taxation	(1,095)	(324)	(111)
Profit from continuing operations	4,734	978	68
Earnings per share	39.1p	8.1p	0.6p

Continued Capital Investment

“Further new Saw & Drill ordered for Yate”

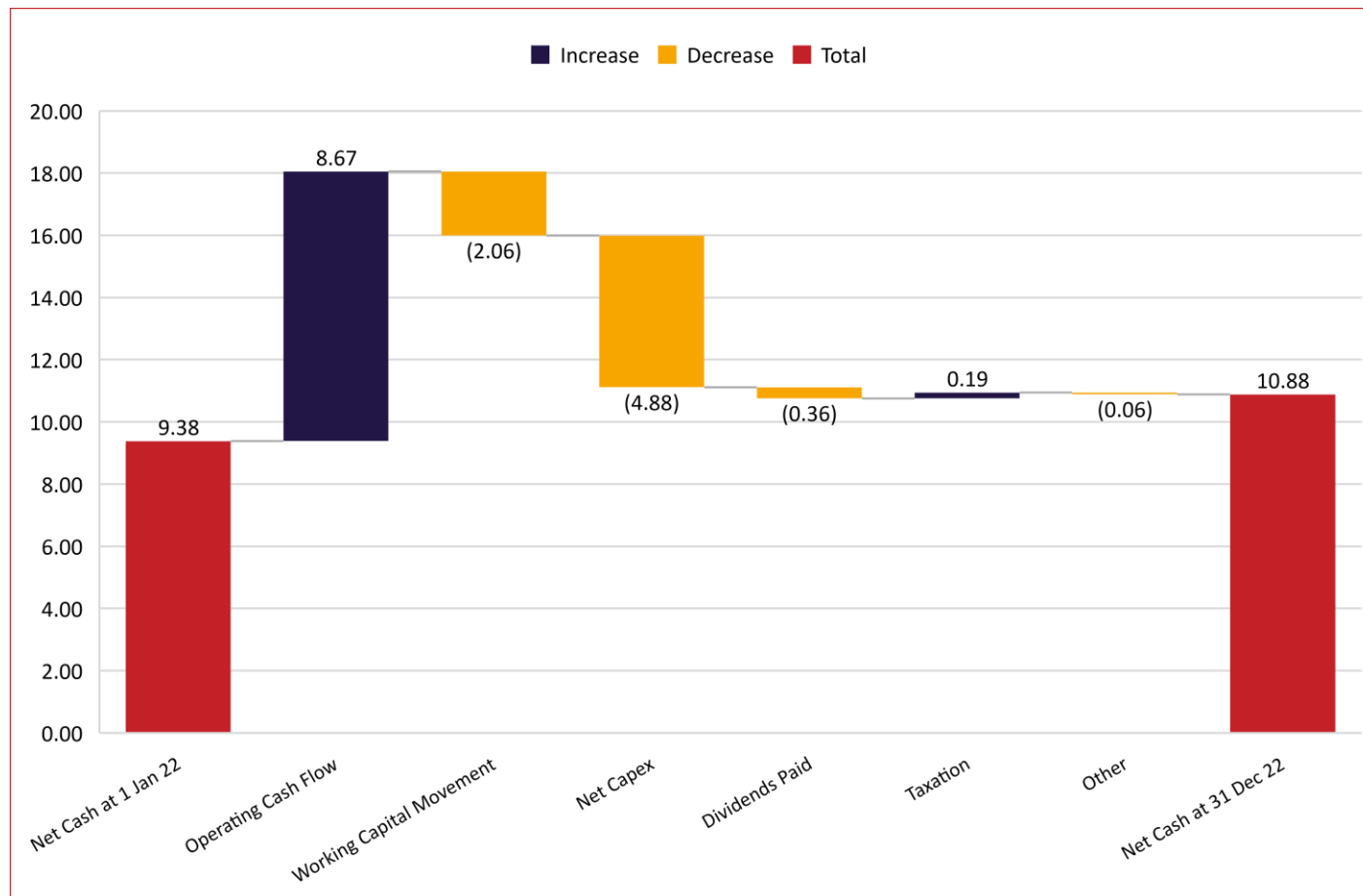
2022 Capital Investment – Plant, equipment & machinery

	£m
Saw & Drill (Wombwell)	0.94
Gemini Plate Profiling (Shafton)	0.59
Weld fume extraction and equipment	0.47
SPC Trading assets and new shotblast	1.17
Structural improvements (Shafton & Yate)	0.27
IT equipment including Virtual Server	0.14
Vehicles	0.45
Hoard-it and Easi-Edge Hire Stock	0.37
Other	0.17
Total	4.57



Net Cash Movement 2022

"Positive cash generation with substantial net cash balance"



The Wider Steel Market

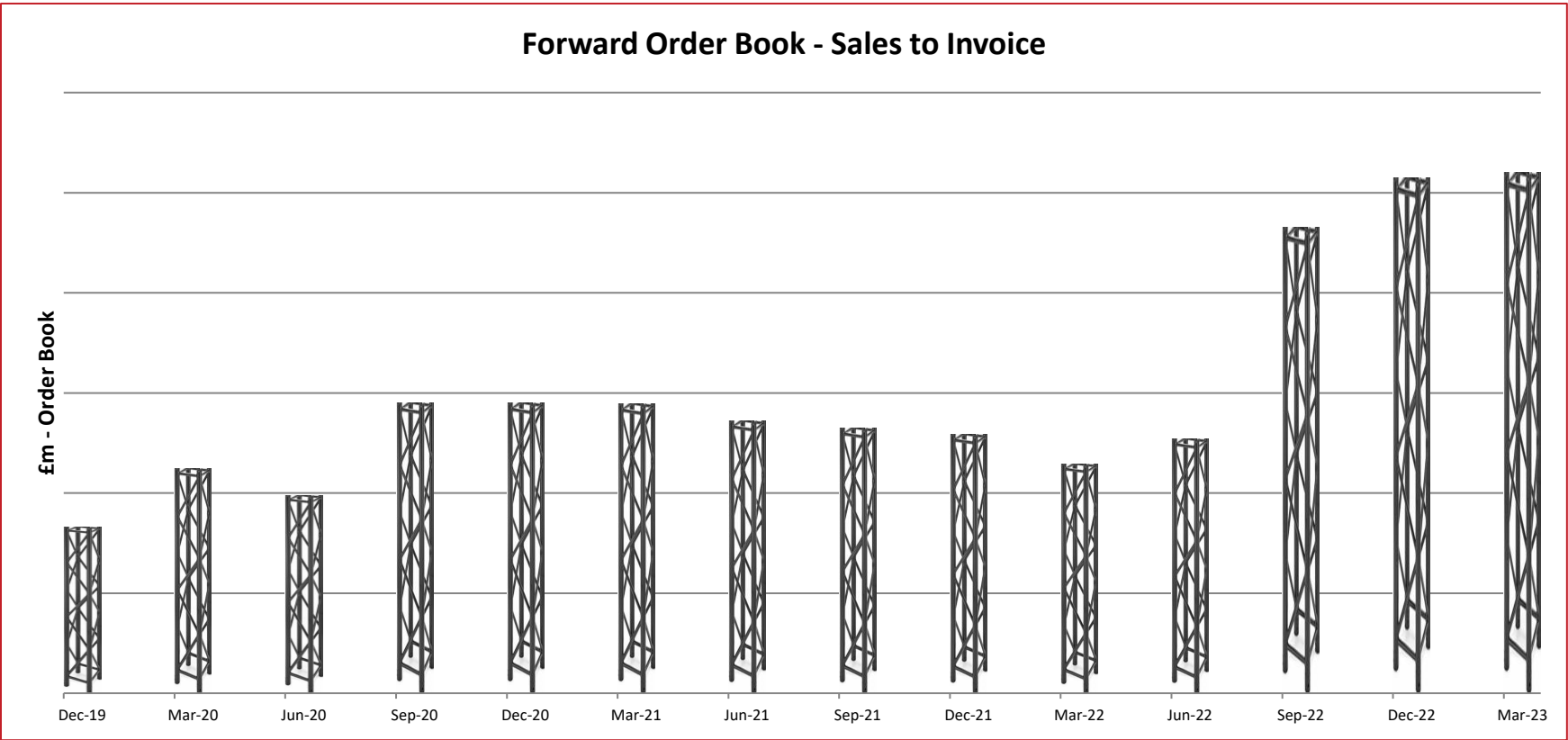
“Robust global steel supply”

- More stable price environment in the second half of the year and into 2023.
- Russia / Ukraine conflict significantly impacted plate availability in the UK and as a consequence noted substantial price escalation.
- High energy costs continue to impact steelmaking costs. Recent softening of wholesale energy costs are yet to feed through to outsale prices.
- The Group continued to be able to hedge its steel requirements for secured contracts providing price certainty.
- UK steel stocks are buoyant and not supply issues are anticipated.



Forward Order Book

“Record orderbook”



Our ESG commitments – *the future is now*

Environmental

- Creation of Group ESG committee to identify, develop and implement carbon reduction projects.
- The Company maintains the BCSA Gold Standard awarded for meeting the requirements of the Steel Construction Sustainability Charter.
- Billington has adopted policies that comply with ISO BS EN 14001 -Environmental Management System.
- Energy reduction projects implemented.
- Biofuels implementation to be rolled out.
- New energy contracts on green tariffs.
- Billington has joined the SteelZero initiative committing to procure 100% net zero steel by 2050.

Social

- Support the communities in which the companies operates through taking active involvement in community projects.
- Active training programmes across all levels of the business to develop our people and ensure Billington is the employer of choice.
- Partnerships with training providers to support people back into employment.
- Billington Charity Foundation, launched in 2016 to support local and national charities and community activities.
- Be actively involved with and support STEM commitments in education.

Governance

- To ensure the interests of the Company, management, shareholders and wider stakeholders are aligned.
- As a public company quoted on AIM, transparency is provided for all shareholders as the Company adheres to all reporting requirements.
- Adheres to QCA Corporate Governance Code.
- Significant experience and diverse range of expertise on the Board.



Strategy

Internal Enhancements

- **Continued focus on margin improvement and driving efficiencies:**
 - Continued implementation of margin enhancing projects across the Group.
 - Capital machinery replacement programme to improve factory efficiencies maintained.
 - Objective to increase factory capacities and reduce overhead cost per unit.
 - Increase in direct labour recruited from overseas.

Commercial Focus

- **Potential European sales office under consideration.**
- **More selective partnering with financially stable clients.**
- **Active identification and targeting of projects within the EU.**
- **Targeting of larger, higher margin contracts.**
- **Increased focus on expanding markets.**

Acquisition Progress

- **Identification of complementary acquisitions.**

Summary – Outlook & Prospects

- Structural steelwork market forecast to contract by 3.0% (following 11.7% growth in 2022) in 2023 before returning to growth in 2024 and 2025.
- Power generation and some infrastructure sectors are forecast continued growth.
- There remains a positive number of large project opportunities for 2024.
- Raw material input prices have stabilised.
- Further major capital expenditure projects planned for 2023-2025 to improve operational efficiencies and enhance quality.
- Continued expansion of the graduate, apprentice and welding school programmes in 2023.
- Opportunities for diversification remain under consideration.
- Robust balance sheet underpinned by cash and property assets.



Any Questions?

Appendix

Statement of Financial Position

"Strong asset backed Balance Sheet"

£'000	31 December 2022	31 December 2021
Non-Current Assets	21,902	17,527
Current Assets	38,774	35,428
Total Assets	60,676	52,955
Current Liabilities	(22,506)	(21,705)
Non-Current Liabilities	(3,823)	(1,858)
Total Liabilities	(26,329)	(23,563)
Net Assets	34,347	29,392

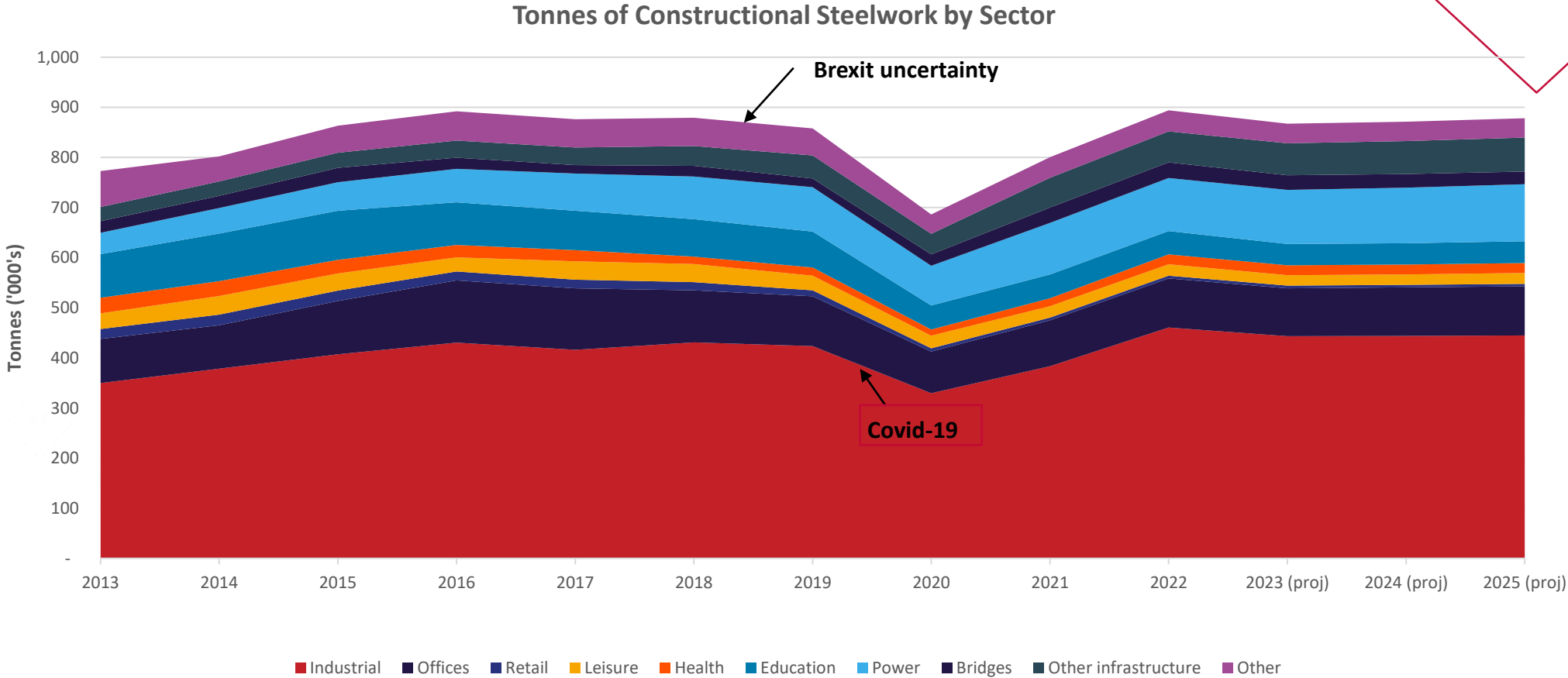
Cash Flow

"£11.6m Gross cash balance"

£'000	31 December 2022	31 December 2021
Profit after tax	4,734	68
Net cash flow from operating activities	6,606	(1,956)
Net cash flow from investing activities	(4,572)	(2,057)
Net cash from financing activities	(782)	(799)
Cash at beginning of period	10,382	15,126
Cash at end of period	11,634	10,382

Market Sectors

"Robust market in uncertain economic environment"

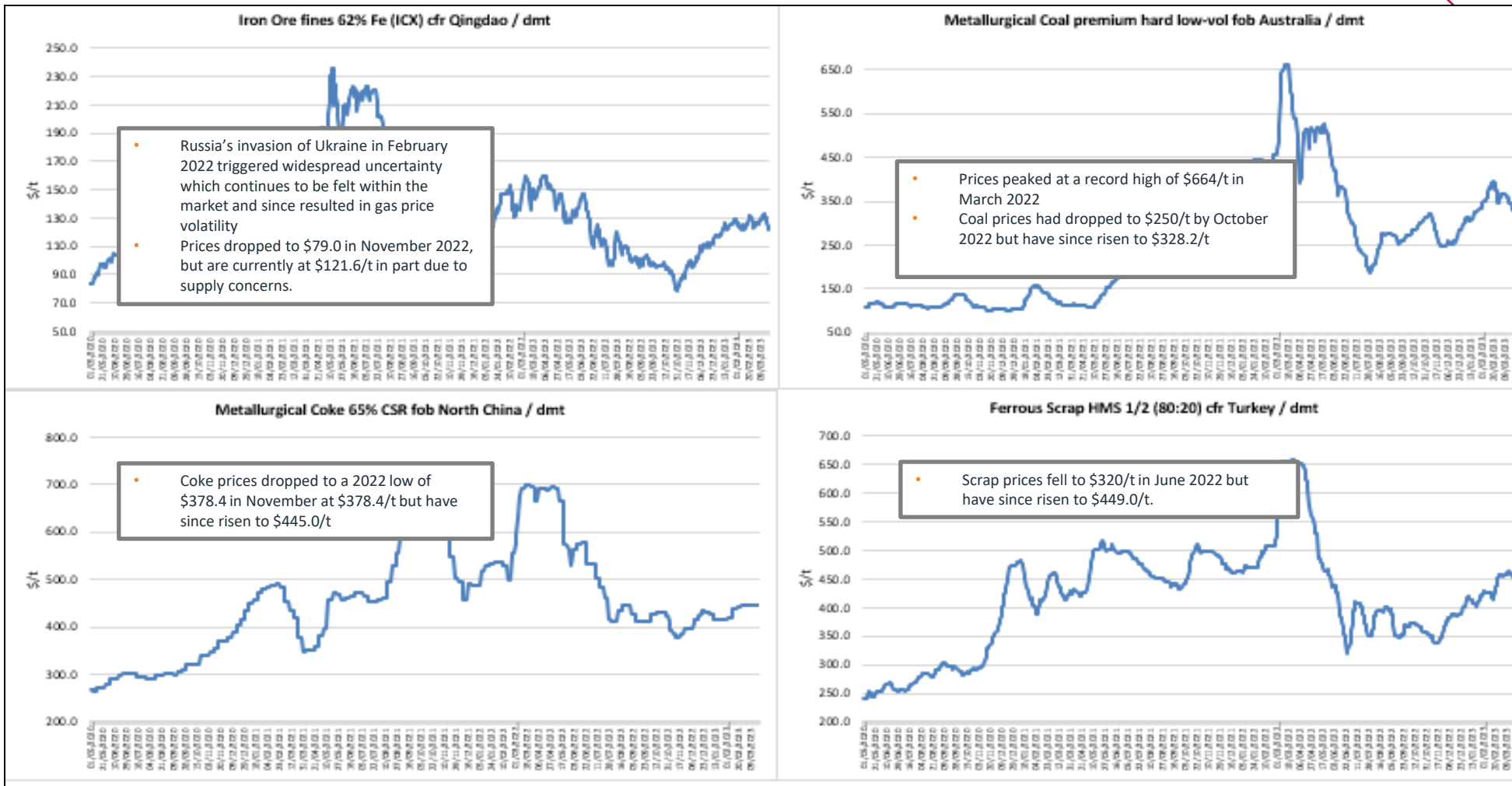


ESG – Environmental for 2023

- Further transition to hybrid and electric vehicles.
- HVO fuel trials ongoing.
- Consideration of solar panel / wind electricity generation.
- Green energy tariffs for new energy contracts.
- LED lighting utilised at all office and factory facilities.
- All timbers sourced from FSC suppliers and re-used and recycled where possible.
- Increased utilisation of Electric Arc origin steel.
- Reward the Green Commute - Cycle to Work Scheme.
- 100% waste goes to Energy from Waste (EfW) facilities.
- Geographical planning of supply chain.
- The use of Microsoft Teams for meetings internally and with clients, reducing the amount of travel across the Group.
- Responsible sourcing and procurement.
- Exploration of carbon offsetting.

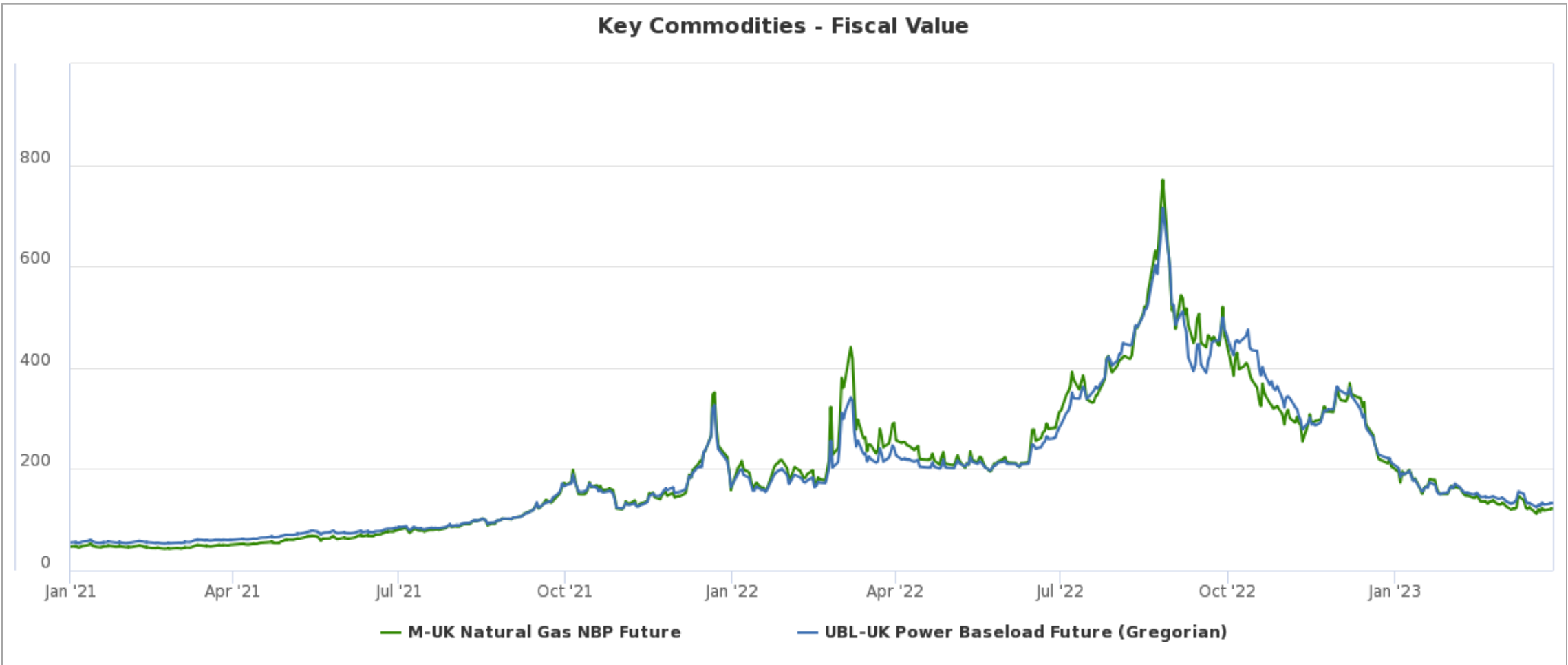


Steel Manufacture – Raw Materials Trends



Steelmaking costs have all increased substantially since November 2022
 Source | British Steel | 23rd March 2023

Steel Manufacture – Energy Trend



Source | Open Energy Market | 30th March 2023

Awards Success

Newhurst EfW Facility

2022 Industrial Award Winner UK Tekla Awards

The Glass Works, Barnsley

2022 Structural Steel Design Awards Shortlist

Kentmere Ward Project

2022 Kier North West Specialist Supply Chain Partner Award for Hoard-it

Shepperton Studios

2022 Sir Robert McAlpine Safety Award

Castlepoint Car Park

2022 Kier Construction Health and Safety Ambassador Award

Sandwell Aquatics Centre

2021 Sports and Recreation Projects Award Winner
UK Tekla Awards

Wenlock Works (Shepherdess)

2021 Structural Steel Design Awards Merit

Pinewood Studios

2021 Structural Steel Design Awards Shortlist



Board of Directors



Ian Lawson
Non-Executive Chairman



Mark Smith
Chief Executive Officer



Trevor Taylor
Chief Financial Officer



Stephen Wardell
Non-Executive Director



Alexander Ospelt
Non-Executive Director



John Gordon
Non-Executive Director

Rebel X Secret Cinema, Wembley



Contacts



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