



**Results for the 12 months ended  
31 December 2019**

April 2020



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# Introduction

- Billington Holdings Plc is a leading UK structural steel and construction safety solutions specialist.
- All Group companies performed amongst the best in their respective industries.
- Record full year turnover for the Billington Group.
- Further diversification of the shareholder register.
- The Company is the third largest steel fabricator in the UK.
- Cash generative and strong year end gross cash balance of £17.9m.
- Development of value added, complimentary products and services are planned.
- The Company has seen consistent growth of revenue and profit over the past five years.
- Covid-19 business mitigation measures implemented.
- Dividend suspended to further preserve cash resources.

The Wave, Coventry

# Group Operating Divisions



## Billington Structures Ltd

A nationally recognised and award-winning steelwork contractor, with over 70 years' experience. Plants in Barnsley & Bristol with capability to process over 40,000 tonnes of steel per annum.



## Peter Marshall Steel Stairs Ltd

A specialist company principally engaged in the design, fabrication and installation of highly engineered steelwork, staircases and balustrade systems.



## easi-edge Ltd

A leading on-site safety solutions company, providing products that protect perimeter edges, internal voids, roofs, stairs, lift shafts and loading bays.



## Tubecon

A division of Billington Structures Ltd, Tubecon is a specialist company in complex steel structures. Operates primarily in the UK construction and rail infrastructure markets.



## hoard-it Ltd

An on-ground, reusable and eco-friendly site hoarding system with exceptional sustainability credentials.



## Shafton Steel Services

A division of Billington Structures Ltd, Shafton is a state-of-the-art steel processing and profiling facility.

# Overview

- The Group invested in the individual businesses following continued growth.
- Positive trading result for all Group divisions.
- Significant increase in turnover, up 36 per cent from 2018.
- Successful delivery of the Group's largest contract to date, a data centre development situated in Europe.
- Established partner of many internet retailers delivering the largest fulfilment centres within the UK and central Europe.
- Further opportunities for European works.
- Strong gross cash balance at period end.
- The Company continues to manage the impact of the Covid-19 pandemic.



# Group Structure



Structural Steel

Safety Solutions



# Investor Relations

London (AIM)

**BILN**

Share Price

**308.00p**

Ordinary Shares in issue (No.)

**12,934,327**

Market Cap. (GBP, millions)

**39.84**

as of 14/04/2020



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

## Major Shareholders

Gutenga Investments PCC Ltd	36.4%
Close Brothers	12.8%
Ocorian Trustees Ltd	6.7%
Otus Capital	7.9%
Ruffer LLP	5.0%
GPIM	4.8%

## Advisors

Bankers	HSBC Plc
NOMAD and Broker	WH Ireland
Auditors	Grant Thornton
Solicitors	Walker Morris LLP

# Board of Directors



**Ian Lawson** *Non-Executive Chairman*

Ian is a fellow of both The Royal Institute of Chartered Surveyors (FRICS) and the Chartered Institute of Building (FCIOB) and has a wide range of skills and experience from working within the construction industry for more than 35 years.



**Stephen Wardell** *Non-Executive Director*

Stephen is a member of the Institute of Chartered Accountants in England & Wales (ICAEW), having qualified in 1988. He retired from KPMG in 2018 having been a partner for nearly 20 years, and recent Senior Audit Partner working with FTSE 100 and 250 boards.



**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.



**John Gordon** *Non-Executive Director*

John practised as a barrister from 1989 until 1999 when he re-qualified as a solicitor. John is in private practice as a partner in Knights plc, specialising in commercial and property litigation. He was appointed to the board in 2007, and his legal-commercial background makes him a valuable member of the team.



**Trevor Taylor** *Chief Financial Officer*

A fellow of the Institute of Chartered Accountants in England & Wales (ICAEW) with over 15 years' wealth of experience in Construction & Financial Services.

Trevor joined Billington in 2008 and subsequently became Group Chief Financial Officer in 2011.



**Dr Alexander Ospelt** *Non-Executive Director*

Alexander has been in independent practice as a lawyer since 1997. From 1994, until establishing his chambers in 1997, he practised at the Princely Court of Justice and in a Liechtenstein law firm. He passed the Liechtenstein Bar Exam in 1997 and has a Doctorate in Law from St. Gallen Uni. in 1999.

# Structural Steel Market Trend Graph



(Source: BCSA / Steel for Life – pre any revision in respect of Covid-19)

# The Steel Industry

- Chinese steel manufacturing giant Jingye Group has completed its acquisition of British Steel. The deal safeguards around 3,200 jobs and will pave the way for a £1.2bn investment in the business.
- No operational impact to date noted during the pandemic.
- The second half of 2019 noted a marginal softening of the UK raw material price.
- Arcelor Mittal continues to service the UK structural steelwork market.
- Steel scrap and coking coal prices have seen a material decline in the period.
- Barrett Steel has also completed the acquisition of certain British Steel distribution depots.

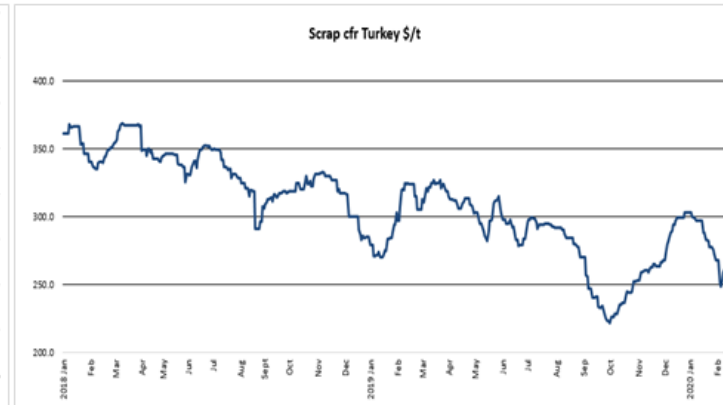
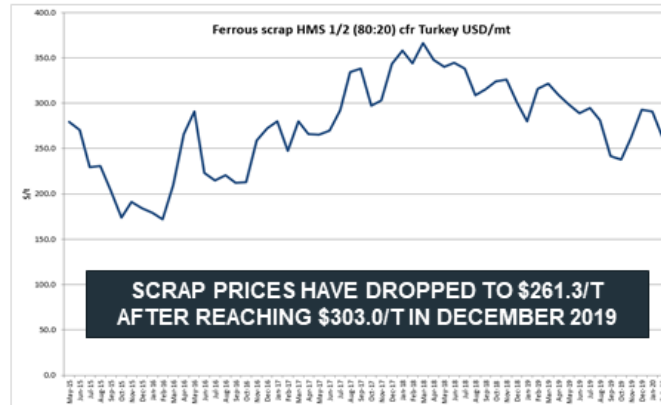
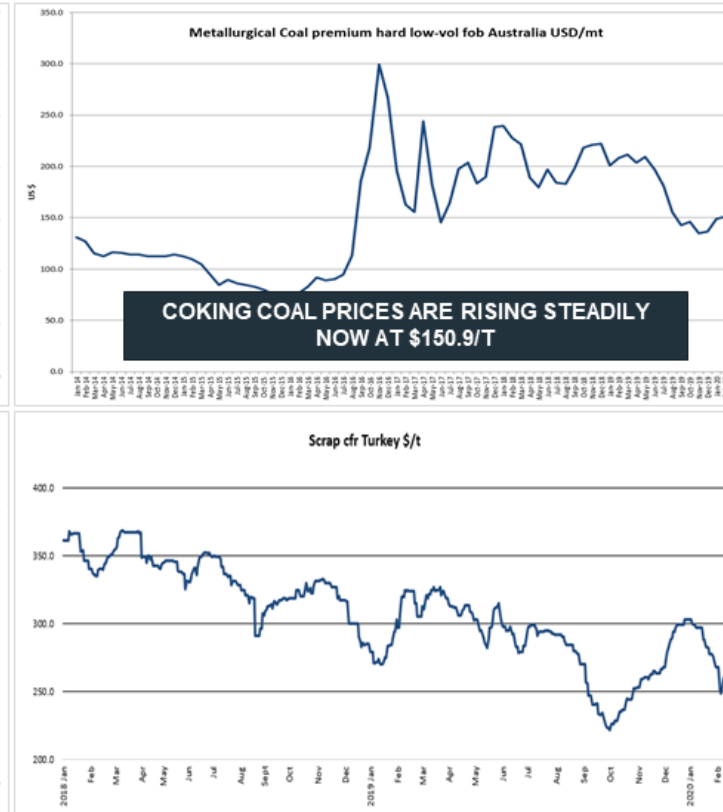
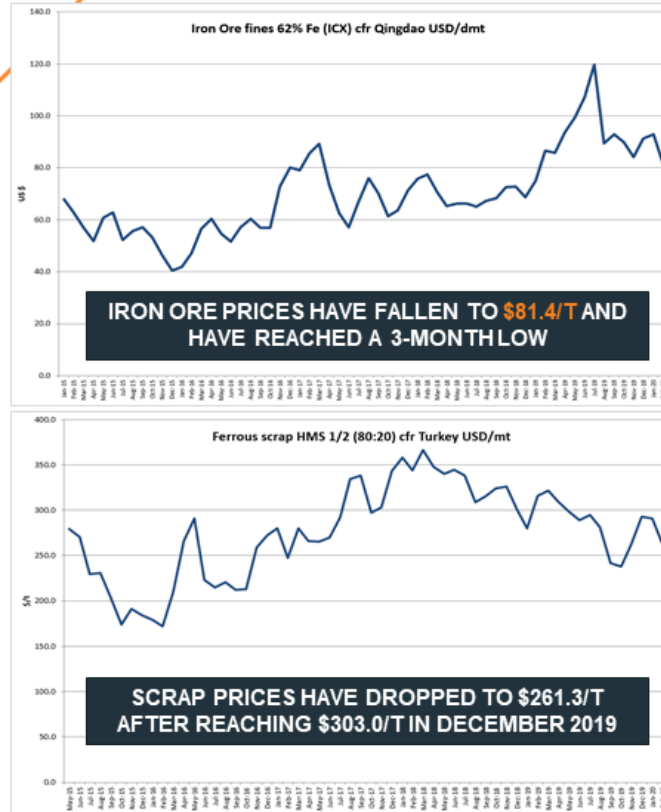
*"This is a momentous day for our business, and I'd like to thank everyone for their dedication during a challenging year. I'm confident we'll seize the incredible opportunity Jingye have given us to build on 150 years of heritage, and further cement British Steel's reputation as a manufacturer of world class steel."*

- Ron Deelen, British Steel Chief Executive



河北敬业集团  
HEBEI JINGYE GROUP

## Price Indicators – Raw Material Trends



**RAW MATERIAL PRICES REMAIN VOLATILE & HEAVILY IMPACTED BY CHINA**



# Financial Review for the 12 Months Ended 31 December 2019

April 2020



# Highlights

London School of Economics

- Marquee projects delivered in the year contribute to a record revenue performance.
- Positive contribution from all Group divisions.
- Excellent progress at easi-edge and hoard-it with each increasing hire stock levels in the period.
- Margins remain varied across sectors, complexities and timescales.
- Gross (net) cash balance of £17.9m (£16.4m).
- A number of large project opportunities for 2020 and 2021.
- Continuity of established graduate and apprenticeship schemes.



# Results Overview

- Record share price of 445p (13 February 2020) prior to impact of Covid-19.
- Areas of diversification have been identified and plans currently being developed.
- Robust financial position of the Group allows opportunities to be capitalised as they arise.
- Strong cash generation provides increased robustness in current uncertain environment.
- Main contractors financial stability under constant review.
- Primary trading customers continue to perform amongst the best in the industry.
- Continued investment and progression in graduate and apprentice programmes to develop key talent.
- Positive performance of the final salary pension scheme resulting in an increased surplus to £2.2m.

Circle Square, Manchester



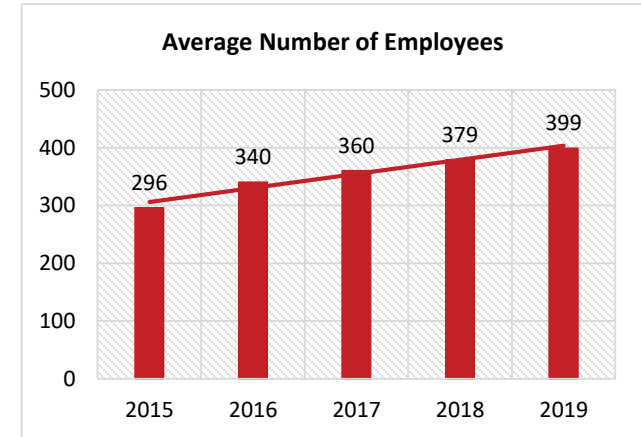
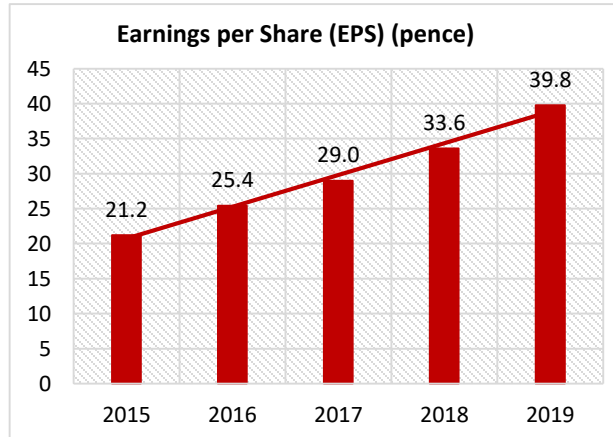
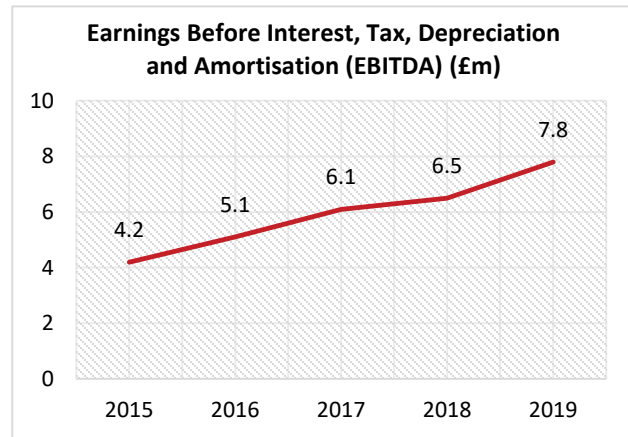
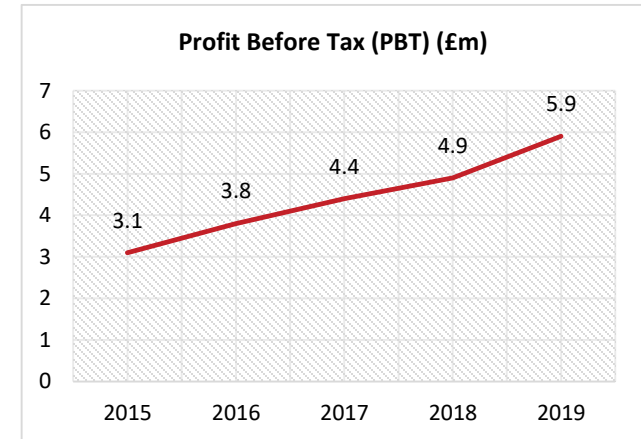
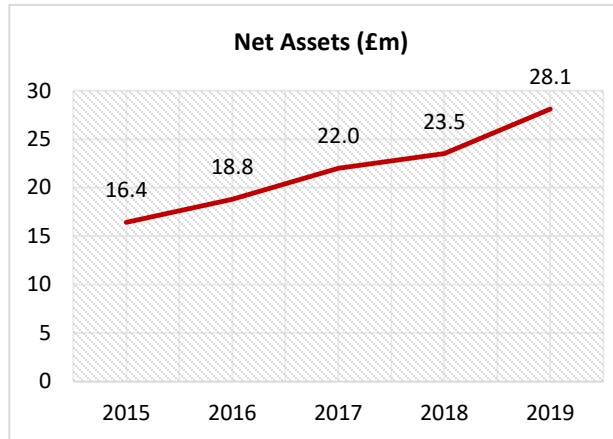
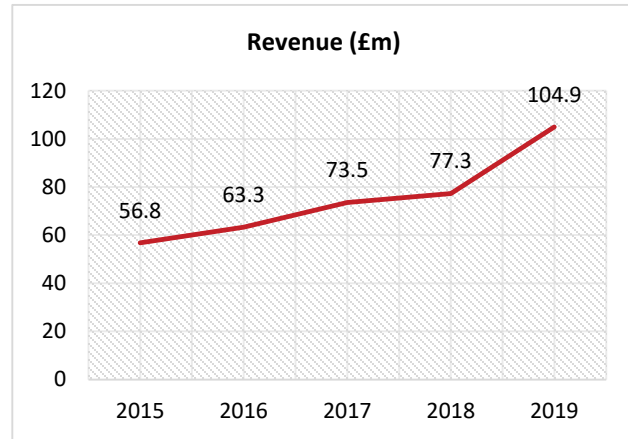
# The Impact of Shafton



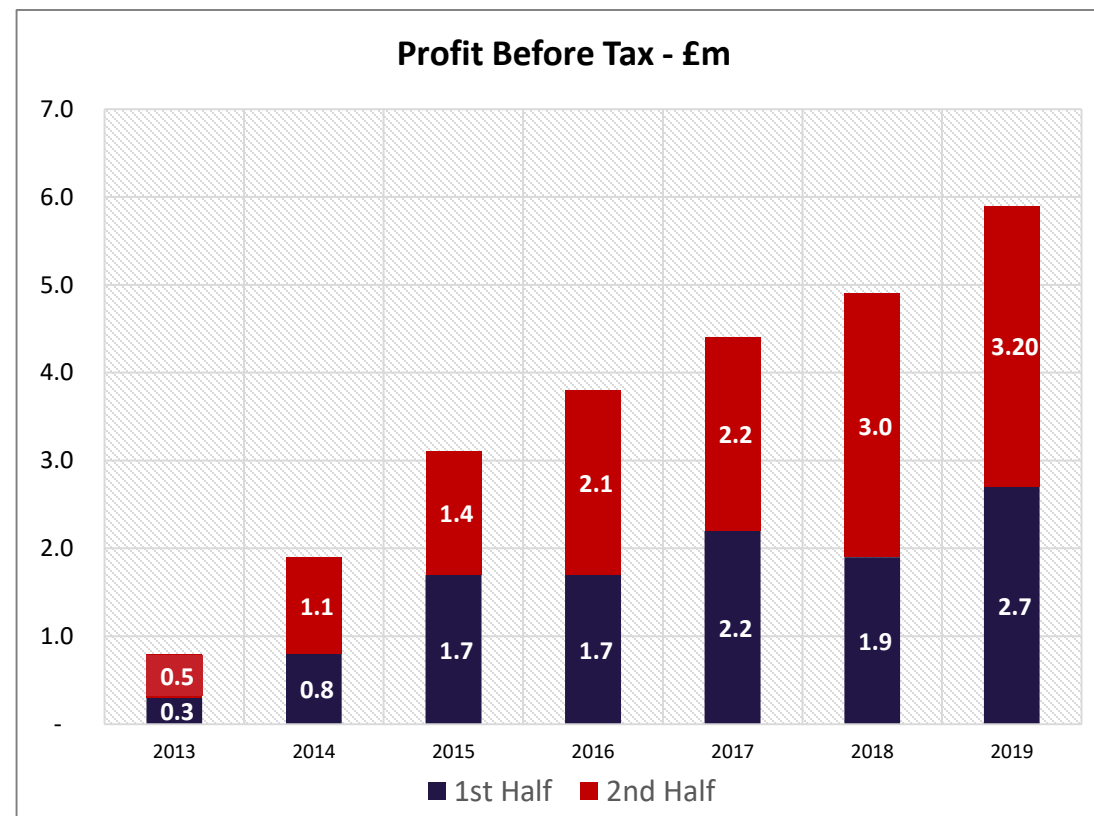
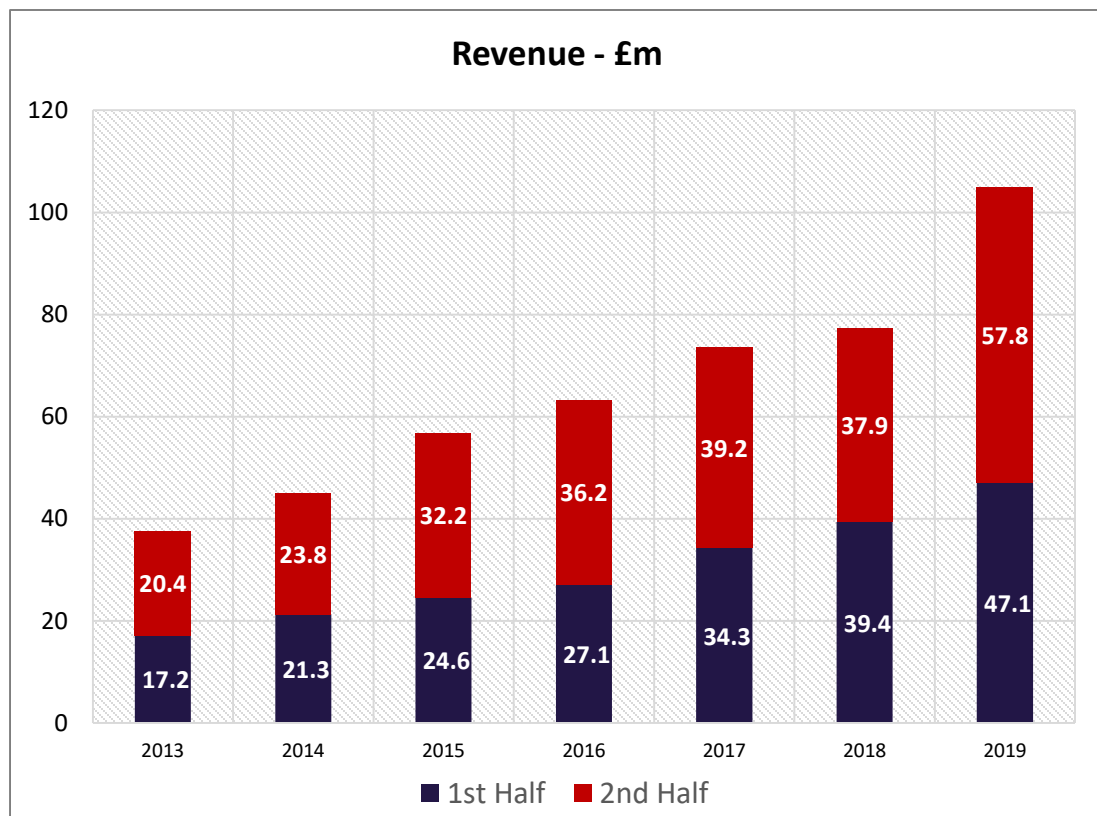
- Site located five miles from Head Office in Barnsley.
- Shafton Steel Services to offer steel profiling and processing services to the wider fabricator / engineering markets.
- Continued investment in new machinery to enhance the offering to in Group and external customer base in new sectors.
- Heavy-lifting capacity in all buildings.
- Modern CNC steel processing equipment.
- Enhances the Group's current steel processing abilities.
- Provides the resources to develop further business opportunities.
- Facility provides further opportunities to expand its product offering.
- Programme of site / building repairs / upgrades largely complete.



# Five Year Summary



# Financial Summary



- Consistent, steady growth of Revenue and Profit

# Financial Summary

£'000	12 months to 31 December 2019	12 months to 31 December 2018
Revenue	104,911	77,266
Total costs (excluding depreciation)	97,161	70,763
EBITDA	7,750	6,503
Depreciation	1,814	1,502
Group operating profit	5,936	5,001
Net finance costs	(5)	(58)
Profit before tax	5,931	4,943
Taxation	(1,135)	(894)
Profit from continuing operations	4,796	4,049
Earnings per share	39.8p	33.6p

- EBITDA improved 19% to £7,750,000

- Turnover Increased 36% to £104.9m

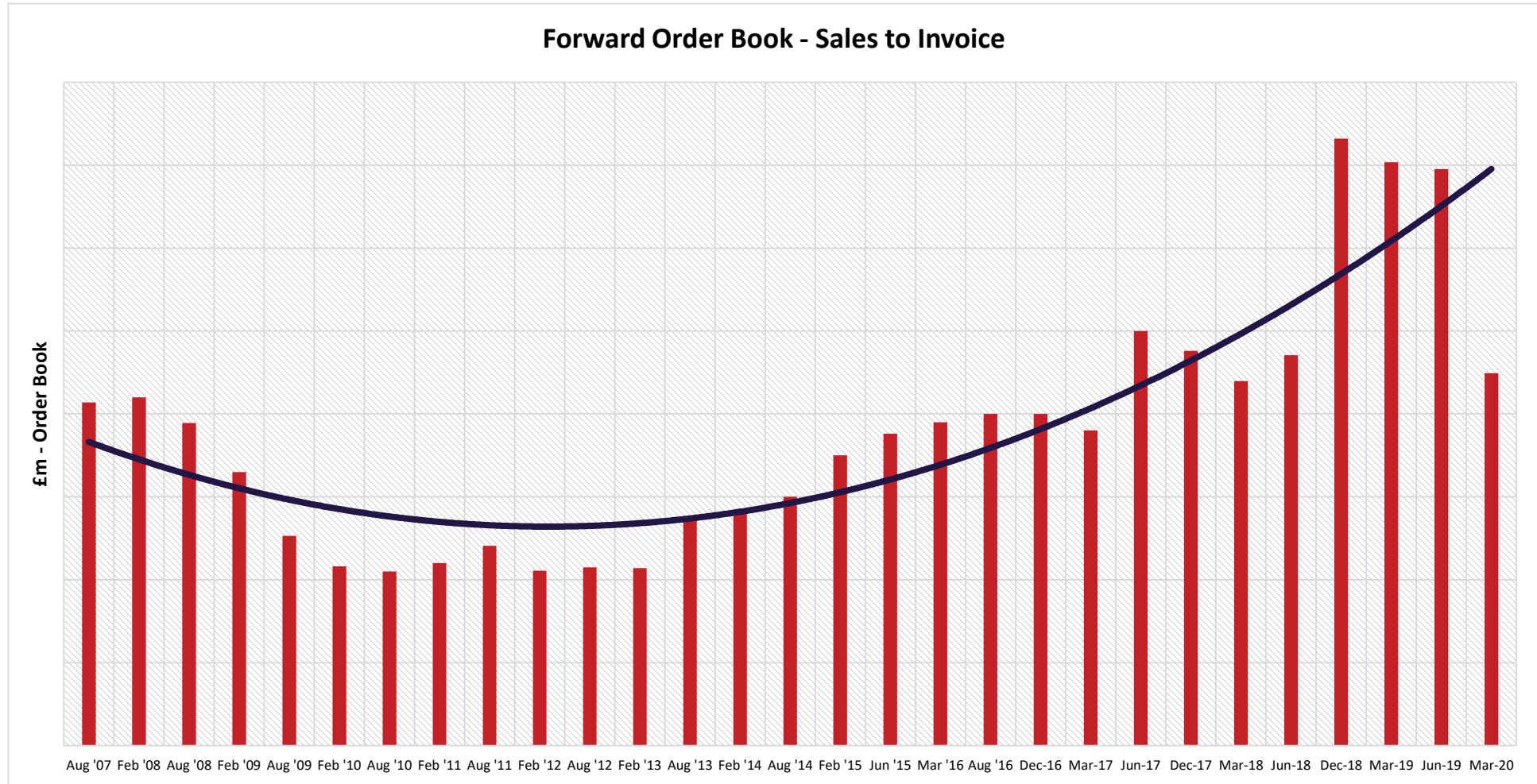
# Balance Sheet

<b>£'000</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
Non-Current Assets	16,456	15,711
Current Assets	33,548	28,849
<b>Total Assets</b>	<b>50,004</b>	<b>44,560</b>
Current Liabilities	(21,724)	(19,609)
Non-Current Liabilities	(187)	(1,500)
<b>Total Liabilities</b>	<b>(21,911)</b>	<b>(21,109)</b>
<b>Net Assets</b>	<b>28,093</b>	<b>23,451</b>

# Cash Flow

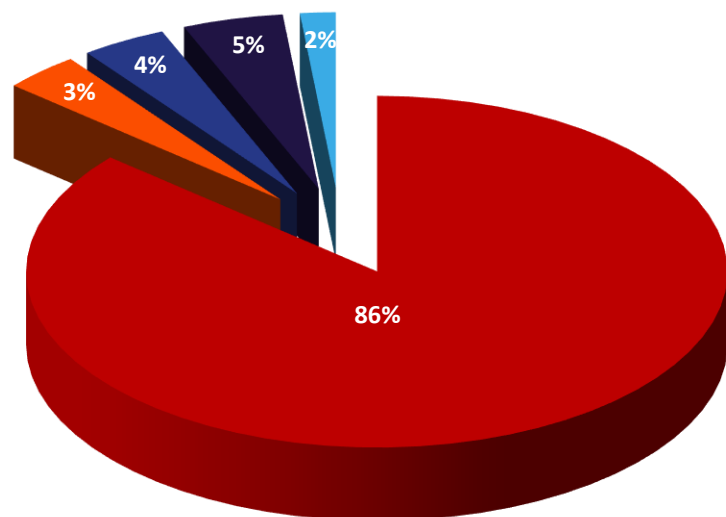
£'000	31 December 2019	31 December 2018
Profit after tax	4,796	4,049
Net cash flow from operating activities	7,182	562
Net cash flow from investing activities	(1,410)	(1,679)
Net cash from financing activities	(2,023)	(1,684)
Cash at beginning of period	9,311	8,063
Cash at end of period	17,856	9,311

# Forward Order Book



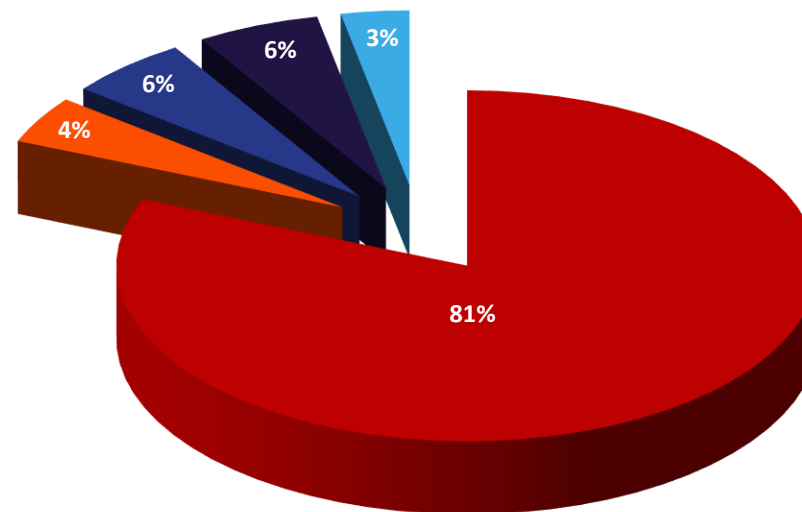
# Divisional Turnover Breakdown

2019 Divisional Breakdown



■ Billington Structures ■ easi-edge ■ Marshall Steel Stairs ■ hoard-it ■ Shafton

2018 Divisional Breakdown



■ Billington Structures ■ easi-edge ■ Marshall Steel Stairs ■ hoard-it ■ Shafton

# Divisional Highlights – Billington Structures Ltd



## Recent Projects:

- Circle Square, Manchester – *John Sisk & Son*
- 4 Wellington Place, Leeds – *Wates Construction*
- Data Centre Development, Europe – *ISG Construction*
- Better Barnsley 'The Glass Works' – *Henry Boot Construction*
- First Way, Wembley – *Bowmer & Kirkland*
- Pinewood Studios, Slough – *Sir Robert McAlpine*
- Distribution Centre, Durham – *ISG Construction*



# Divisional Highlights – Peter Marshall Steel Stairs Ltd



## Recent Projects:

- Manchester Airport T2 – *Delta Balustrades*
- Harwell Colbalt Building, Didcot – *SDC Builders*
- Aldi Distribution Centre, Darlington – *DSP Construction*
- Battersea Power Station – *William Hare*
- TK Maxx, Watford – *Billington Structures*
- Ocado Segro, Andover – *J&D Pierce*
- Huddersfield Energy & Recycling Facility – *Balmoral Tanks*



Huddersfield Energy & Recycling Facility



Harwell Cobalt Building, Didcot



Aldi Distribution Centre, Darlington

# Divisional Highlights – easi-edge Ltd



## Recent Projects:

- Kings Cross, London – *Elland Steel*
- Plot 1, New Bailey, Salford – *Bowmer & Kirkland*
- Milburngate, Durham – *Tolent Construction*
- Cornbrook, Manchester – *ISG Construction*
- 4 Wellington Place, Leeds – *Billington Structures*
- Circle Square, Manchester – *Billington Structures*



# Divisional Highlights – hoard-it Ltd



## Recent Projects:

- Northgate House, Oxford – *BAM Construction*
- Deepcut – *Skanska*
- Brent Cross – *BAM Construction*
- Penny Pie Park, Barnsley – *Barnsley Council*
- Circle Square, Manchester – *John Sisk & Son*
- Wembley Way – *John Sisk & Son*

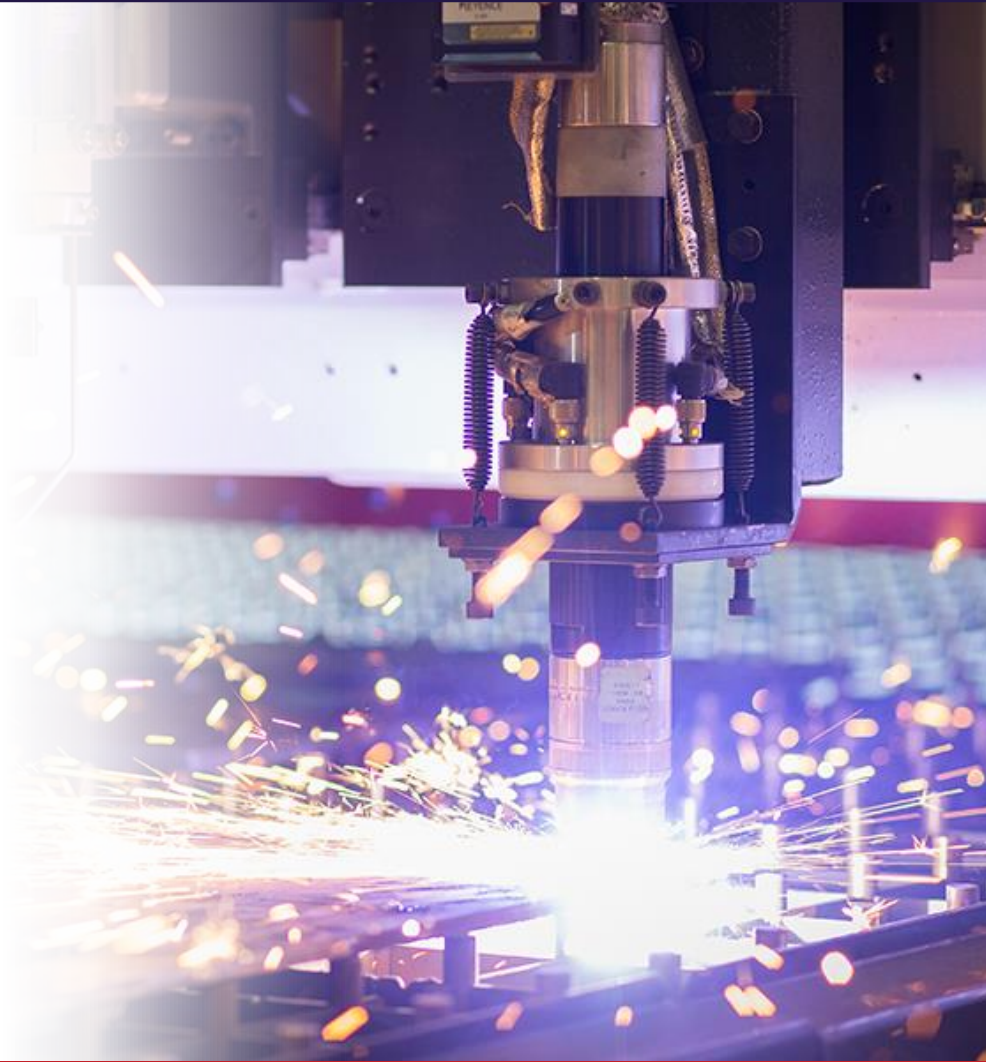


# Divisional Highlights – Shafton Steel Services Ltd



## Services include:

- Oxy Gas & HD Plasma Profiling
- CNC Plate Drilling
- Bevel Head Plasma Profiling
- Shear Punch Drill Fittings
- Shotblasting & Primer Painting
- Section Sawing & Section Drilling



# Awards

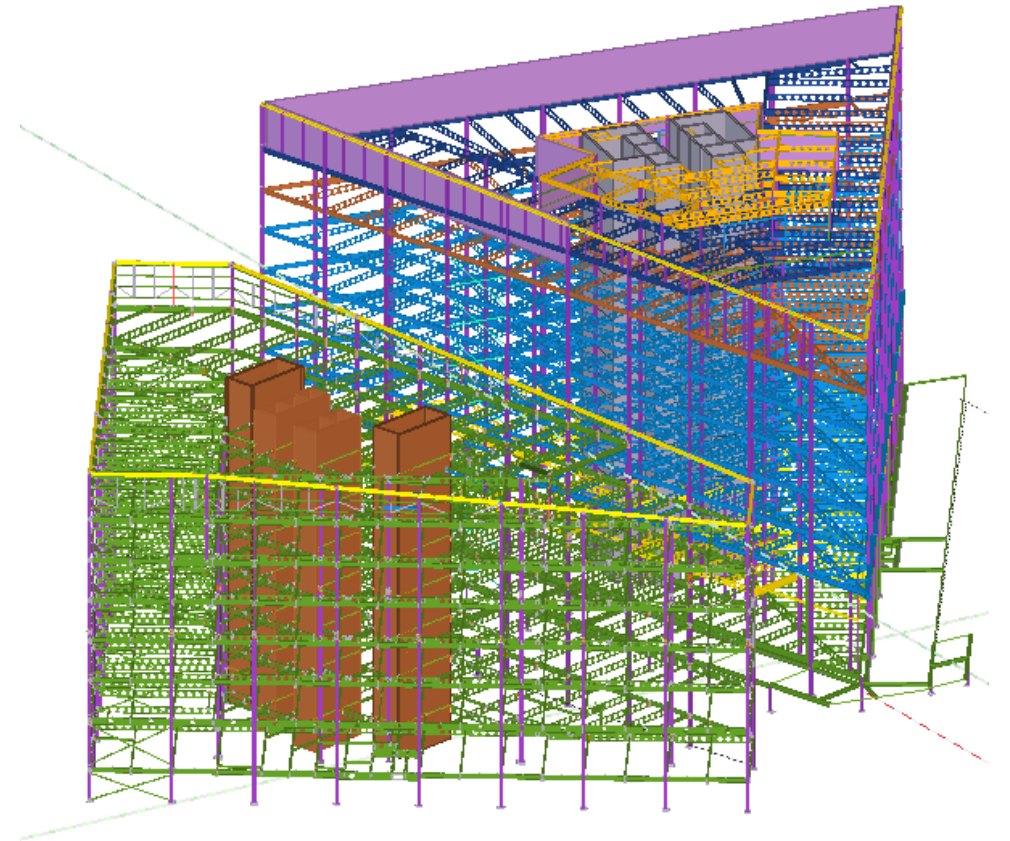


Wellington Place, Leeds

- Billington Structures Ltd won the Public Vote at the 2019 UK Tekla Awards for multiple plots at Wellington Place in Leeds.
- Two awards for the Public Vote and Sports & Recreation for Coventry Water Park & Leisure Centre in 2018.



- Achieved a commendation at the 2019 Structural Steel Design Awards for Ingenuity House in Birmingham.
- In 2018, Billington won a commendation for Greenwich Peninsula Energy Centre.



# Summary – Outlook & Prospects

- New value added services brought inhouse as a result of the new machinery at Shafton and further expansion of capacity planned for 2020 when prudent to do so.
- Further enhancement of the graduate and apprentice programme. Billington have been working closely with the BCSA to develop and promote the new industry specific apprentice programme (CRAFT).
- Solid hire product utilisation.
- Robust balance sheet underpinned by cash and property assets.
- Trading has been cash generative resulting in a strong year end cash balance.
- Covid-19 mitigation measures implemented throughout the Group.
- Number of large prospects remain both in the UK and European markets for 2020 and 2021.



London School of Economics

# Contacts

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