



**Results for the 12 months ended
31 December 2017**

March 2018



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Introduction

- Billington Holdings Plc is a leading UK specialist structural steelwork and ancillary construction safety products and service provider.
- It is made up of a dynamic group of construction companies located nationwide which are performing amongst the best in their respective industries.
- The Company is currently the third largest steel fabricator in the UK (the only other quoted comparator being Severfield Plc).
- It currently pays an annual dividend of 11.5 pence per share (2016: 10 pence).
- The Company has seen consistent growth of revenue and profit over the past four years.
- Brexit appears to be resulting in delays in awarding contracts.
- Increased capacity / improvement programme at Shafton largely completed in the year with the investment of £1.25m of new, state of the art machinery.

Operating Divisions



Billington Structures Ltd

Nationally recognised and award-winning steelwork contractor, with over 70 years' experience. Plants in Barnsley and Bristol with capability to process over 30,000 tonnes of steel per annum.



Peter Marshall Steel Stairs Ltd

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



easi-edge Ltd

Leading provider of safety solutions to the UK construction industry. Primarily supplies perimeter edge protection and fall prevention systems.



Shafton Steel Services

A division of Billington Structures Ltd. State of the art steel processing and profiling facility acquired in 2015.



hoard-it Ltd

hoard-it provides re-usable and eco-friendly site hoarding solutions.



Tubecon

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

Overview

- The Group has been able to invest an encouraging amount into the individual businesses as a result of their positive performances. Investments across the business include:
 - New Ficep Endeavour and Gemini machines installed and fully operational at the year end.
 - Corimpex beam welding machine installed and fully operational.
- European project completed in the year with the potential for more opportunities.
- There has been further progression of the dividend policy.
- Completed largest contract to date, ahead of programme and exceeding client expectations.
- Billington has a strong forward order book, with a number of opportunities spanning throughout 2018 and into 2019.
- Market price is competitive as additional capacity enters the market.

Corporate Profile

London (AIM) BILN	Ordinary shares in issue 12,934,327
Share Price 259.00p (as of 14/03/18)	Market Cap. (GBP, millions) 33.50

Share Price Graph – 12 month period



Source: LSE

Corporate Structure – Billington Holdings Plc



Major Shareholders

Gutenga Investments PCC Ltd	49.9%
Tarom Foundation	11.2%
Ocorian Trustees Ltd	6.8%
Close Brothers	6.4%
GPIM	4.4%

Advisors

Bankers	HSBC Plc
NOMAD and Broker	WH Ireland
Auditors	Grant Thornton
Solicitors	Shoosmiths

Board of Directors



Peter Hems *Non-Executive Chairman*

Qualified as a Chartered Accountant in 1973, and appointed as an audit and business advisory partner with Grant Thornton in 1979 - resigned in March 2007 to take up appointment as Executive Chairman of Billington Holdings Plc.



Steve Fareham *Non-Executive Director*

BSc (Hons) MSc CENG FStructE MIET CMIOSH. Chartered Structural Engineer. Founder member of the Edge Protection Federation - EPF. Retired from CEO 1 January 2015 and took the role of Non-Executive Director.



Mark Smith *Chief Executive Officer*

Mark has an in-depth knowledge of the construction industry with over 30 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 Wilson Browne, 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 *Finance Director*

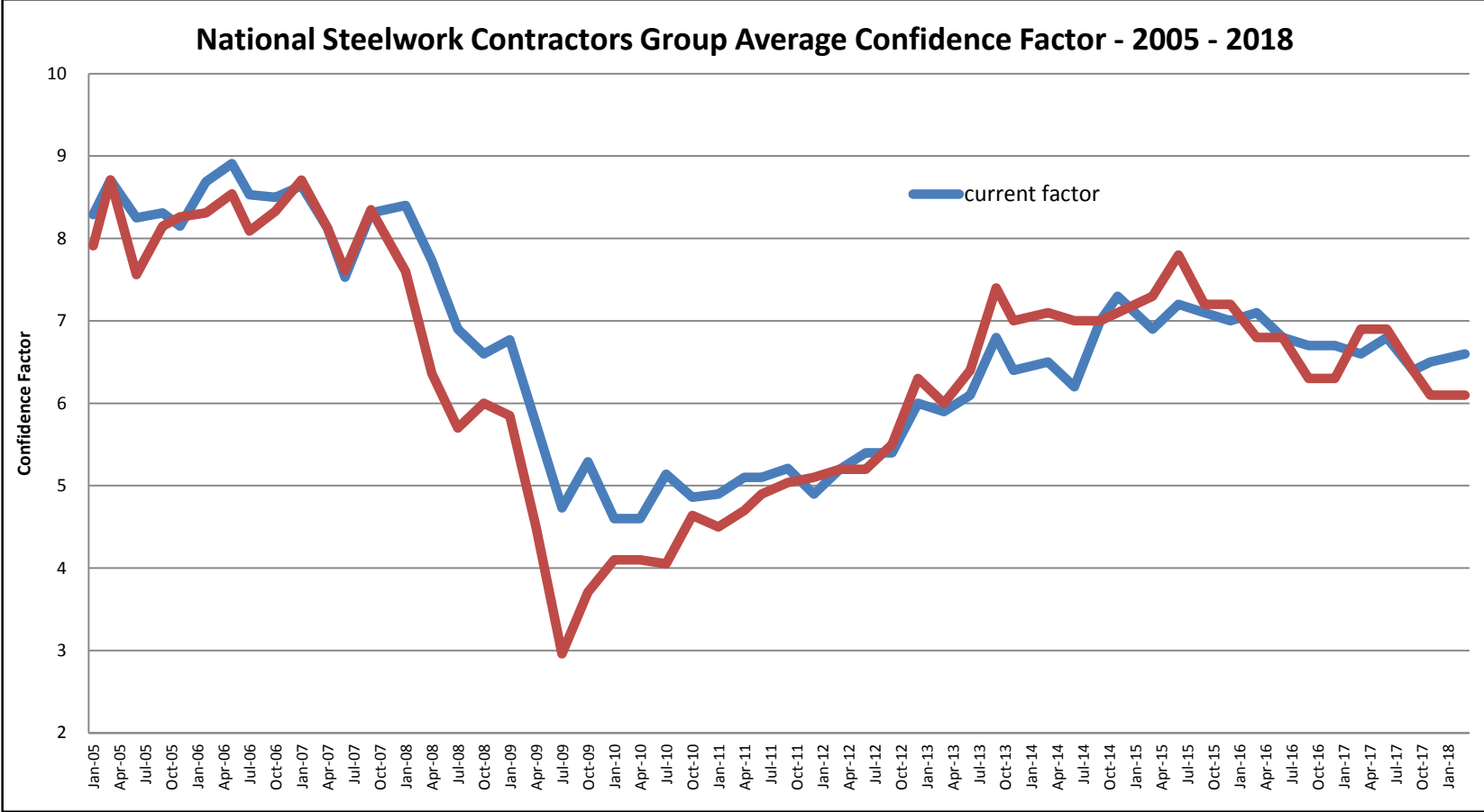
Qualified as a Chartered Accountant in 2006 and is a Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW). Joined Billington in 2008 as Group Financial Controller from Allotts Chartered Accountants, where he specialised in Construction and Financial Services.



Dr Alexander Ospelt *Non-Executive Director*

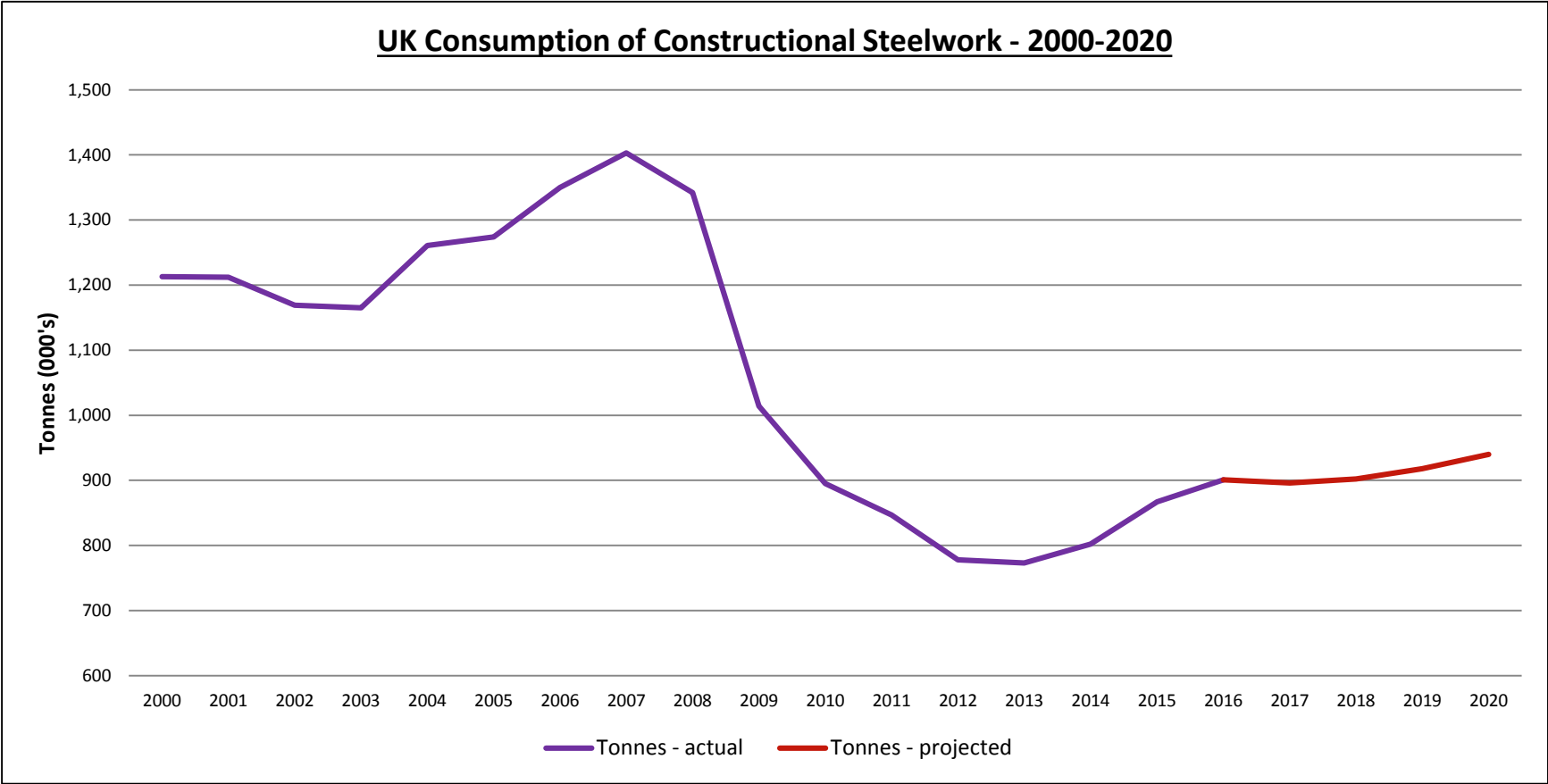
Alexander has been in independent practice as a lawyer since 1997. In 1993 he worked as a staff member of Liechtenstein's Representation at the UN in New York. From 1994, until establishing his chambers in 1997, he practised at the Princely Court of Justice and in a Liechtenstein law firm. He passed the Liechtenstein Bar Exam in 1997 and has a Doctorate in Law from St. Gallen Uni. in 1999.

Structural Steel Market Confidence



Source: National Steelwork Contractors Group (NSCG) – 2018

Structural Steel Market Trend Graph



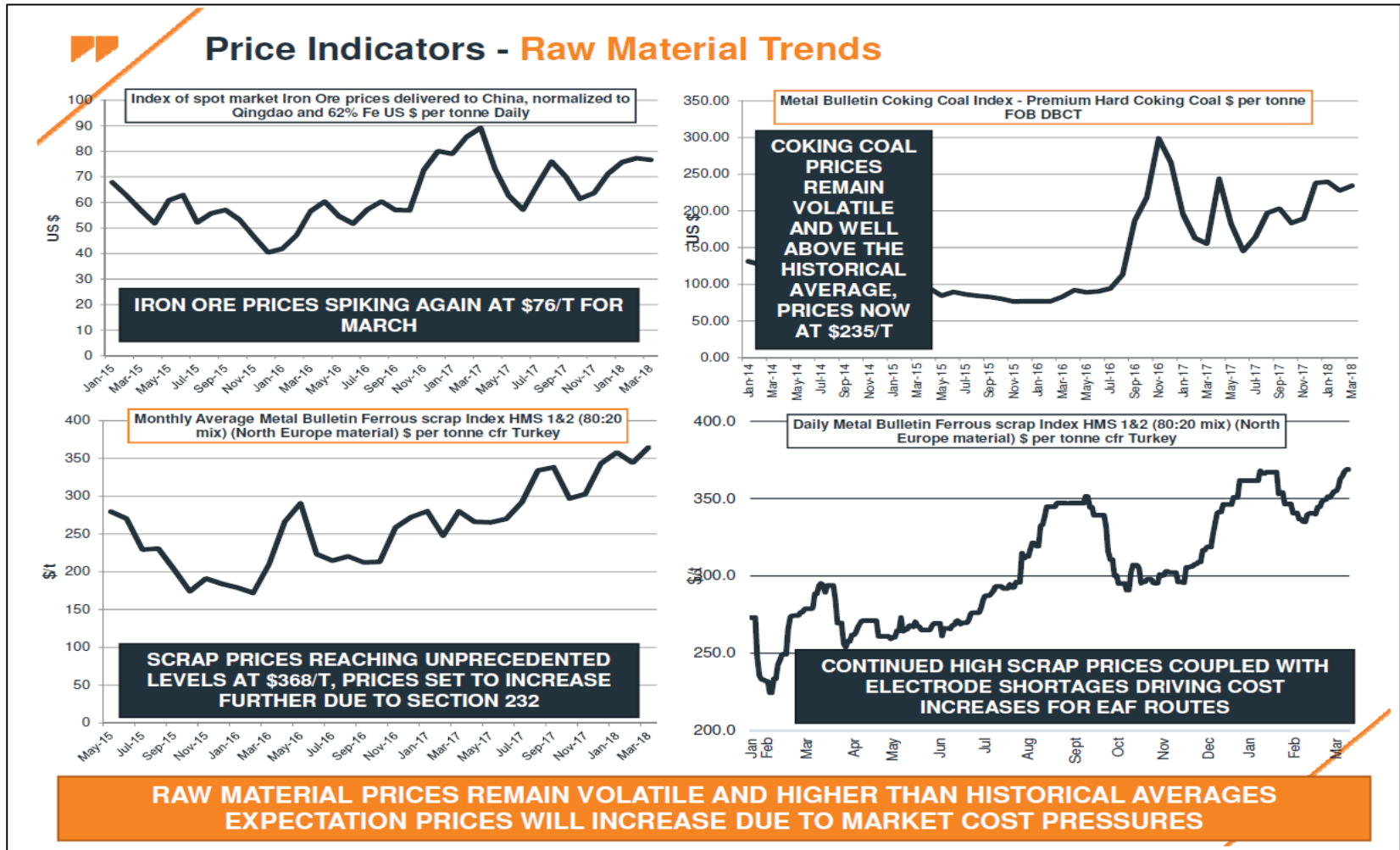
Data Source: BCSA / Steel for Life

The Steel Industry

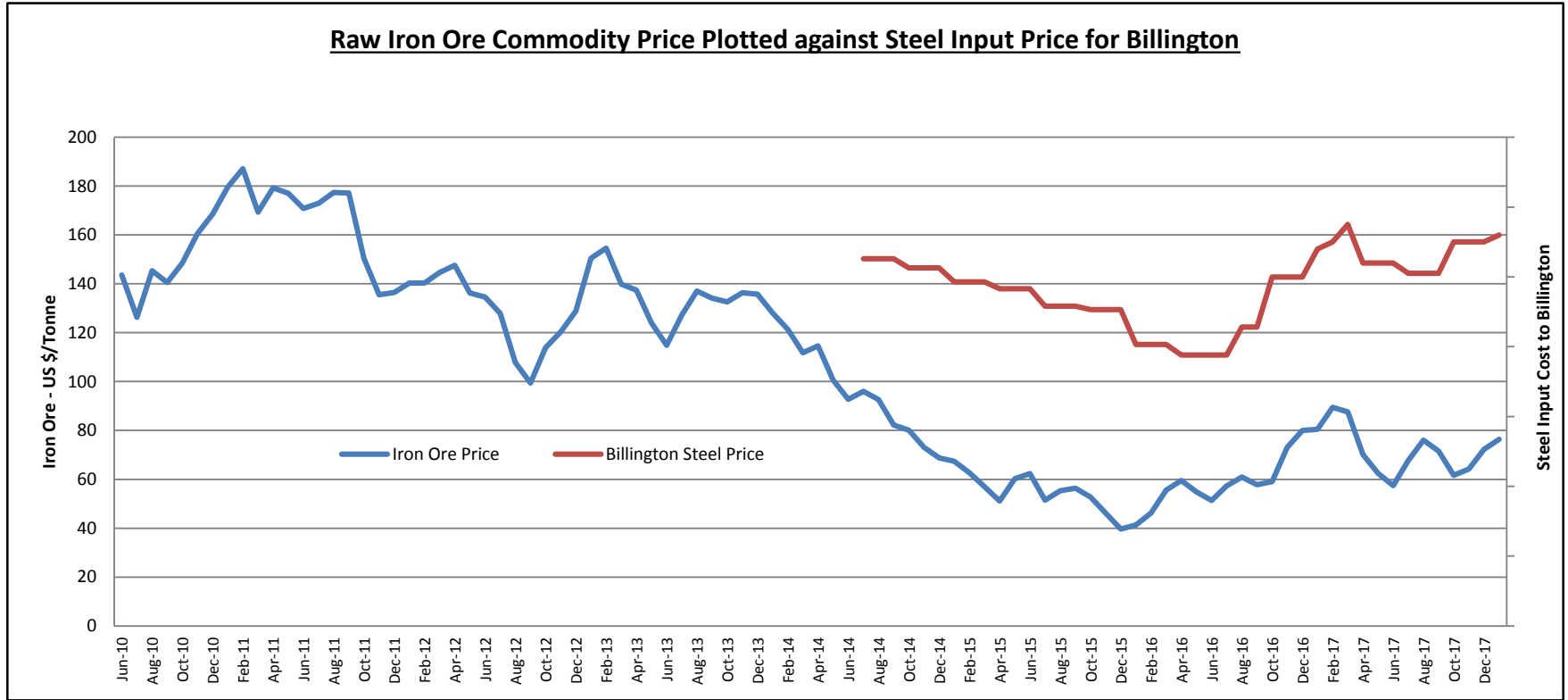
- The sale between TATA & Greybull Capital completed in June 2016. The revival of the British Steel brand has been positively received in the market.
- Profitable first year trading for British Steel.
- Greybull Capital has significant funding in place and are seeking further funds to upgrade their furnace assets.
- Consistent and successive price increases announced to the market by British Steel and Arcelor Mittal. Increase in steel input price of circa 40% over the last two years.
- TATA has deferred the sale of some of its other production facilities in the UK following the recovery of steel price.
- Plate production by Liberty Steel has not yet significantly impacted the UK plate market.
- Billingtons anticipates a period of stability in raw material steel prices throughout 2018.



Steel Manufacture – Raw Materials



Historical Iron Ore Price – 2012 - 2018





Review for the 12 Months Ended 31 December 2017

March 2018



Highlights

- A record turnover for the Structural Steel division of the Group.
- Positive contribution from all Group divisions.
- Excellent progress at Billington Structures and Peter Marshalls.
- Margins remain varied across sectors, complexities and timescales.
- Successful installation of new, state of the art machinery at Shafton.
- Gross (net) cash balance of £8.1m (£6.1m).
- A number of large projects secured in the period with more on the horizon.
- Dividend proposed of 11.5 pence per share in respect of 2017 (2016: 10 pence per share).
- Improved surplus of Defined Benefit Pension Scheme to £1.8m (net of deferred tax).



Overview

- Increase in share price of 582% over the last five years. (**38p** 14/03/13 – **259p** 14/03/18)
- Capital investment in Shafton completed in the year.
- Extremely busy second half in 2017.
- Margins have tightened as a number of contract decisions appear to have been delayed as a result of Brexit.
- Steel input prices have markedly increased during the period. Improved stability in recent months.
- Trading has been cash generative.
- Adequate agreed financing in place to fund business expansion and WIP requirements.
- Collapse of Carillion has focussed attention of unfair payment practices in the construction industry.
- Continued investment and progression in apprentice and training programmes to develop key talent.
- Promotion of key management to Directors at Peter Marshalls and easi-edge.

The Impact of Shafton



- On 18 December 2015 the Group completed the acquisition of a 25 acre site in Shafton, Barnsley for £2.5m.
- The site contains two large industrial buildings with a combined usable area of 181,000 sq ft.
- Associated plant and equipment from Sherling Steel (UK) Ltd, with a value of £2.38m, was also acquired.
- All tenants have since vacated the site and works to adapt the facility of optimum production have continued in the year.



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.
- New machinery installed in the period, increasing overall Group capacity.
- 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 to be adapted for optimum production.
- Programme of site / building repairs / upgrades largely complete.





FICEP Endeavour Saw / Drill Line

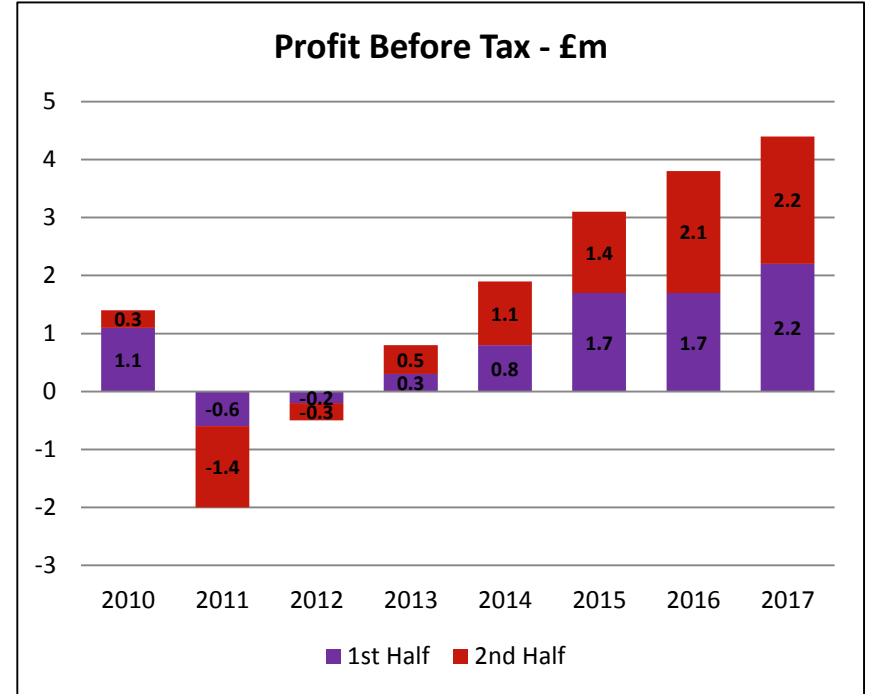
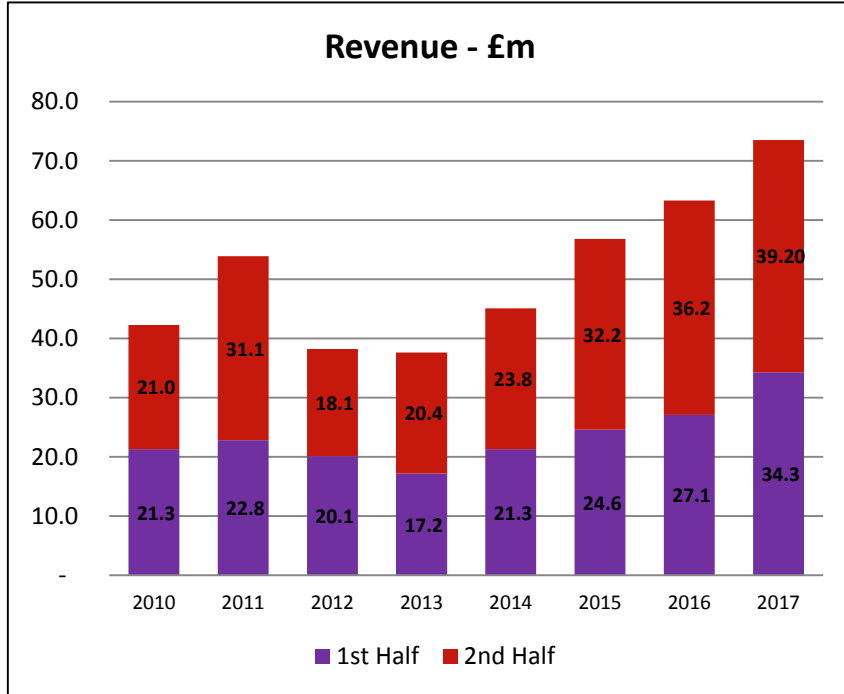


Corimpex Beam Welding Line



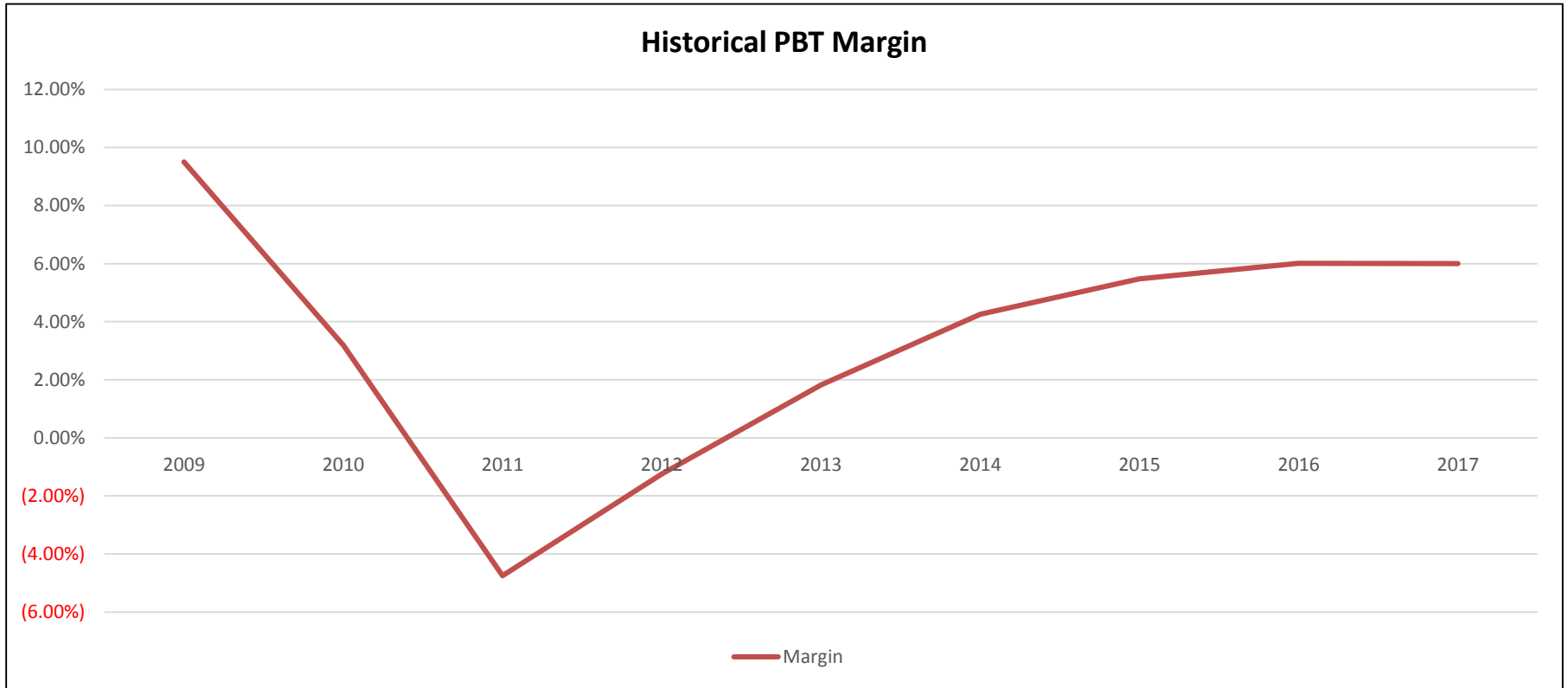
FICEP Gemini Plate Processing System

Financial History



- Consistent, steady growth of Revenue and Profit

Financial History



Financial Summary

£'000	12 months to 31 December 2017	12 months to 31 December 2016
Revenue	73,518	63,334
Total costs (excluding depreciation and one-off redundancy costs)	67,459	58,255
Adjusted EBITDA	6,059	5,079
Depreciation and redundancy costs	1,631	1,254
Group operating profit	4,428	3,825
Net finance costs	(17)	(22)
Profit before tax	4,411	3,803
Taxation	(907)	(832)
Profit from continuing operations	3,504	2,971
Earnings per share	29.1p	25.4p

- Adjusted EBITDA improved 19% to £6,059,000

- PBT improved by £608,000 to £4,411,000

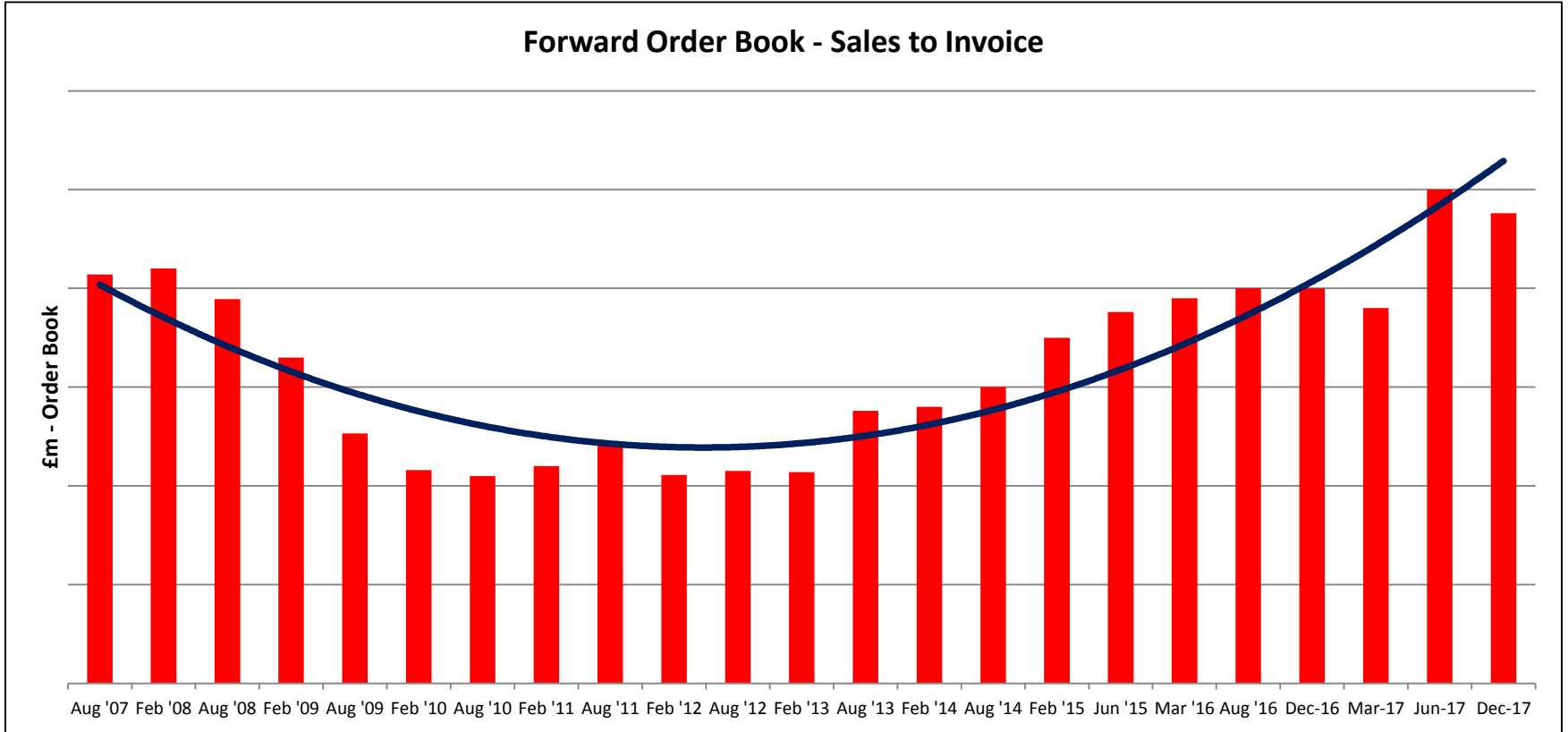
Balance Sheet

£'000	31 December 2017	31 December 2016
Non-Current Assets	15,789	14,321
Current Assets	24,775	21,479
Total Assets	40,564	35,800
Current Liabilities	(16,670)	(14,996)
Non-Current Liabilities	(1,918)	(2,005)
Total Liabilities	(18,588)	(17,001)
Net Assets	21,976	18,799

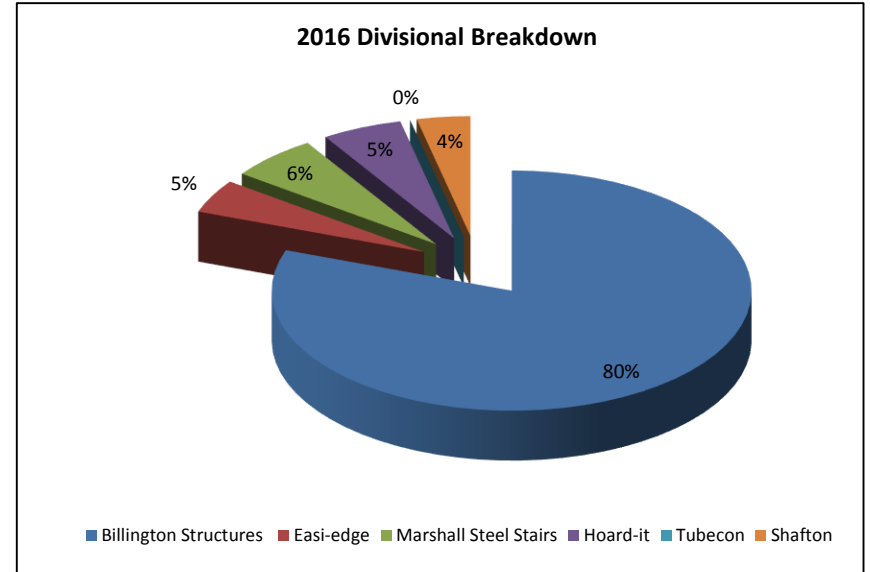
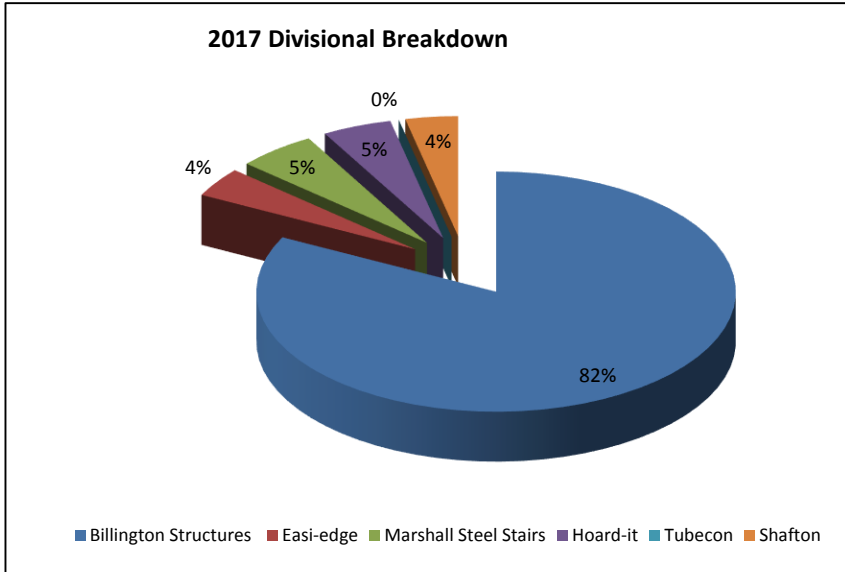
Cash Flow

£'000	31 December 2017	31 December 2016
Profit after tax	3,504	2,971
Net cash flow from operating activities	2,146	2,485
Net cash flow from investing activities	(1,858)	(1,014)
Net cash from financing activities	(1,762)	(1,020)
Cash at beginning of period	6,033	2,611
Cash at end of period	8,063	6,033

Forward Order Book

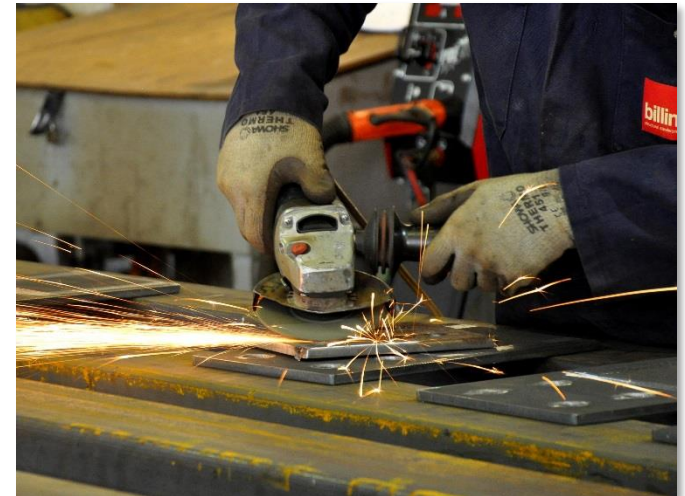


Divisional Breakdown



Divisional Highlights

- Structural Steel business accounts for 82% of Group revenue.
- Solid performance from Billington Structures.
- All Group divisions trading profitably and at / around budget.
- Number of larger project tenders in the marketplace.
- hoard-it continues to make good progress in establishing its client base and product development.
- New barrier in development for easi-edge in progress.
- Increasing pricing pressure relating to steelwork contracts.



Divisional Highlights



Billington Structures Ltd

Projects Completed:

- IKEA, Sheffield - Clugston
- London School of Economics - Mace
- Coventry Leisure Centre – Buckingham
- 50-60 Station Road, Cambridge – Galliford Try
- Lime Street, Liverpool – ISG
- Avonmouth Distribution Centre – ISG
- Wellington Place, Leeds - Wates



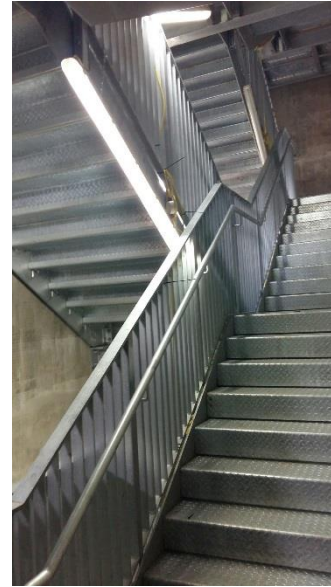
Divisional Highlights



Peter Marshall Steel Stairs Ltd

Projects Completed:

- BAE Barrow – Sir Robert McAlpine
- Old Truman Brewery - Structuretone
- White City Shopping Centre, London – Westfield Europe Ltd
- Hill Street, Glasgow – Ogilvie Construction
- Celtic Business Park – Bowmer & Kirkland



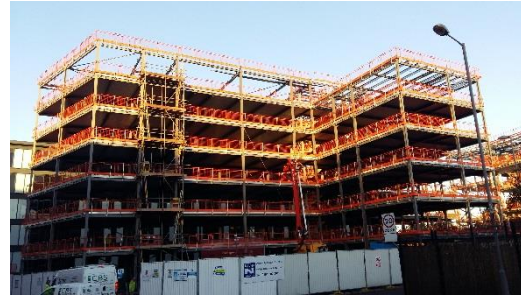
Divisional Highlights



easi-edge Ltd

Projects Completed:

- Arndale Centre, Eastbourne - Kier
- Ellesmere Street, Manchester – Graham Construction
- Forth Banks, Newcastle – James Killelea
- Devon Street, Liverpool – Ridgemere Construction
- Lime Street, Liverpool – Billington Structures
- Tib Street, Manchester – TWF Structures



Divisional Highlights



hoard-it Ltd

Projects Completed:

- Morriston Hospital, Swansea - Interserve
- Lowry Hotel, Manchester – Sir Robert McAlpine
- BBC White City, London - Maylim
- Beaulieu Site, Chelmsford – Countryside Properties
- Midland Metro, Birmingham – Colas Rail



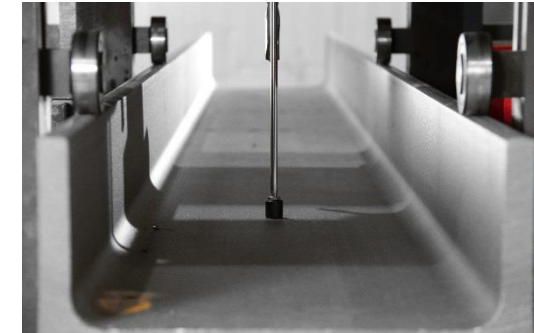
Divisional Highlights



Shafton Steel Services

Services Include:

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



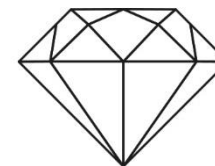
Awards

Billington Structures received a Commendation for The Hurlingham Club and a Merit for RAF Brize Norton in the 2017 Structural Steel Design Awards (SSDA). Two projects have been entered for the 2018 SSDA.



Winner of the Made in Yorkshire Manufacturing Apprenticeship / Training Scheme Award 2018.

Winner of the UK Tekla Awards Public Vote 2017 for Project Beagle.



UK Tekla Awards
Public Vote
Winner 2017

Summary – Outlook & Prospects

- Increasing competitiveness noted on new tender opportunities.
- New value added services brought inhouse as a result of the new machinery at Shafton.
- Further enhancement of apprentice programme. Billington have been working closely with the BCSA to develop and promote the new industry specific apprentice programme (CRAFT).
- Billington Structures' order book remains strong with projects spanning into 2019.
- Opportunities remain available for projects in Europe.
- Strong hire product utilisation.
- Strong dividend policy.

Contacts

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