



Interim Results for the Six Months Ended 30 June 2019

September 2019



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Introduction

- Billington Holdings Plc is a leading UK structural steel and construction safety solutions specialist.
- All Group companies performing amongst the best in their respective industries.
- Record half year turnover for the Billington Group.
- The Company is the third largest steel fabricator in the UK.
- Cash generative and strong year end gross cash balance of £10.0m.
- An annual dividend of 13.0 pence per share (2018: 11.5 pence), representing a yield of 4.8%*.
- Development of value added, complimentary products and services are planned.
- The Company has seen consistent growth of revenue, profit and margin over the past five years.

**Based on year end share price of 270p.*

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 35,000 tonnes of fabricated 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.



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 continues to invest into the individual businesses as a result of their continued growth.
- Positive trading result for the period with encouraging momentum moving into the second half of 2019.
- Continued delivery of the Group's largest contract to date, a data centre development situated in Europe.
- Further opportunities for European works.
- Strong cash balance at period end.
- Billington and Peter Marshall Steel Stairs have a strong forward order book, with a good number of further potential opportunities spanning into 2020.
- Management remains cautiously optimistic as a result of Brexit uncertainty.
- Significant increase in turnover, up 19.7 per cent from 2018.

Corporate Profile

London (AIM) BILN	Ordinary shares in issue 12,934,327
Share Price 315.00p (as of 16/09/19)	Market Cap. (GBP, millions) 40.74

Major Shareholders

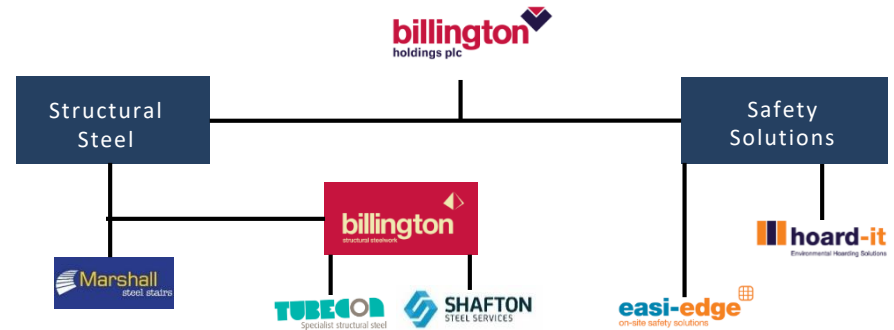
Gutenga Investments PCC Ltd	49.7%
Otus Capital	7.7%
Ocorian Trustees Ltd	6.8%
Close Brothers	9.7%
GPIM	5.0%

Advisors

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



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



Corporate Structure – Billington Holdings Plc

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 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*

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

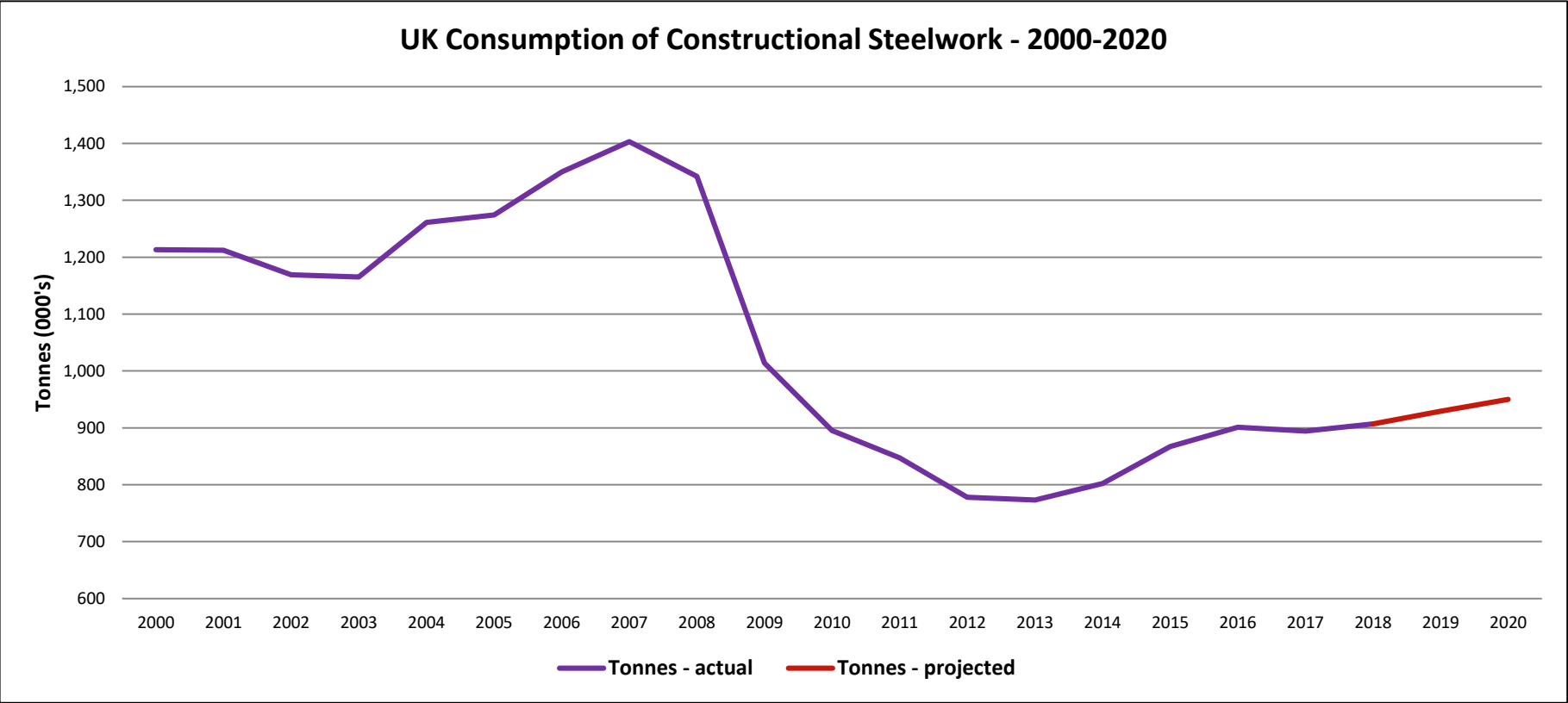
Trevor joined Billington in 2008 and subsequently became Group Finance Director in 2011.



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 Trend Graph



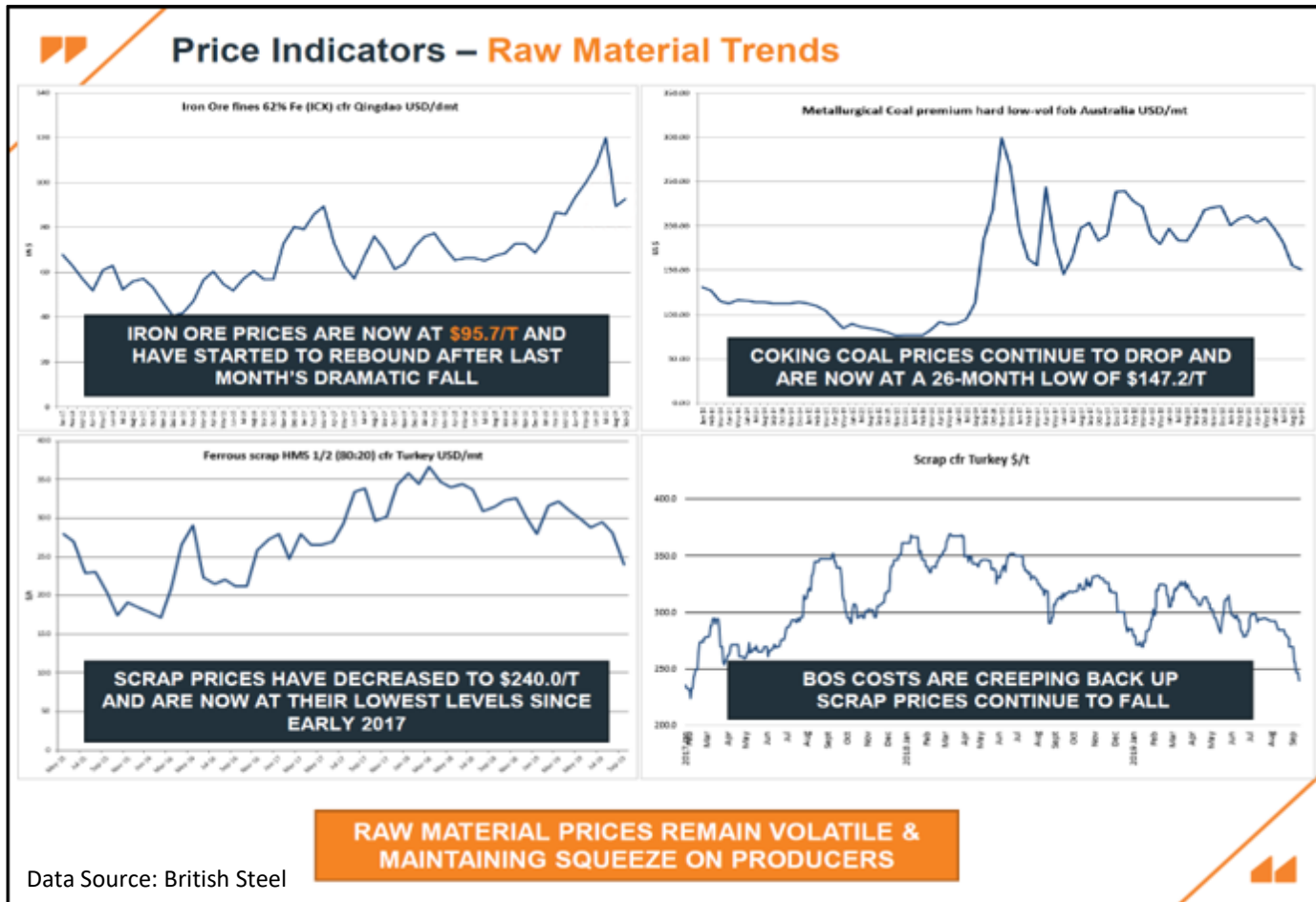
Data Source: BCSA / Steel for Life

The Steel Industry

- British Steel / Official Receiver (OR) in talks with preferred bidder – Ataer Holdings and operating under a period of exclusivity.
- Sale is anticipated to be completed in the near future and is expected to stabilise the steel supply market.
- Consistent price for rolled sections in the period.
- Arcelor Mittal continues to service the UK structural steelwork market.
- Steel scrap and coking coal prices have seen a material decline in the period.



Steel Manufacture – Raw Materials





Interim Results for the Six Months Ended 30 June 2019

September 2019



Highlights

- Continued strong revenue growth.
- 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 £10.0m (£8.4m).
- A number of large project opportunities for 2020.
- Dividend paid of 13.0 pence per share in respect of 2018 (2017: 11.5 pence per share).
- Continued expansion of apprenticeship schemes.



Results Overview

- Increase in share price of 80% over the last five years (**175p** September 2014 – **315p** September 2019).
- Areas of diversification have been identified and plans currently being formulated.
- Cash conversion expected to continue in the second half.
- Adequate agreed financing in place to fund business expansion and WIP requirements.
- Main contractors financial stability under constant review.
- Primary trading customers continue to perform amongst the best in the industry.
- Continued investment and progression in apprentice and training programmes to develop key talent.

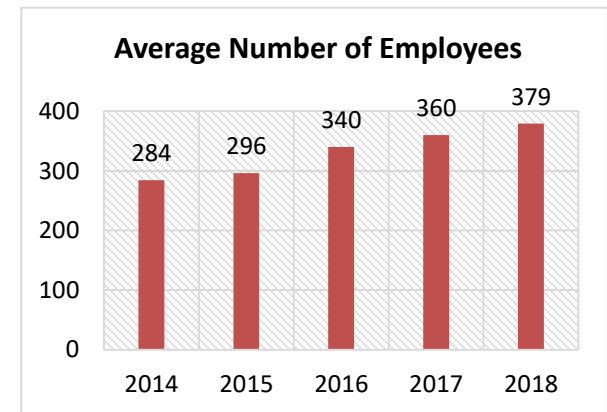
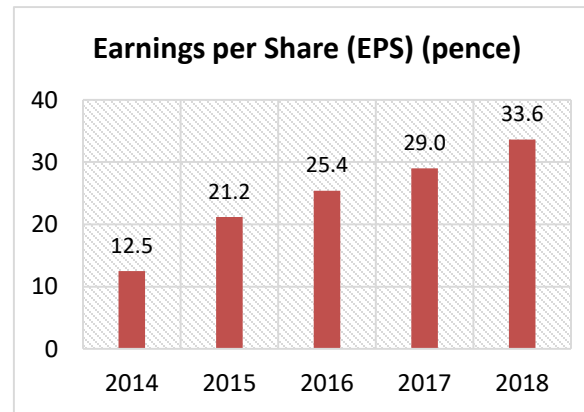
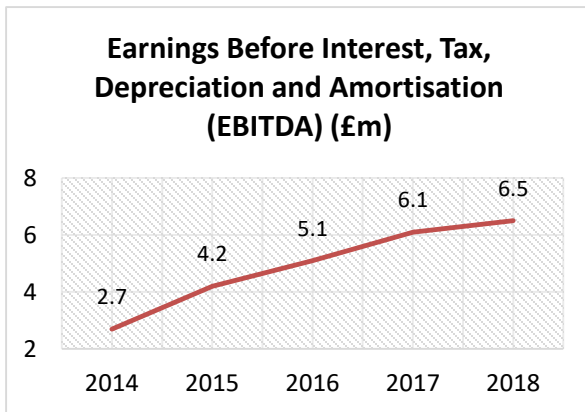
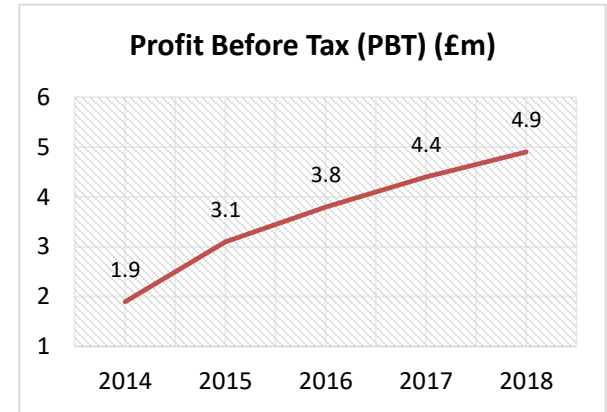
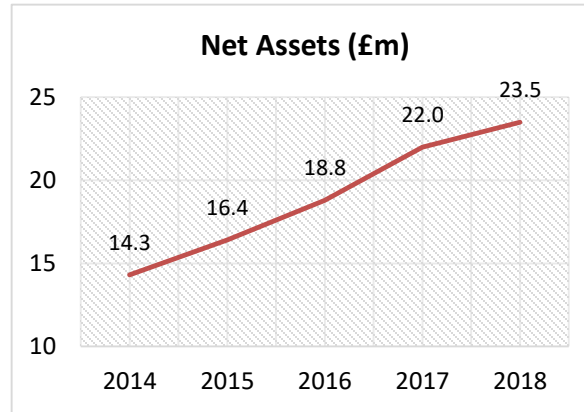
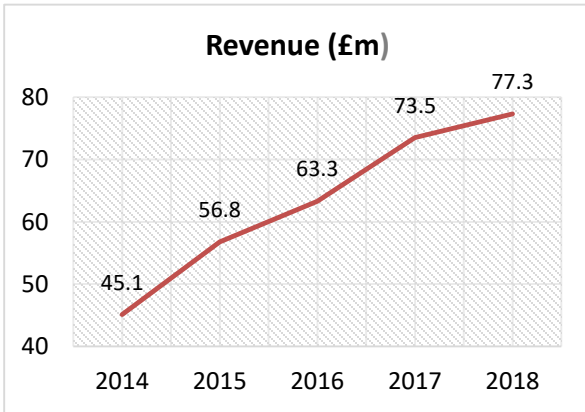
The Impact of Shafton



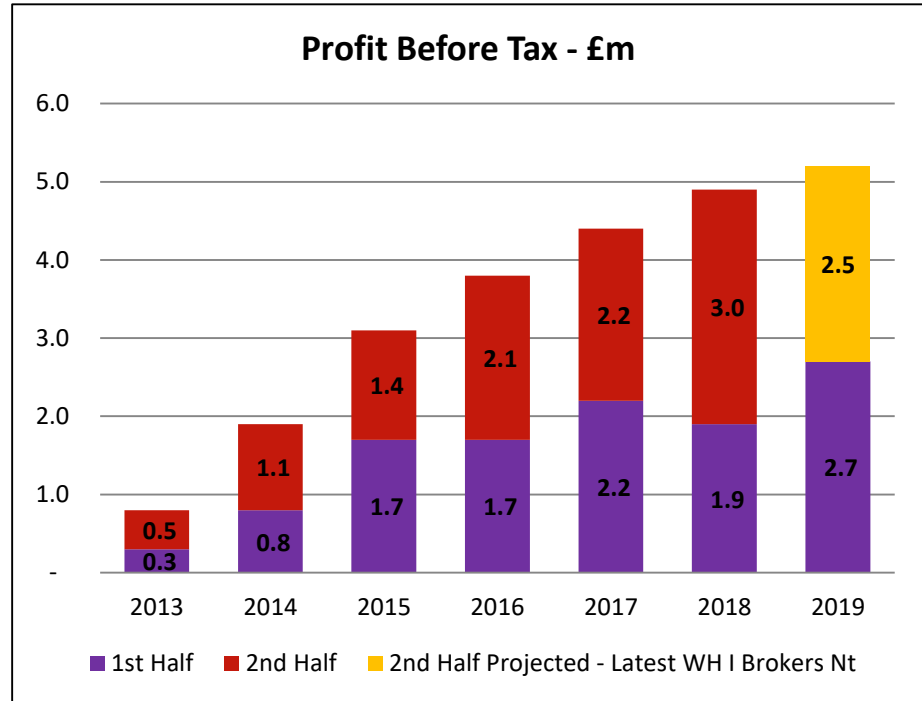
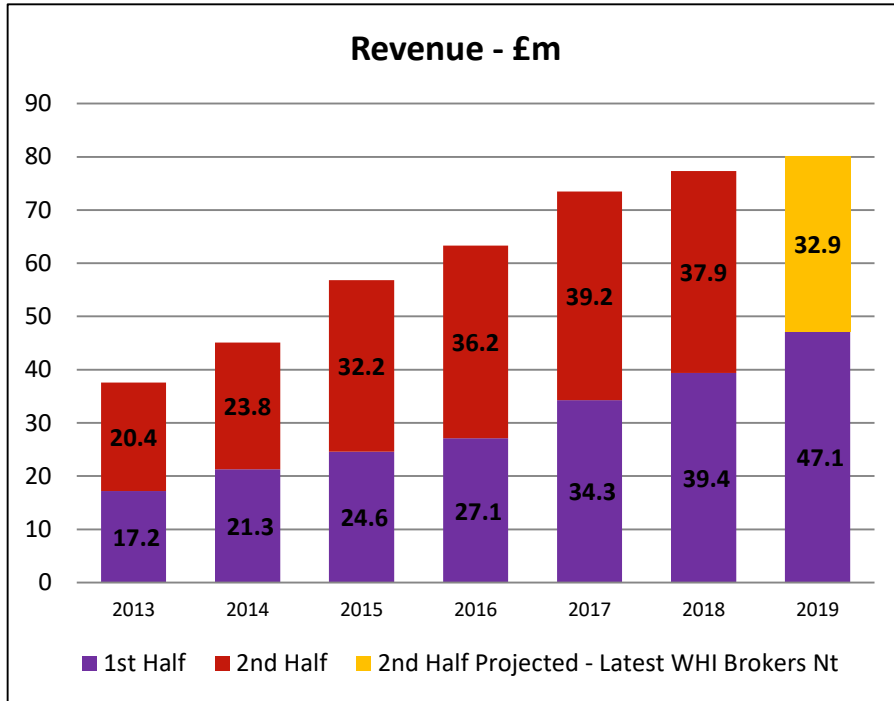
- Site located five miles from Head Office in Barnsley.
- Shafton Steel Services to offer steel profiling and processing services to the wider fabricator / engineering markets.
- New machinery installed in the period, increasing overall Group capacity.
- Heavy-lifting capacity in all buildings.
- Modern 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.



Where have we been - Five Year Summary



Financial Summary



- Consistent, steady growth of Revenue and Profit

Financial Summary

£'000	Six months to 30 June 2019	Six months to 30 June 2018
Revenue	47,148	39,389
Total costs (excluding depreciation)	43,601	36,847
EBITDA	3,547	2,542
Depreciation	862	586
Group operating profit	2,685	1,956
Net finance costs	(6)	(17)
Profit before tax	2,679	1,939
Taxation	(531)	(395)
Profit from continuing operations	2,148	1,544
Earnings per share	17.8p	12.8p

- Revenue increase of 19.7%
- EPS increased 39.1% to 17.8p

Balance Sheet

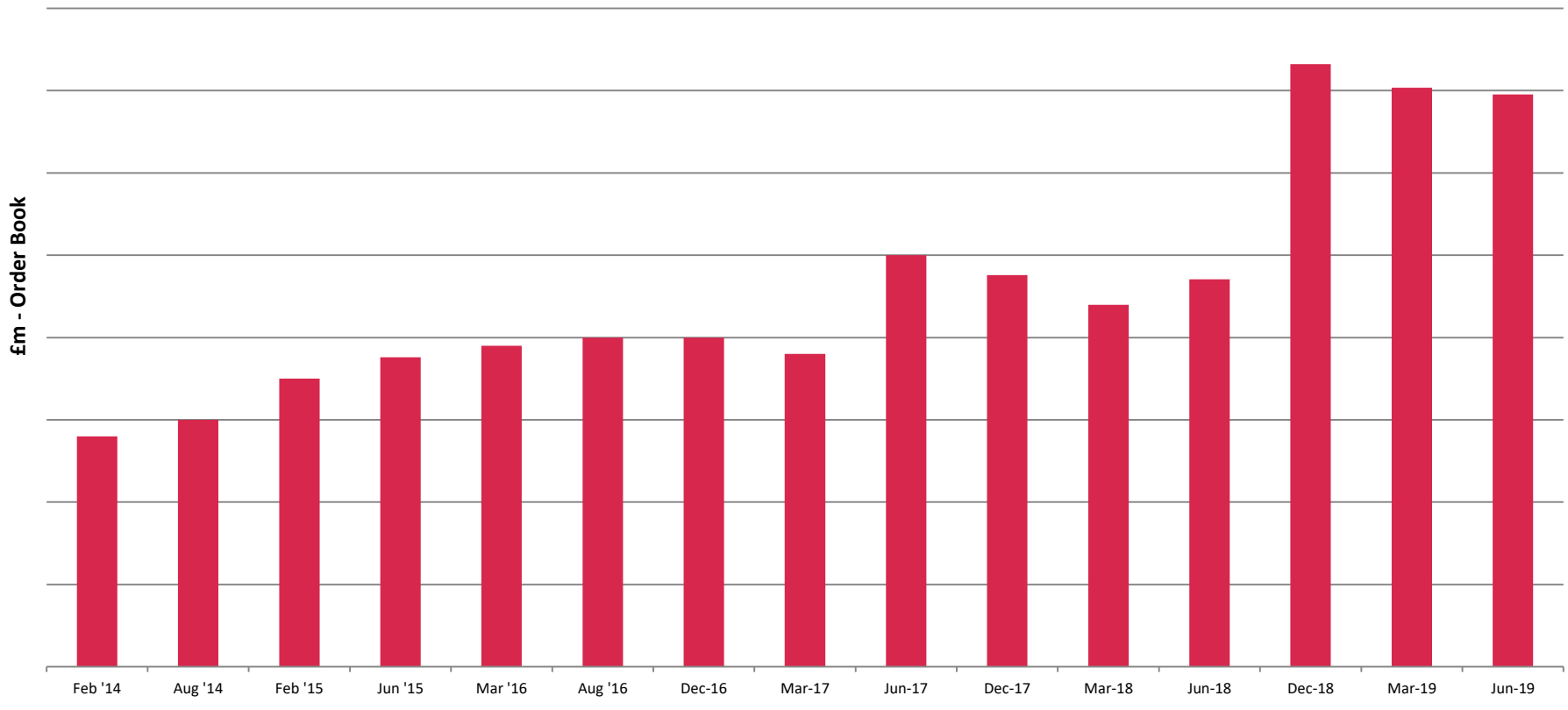
£'000	30 June 2019	30 June 2018
Non-Current Assets	15,780	15,890
Current Assets	34,584	26,979
Total Assets	50,364	42,869
Current Liabilities	(24,327)	(18,785)
Non-Current Liabilities	(1,375)	(1,914)
Total Liabilities	(25,702)	(20,699)
Net Assets	24,662	22,170

Cash Flow

£'000	30 June 2019	30 June 2018
Profit after tax	2,149	1,544
Net cash flow from operating activities	804	(99)
Net cash flow from investing activities	(545)	(417)
Net cash from financing activities	(1,711)	(1,529)
Cash at beginning of period	9,311	8,063
Cash at end of period	10,008	7,562

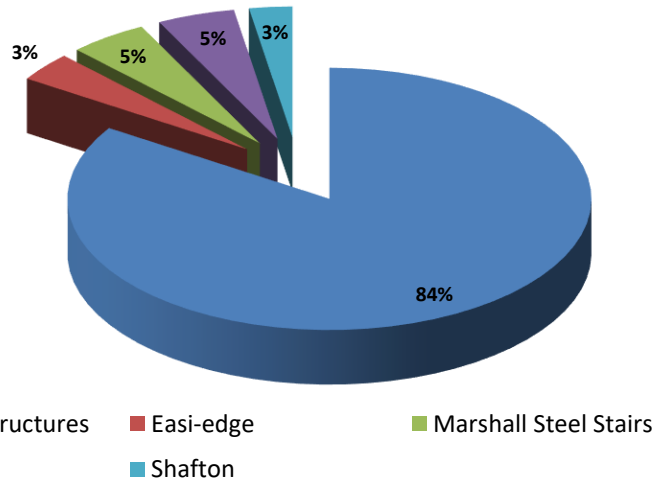
Forward Order Book

Forward Order Book - Sales to Invoice - 5 Year History

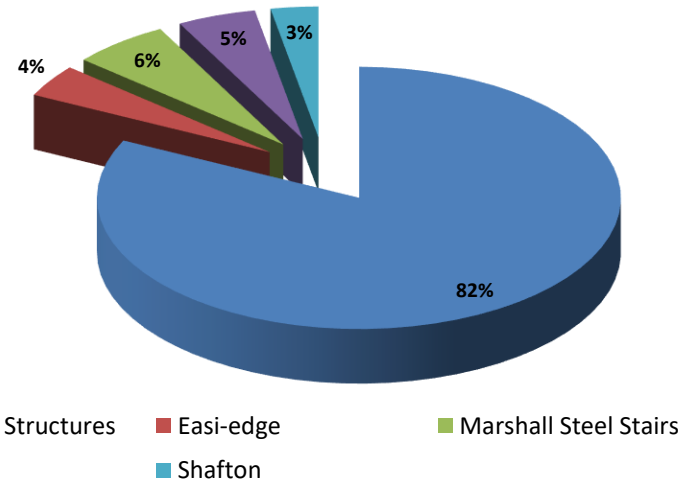


Divisional Breakdown

2019 of Divisional Breakdown

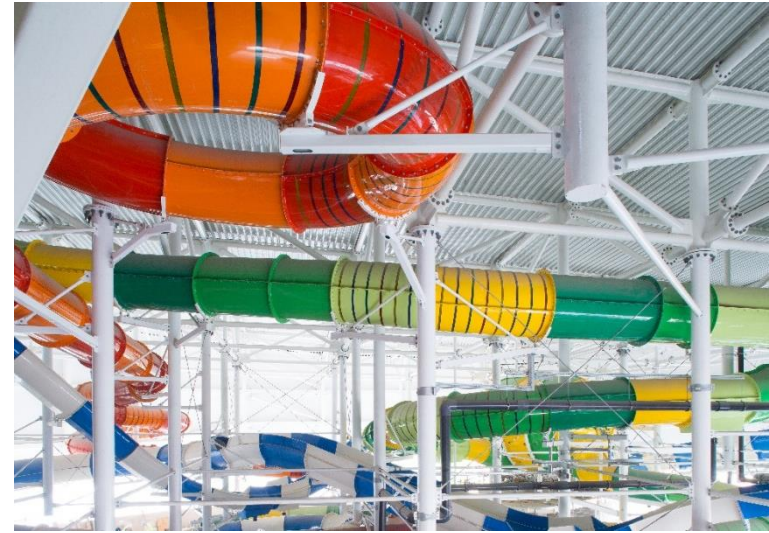


2018 Divisional Breakdown



Divisional Highlights

- Structural Steel business accounts for 84% of Group revenue.
- Solid performance from easi-edge, hoard-it and Peter Marshall Steel Stairs.
- Number of larger project tenders in the marketplace.
- hoard-it continues to establish itself as the hoarding supplier of choice for the principal contractor industry.
- New improved design barrier implemented into the marketplace at easi-edge with stock levels increased again in the period.

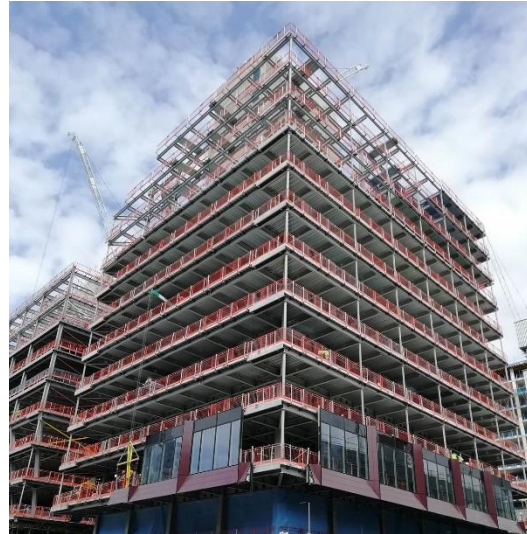


Divisional Highlights



Recent Projects:

- Circle Square, Manchester – Sisk
- 4 Wellington Place, Leeds – Wates
- Data Centre development, Europe – ISG
- Better Barnsley – Henry Boot
- First Way, Wembley – Bowmer & Kirkland
- Pinewood Studios – Sir Robert McAlpine

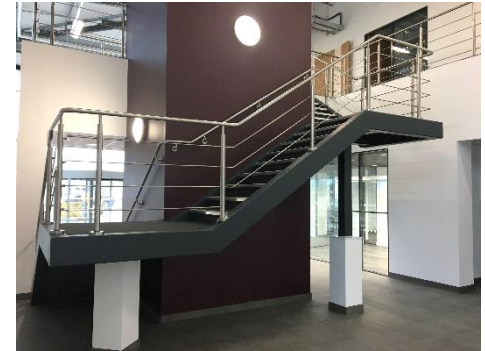


Divisional Highlights



Recent Projects:

- 100 Liverpool Street – William Hare
- Aldi, Darlington – DSP Construction
- Bardon Hill, Leicester – Aggregate Industries
- Pinewood Studios – Billington Structures Ltd
- Cobalt, Didcot – SDC
- Data Centre development, Europe – ISG
- Battersea Development – William Hare

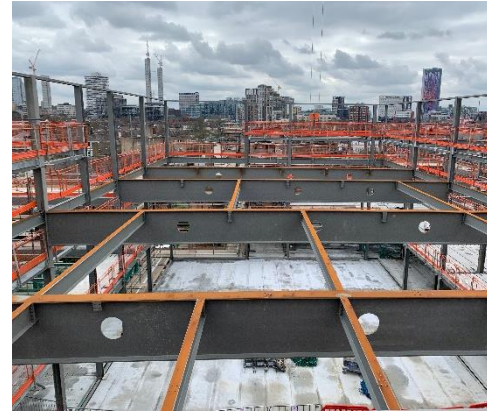


Divisional Highlights



Recent Projects:

- 4 Wellington Place, Leeds – Billington Structures Ltd
- Data Centre development, Europe – ISG
- Circle Square, Manchester – Billington Structures Ltd
- Ark Blake, London – Wates
- Blundell Street, Liverpool – ISG Construction
- Merseyside Police, Liverpool – Willmott Dixon
- New Bailey, Manchester – Bowmer & Kirkland



Divisional Highlights



Recent Projects:

- Wembley Stadium – Quintain
- Circle Square, Manchester – Sisk
- Northgate House, Oxford – BAM
- Princes Quay Street, Hull – Interserve
- Centenary Square, Birmingham – Galliford Try
- Edinburgh Airport – Balfour Beatty

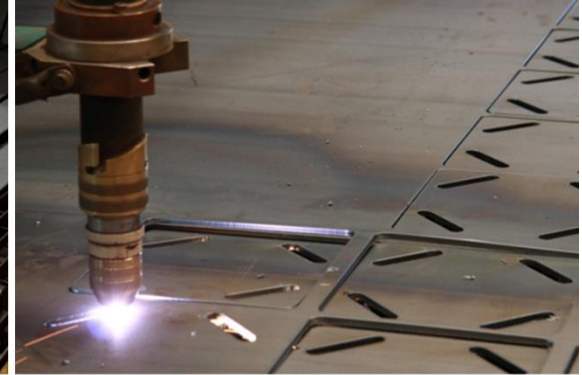


Divisional Highlights



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

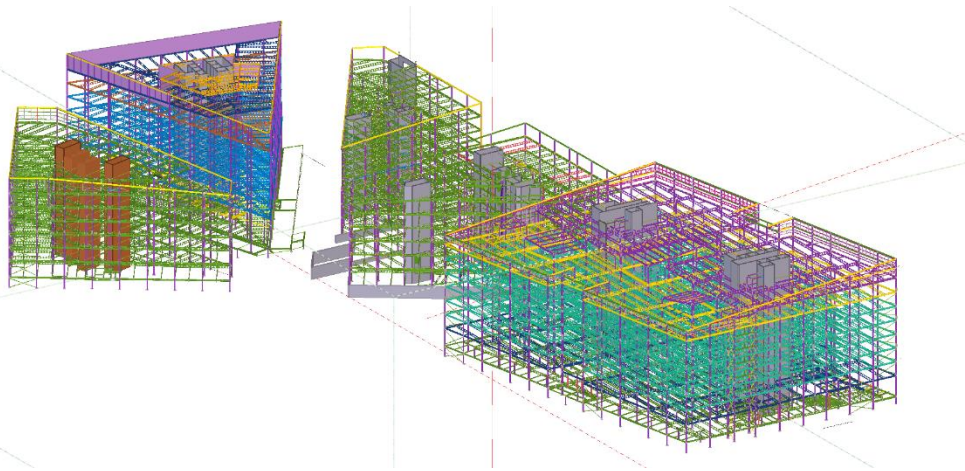


Awards

Public Vote winner of the 2019 UK Tekla Awards with the Wellington Place development in Leeds.



UK TEKLA AWARDS
**PUBLIC VOTE
WINNER 2019**



Billington Structures has also been shortlisted for the 2019 Structural Steel Design Awards with Ingenuity House in Birmingham.

Results announced in
October 2019.



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