



**Interim Results for the Six Months Ended
30 June 2017**

September 2017

billington
structural steelwork

easi-edge
on-site safety solutions

hoard-it
Environmental Hoarding Solutions

SHAFTON
STEEL SERVICES

TUBEDON
Specialist structural steel

Marshall
steel stairs

billington
holdings plc

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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).
- Billington is operating in an increasingly confident and re-emerging market which has enabled growth and expansion.
- It currently pays an annual dividend of 10 pence per share.
- The Company has seen consistent growth of revenue and profit over the past three years and is poised to deliver further improved results in 2017.

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 25,000 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. Newly acquired, 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.

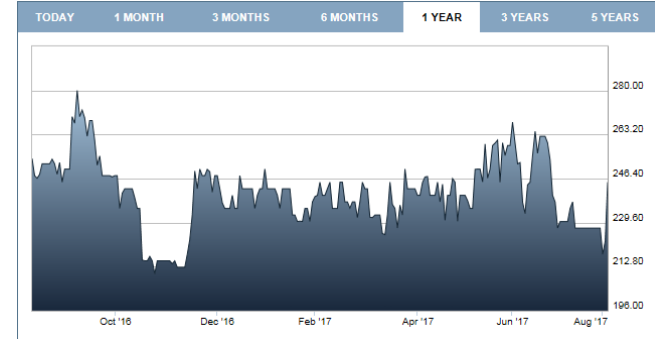
Overview

- The Group is able to invest an encouraging amount into the individual businesses as a result of their positive performances. Committed investments across the business include:
 - £1.5m investment in three new machines for the Shafton site.
 - Further development of the safety barrier completed within easi-edge.
- In addition to these investments, the Group remains vigilant for further opportunities to expand its capabilities and, in particular, to ensure that the relatively new Shafton site achieves the potential afforded to it by the space available.
- There has been further progression of the dividend policy and reintroduction of Group share option schemes, along with continued progress to improve the liquidity of the Group shares.
- Billington has a strong forward order book with a number of contracts spanning throughout 2017 and to Q4 2018.
- To date, Brexit appears to have had limited impact within the structural steelwork industry. The volume and quality of enquiries remains robust and as such we can look forward, with confidence, to the remainder of 2017 and into 2018.

Corporate Profile

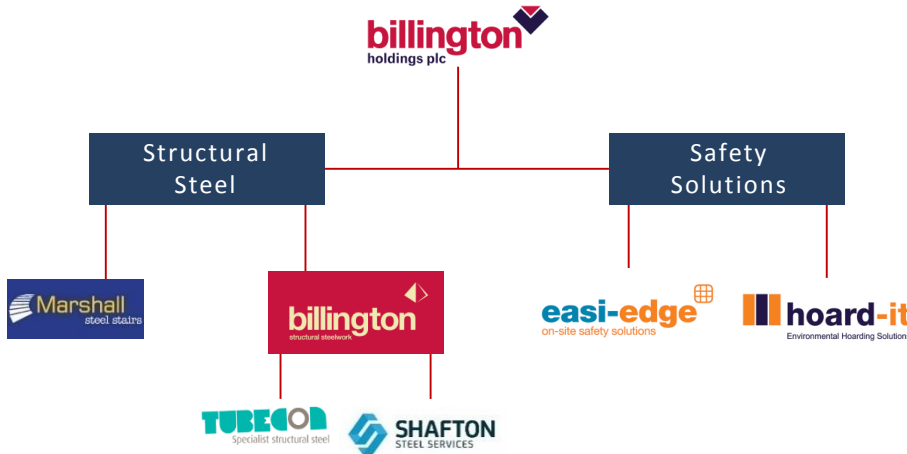
London (AIM) BILN	Ordinary shares in issue 12,934,327
Share Price 270.00 (as of 30/08/17)	Market Cap. (GBP, millions) 34.92

Share Price Graph – 12 month period



Source: LSE

Corporate Structure



Major Shareholders

Gutenga Investments PCC Ltd	49.9%
Tarom Foundation	11.2%
Henderson Global Investors	7.7%
Ocorian Trustees (Jersey) Ltd	6.9%
Charles Stanley	5.1%

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*

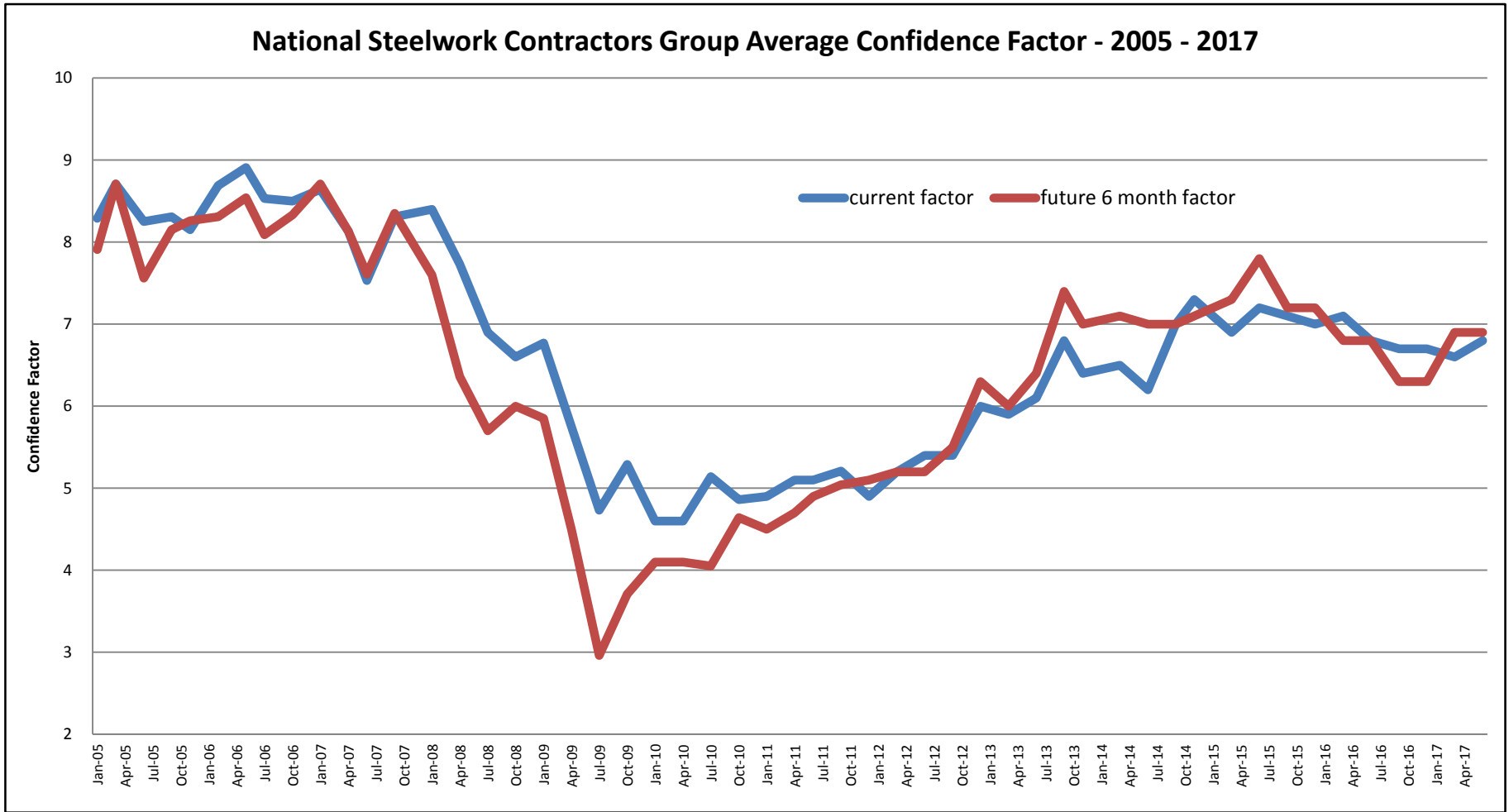
Qualified as a Chartered Accountant in 2006 and is a member of the Institute of Chartered Accountants in England & Wales (ICAEW). Joined Billington in 2008 as Group Financial Controller from Allotts Chartered Accountants, where he specialised in Construction and Financial Services.



Dr Alexander Ospelt *Non-Executive Director*

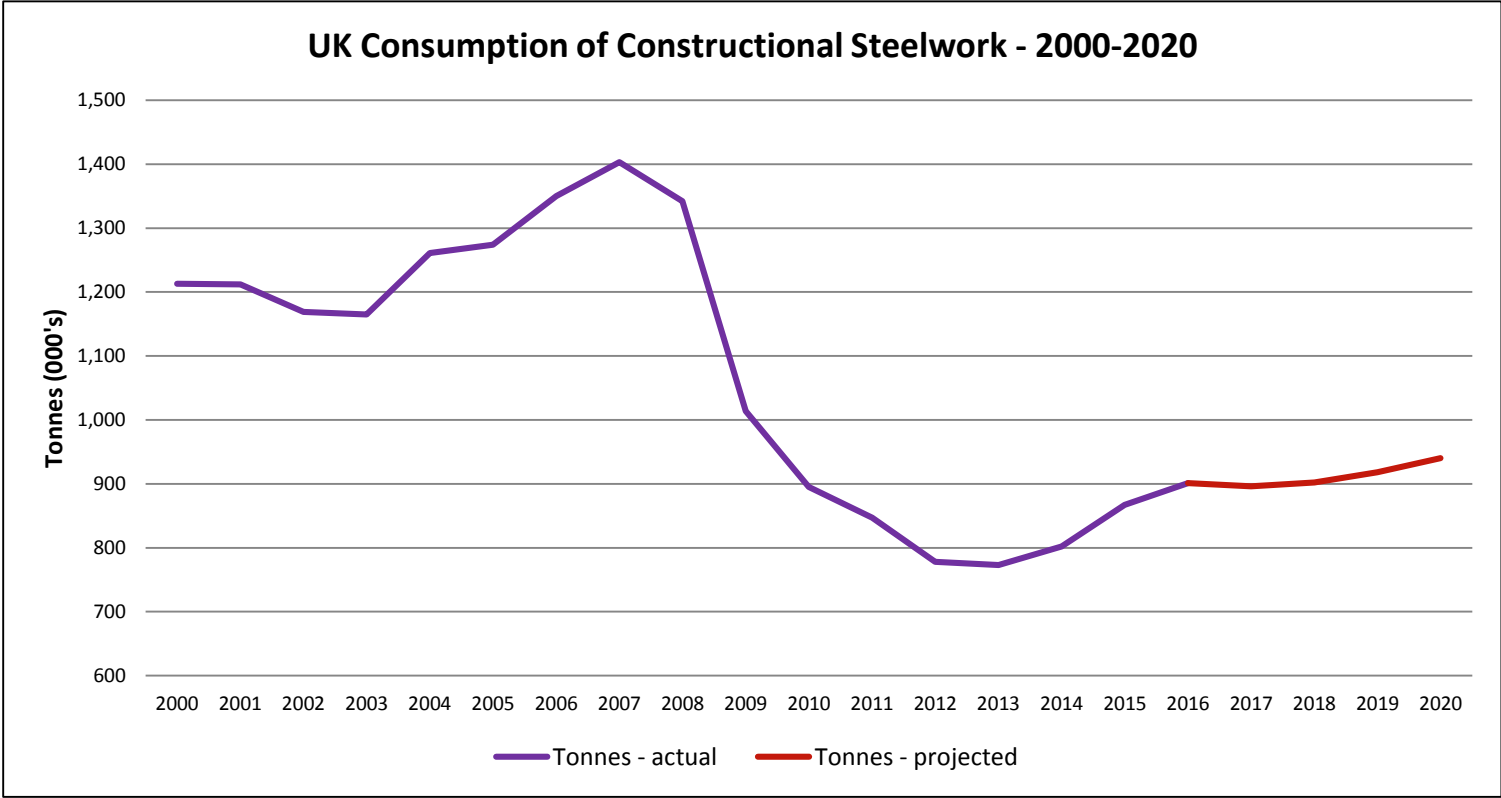
Alexander has been in independent practice as a lawyer since 1997. In 1993 he worked as a staff member of Liechtenstein's Representation at the UN in New York. From 1994, until establishing his chambers in 1997, he practised at the Princely Court of Justice and in a Liechtenstein law firm. Passed the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

Structural Steel Market Confidence



Source: National Steelwork Contractors Group (NSCG) – June 2017

Structural Steel Trend Graph



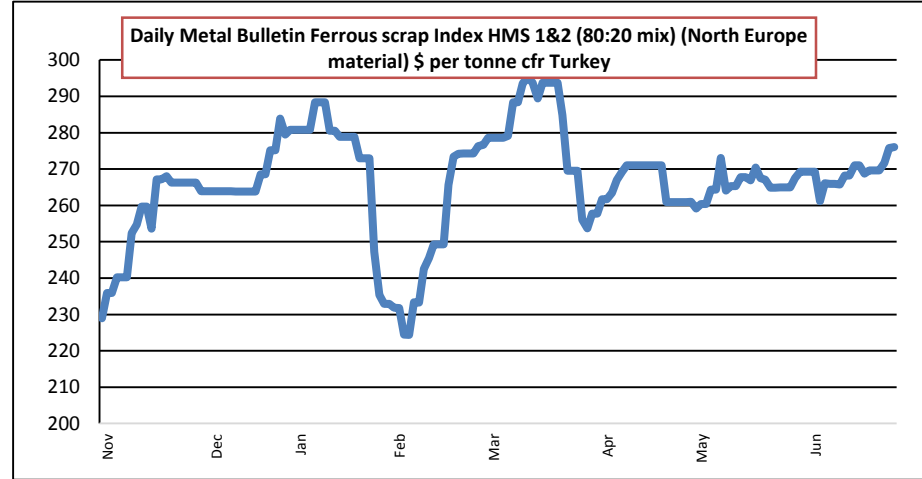
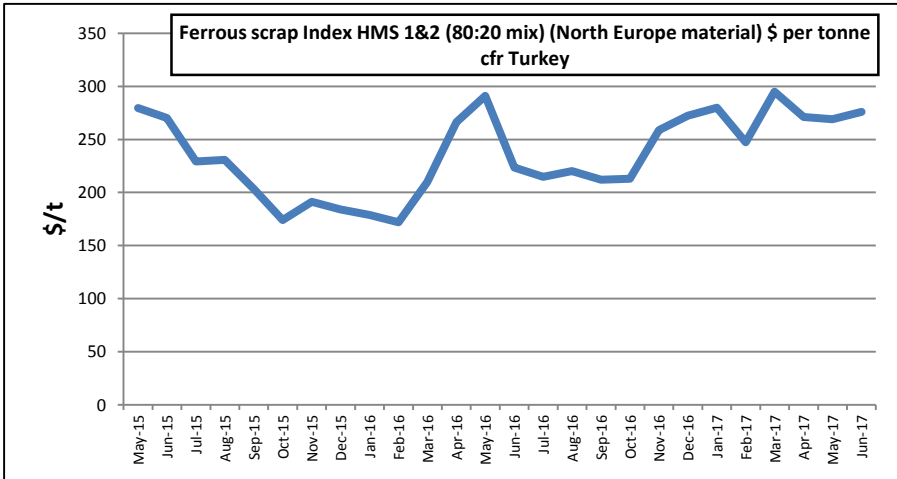
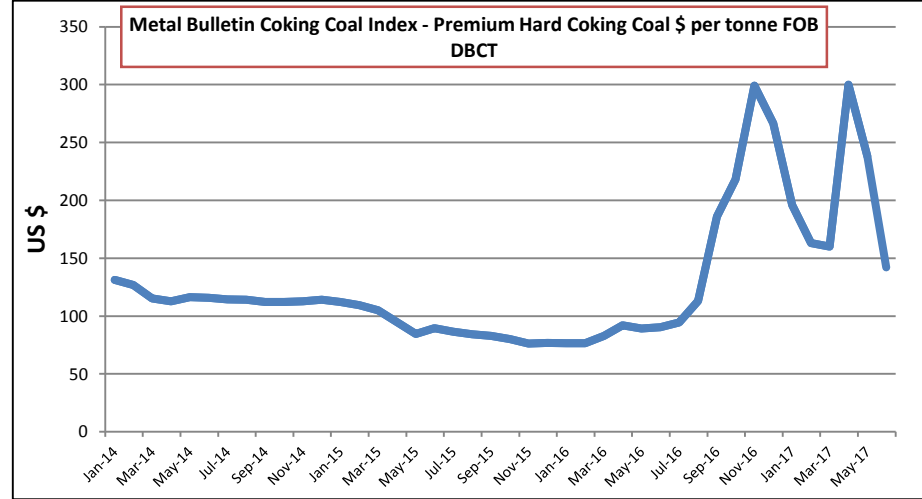
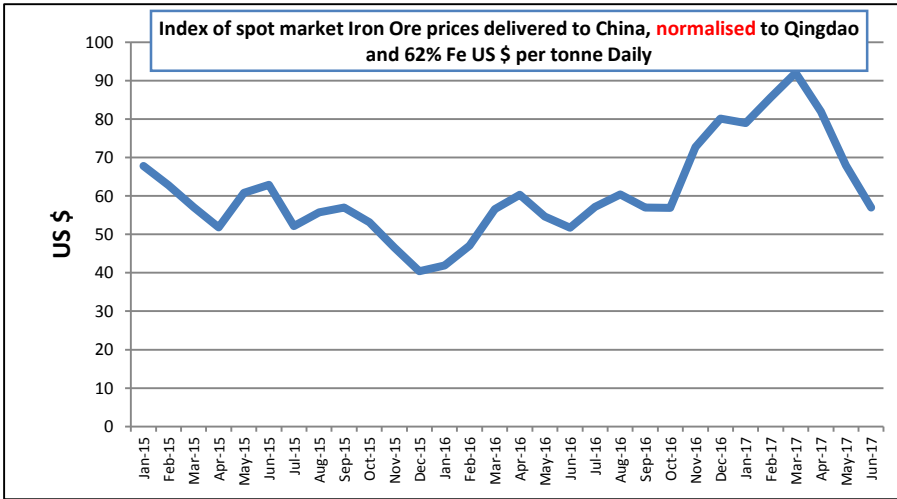
Data Source: Tata Steel and BCSA

The Steel Industry

- The sale between TATA & Greybull Capital completed in June 2016.
- British Steel celebrated its first year with positive financial results.
- Greybull Capital have significant agreed funding in place.
- Volatility of raw materials (primarily Coking Coal and Scrap) is expected to result in further increases in the second half of 2017.
- TATA has ceased production of constructional plate material in the UK.
- Recent weakening of the pound/euro has increased the Arcelor Mittal import price for its products.
- Consistent increases over the course of the year in zinc associated materials.



Raw Materials Trends



Data Source: British Steel



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Highlights

- A positive H1 2017, with a number of large, high-profile contracts being carried out.
- Positive contribution from all Group companies.
- Margins remain varied across sectors, complexities and timescales.
- Gross (net) cash balance of £6.8m (£4.5m).
- A number of large projects secured in the period with more opportunities on the horizon.
- Margins have improved to 6.6% in the period (2016: 6.5%).
- Dividend paid in the period of 10 pence per share in respect of 2016 (2015: 6 pence per share).



Overview

- Increase in share price of 96% over the last three years. (**137.5p** 10/08/14 – **270.0p** 30/08/17)
- Capital investment in Shafton progressed in the year.
- Extremely busy second half to 2017.
- Margins continue to steadily improve.
- Steel input prices have been volatile in the period with further increases anticipated in the second half.
- Trading has been cash generative.
- Focus remains on growth opportunities.
- Sufficient cash resources to fund WIP, growth and investment programmes.
- Share option schemes implemented across the Group.

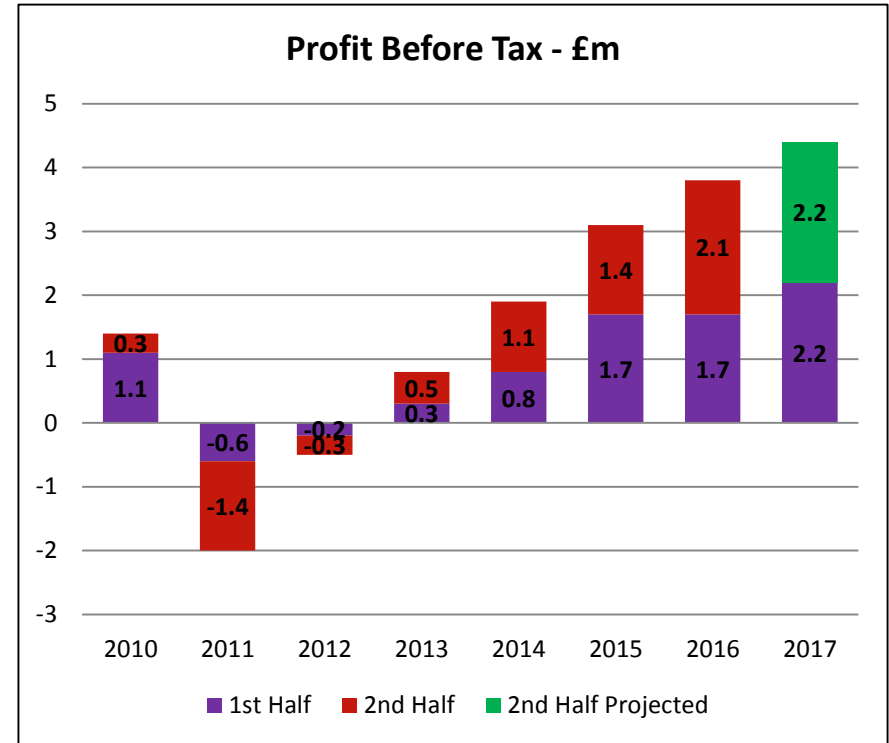
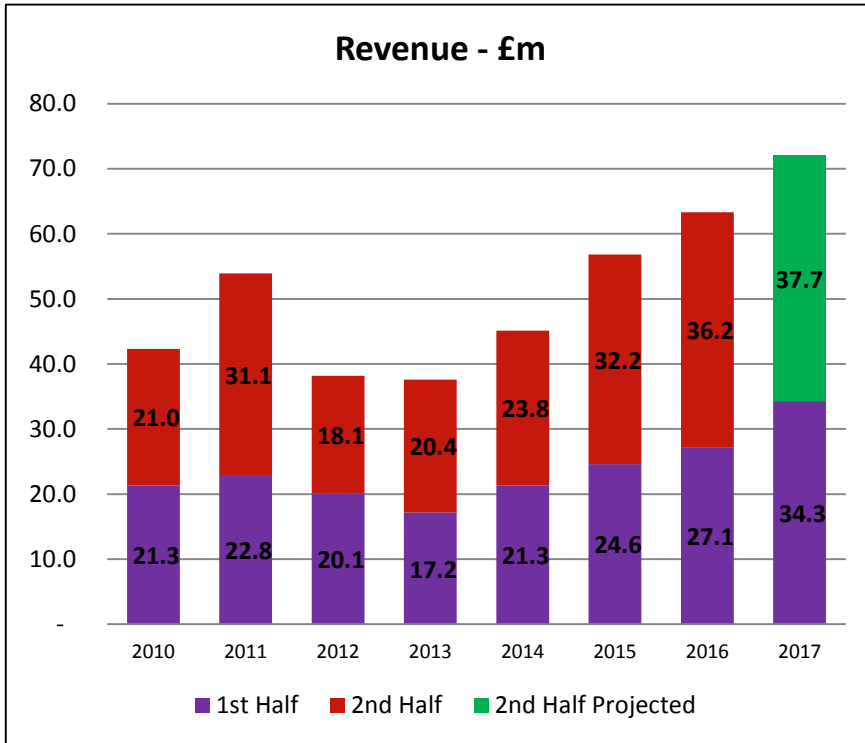
The Impact of Shafton



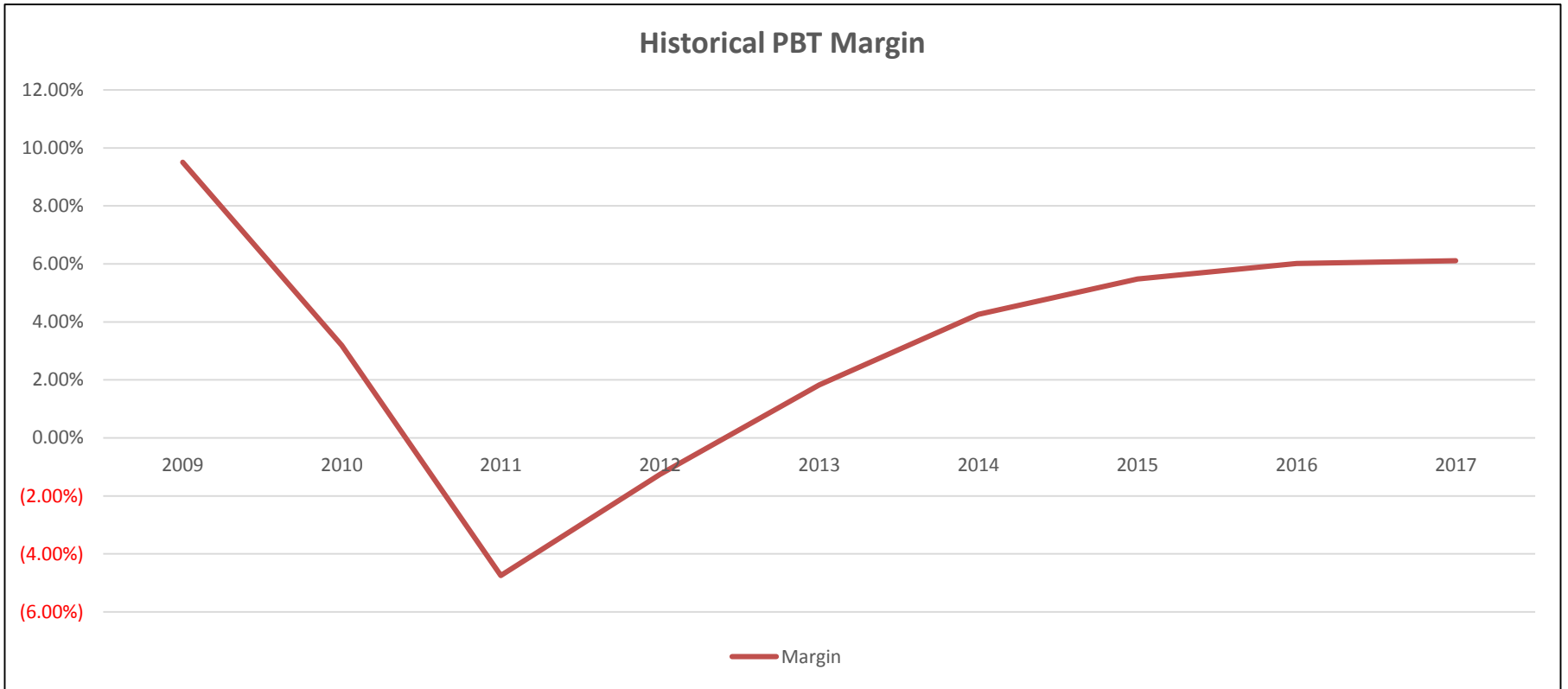
- On 18 December 2015 the Group completed the acquisition of a 25 acre site in Shafton, Barnsley for £2.5m.
- The site contains two large industrial buildings with a combined usable area of 181,000 sq ft.
- Associated plant and equipment from Sherling Steel (UK) Ltd, with a value of £2.38m, was also acquired.
- The last of the external tenants have left during the period, allowing for a full overhaul of the site and for the Group to expand into the now vacant units.
- Three new machines are currently on order for the site at a combined cost of £1.25m.
- 41% increase in workforce since the year end.



Financial History



Financial History



2017 relates to interim numbers – all other years are full year results.

Financial Summary

£'000	Six months to 30 June 2017	Six months to 30 June 2016
Revenue	34,289	27,046
Total costs (excluding depreciation)	31,387	24,685
Adjusted EBITDA	2,902	2,361
Depreciation	635	592
Group operating profit	2,267	1,769
Net finance costs	(24)	(31)
Profit before tax	2,243	1,738
Taxation	(448)	(378)
Profit from continuing operations	1,795	1,360
Earnings per share	15.3p	11.7p

- Adjusted EBITDA improved 23% to £2,902,000

- PBT improved by £505,000 to £2,243,000

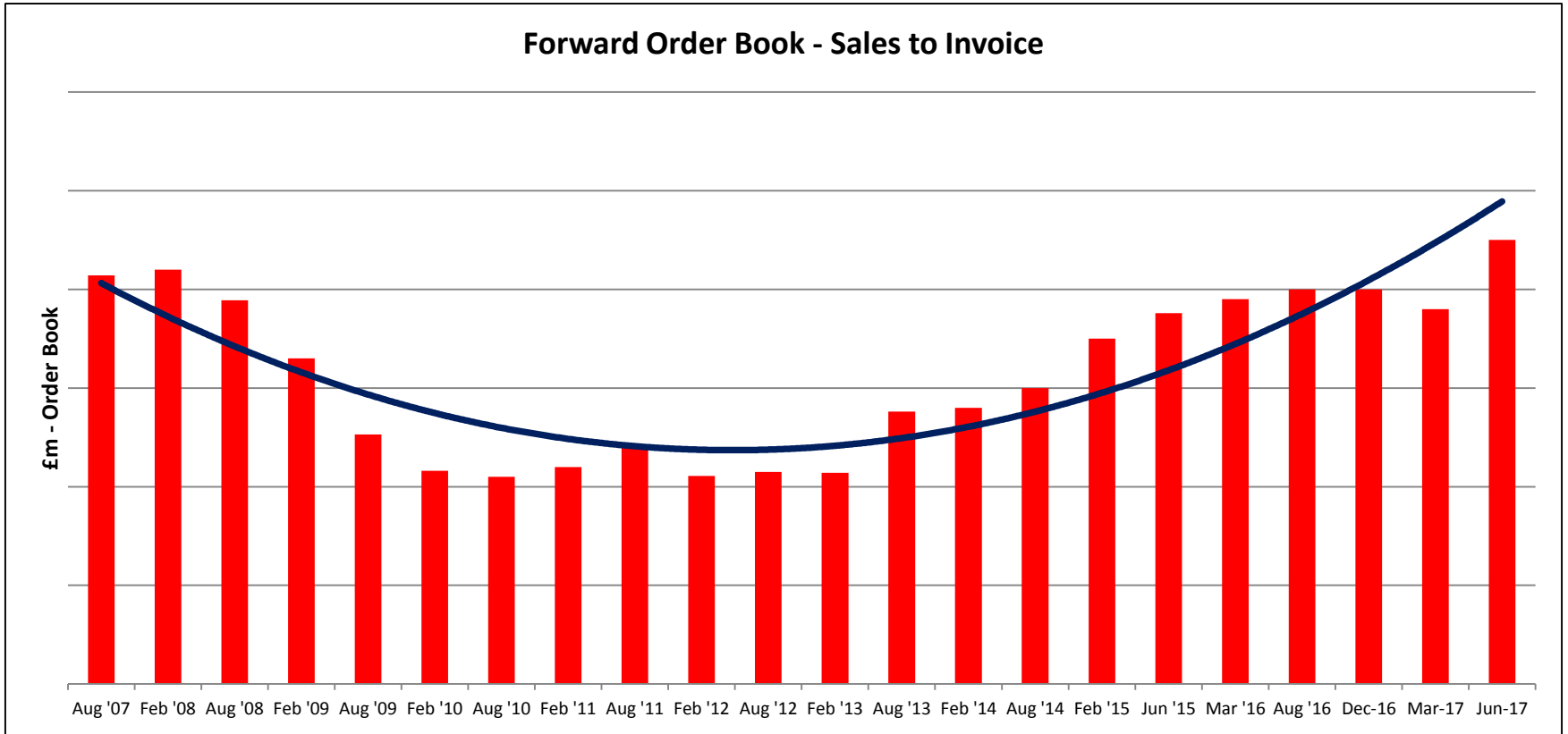
Balance Sheet

£'000	30 June 2017	30 June 2016
Non-Current Assets	14,403	14,095
Current Assets	24,156	20,652
Total Assets	38,559	34,747
Current Liabilities	(17,045)	(15,420)
Non-Current Liabilities	(2,125)	(2,375)
Total Liabilities	(19,170)	(17,795)
Net Assets	19,389	16,952

Cash Flow

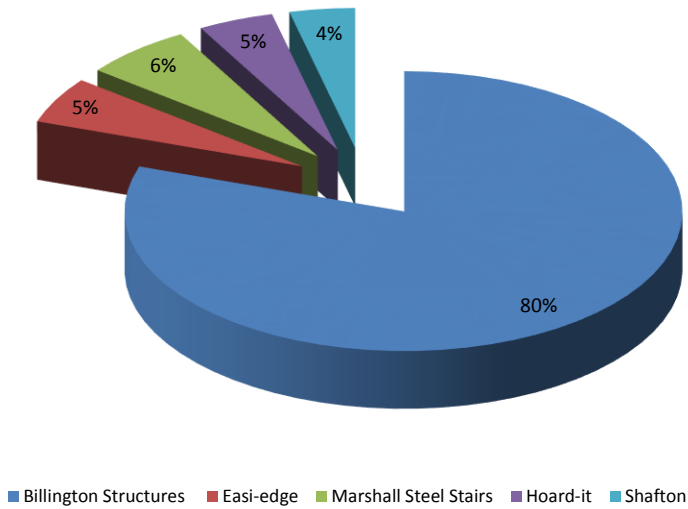
£'000	30 June 2017	30 June 2016
Profit after tax	1,795	1,360
Net cash flow from operating activities	1,115	3,631
Net cash flow from investing activities	(753)	(402)
Net cash from financing activities	(1,378)	(958)
Cash at beginning of period	6,033	2,611
Cash at end of period	6,812	6,242

Forward Order Book

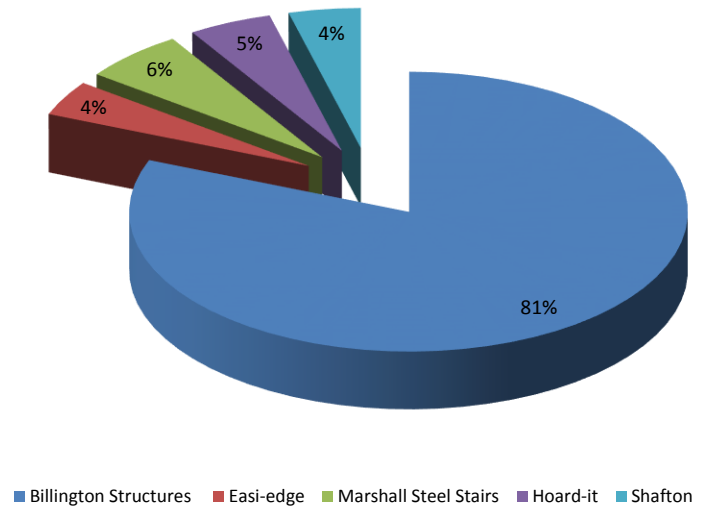


Divisional Breakdown

2016 Divisional Breakdown

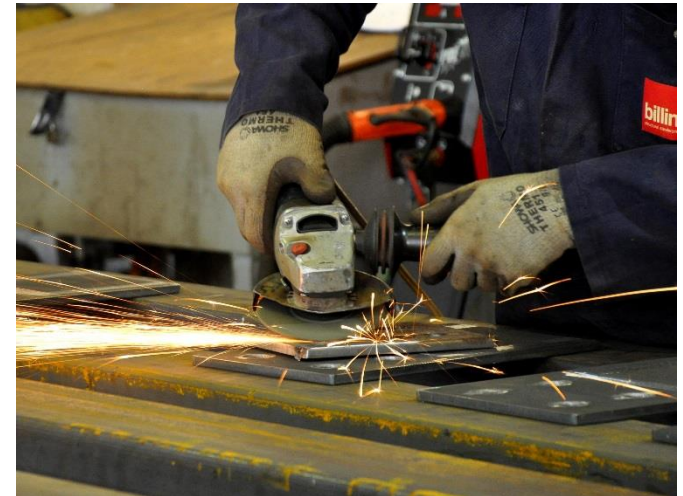
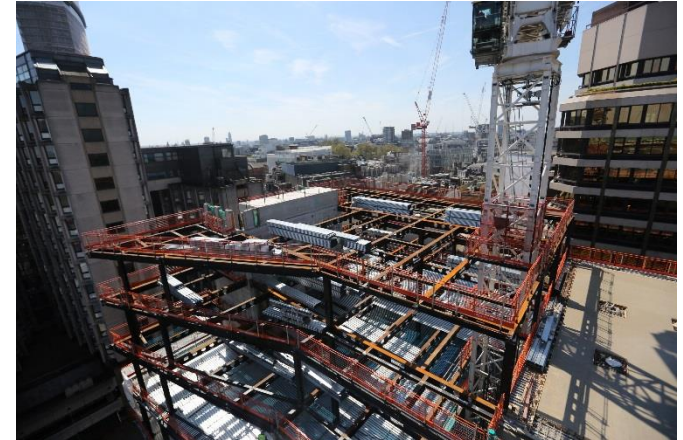


2017 Divisional Breakdown



Divisional Highlights

- Structural Steel business accounts for c.80% of Group revenue.
- Solid performance from Billington Structures.
- All Group divisions trading profitably around budget.
- Number of larger project tenders in the marketplace.
- Peter Marshalls secured large contract in the period.
- hoard-it continues to make good progress in establishing its client base and product development.
- New barrier design completed and tested by easi-edge.



Divisional Highlights



Billington Structures Ltd

Projects Completed:

- 3 Wellington Place, Leeds – Wates
- Sainsbury's, Redhill – RG Group
- Project Beagle, Birmingham – Interserve
- Romford Leisure Centre – Willmott Dixon
- IKEA, Sheffield – Clugston



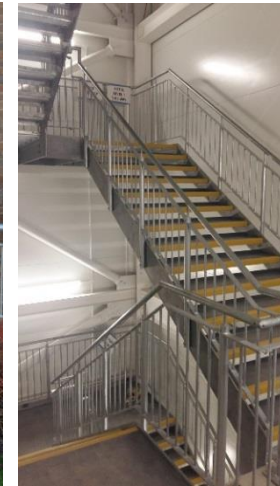
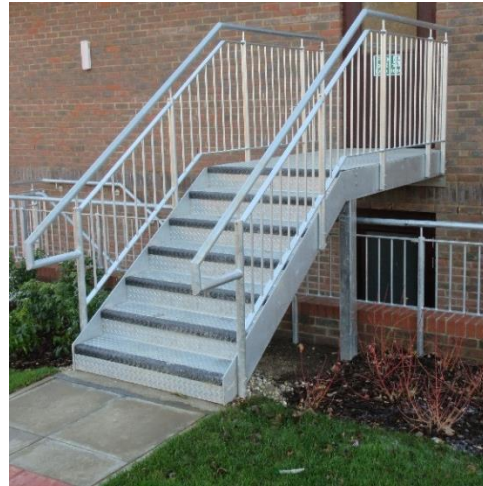
Divisional Highlights



Peter Marshall Steel Stairs Ltd

Projects Completed:

- Winford School, Bristol – Eco Modular Buildings
- Westfield London Phase II – Plant Platforms
– Westfield
- Premier Inn, Dunstable – Jarvis Contracting
- Sainsbury's Redhill – RG Group
- Romford Leisure Centre – Willmott Dixon



Divisional Highlights



easi-edge Ltd

Projects Completed:

- Vision Tameside, Ashton under Lyne – Elland Steel
- Ellesmere Street, Manchester – Graham Construction
- The Regent, Salford – Morgan Sindall
- Brixton Hill School, London – Bowmer & Kirkland
- Denby Street, Sheffield – North Midland



Divisional Highlights



hoard-it Ltd

Projects Completed:

- Port Hamilton, Edinburgh – Wates
- Centenary Square, Birmingham – Bouygues
- Beaulieu, Chelmsford – Countryside Properties
- Portland St Hotel, Manchester – Marshall Construction
- St George's Hall, Bradford – Henry Boot

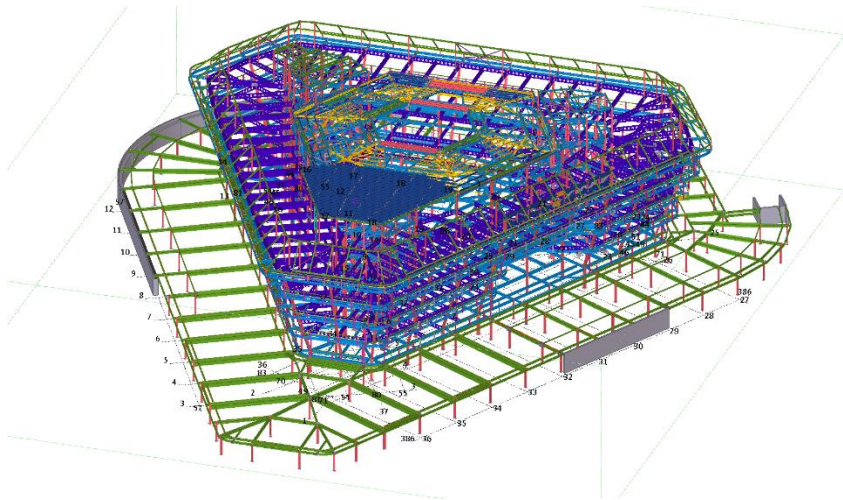


Awards

Billington Structures won the Public Vote in the 2017 UK Tekla Awards for Project Beagle



UK Tekla Awards
Public Vote
Winner 2017



Billington Structures and Tubecon have two projects shortlisted for the 2017 Structural Steel Design Awards

A400M MRO Facility, RAF Brize Norton - Oxfordshire



The Hurlingham Club Racquet Centre - London



Summary – Outlook & Prospects

- Increasing confidence in our key markets.
- Continued cash generation has allowed for the progression of the investment strategy at Shafton in the period.
- 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 towards the end of 2018.
- Increase in pipeline of opportunities across all divisions.
- Hire product utilisation remains robust.
- Strong dividend policy.

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