2017 Preliminary Results

7 March 2018

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Key messages

➢ **Another excellent year**

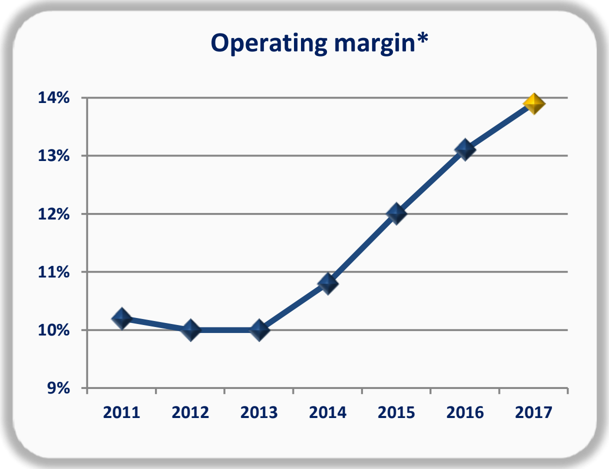
- Record revenue & profitability
- Organic revenue growth 4% (at constant currency)
- Operating profit* up 12% (at constant currency)

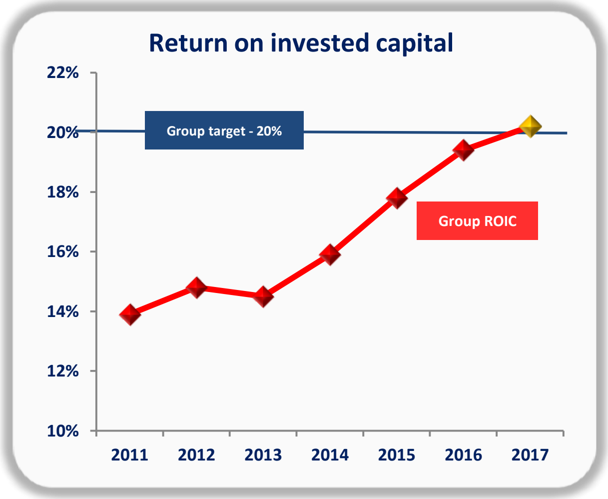
➢ **Consistent and proven strategy driving growth and returns**

- Operating margin* 13.9%, up 80bps
- ROIC 20.2%, up 80bps

➢ **Positive outlook**

Proposed final dividend 20.6p, up 15%





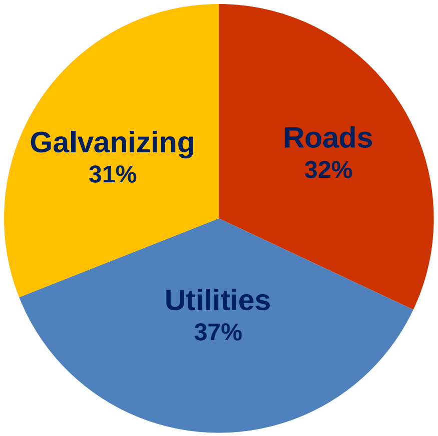
* All references to profit measures in this presentation refer to underlying profits, which exclude certain non-underlying items as detailed in the Appendices on page 26

Results summary

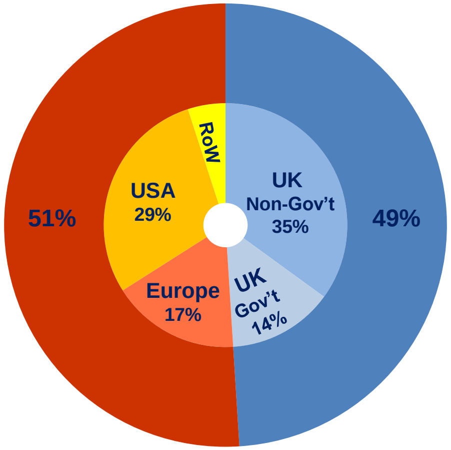
	2017	+/-	2016	FX impact: - Revenue +ve £14.4m - Operating profit +ve £2.1m
Revenue (£m)	**585.1**	↑ 8%	540.1	Organic growth 4% (at constant currency)
Operating profit (£m)	**81.3**	↑ 15%	70.6	Organic growth 7% (at constant currency)
Operating margin (%)	**13.9**	↑ 80bps	13.1	Consistent and proven strategy driving returns
Profit before tax (£m)	**78.5**	↑ 15%	68.0	
Earnings per share (p)	**75.9**	↑ 15%	65.9	Interest and tax broadly neutral
Dividend (p)	**30.0**	↑ 14%	26.4	Progressive dividend policy maintained – 15th successive year

Segment and geographical analysis

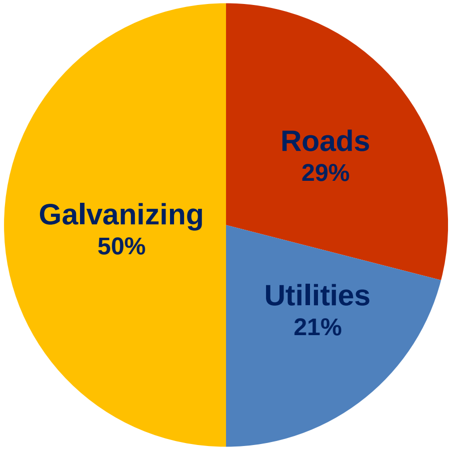
Revenue: £585.1m
By segment



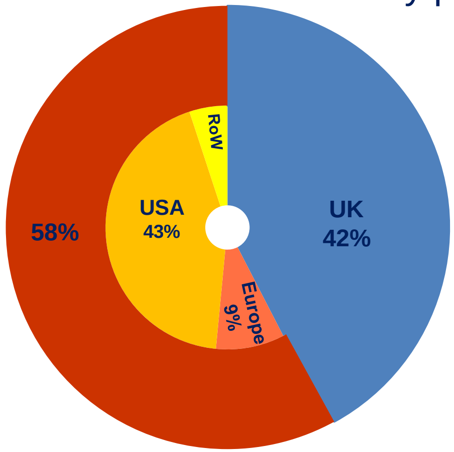
Revenue: £585.1m
By end market geography



Operating Profit: £81.3m
By segment



Operating Profit: £81.3m
By plant location

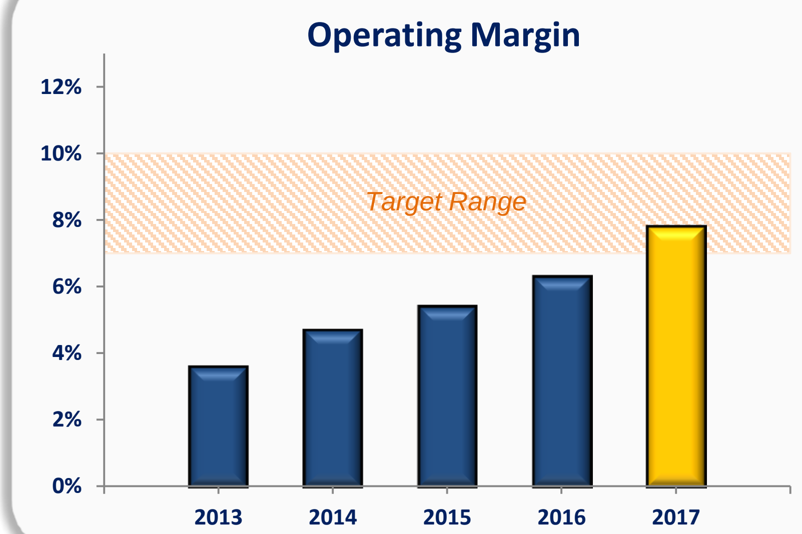


Utilities

	2017	2016	Organic Growth
Revenue (£m)	215.7	207.6	1%
Operating profit (£m)	16.8	13.0	7%
Operating margin	7.8%	6.3%	150bps

- **Operating margin increased to 7.8%**
  - Active portfolio management
  - Now within ‘target range’
- **Growth in US composites**
  - Good organic revenue and profit progression
  - Two acquisitions enhance product offering
- **Pipe Supports**
  - US margin improvement on restructured cost base
  - Strong performance in expanded Indian operation

£m	Revenue	Operating Profit
2016	**207.6**	**13.0**
F/X	4.8	0.5
M&A	15.5	1.3
Non-US Pipes	(14.8)	1.0
Organic	2.6	1.0
2017	**215.7**	**16.8**



Roads

	2017	2016	Organic Growth
Revenue (£m)	**187.1**	168.1	6%
Operating profit (£m)	**23.6**	19.6	15%
Operating margin	**12.6%**	11.7%	90bps

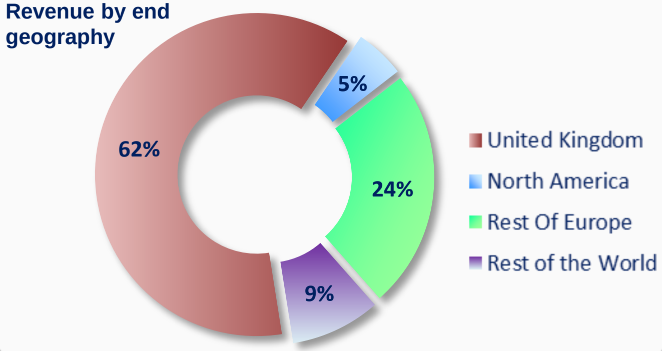
- **UK** **66% of revenue (2016: 70%)**
  - Government's Road Investment Strategy spend as expected
  - Good utilisation of temporary rental barrier in H1, lower in H2
  - Growing demand for HVM service and product offering
- **International** **34% of revenue (2016: 30%)**
  - Scandinavia back on track
  - Record volumes of temporary barrier sold in Australia / USA
- **Portfolio Management**
  - CA Traffic (non-core) disposed in April
  - Closure of Indian roads business
  - VMS: Rationalisation of manufacturing footprint

£m	Revenue	Operating Profit
2016	**168.1**	**19.6**
F/X	3.3	0.1
M&A	5.6	1.0
Organic	10.1	2.9
2017	**187.1**	**23.6**

2017 Revenue

£187.1m **Up 6% organically**

UK	**up 2%**	**£123m**
International	**up 14%**	**£64m**

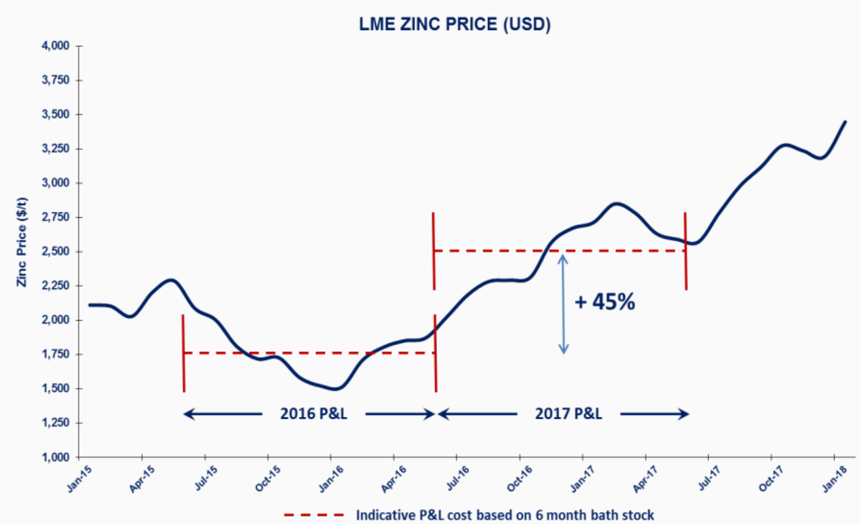


Galvanizing

	2017	2016	Organic Growth
Revenue (£m)	**182.3**	164.4	7%
Operating profit (£m)	**40.9**	38.0	4%
Operating margin	**22.4%**	23.1%	-70bps

£m	Revenue	Operating Profit
2016	**164.4**	**38.0**
F/X	6.3	1.5
Organic	11.6	1.4
2017	**182.3**	**40.9**

- **Overall**
  - Margin still strong despite zinc cost challenges
  - New profitability benchmarks in UK and USA
- **UK: 205,000 tonnes ↑ 4%** (H1 ↑ 6%; H2 ↑ 2%)
  - Wider infrastructure investment driving growth
  - Focus on returns driving improved profitability
- **France: 123,000 tonnes ↑ 1%** (H1 ↓ 2%; H2 ↑ 5%)
  - Presidential elections impacted H1
  - Market challenging, but good growth in H2
- **USA: 160,000 tonnes ↓ 9%** (H1 ↓ 16%; H2 ↓ 2%)
  - LNG and solar projects not repeated in 2017
  - Day-to-day volumes stronger in H2; utilities/OEM key drivers
  - Well positioned for any further US infrastructure investment



Foreign exchange sensitivities

	2017	2016	Change
Average rates			
Euro	**1.14**	1.22	↓ 7%
US$	**1.29**	1.35	↓ 4%
Closing rates			
Euro	**1.13**	1.17	↓ 3%
US$	**1.35**	1.23	↑ 10%

Ready reckoner for translation impact of movement in FX rates

Sensitivity to +/- 1 cent move in:	Revenue	Operating profit
Euro	+/- £0.6m	+/- £50k
US$	+/- £1.3m	+/- £280k

Impact on FY 2017	Revenue	+ve £14.4m or 3%
	Operating profit	+ve £2.1m or 3%

Projection for FY 2018*	Revenue	-ve £15.6m or 3%
	Operating profit	-ve £3.3m or 4%

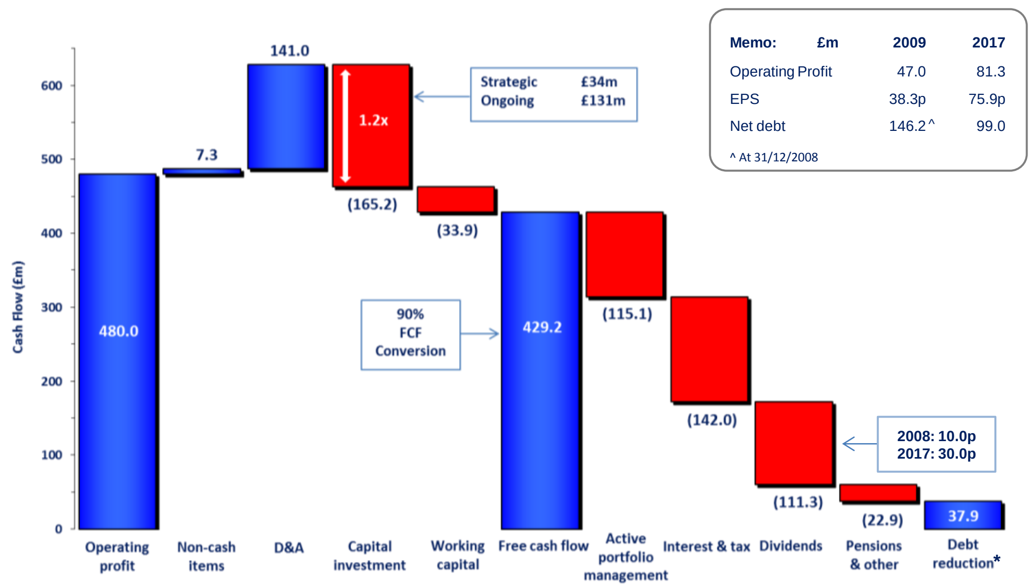
* Compares impact on 2017 results of using exchange rates at 23 February 2018 (£1 = $1.40 and £1 = €1.14) versus average exchange rates for 2017

Free cash flow and net debt

£m	2017	2016
Underlying Operating Profit	**81.3**	70.6
Depreciation and amortisation	**19.2**	18.4
Underlying EBITDA	**100.5**	89.0
Other non-cash items	**1.8**	1.4
Working capital	**(19.1)**	(3.8)
Capital expenditure (net)	**(19.5)**	(20.9)
Underlying operating cash flow	**63.7**	65.7
Restructuring spend	**(2.2)**	(1.5)
Provisions/Pension	**(2.8)**	(2.3)
Interest paid (net)	**(2.8)**	(2.8)
Tax paid	**(16.7)**	(15.7)
Statutory free cash flow	**39.2**	43.4
Dividends	**(20.7)**	(16.2)
Acquisitions/disposals	**(6.4)**	(39.2)
Share issues/other (net)	**(2.4)**	(1.6)
Net cash flow	**9.7**	(13.6)
Note: F/X impact	**3.3**	(6.9)
Net debt	**99.0**	112.0

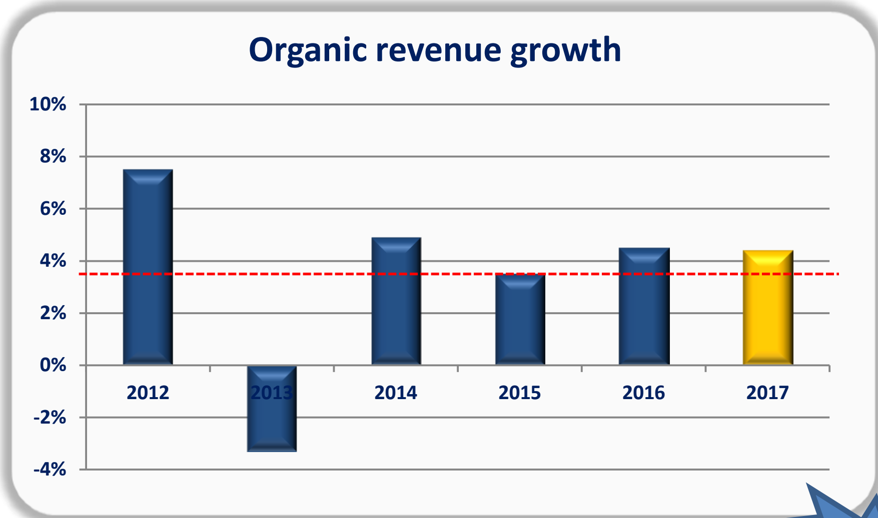
- Underlying cash conversion 78%; 9-year average 90%
- Working Capital
  - Zinc price *c.*£7m impact on inventories
  - Cost inflation
  - Stock build in advance of 2018 projects c.£6m
- Gross Capex £20.7m, 1.1 times DA
  - 2018 guidance *c.*£25m (1.2 times)
- Net debt: EBITDA 1.0 times (2016: 1.2 times)

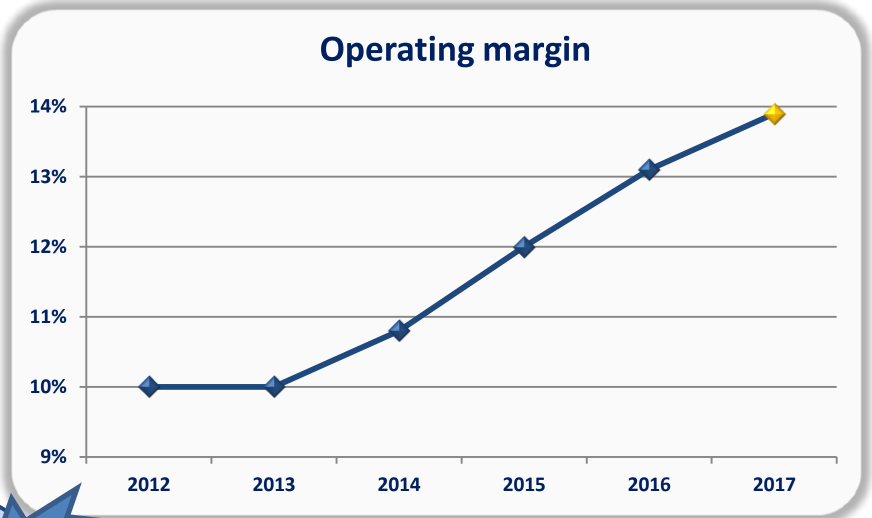
Cumulative cash flow 2009-2017



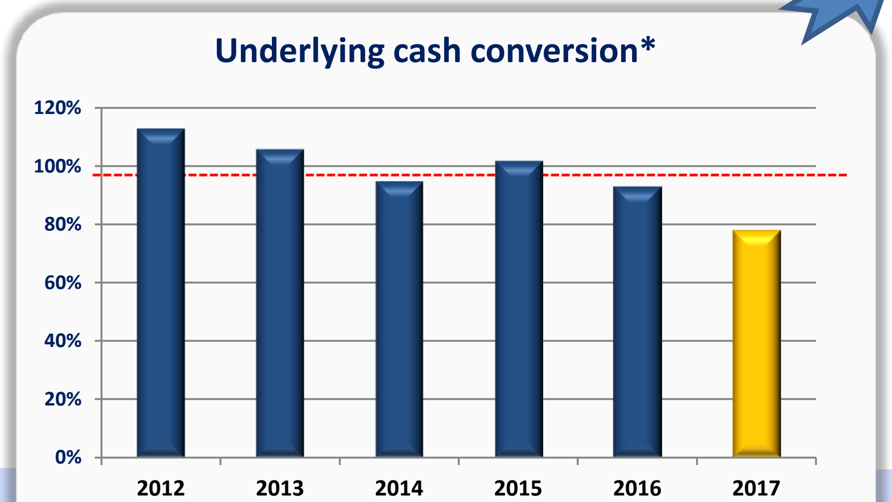
* Total Net debt reduction £47.2m including £9.3m F/X

Strategic KPI's

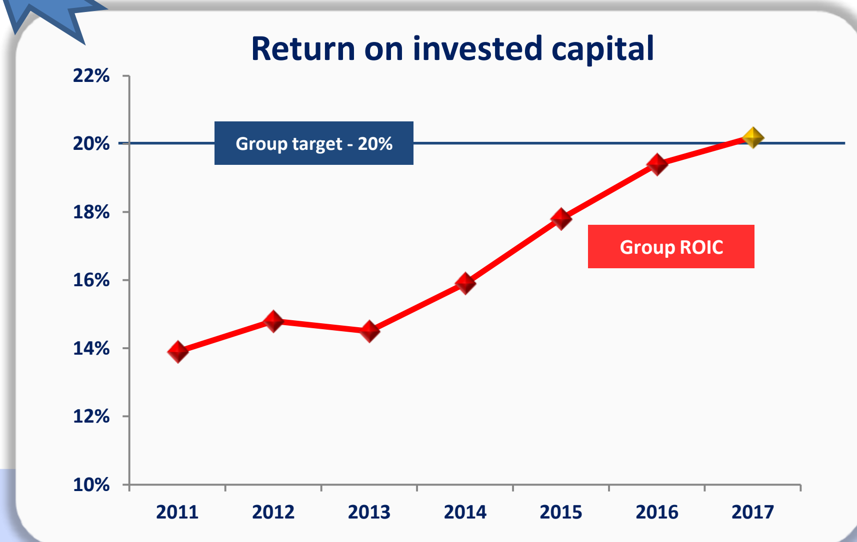




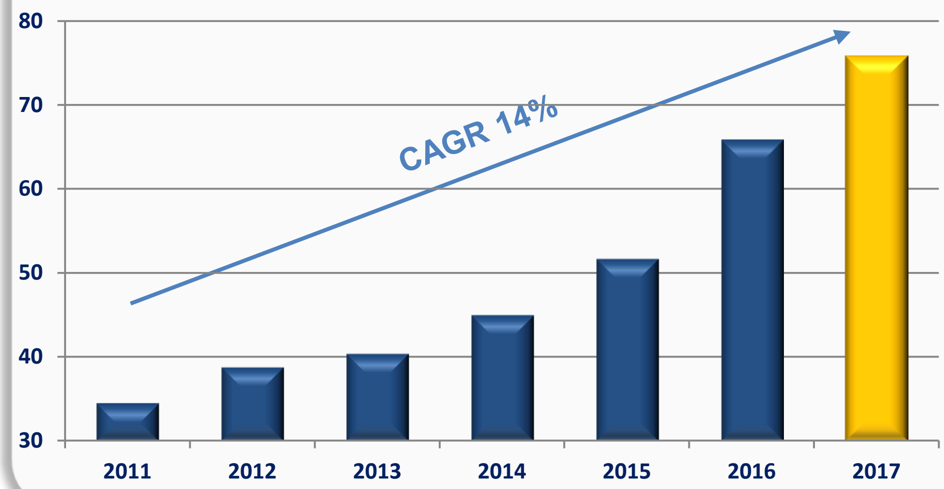
----- 6-Yr Average



*excluding strategic capex

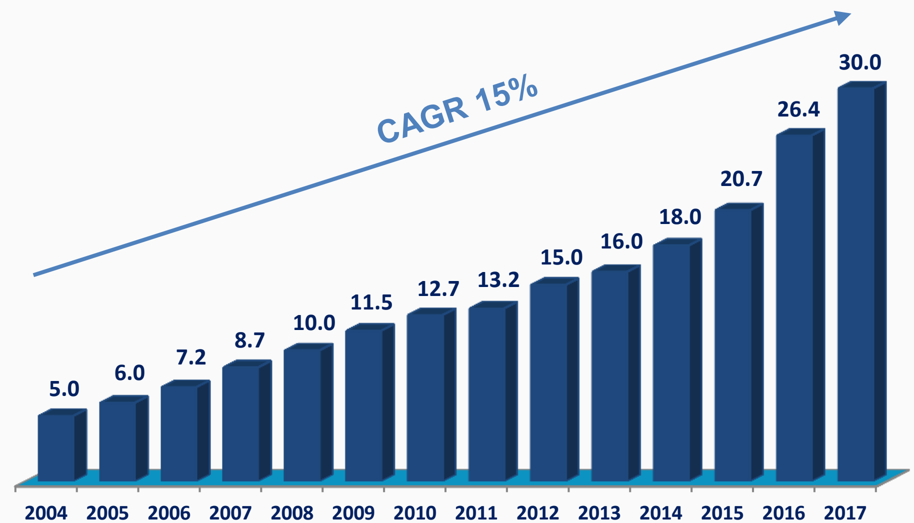


Earnings and Dividend



Dividend (p)

	2017	2016		
Interim dividend per share	**9.4p**	8.5p	↑	11%
Final dividend per share	**20.6p**	17.9p	↑	15%
Total dividend per share	**30.0p**	26.4p	↑	14%



Dividend

- 15 successive years of dividend growth
- Central to strategy and TSR ethos
- UEPS increase of 15% - dividend up 14%
- Target cover ratio *c.*2.5 times

Growth Strategy

Opportunities

Organic & Legislative Growth

- Focus on growing revenue and margin in existing markets through product development and innovation
- Identify Governmental legislation that creates opportunities to deliver innovative products and services

- Highways England RIS1 and RIS2 to 2025
- Hinkley Point, HS2, AMP6, Control Period 6
- Energy policy - offshore wind farms
- USA FAST Act, wider Industrial Policy

Geographical Expansion

- Introduce proprietary products to UK & US specification into new geographies
- Countries with new and ageing infrastructure requirements
- Utilise manufacturing capacity for other Group products

- Rental products into Scandinavian roads
- Zoneguard USA and Australia/NZ
- HVM products to Middle East
- Pipe Supports into Far East Power Generation

Strategic Acquisition

- Acquisitions adding value by creating synergies with existing businesses, extending our product portfolio and geographical coverage

- Composite and power utility products in USA
- Road products in countries with legislative spend
- Galvanizing in existing geographies
- Developing off-site modular build capability

Highways England: Road Investment Strategy (‘RIS’)

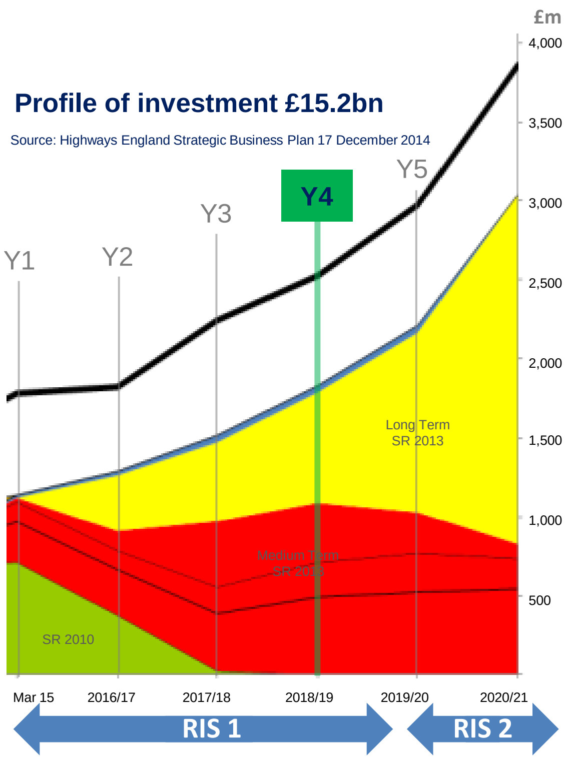
Temporary Safety Barrier

Crash Cushions

Permanent Safety Barrier

Variable Message Signs

ROTTM Sign



Profile of investment £15.2bn

Source: Highways England Strategic Business Plan 17 December 2014

Major improvement schemes

Scheme	Start
M1 junctions 13-19	Current
M6 junctions 16-19	Current
A14 Cambridge to Huntingdon	Current
M1 junctions 23-25	Current
M20 junction 10a	Q2 18
M4 junctions 3-12	Q3 18
M6 junctions 2-4	Q1 18
M6 junctions 13-15	Q1 18
M20 junctions 3-5	Q2 18
M23 junctions 8-10	Q2 18
M27 junctions 4-11	Q3 18
M62 junctions 10-12	Q3 18

Source: Highways England Delivery Plan 2017-2018

Highways England (HE) could receive as much as £30bn for the next Road Investment Strategy (RIS2)

- HE has publicly provided annual figures of £4bn capital in total and £1bn revenue for RIS2 from 2020-2025 (2017 spend *c.*£2.4bn)
- Coincides with new funding system - Vehicle Excise Duty will be ring-fenced for the Strategic Road Network (SRN) and proposed major road network
- Transport Secretary, Chris Grayling: “We are planning to spend more than ever before to upgrade England’s motorways and major A roads from 2020 through to 2025.”

Source: Highways Magazine Dec 2017

UK Infrastructure

ENERGY

- Offshore wind - landing platforms
- Biogas anaerobic digestion
- Energy from Waste
- Hinkley Point - nuclear

RAIL

- CP6 – 2019 to 2024 expected spend £47bn
- New train depots for new rolling stock
- HS2 construction commences 2018
- Security upgrade on electrification

SECURITY

- Increased demand for HVM products
- Increased site security
  - government buildings
  - border security
  - data centres
  - outdoor events
  - oil & gas terminals
  - airports

AMP6

- AMP6 improving in 2018
- Flood alleviation
- Trend to modular build
- Water treatment plant security

UK Off-Site Modular Build

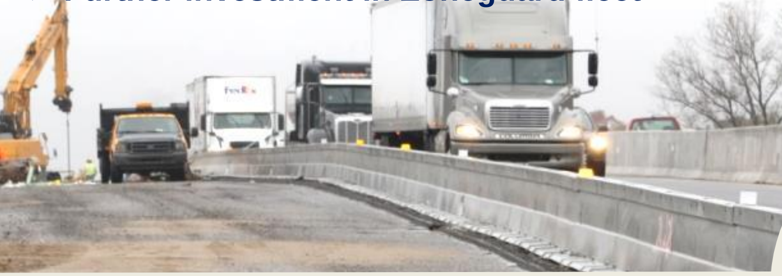
Suspended Internal Platform (SIP)

Weholite Manholes

US Infrastructure

HIGHWAYS

- Fixing America’s Surface Transportation (‘FAST’) Act
- $305bn five year bill to 2020
- Long-term funding certainty and project visibility
- Year 2 spending on track
- Further investment in Zoneguard fleet



OEM

- Strong US economy driving day-to-day volumes

President Trump’s $1.5 trillion investment to transform America’s crumbling infrastructure

UTILITIES

- Steady pipeline of CCGT power plants
- Upgrades to waste water treatment plants
- Power transmission investment continues
- Increased substation renewal

BRIDGES

- 13,000 bridges need replacing
- Active temporary bridge market due to natural disasters

International Development

ATA Scandinavia

Bergen Pipe Supports India

2017 Acquisitions

KENWAY CORPORATION

Acquired 24 March 2017
Acquisition cost: £6.1m
Annual Revenue: £8m

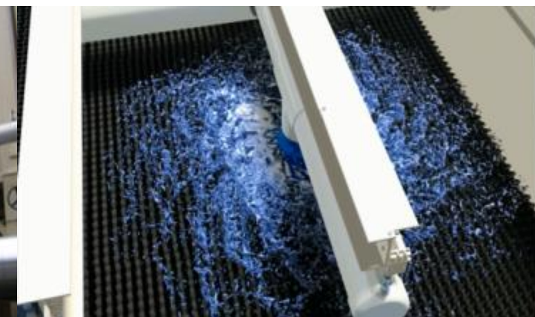
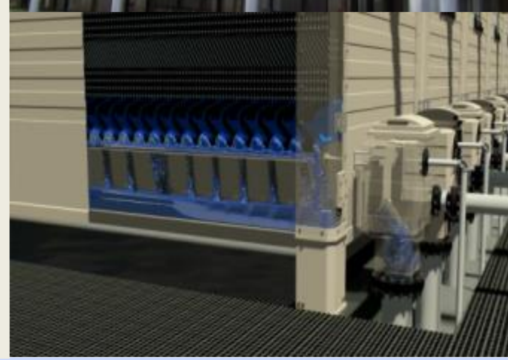
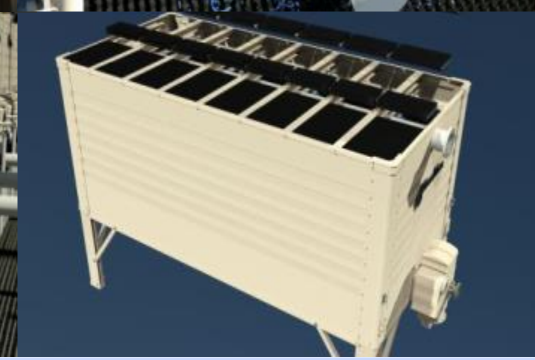
Kenway Corporation, a specialist in technologically advanced composite design, manufacturing and field service work across a broad range of industries including marine, power, pulp and paper, transportation and renewable energy.

TOWER TECH Outperform™

Acquired 15 August 2017
Acquisition cost: £2.4m
Annual Revenue: £12m

Tower Tech manufacture the world's most efficient modular cooling towers that are easy to install, provide ultra-low operating costs, exhibit excellent maintenance and safety characteristics, have unmatched redundancy and maintain a long service life.



US Composites

COMPOSITES GROUP

Creative Pultrusions

ET Techtonics

Tower Tech

Kenway

Access UK

- **Global pultruded composites market *c.*$1.5bn (USA 50% of total*)**
- **Strong future growth >8% p.a. in many US market segments***
- **Growth driven by:**
  - increased awareness of potential applications
  - introduction of composite specifications into a higher number of structural construction standards
  - requirement for materials in OEM components to be more lightweight and corrosion resistant
  - long life with low maintenance
- **Fragmented market – opportunities to further enhance product offering of our Composites Group**

* Source: LEK Market Study

Outlook

UTILITIES

- US/UK infrastructure investment outlook strong
- Pipe Supports delivering improved profitability and returns

ROADS

- UK Road Investment Strategy gives certainty of spending
- Good organic growth opportunities from International businesses

GALVANIZING

- US/UK operations maximising opportunities from increased spend
- Recovery of end markets in France

OVERALL

- Positive outlook in core end markets

"…well positioned to again deliver another year of progress."

Appendices

Disclaimer

Cautionary statement

This presentation contains forward looking statements which are made in good faith based on the information available at the time of its approval. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a number of risks and uncertainties that are inherent in any forward looking statement which could cause actual results to differ materially from those currently anticipated. Nothing in this document should be regarded as a profits forecast.

Business Segments

INFRASTRUCTURE

- UTILITIES
- ROADS

GALVANIZING

- USA
- FRANCE
- UK

Hostile Vehicle Mitigation ("HVM")

Segment analysis

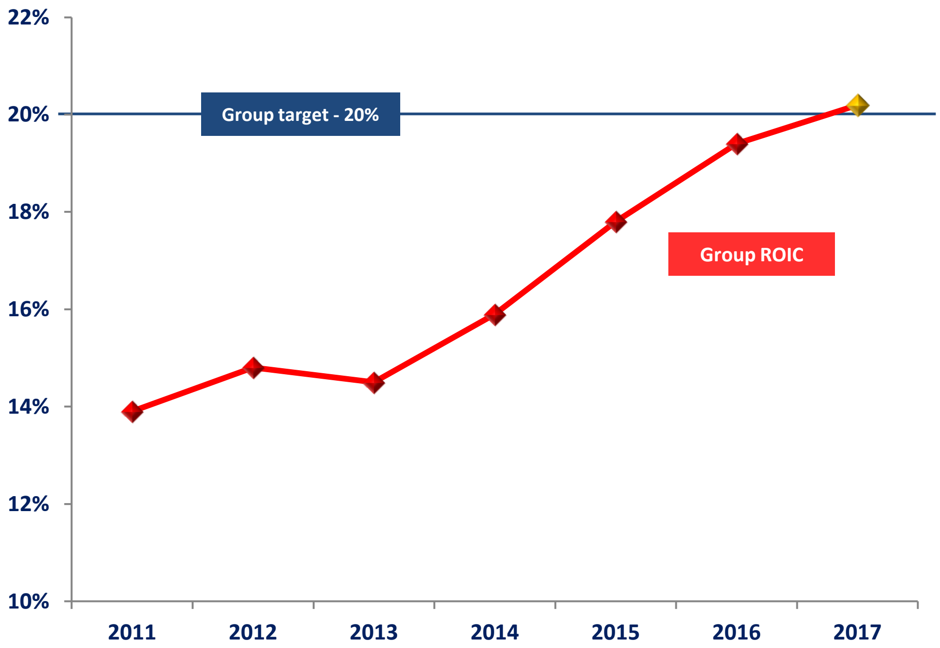
£m	2017	Organic	M&A	Non-US Pipes	FX	2016
Utilities						
Revenue	**215.7**	2.6	15.5	(14.8)	4.8	207.6
Underlying operating profit	**16.8**	1.0	1.3	1.0	0.5	13.0
Margin	***7.8%***					*6.3%*
Roads						
Revenue	**187.1**	10.1	5.6	-	3.3	168.1
Underlying operating profit	**23.6**	2.9	1.0	-	0.1	19.6
Margin	***12.6%***					*11.7%*
Galvanizing						
Revenue	**182.3**	11.6	-	-	6.3	164.4
Underlying operating profit	**40.9**	1.4	-	-	1.5	38.0
Margin	***22.4%***					*23.1%*
Group						
Revenue	**585.1**	24.3	21.1	(14.8)	14.4	540.1
Underlying operating profit	**81.3**	5.3	2.3	1.0	2.1	70.6
Margin	***13.9%***					*13.1%*

Non-underlying items

£m	2017	2016
Operating items		
Business reorganisation costs	**(2.8)**	(10.5)
Acquisition costs	**(0.6)**	(1.8)
Amortisation of acquisition intangibles	**(4.0)**	(2.6)
Impairment of acquisition intangibles/other assets	**(0.4)**	(4.1)
Profit on sale of CA Traffic	**0.6**	-
Pension settlement gains	**-**	0.2
	(7.2)	(18.8)
Financing costs		
Net pension interest	**(0.7)**	(0.5)
Refinancing expense amortisation	**(0.4)**	(0.4)
	(8.3)	(19.7)
Cash in year (net)	**1.8**	(3.3)
Future cash	**(1.8)**	(2.1)
Non cash	**(8.3)**	(14.3)
	(8.3)	(19.7)

Return on Invested Capital

ROIC%
before tax



Group	2017	2016
Operating Profit (£m)	81.3	70.6
Av. Invested Capital (£m)	403.1	363.3
ROIC %	20.2	19.4

Divisional (%)	2017	2016
Utilities	17.5	15.3
Roads	22.0	21.7
Infrastructure Products	19.9	18.6
Galvanizing	20.4	20.2

Margin

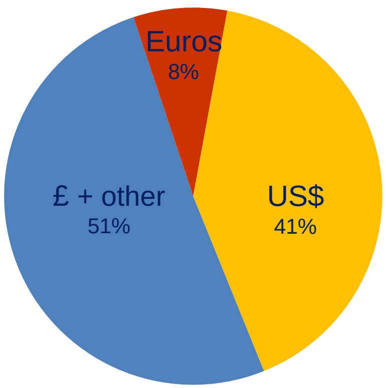
	Margin 2017 %	 2016 %	Target Range %
Infrastructure Products	**10.0**	8.7	8 – 11
- Utilities	**7.8**	6.3	7 – 10
- Roads	**12.6**	11.7	10 – 14
Galvanizing Services	**22.4**	23.1	19 – 22
Group	**13.9**	13.1	12 – 15

- Utilities improving and now within target range
- Further progression in Roads
- Galvanizing marginally ahead of target range

Availability and usage of debt facilities

£m	Net Debt	Facility	Maturity On demand	Maturity 2017 to 2020	Maturity 2021
Committed	**115.4**	227.8		0.7	227.1
On demand	**-**	9.5	9.5		
Cash	**(16.4)**	-			
	99.0	237.3			

Net Debt by Currency



- Facilities provide significant headroom
  - Net debt : EBITDA 1.0 times (covenant 3 times); Interest cover 37 times (covenant 4 times)
  - Principal RCF committed to April 2021
- Target net debt : EBITDA range between 1.5 to 2.0 times