

Capital Markets Day

10 December 2019

Delivering intelligent
protection solutions



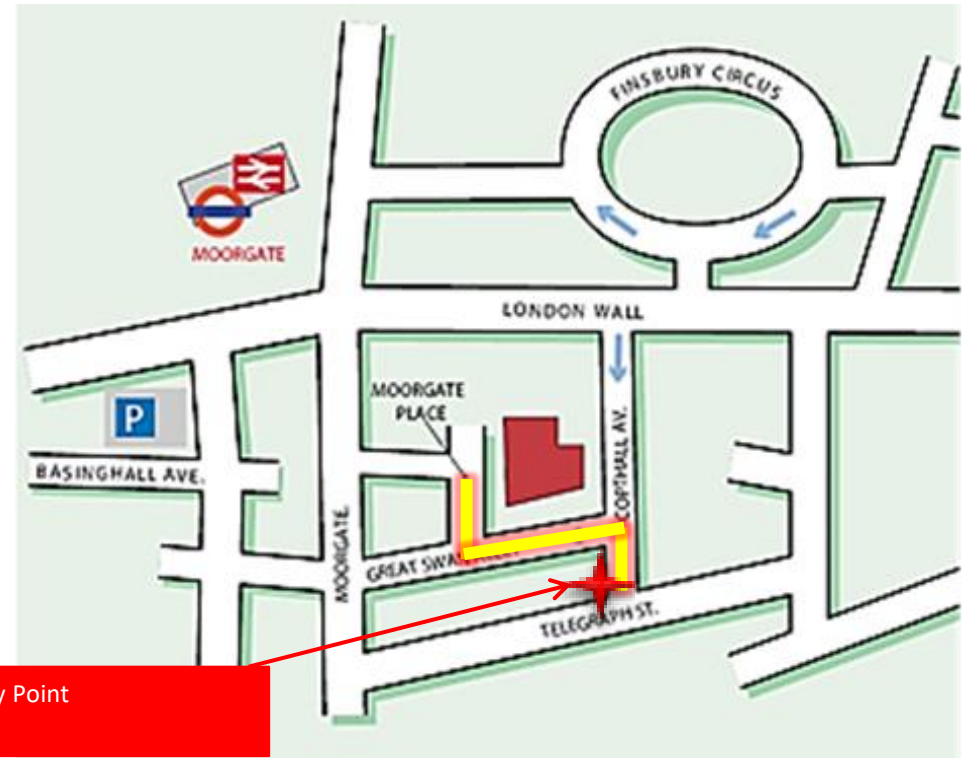
Hill & Smith Holdings PLC



Stock Code **HLS**




- Please turn your mobile phone off
- No Fire Drills are scheduled today
- FIRE EXIT - down the stairs and through the main entrance. Follow the **green exit signs** to leave the building and go to the assembly point indicated on the map



Assembly Point

09:30	Introductions Group overview Roads & Security overview US Composites overview	Derek Muir <i>Group CEO</i> Andrew Beaney <i>MD Roads & Security</i> Shane Weyant <i>CEO Creative Composites Group, USA</i>
10:40	Coffee break	
11:00	US Galvanizing overview Financial framework Summary Q&A	Brian Miller <i>CEO V&S Galvanizing, USA</i> Hannah Nichols <i>Group CFO</i> Derek Muir
12:00	Lunch	
12:30	Close	



An international group with leading positions in global niche infrastructure markets, principally in the UK and USA

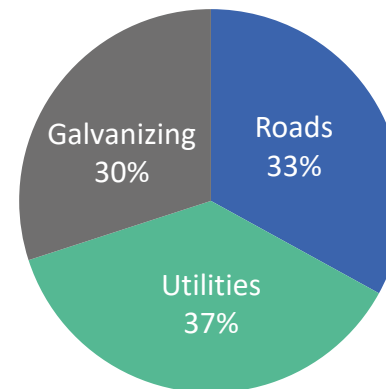
Our mission is to deliver sustainable profitable growth through the supply of Infrastructure Products and Galvanizing Services

Company Profile

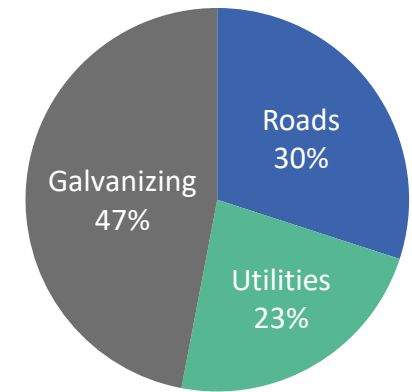
Headquarters	Solihull, UK
2018 Revenue	£637.9m
Market Cap	£1.05bn
Countries of Operation	7
Number of Sites	80
Total Employees	c.4,600

2018 Breakdown (%)

By Revenue



By Operating Profit



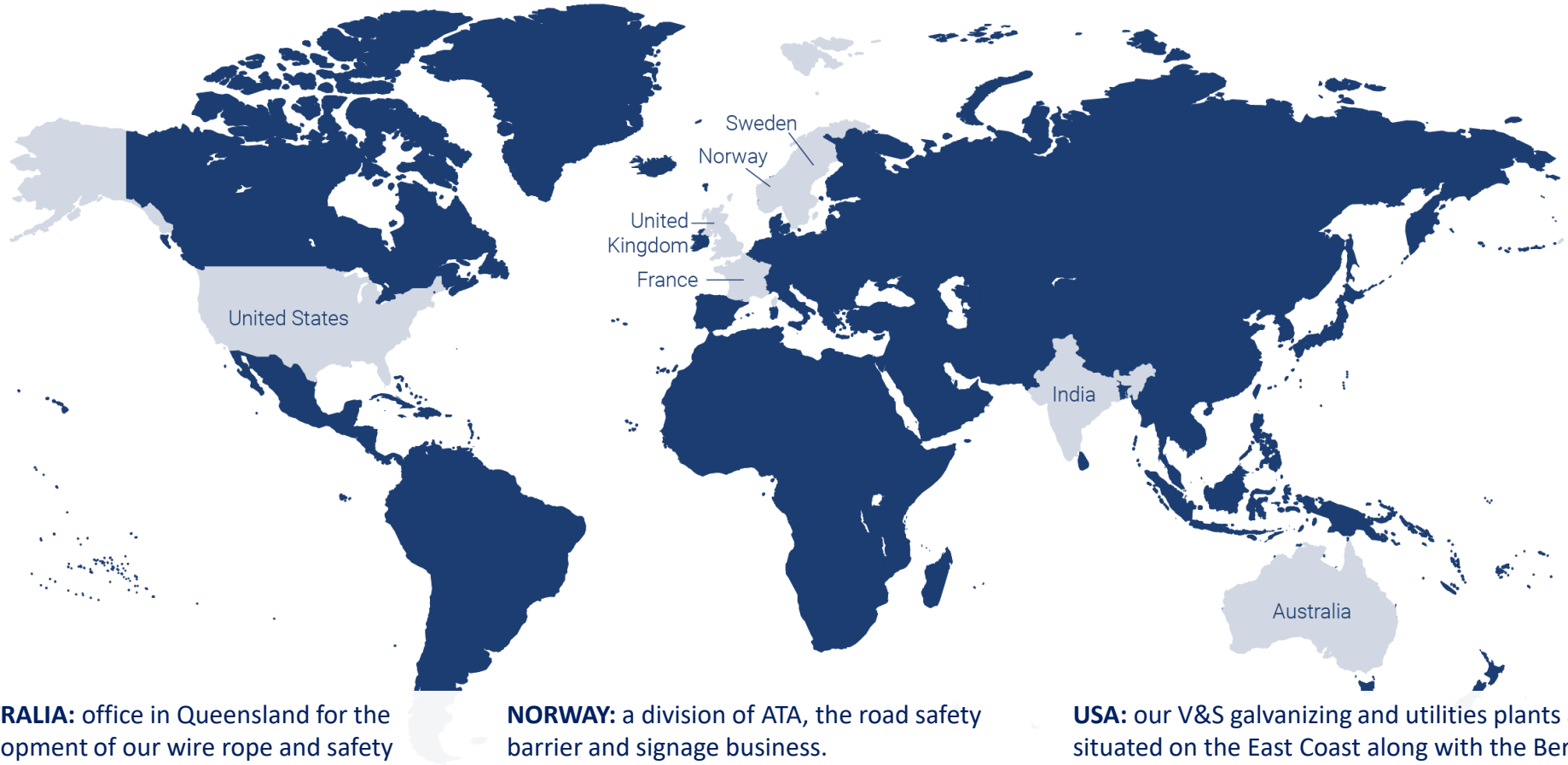
A well balanced business: products, markets and geographies

- **Entrepreneurial culture**
 - Agile and entrepreneurial culture in business units
 - Decentralised management structure
 - Close to local market conditions; responsive to opportunities
- **Portfolio Management**
 - Active portfolio management to drive higher returns
 - Organic growth supplemented with complementary acquisitions to create new growth opportunities
 - Monitor businesses; restructuring or divestment
- **Geographical Expansion**
 - Leading positions in Infrastructure Products and Galvanizing Services; major presence in UK and USA
 - Target geographies where Governments are investing in upgrades or renewals to infrastructure
- **Financial Framework**
 - Mid-single digit organic revenue growth
 - Increase operating margins; Group range 12% to 15%
 - ROIC target 20%
 - Underlying cash conversion target 90%



Outcome

A strong track record, over many years, of profitable growth, cash generation and increasing returns to shareholders



AUSTRALIA: office in Queensland for the development of our wire rope and safety barrier products.

FRANCE: the base of France Galva and Conimast, where we have ten galvanizing plants and a lighting column business.

INDIA: manufacturing facility for pipe supports.

NORWAY: a division of ATA, the road safety barrier and signage business.

SWEDEN: location of ATA, the road safety barrier and signage business.

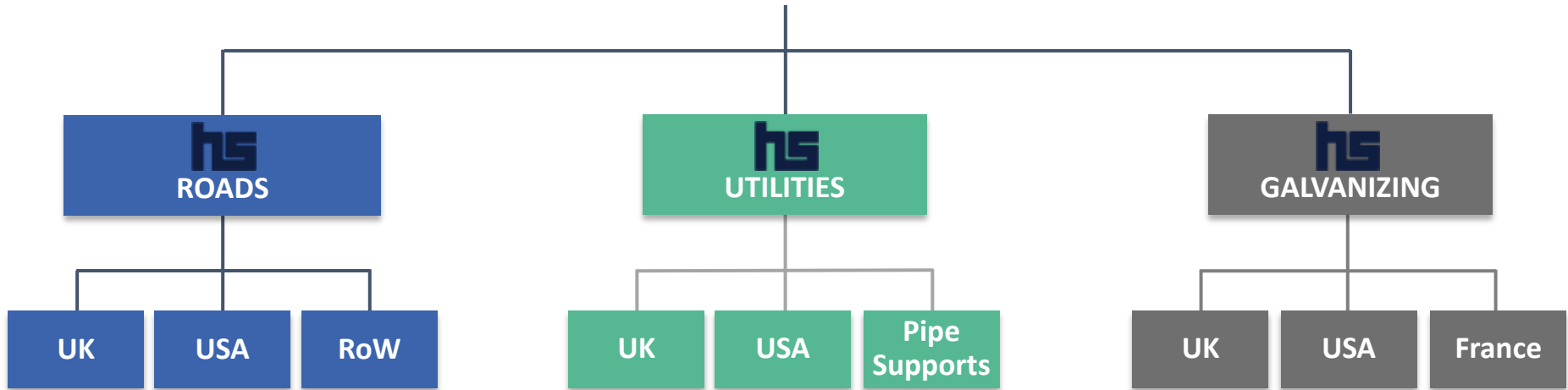
UK: head office and various locations covering our main infrastructure products businesses and network of galvanizing plants.

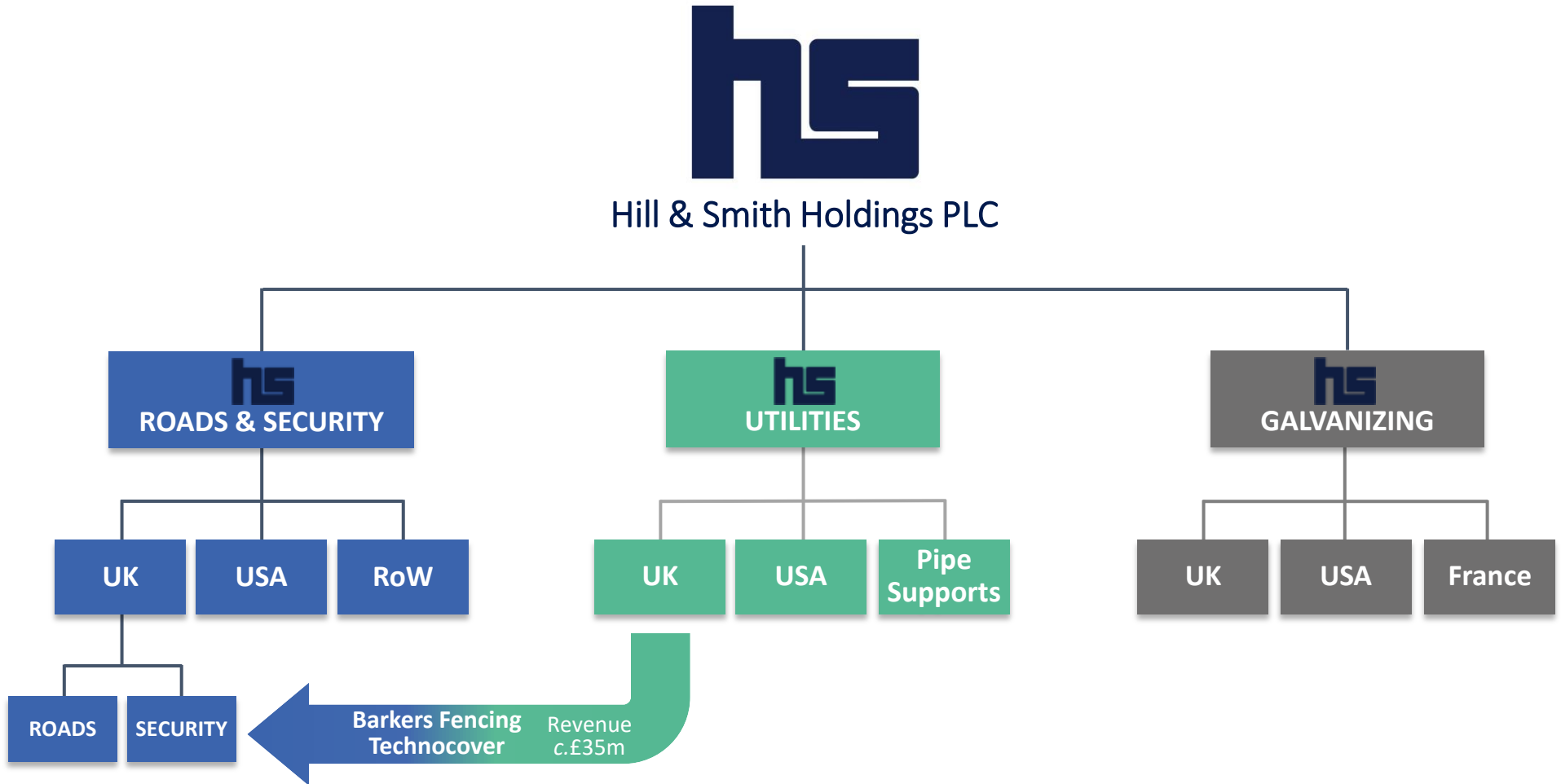
USA: our V&S galvanizing and utilities plants are situated on the East Coast along with the Bergen and Carpenter & Paterson pipe support businesses and the glass reinforced composite profiles business, Creative Pultrusions.

Total sites: 80
26 USA | 28 UK | 26 RoW



Hill & Smith Holdings PLC



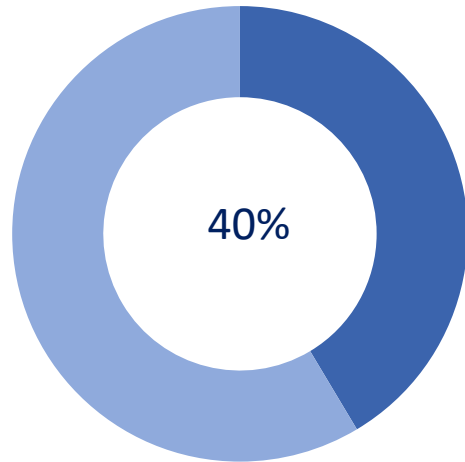


A photograph of a multi-level highway interchange. In the foreground, a silver car is driving away on a road with a metal guardrail and a stone wall. The road curves to the right. In the background, a multi-level highway interchange is visible, with several lanes of traffic. The surrounding area is green and hilly.

Roads & Security overview

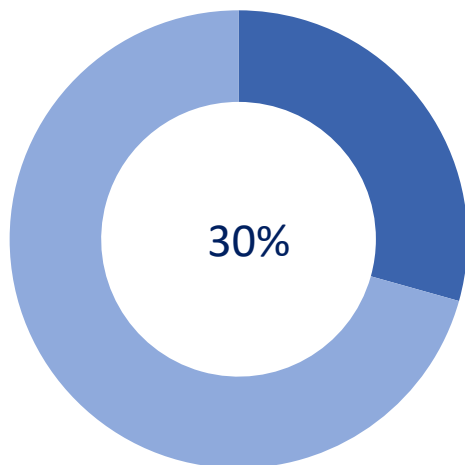
Andrew Beaney

Revenue*



■ Roads & Security
■ Rest of Group

Operating Profit*



Operating from 27 locations

in

attractive growth markets

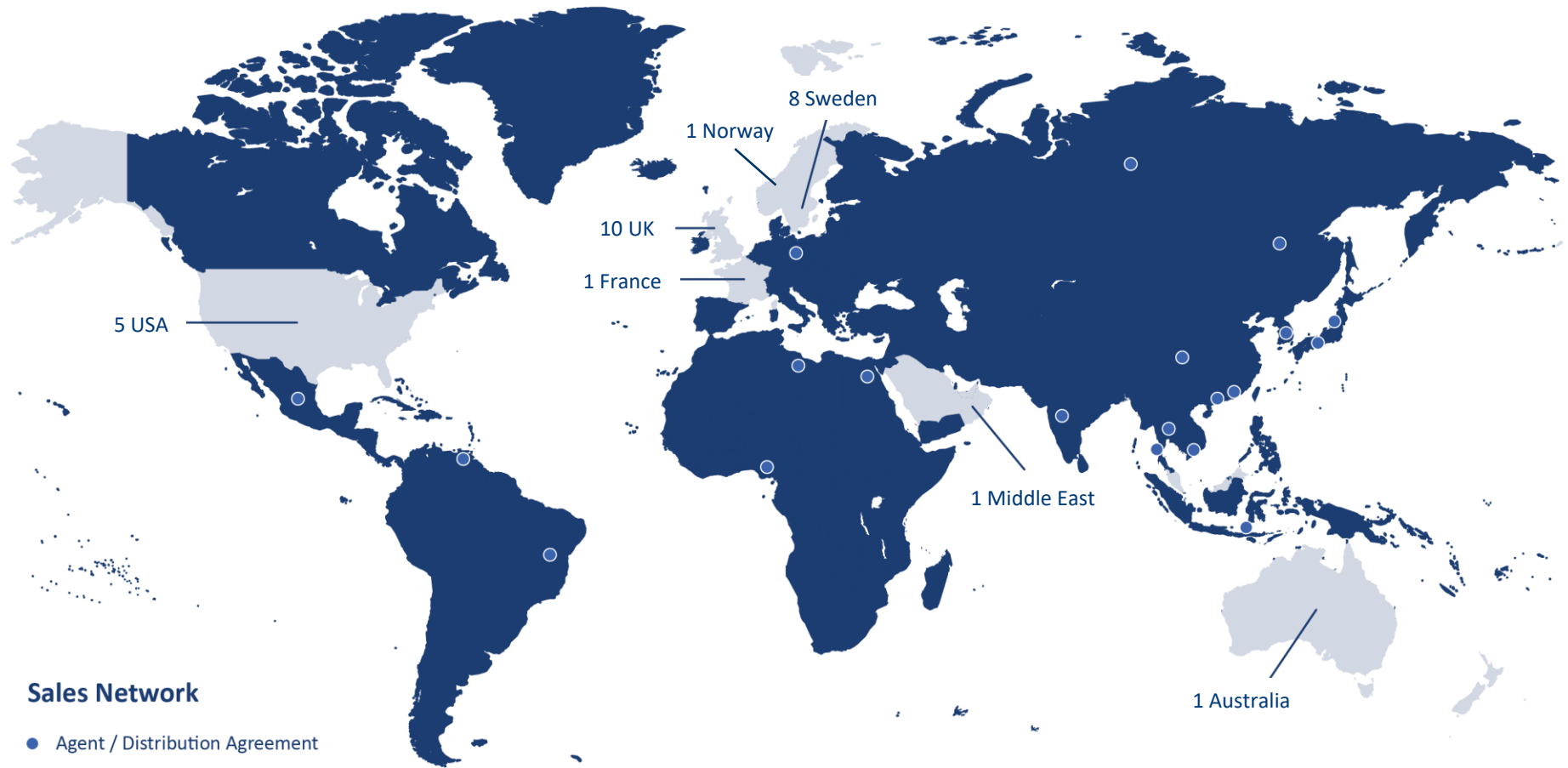
with

market leading products

and

exceptional service

*Proforma





ROADS
FY18 Revenue £208.5m

Strategic Business Development



UK

- H&S Ltd
 - Barrier
 - Brifen
 - Berry
 - Structures
- Asset VRS
 - Temporary barrier
 - Hardstaff
- Mallatite
 - Lighting columns
 - Street furniture
- VMS Group
 - Strategic
 - Urban
 - Rail
- Varley & Gulliver
 - Bridge parapets

USA

- H&S Inc WAPCO
 - Zoneguard
 - Attenuators
 - Cones
 - Trailers

RoW

- ATA
 - Barrier
 - Traffic management
 - Rental
- Conimast
 - Lighting columns
- H&S Pty
 - Zoneguard
 - Brifen



Entrepreneurial

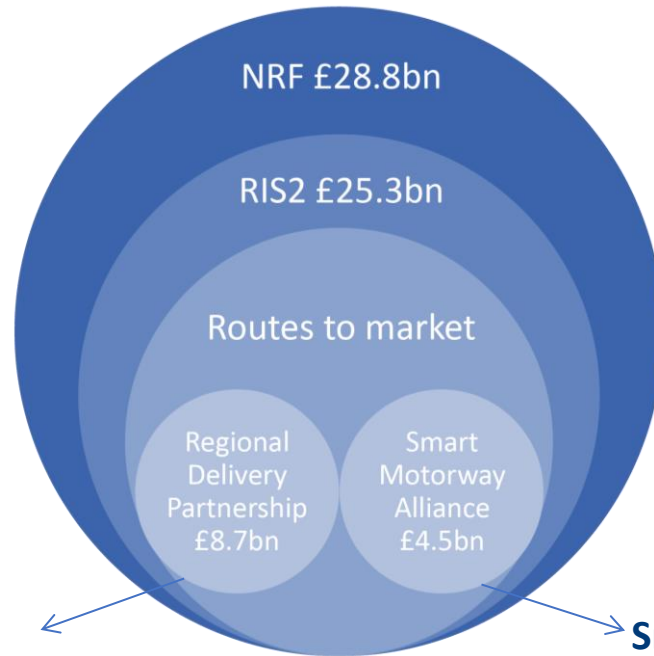
Innovative

Market Leader

Expert

Partnership





Regional Delivery Partnership £8.7bn

Smart Motorway Alliance £4.5bn

- North
 - Midlands
 - South
- } to be awarded

Lot	Regions	Total value	Individual packages	Winners
1	South-west Midlands	£200m	Up to £100m	Alun Griffiths-Farrans JV Osborne
2	South-east East of England	£350m	Up to £100m	John Graham Construction VofkerFitzpatrick
3	North-west North-east Yorkshire	£200m	Up to £100m	Amey-Sir Robert McAlpine JV North Midlands Construction
4	South-west	£800m	Over £100m	Galliford Try Taylor Woodrow
5	Midlands	£1.25bn	Over £100m	Bam Nuttall Sksamska UK
6	South-east	£1.1bn	Over £100m	Balfour Beatty Civil Engineering Bam Nuttall
7	East of England	£2.8bn	Over £100m	Costain Galliford Try Skanska UK
8	North-west North-east and Yorkshire	£2bn	Over £100m	Balfour Beatty Civil Engineering Costain Kier Highways

More focus on junction improvement schemes

More grade separated interchanges

More structures/structural modifications

Higher complexity
Greater containment

HS Roads
More solutions
Higher margin



Road Investment

Junction upgrades
and roundabout
improvements for
traffic hotspots
across England

Source: Department for Transport 2017



Smart motorways network

Dynamic hard shoulder running

01 M62 J25-30	04 M1 J10-13
02 M6 J5-8	05 M42 J3a-7
03 M4 J19-20 and M5 J15-17	06 M6 J4-5
	07 M6 J8-10a

All lane running

08 M25 J5-6/7	28 M5 J4a-6
09 M25 J23-27	32 M62 J25-26 (part of M62 J25-30)
10 M1 J32-35a	
11 M1 J28-31	
12 M62 J18-20 (part of Manchester smart motorways)	
13 M1 J39-42	
14 M6 J10a-13	
15 M3 J2-4a	
16 M4 J3-12	
17 M6 J16 - 19	
18 M1 J24 - 25	
19 M1 J19 - 16	
19a M1 J16 - 13	
20 M23 J8 - 10	
21 M62 J10 - 12	
22 M6 J13 - 15	
23 M6 J2 - 4	
25 M27 J4 - 11	
26 M20 J3-5	

Controlled motorways

42 M1 J23a-24	49 M25 J2-3
43 M25 J16-23	50 M25 J10-16
44 M25 J27-30	51 M20 J5-7
45 M60 J8-18 (part of Manchester smart motorways)	52 M25 J7-10
46 M62 J28-29 (part of M62 J25-30)	53 M1 J31-32
47 M1 J25-28	54 M42 J7-9
48 M1 J6a-10	55 M20 J4-5
	56 M6 J10a-11a (part of M6 10a-13)

— Traditional motorway

Colour code to status of scheme

Operational - In construction

Details correct as of October 2019

Potential schemes for RIS2

- M3 J9 - J14
- M6 J21a - J26
- M25 J10 - J16
- M40 J16
- M42 J3 - J4
- M56 J6 - J8
- M60 J1 - J14 and J24 - J27
- A1(M) J6 - J8
- M1 J19 - J23a and J35a - J39
- M5 J8 - J4a
- M42 J4a - J3
- M53 J5 - J11



HS Roads

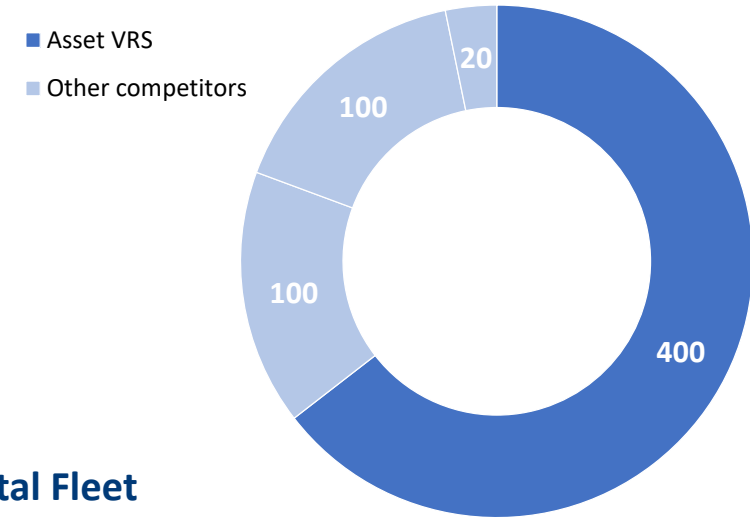
Product Portfolio



M4 Smart Motorway construction



UK Temporary Barrier Market – 620km



Asset VRS Rental Fleet

- 2018: 340km; c.80% average utilisation
- 2019: 400km; investment to meet demand
- RIS1 carry over – maintains momentum
- RIS2 starts April 2020
- Expect increased Smart motorway construction levels in RIS2 compared with RIS1



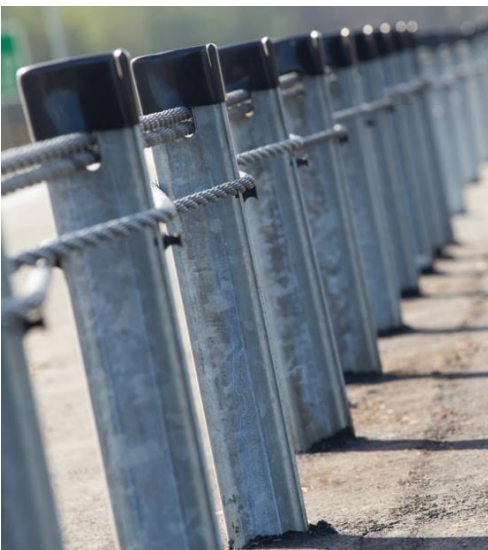
Pre-cast Concrete - Rebloc

Highways England committed to:

- replacing central reserve steel barrier with concrete
- whilst achieving zero harm to the workforce

Rebloc solution:

- removes wet trades from site
- speeds up installation
- achieves lower through-life cost



Product Portfolio

- Vehicle restraint systems
 - Flexbeam
 - Non proprietary barriers
 - Brifen Wire Rope
 - Attenuators
 - End terminals

Market Size

c.£35m

Share

c.65%

Drivers for Growth

- RIS2
- Area maintenance programmes
- International infrastructure spend
- Local authority maintenance programmes



Product Portfolio

- Variable message signs
 - Strategic
 - Urban
 - Rail

Market Size

c.£50m

Share

c.35%

Drivers for Growth

- Smart motorways
- HS2
- Replacement programme
- Local authority investment in driver information programmes



Product Portfolio

- Street furniture
- Street lighting
- Traffic products
- Passive safety poles
- Traffic signs
- Electric vehicle (EV) charging points

Market Size

c. £50m

Share

c.40%

Drivers for Growth

- Need for passive safety systems
- Regional investment plans
- Local authority maintenance programmes
- Growth in EV market



Product Portfolio

- Edge protection
- Bridge parapets
- Passive sign poles

Market Size

c.£20m

Share

c.50%

Drivers for Growth

- Parapet replacement programmes
- Manual for Assessing Safety Hardware (MASH) implementations
- Higher levels of containment





Product Portfolio

- Bridges
- Culverts
- Concrete arches / retaining walls



Market Size

c.£30m

Share

c.15%

Drivers for Growth

- RIS2 – Greenfield projects
- HS2
- Housing developments



Product Portfolio

- Industrial / off highway barriers
- Vehicle restraint systems
- Cladding and facades
- Car park construction
- Topdeck modular car parks

Market Size

c.£50m

Share

c.15%

Drivers for Growth

- Refurbishment of ageing multi-storey car parks
- Need for more car parking space
 - Offices
 - Commercial
 - Railway stations
 - Airports





DIVERSE & BROAD PRODUCT PORTFOLIO



WORK ZONE SAFETY

ITS SMART WORK ZONE

ROADSIDE SAFETY



zoneguard®

Zoneguard® is the most widely used temporary steel barrier in the USA.

It is MASH compliant and offers several benefits over traditional concrete barrier systems:

- 750 linear feet per truckload
- 20+ year life span
- Reduced anchoring
- Less installation time

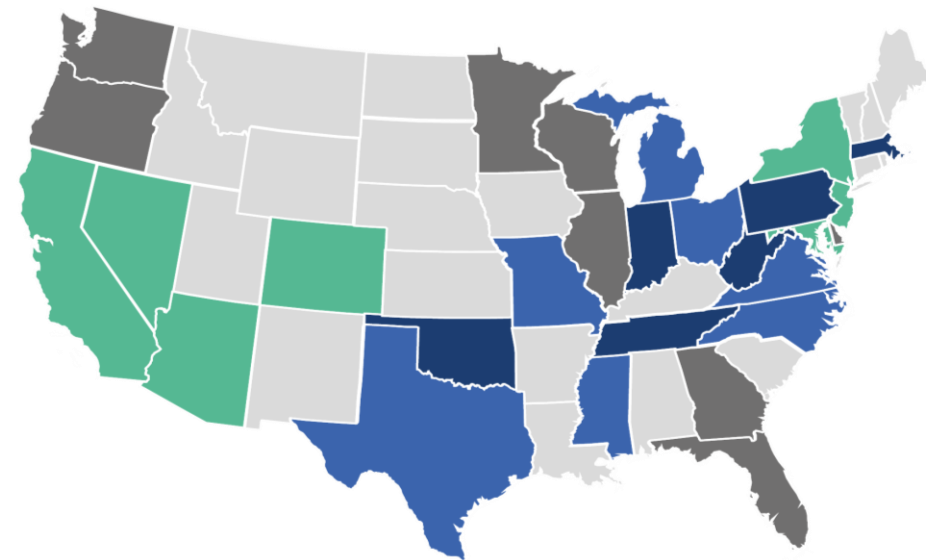
Temporary Barrier Market Size
c.\$250m

Share
c.5%



zoneguard®

Zoneguard® market penetration



Mature Markets

Moderately Developed

Developing

Future



zoneguard®

Drivers for growth

Regulations



From 1 January 2020, all temporary barrier manufactured must be MASH compliant.

Some states are promoting the reduced carbon footprint of portable steel barrier.

Partnerships



We plan to develop and leverage existing regional partnerships and identify strong partners in targeted and developing states.

Geographic Expansion



New markets presenting significant growth opportunities include California, Colorado, Florida, New Jersey and New York.



Smart Cushion®

The Smart Cushion® crash attenuator is a revolutionary speed-dependent product that varies stopping resistance during an impact.

Benefits include:

- Quick and easy installation and reset reducing workers' exposure to traffic
- Low life cycle costs
- Patent protected
- Only MASH approved **severe-duty** attenuator in the industry
- Minimal replacement parts required

Market Size

c.\$25m

Share

c.50%





Proforma Revenue £85m

Bristorm

*Wire Rope
Bollards
Gates*

Barkers

*Stronguard
Fencing
Gates*

ATG Access

*HVM
Bollards
Blockers*

Technocover

*Kiosks
Secure Covers
Grills / Cabinets*

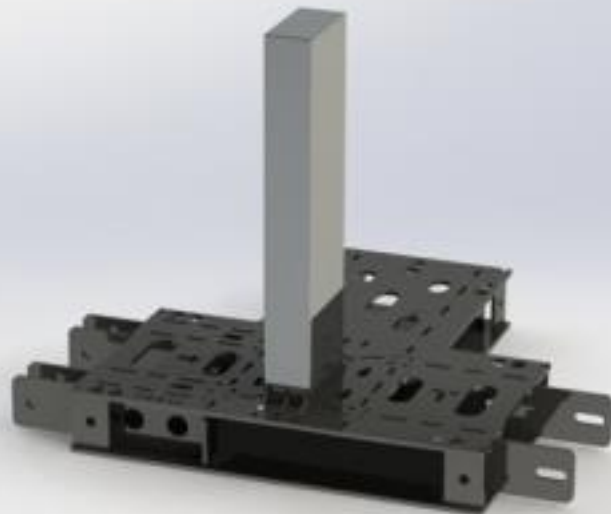
Hardstaff

*National Barrier Asset
Concrete Blocks
Zoneguard*

Parking Facilities

*Gates
Barriers
Blockers*



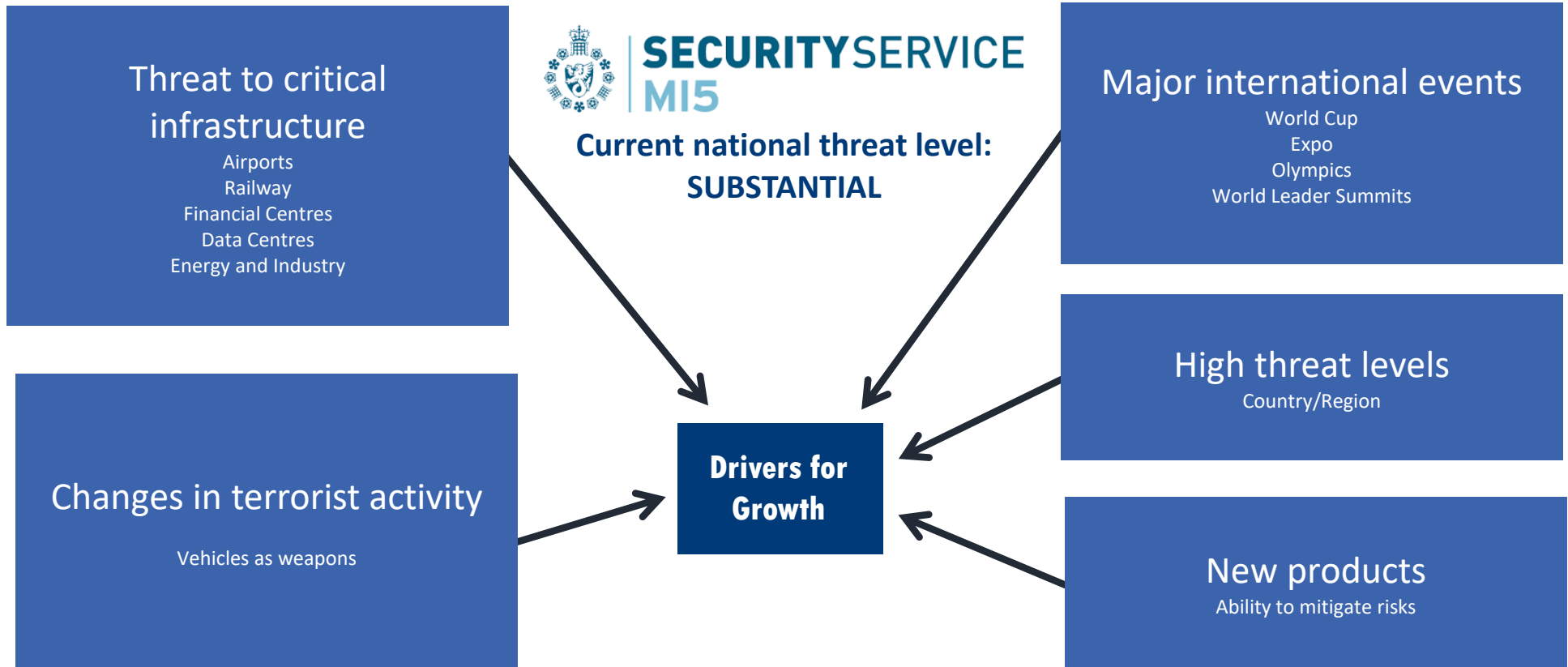


Test to a recognised standard



Deliver

Work in partnership
with our customer
to deliver a cost
effective solution



Global Security Market £1.65bn 2019	Global Security Market Expected growth 9.4%	Addressable Market Physical Measures £561m
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HS Security has c.15% addressable market share

Source - KPMG Report 2019

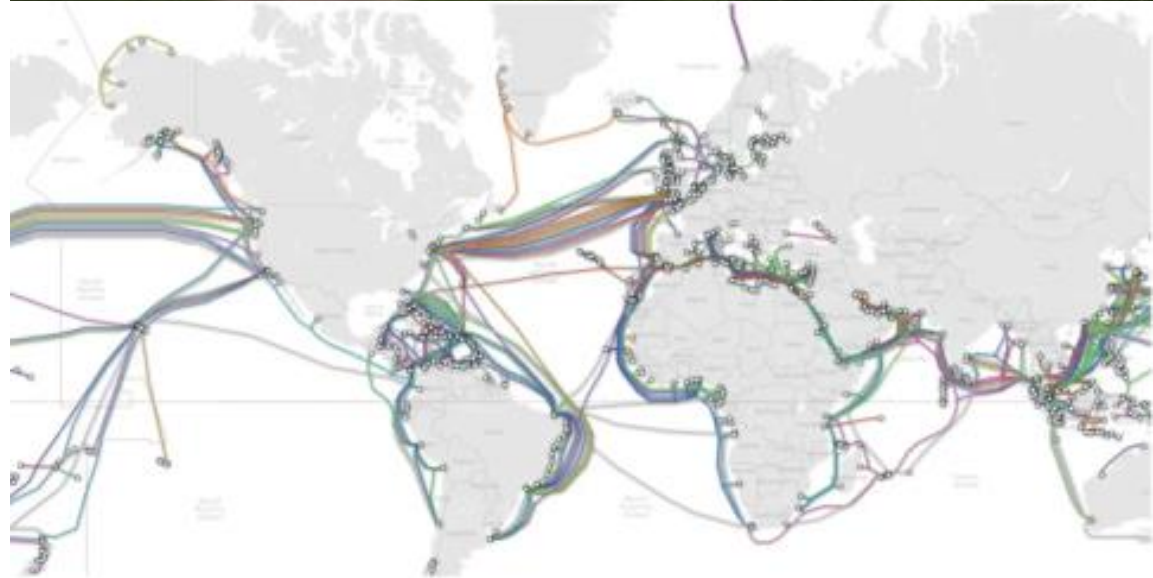
Notable growth segment

Driven by data storage demand

from

Streaming TV
Storing photos and data
Social Media
Online purchasing

132 hyperscale data centres
currently in development



New space to meet increasing demand

30%

Provided by hyperscalers in their own buildings

70%

Provided by large data centre operators who lease the space to the hyperscalers

All require a secure HVM perimeter solution



Perimeter security packages c.£1m per Data Centre

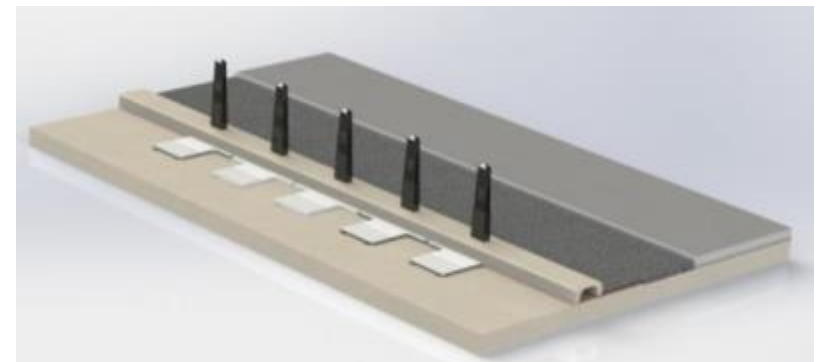


June 2017: 8 people killed on London Bridge
Chief Coroner's report urged Britain's Security Services to review protective security equipment and infrastructure which can be installed in response to emerging threats*

(*Sky News Nov 2019)



Emergency Response



HS permanent security solution

Transport for London developing proposals for 8 bridges



Transport for London

“Our preferred plan for Westminster Bridge proposes using heritage-style bollards that create segregated space for cyclists across the bridge, and enough space for all other bridge users, including buses and pedestrians.”



HS Security

Product Portfolio



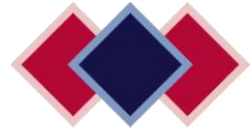
Automatic crash tested bollards & barriers



Fixed, impact tested bollards



Shallow mount bollard, City of London



ATG ACCESS

Acquired February 2019

Acquisition cost: £22.5m

Revenue £21.1m*

*12 months to 31 Oct 2018



StronGuard™ RCS



StronGuard™ MA



StronGuard™ MA
Developed to meet the ASTM F2781-15 Standard which is required by Ministry of Interior for Saudi Arabia High Commission for Industrial Security (HCIS).



StronGuard™
National Rail Operating Centre



V-Guard Mesh

TECHNOCOVER

Below ground protection



Above ground protection



Building hardening



Sectors

- Water
- Power
- Rail
- Industrial
- Data Centres



Single and Double Turnstiles



Bi Folding Trackless Speed Gates



Rising Kerbs



Automatic Barriers



Cantilever Sliding Gates



Acquired September 2019

Acquisition cost: £12.4m

Revenue £10.8m*

*12 months to 30 Nov 2018

Wire Rope Perimeter Security



ATG ACCESS



Events and Temporary Security



National Barrier Asset (NBA): 3-year term to 2022

- State Opening of Parliament
- London security
- NATO Summit
- Seasonal events
- Royal events



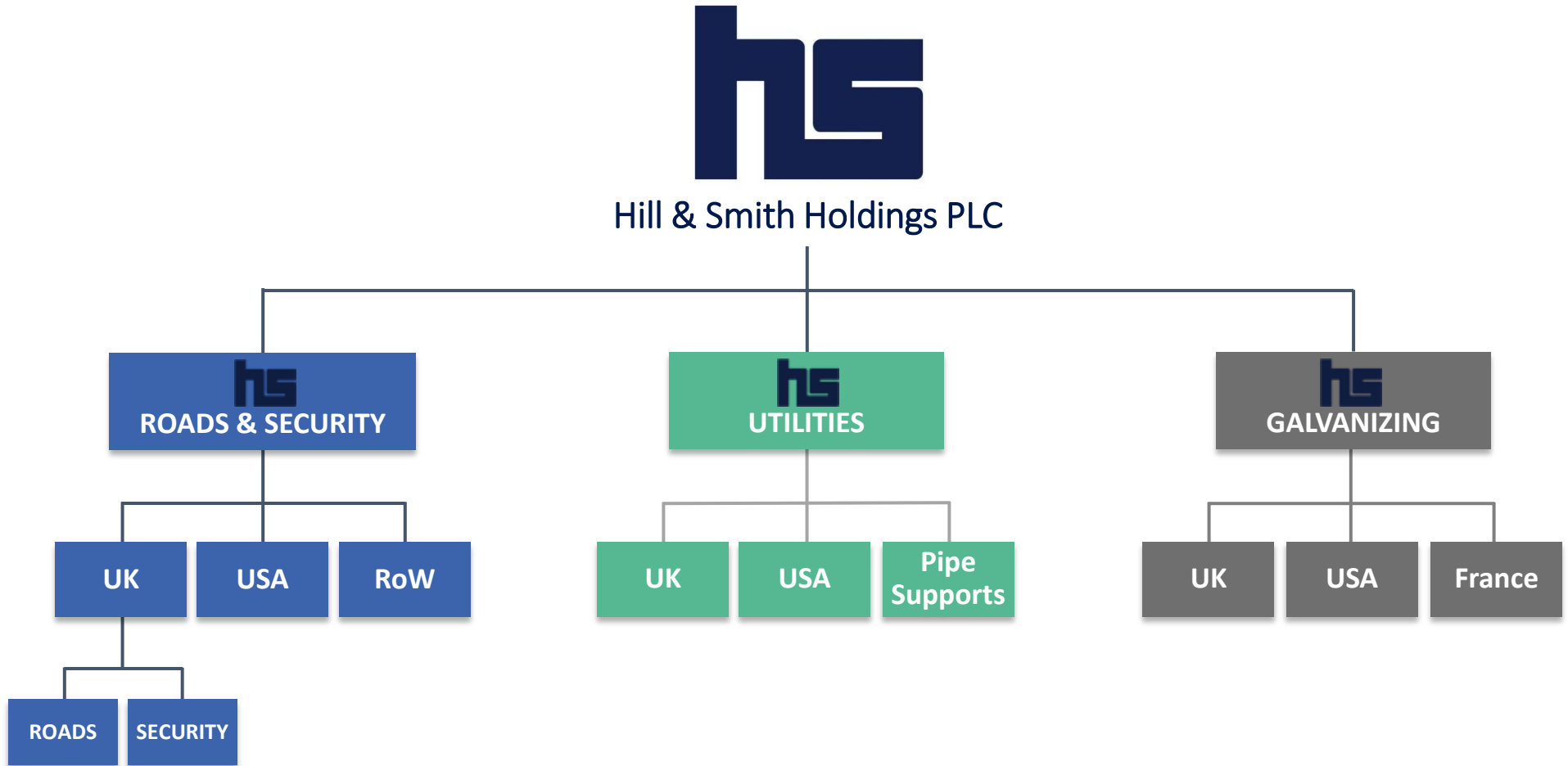


Middle East : Concept solution for Saudi Aramco
Combines three security products

Protection against theft in numerous desert solar powered pumping stations



- Diverse set of market leading products
- Unique service offering; much more than just a product supplier
- Opportunity to combine products into a complete solution and enhance margins
- RIS2 in UK underpins medium term growth
- US Roads growth opportunity accelerating
- Global growth for security products 9%



HS UTILITIES GROUP 2018 Revenue £239.0m

UK

Lionweld Group



USA

Creative Composites Group

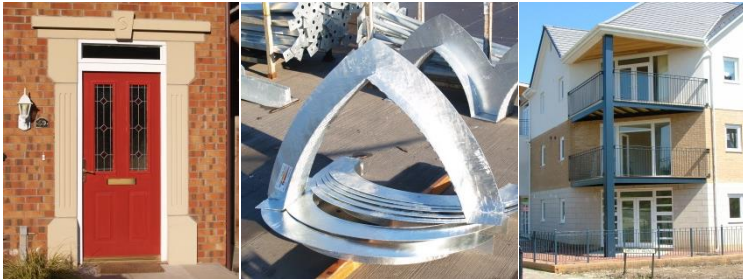


Pipe Supports

Carpenter & Paterson USA



Birtley Group



V&S Utilities



Bergen Pipe Supports India





US Composites overview

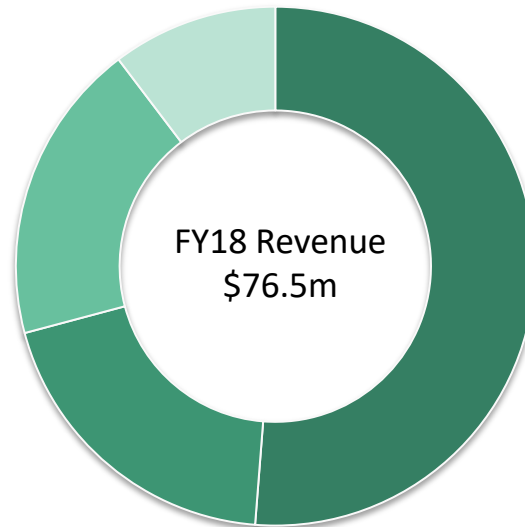
Shane Weyant



- Corrosion resistant - will not rust, spall or rot
- Lightweight - 80% lighter than steel
- High strength - greater tensile strength than most grade steels
- High dielectric strength - reduction in electrocution hazards
- Lower environmental impact - will not leach and has a low embodied energy
- Ease of fabrication - can be assembled and modified with traditional tools
- Energy absorption - absorbs significantly more energy than steel, in impact applications



■ Creative Pultrusions	\$39.2m
■ Composite Advantage	\$15.0m
■ Tower Tech	\$14.4m
■ Kenway Composites	\$7.9m



Market Positioning

The Creative Composites Group is a leading provider of engineered composite solutions that are lightweight, corrosion-resistant and long-lasting, through various manufacturing disciplines.

The Creative Composites Group allows customers to benefit from advanced manufacturing methods across our companies, to create the optimal solution for their project.

Where we operate



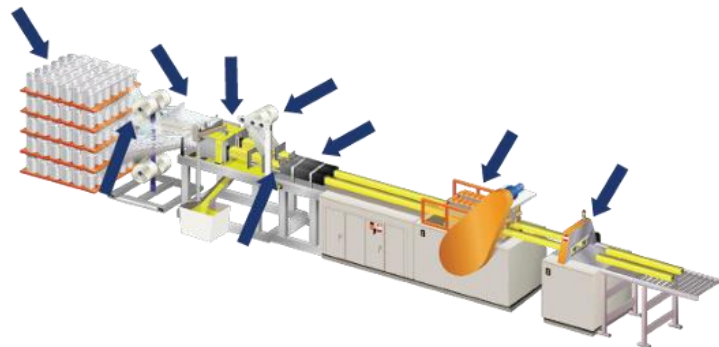
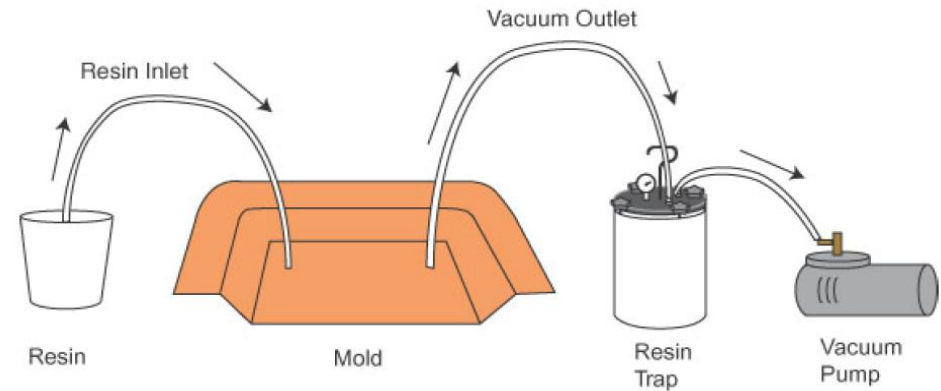
COMPANY	EMPLOYEES	LOCATION	ACCREDITATIONS
Creative Pultrusions	165	Alum Bank, PA	ISO 9001:2015 / NSF
Composite Advantage	97	Dayton, OH	
Kenway Composites	50	Augusta, ME	FRPI / ACMA CCT
Tower Tech	49	Oklahoma City, OK	CTI / OSHPD
TOTAL (actual Sept 2019)	361		

Markets	Addressable Market (\$m)	Market Share	2018 Revenue (\$m)
Custom / OEM	1000	3%	26
Bridges (Vehicle & Pedestrian)	300	2%	5
Cooling Tower	250	6%	15
Waterfront Protection	220	4%	8
Standard Structural & Flooring	200	3%	5
Utility Products	180	2%	4
Mass Transit	50	10%	5
Wastewater	50	2%	1
Heavy Industrial	50	7%	4
Truck / Trailer	50	6%	3
Flue Gas Desulfurization	20	5%	1
	\$2.37bn	3%	\$77m

Opportunities for further growth in a fragmented market

Benefits of Infusion

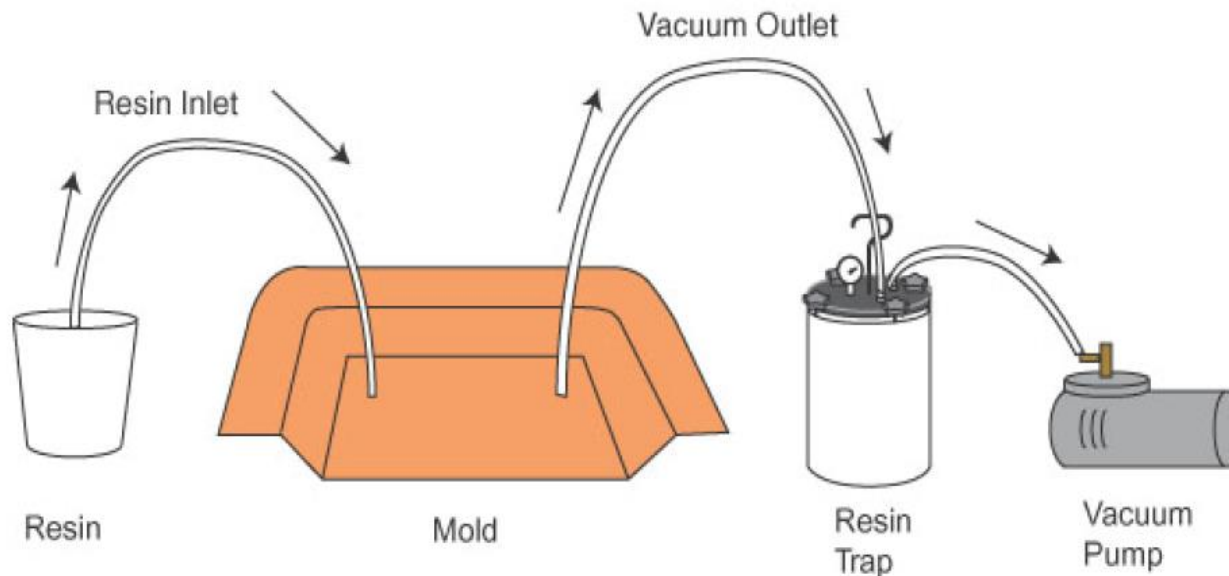
- Batch process
- Low to medium quantities
- Better fiber-to-resin ratio
- Ability to process parts of unlimited size
- Less wasted resin & consistent resin usage
- Cleaner than traditional FRP processing



Benefits of Pultrusion

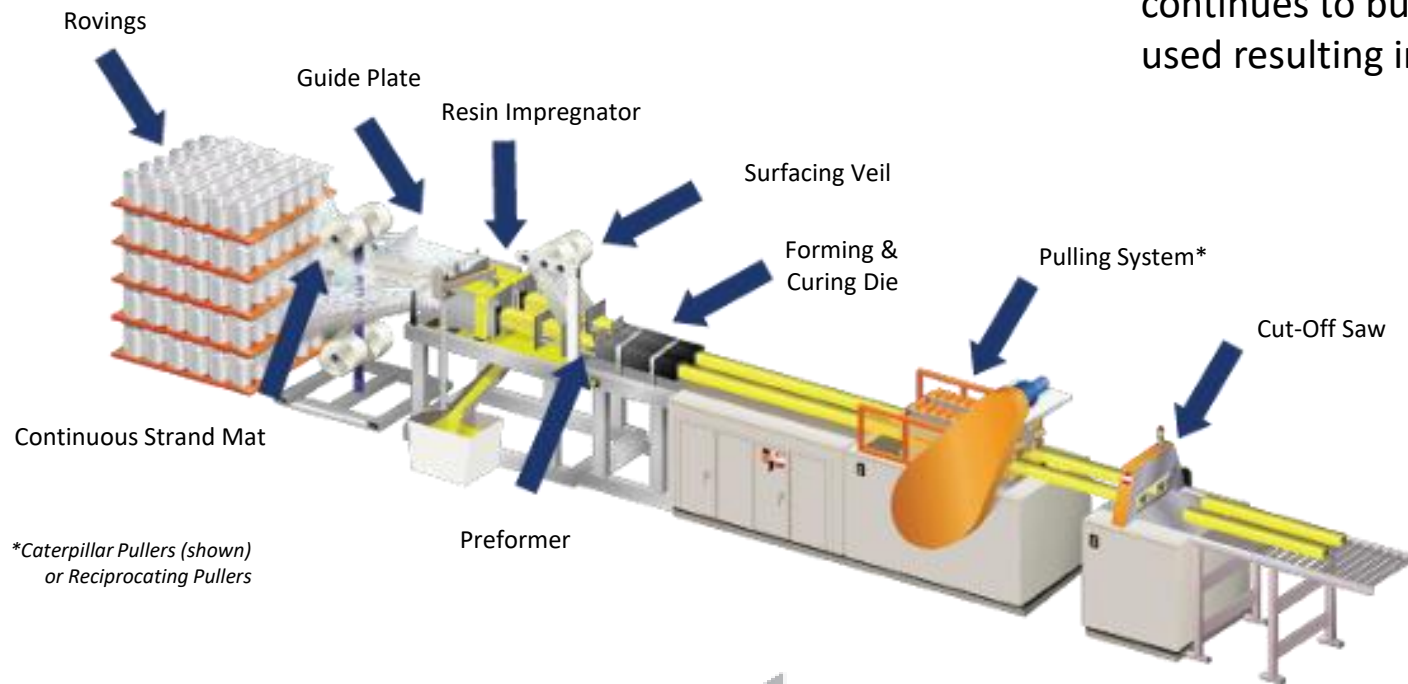
- Continuous process
- High quantities
- Parts of various size
- Lightweight
- Low maintenance
- Ease of fabrication
- Superior dielectric strength
- Lowest installed cost

1. Clean and prep tooling
2. Lay-up fiberglass skins into the tooling
3. Install core materials into the tooling
4. Wrap bottom fiberglass skins onto the top of the core materials
5. Install vacuum bagging
6. Pull a full vacuum on the cavity and check for leaks
7. Open resin inlet and allow resin to flow throughout the part encapsulating all of the fiberglass and core materials
8. Allow part to cure
9. Demold part from the tooling



1. Resin and glass fiber reinforcements are combined and formed into the shape of the die on a continuous process.

2. The resin is initiated by the thermal decomposition process. The initiator is heated until a chemical bond dissociation produces two radicals. The chain continues to build until the monomer is used resulting in a cured resin.



*Caterpillar Pullers (shown)
or Reciprocating Pullers

4. Pultruded profiles are cut to length during the continuous manufacturing process.

3. The profiles are pulled through a die.

Manufacturing processes - Pultrusion





- Market expected to grow 8-10% over next 5 years through greater product awareness and acceptance
- Product benefits include high strength / lightweight / corrosion resistance addressing various markets
- Substitution from traditional materials to drive growth well ahead of GDP
- Customers value CCG technical talent in terms of design, engineering and manufacturing / fabrication capabilities, with the ability to supply large projects whilst maintaining quality
- Introduction of the 1st industry standard Load Resistance Factor Design (LRFD) will help expedite utilization of products into structural applications
- Vast opportunities in waterfront infrastructure renewal and storm protection due to high energy absorbing capacity
- Utility poles and cross arms gaining significant traction to increase grid reliability based on overall fire performance

Like the steel, aluminum, wood and concrete industries, the Pultrusion industry will possess a nationally recognized design standard

- LRFD is the standard that engineers utilize to design buildings and other structures
- It is required in order for the International Building Code (IBC) to reference in their design standard
- It will force all manufacturers to meet minimum quality and design standards
- It will propagate the use of pultruded profiles in buildings and other structures





Custom Fabrication



Chemical Storage Tanks



Pedestrian Bridges & Vehicle Bridges



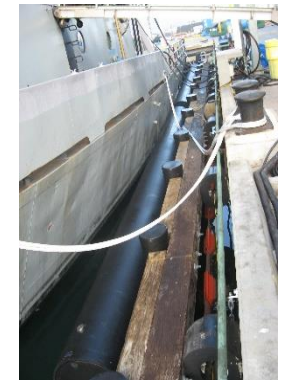
Indoor Sky Diving Tunnels



Wind Blade Repair



Contract Manufacturing



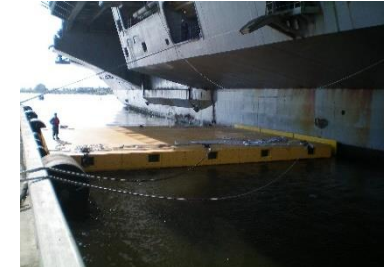
Waterfront Infrastructure



Fender Protection Systems



Military Camels





Structurals & Decking



Rail Platforms



Access Structures



Sheet Pile System



Utility Poles & Crossarms



Custom Profiles



Utility Poles



Cooling Towers



“THE STAFF OF CREATIVE PULTRUSIONS WAS ABLE TO STAY AHEAD OF US, EVEN AS OUR PRODUCTION INCREASED BEYOND THE ORIGINAL PROJECTED COMMITMENTS. CP WAS ALWAYS ACCESSIBLE AND PROVIDED CLEAR AND ACCURATE INFORMATION. I’D CONSIDER THEM ONE OF THE BEST MATERIAL SUPPLIERS THAT I HAVE BEEN INVOLVED WITH IN MY CAREER.”

~Robert Hutzler
Peter Scalamandre
& Sons, Inc.





Tower Tech has supplied over 75 towers to Midwest Cooling Tower Services, a national Cooling Tower Repair, Service and Rental Company.

We are currently in a 3-year Supply Agreement for \$3m revenue annually to provide a minimum of an additional 75 rental towers.





State Route 28 Shared Use Path Lake Tahoe, Nevada

Overview:

One million annual visitors use 11 miles of two-lane, mountainside road to view Lake Tahoe. Nevada DoT created a safe, shared-use path using 32 prefabricated FRP bridges on steep hillsides that could not accommodate ground paths. The lightweight bridges were installed quickly at night to minimize traffic disruptions on the only road access along the lake. The path was opened in June 2019.

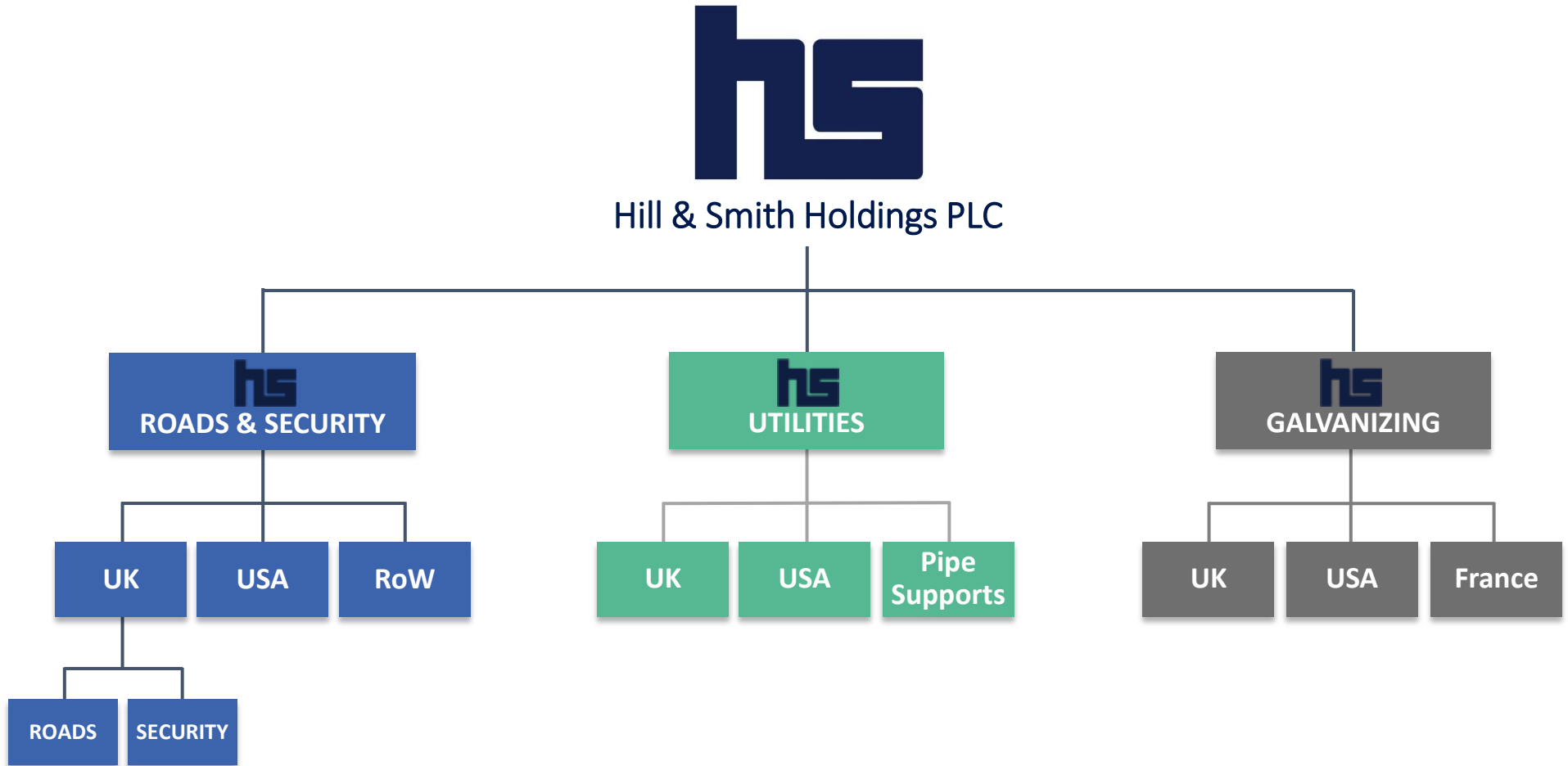
Owner: Granite Construction
Installation Date: March 2017



- A proven leadership team
- Strong customer relationships
- Market innovation & technical leadership
- Expanding product range
- Significant growth potential (market growth, substitution and market share)
- Available manufacturing capacity to manage growth
- High and improving returns profile

- | | | |
|--------------|--|--|
| 09:30 | Introductions
Group overview
Roads & Security overview
US Composites overview | Derek Muir <i>Group CEO</i>

Andrew Beaney <i>MD Roads & Security</i>
Shane Weyant <i>CEO Creative Composites Group, USA</i> |
| 10:40 | Coffee break | |
| 11:00 | US Galvanizing overview
Financial framework
Summary
Q&A | Brian Miller <i>CEO V&S Galvanizing, USA</i>
Hannah Nichols <i>Group CFO</i>
Derek Muir |
| 12:00 | Lunch | |
| 12:30 | Close | |



HS GALVANIZING GROUP

2018 Revenue £190.4m

UK
10 plants
Joseph Ash Group

USA
8 plants
V&S Galvanizing

FRANCE
10 plants
France Galva

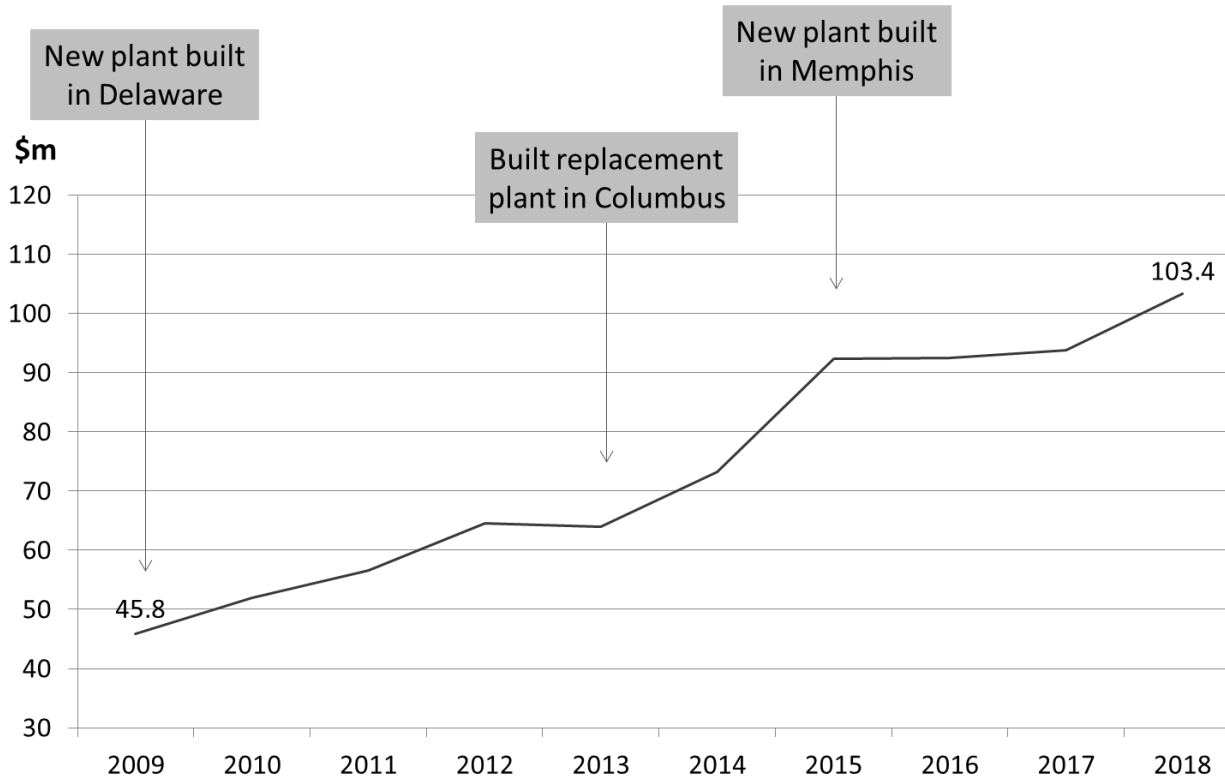




US Galvanizing overview

Brian Miller

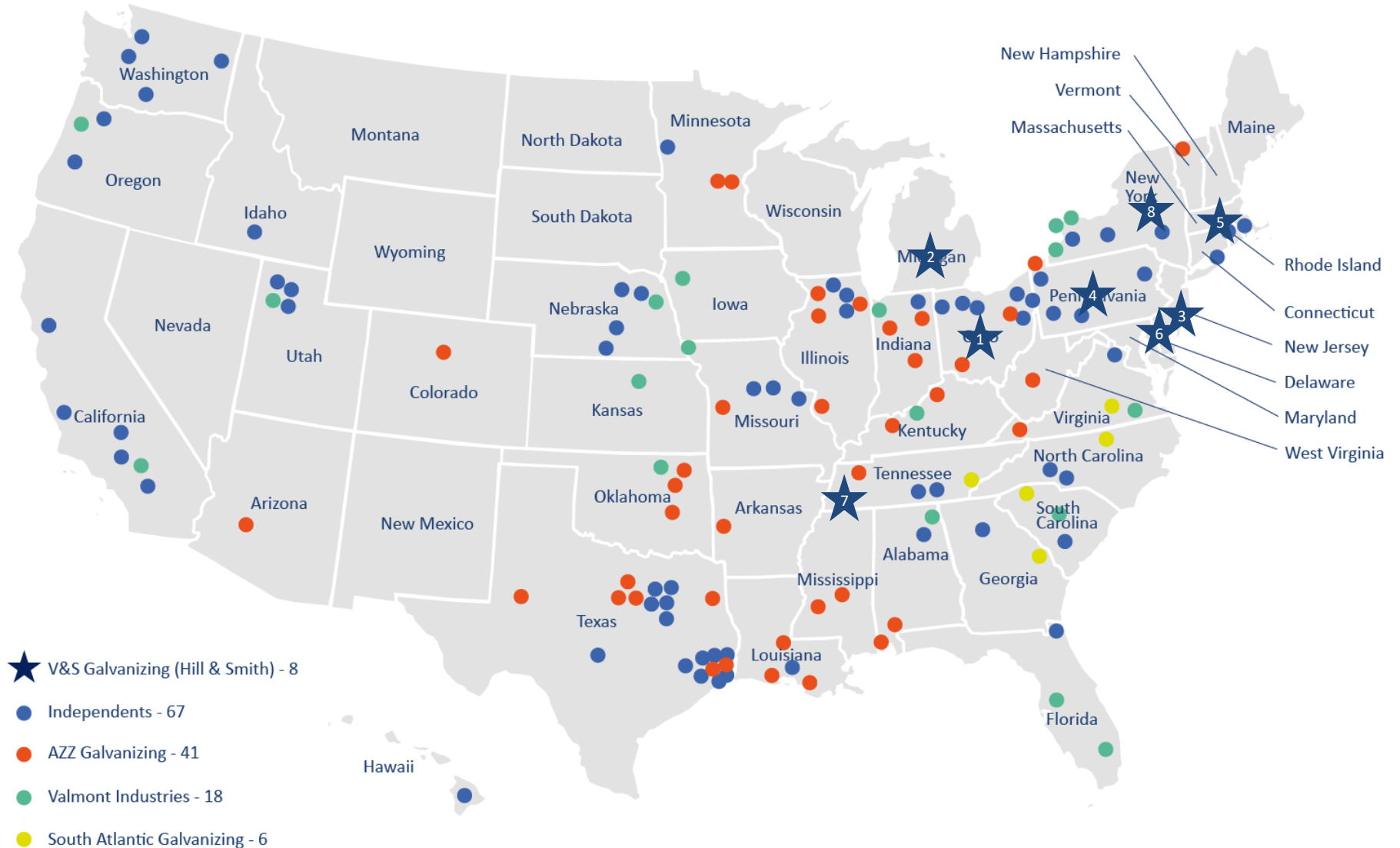
Revenue trend



“Zinc Protects Steel”[®]

V&S Galvanizing provides corrosion protection services in the form of hot dip galvanizing and other coatings for products used in a wide range of infrastructure and other industrial applications

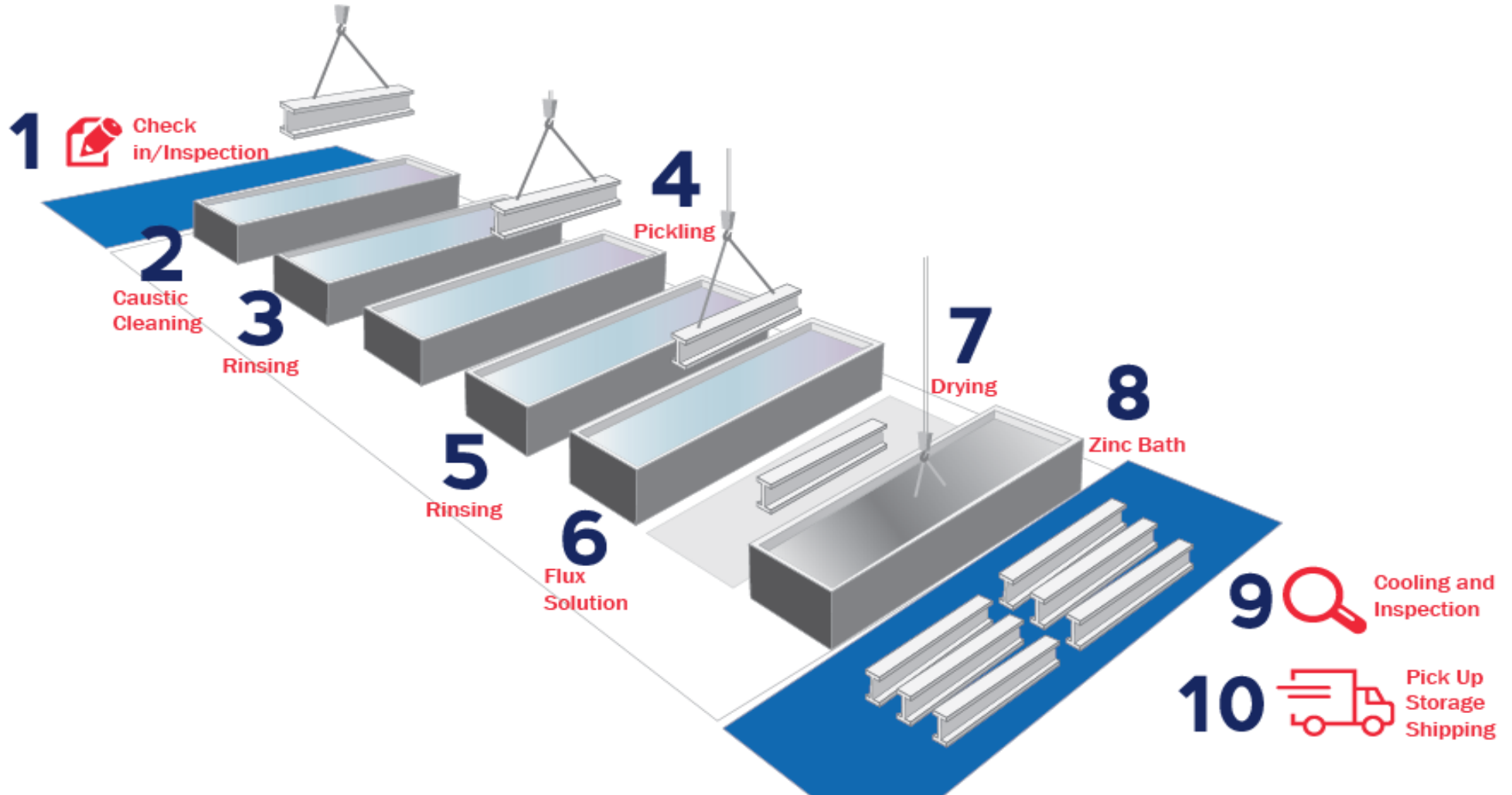
3rd largest galvanizing group in the US



Key to V&S plant location map

	Plant location	Acquired	Newly Built	Employees	Senior Management Tenure
1	V&S Columbus	1986	2013	75	18 years
2	V&S Detroit	1992		36	6 years
3	V&S Amboy		1999	55	8 years
4	V&S Lebanon		2002	40	17 years
5	V&S Taunton		2003	24	3 years
6	V&S Delaware		2009	47	21 years
7	V&S Memphis		2015	37	5 years
8	V&S New York		2019		4 years

Our process typically begins with educating our customers on design prior to galvanizing. Whether it be an onsite seminar or ongoing consultation services, we work hard at every step to ensure materials are correctly prepared prior to galvanizing to guarantee customer satisfaction.



Now specified as a matter of choice:

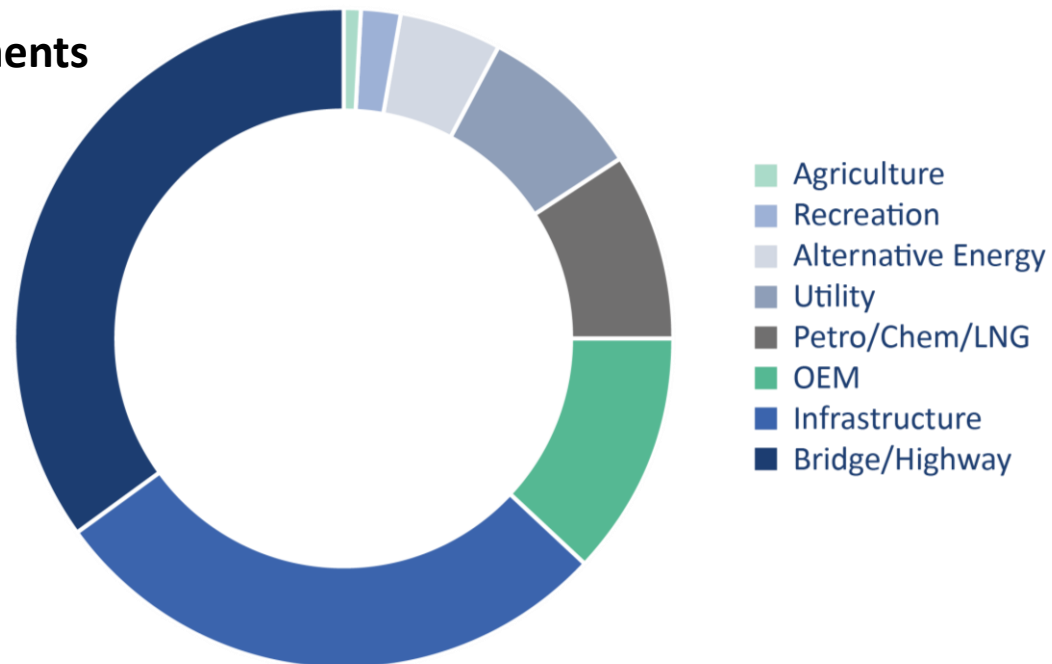
- **Durability** – abrasion resistance
- **Longevity/Sustainability** – often used in harsh environments
- **Availability** – versatile and readily available
- **Aesthetics** – industrial look
- **Lowest initial corrosion protection cost** – savings from not only the maintenance costs, but also from initial costs

- Domestic steel produced in USA: 95.3m US tons (per American Institute of Iron & Steel)
- Steel in USA market with potential to be galvanized: 14.3m US tons*
- Hot-dip galvanized steel production in USA in 2018: 4.5m US tons*
- 2018: V&S galvanized 189,000 US tons (4% market share of tons that are actually galvanized)

**Estimates from American Galvanizers' Association (AGA)*

V&S market segments

(tons galvanized)



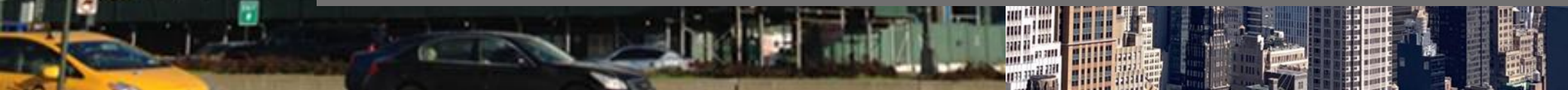


Chicago Ave. Bridge





The Pyramid Residential Building & One Vanderbilt, NYC





Tyson Silos



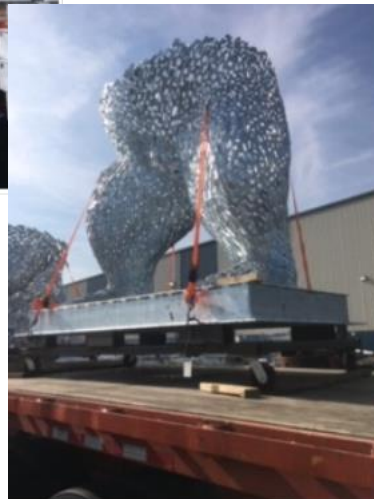
Five Bay Structure



Fort Indiantown Gap



Lightning Rod, Dollywood



Sculptor Andy Scott
"The Bear"

Quality

- Ability to provide hot-dip galvanizing services for projects large and small without compromising quality
- Specialization in duplex coatings (Colorzinq®)
- Modern facilities with experienced management

Service

- Communication and delivery above the competition
- Strategic locations in densely populated areas and/or geographic crossroads
- Focus on timely delivery
- Value added services beyond coatings (assembly, packaging, storage, fabrication)
- “Can do” attitude to accommodate customer requirements

Technical expertise

- Facilities constructed to V&S blueprint, maximising process efficiency
- Experienced personnel with an in-depth understanding of the galvanizing process



- Infrastructure spend continues to grow across a wide range of US markets
- Substitution for paint and other coatings is increasing, due to both cost and environmental factors
- Markets are increasingly focussed on sustainability and full life cycle cost; galvanizing outlasts other comparable coatings
- US geographical spread presents opportunities to increase footprint to meet higher market demand
- Market consolidation can be achieved through acquisitions



**Bridge & Highway
Temporary Bridge**



Energy development LNG, cracker plants





Utility Infrastructure
Electrical Substation



**Bridge & Highway
Permanent Bridge**





OEM
Truck Trailer Industry



- A proven leadership team
- Technical excellence
- Strong customer relationships based on quality and service
- Sustainability of product is driving increased specification
- Strong returns profile
- Significant growth potential (both organic and acquisitive)



Financial framework

Hannah Nichols

An organic and acquisitive growth strategy that maintains a strong margin and cash performance

Strong cash generation & sustainable financial leverage

Capital allocation to higher growth and return markets

Acquisitions to enhance growth

Progressive earnings and dividend growth

A disciplined strategy that delivers superior long term shareholder value

3% - 5%

Organic revenue growth

12% - 15%

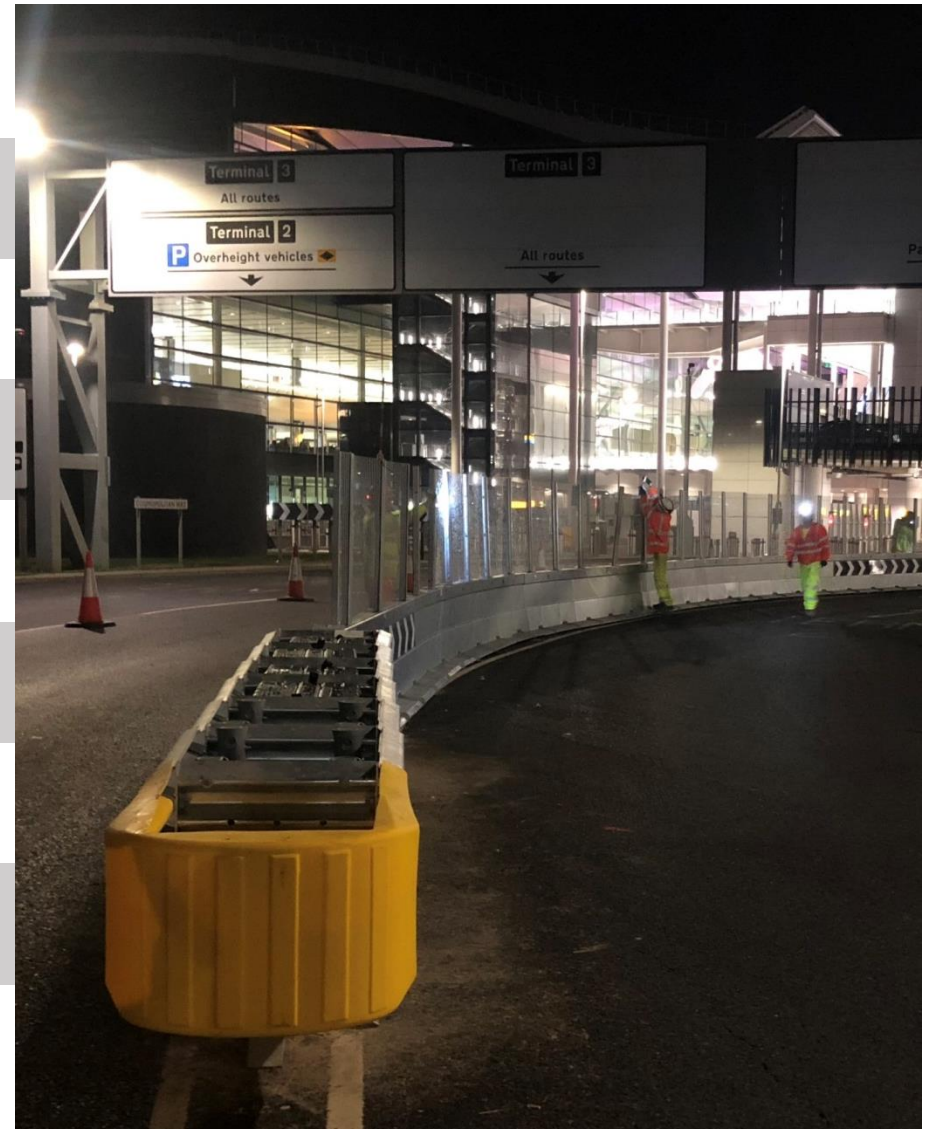
Operating margins

20%

Return on invested capital

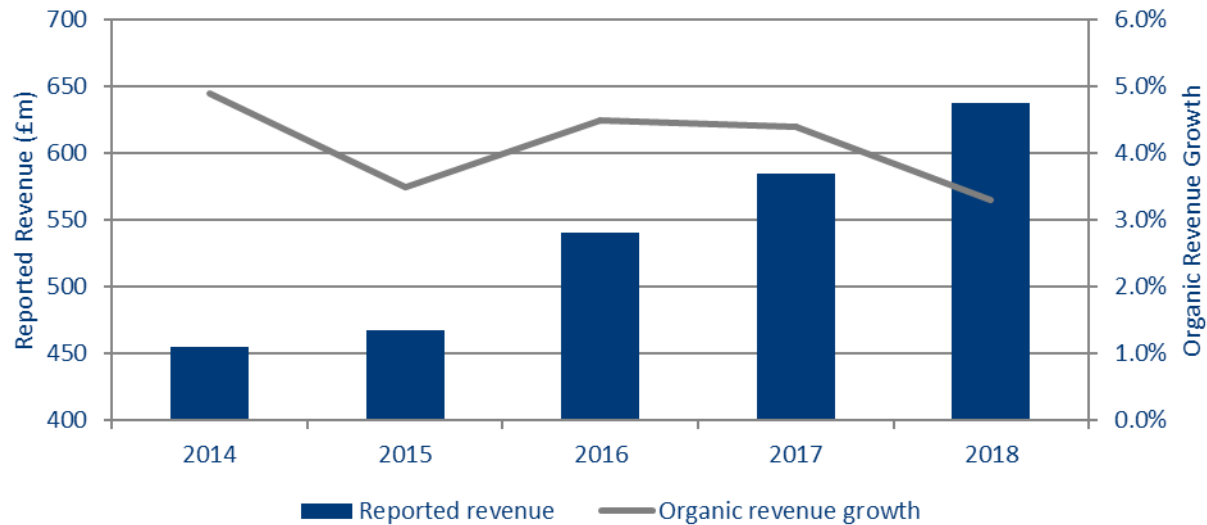
Cash

90% underlying cash conversion
Net debt: EBITDA 1.5 – 2 times



Market-leading positions in niche infrastructure markets

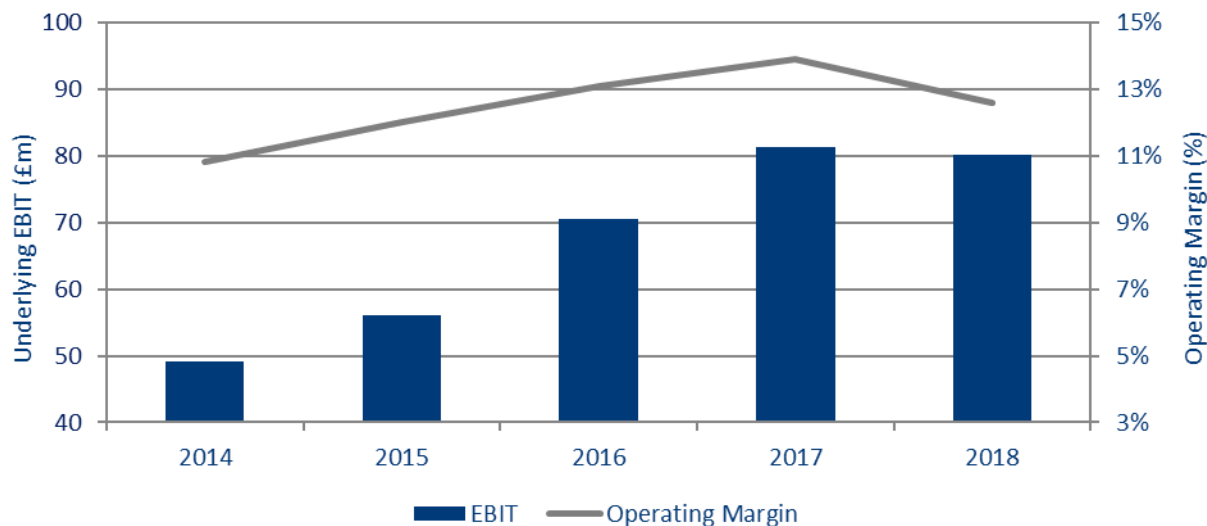
5 year organic revenue growth trend



- Target organic revenue growth range 3% - 5%
- Continuous product innovation driving new opportunities
- Geographical expansion of routes to market
- Acquisitions focused on sectors with demonstrable growth potential

Group businesses focused and targeted on margin expansion

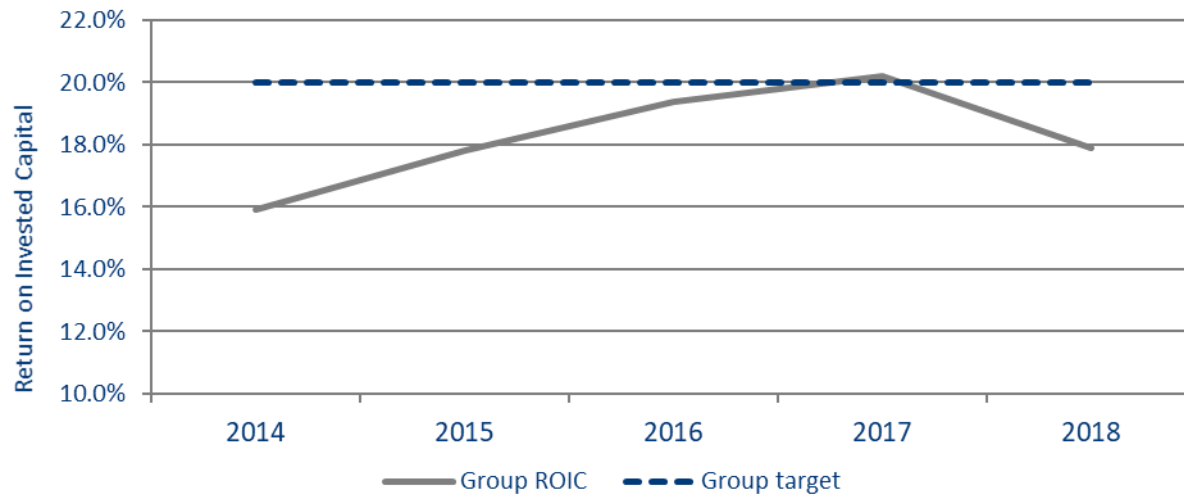
5 year operating margin trend



- Group target operating margin range 12% -15%
- Divisional margin targets to reflect dynamics of respective end markets
- Agile businesses well placed to respond to margin expansion opportunities
- Active portfolio management to drive higher returns

Effective deployment of capital to support growth ambition

5 year Return on Invested Capital trend

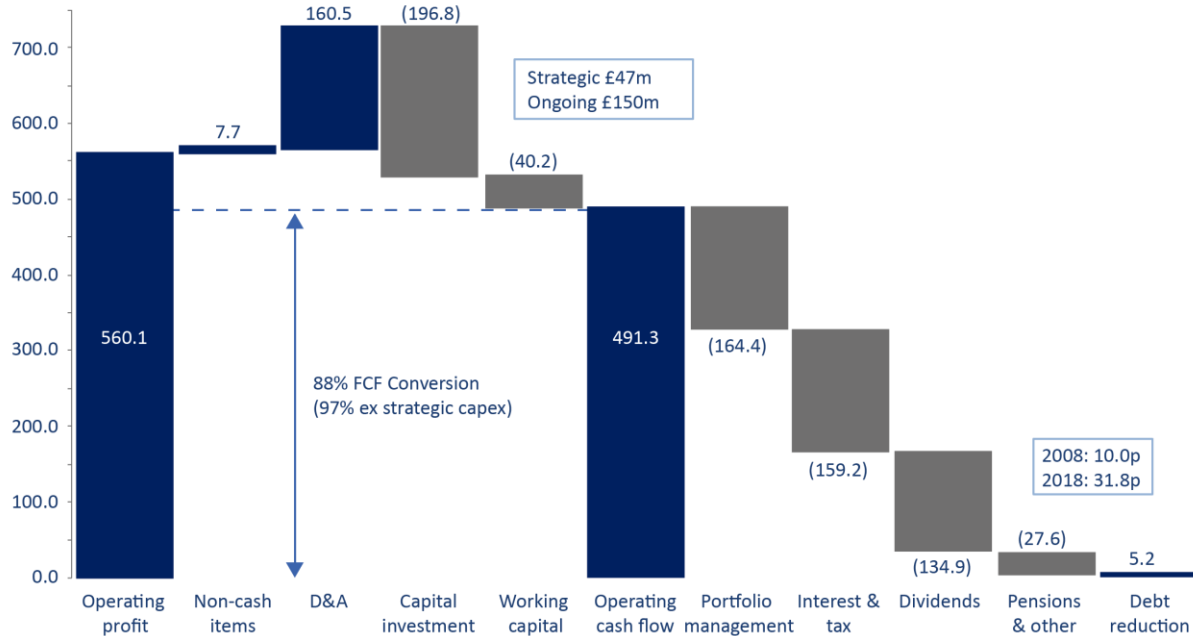


- Group ROIC target 20%
- Working capital investment commensurate with business growth profile
- Discipline in capital allocation to higher return markets
- Acquisitions strategy to deliver longer term target ROIC

Note: ROIC is underlying operating profit divided by average invested capital. Invested capital is defined as net assets excluding current and deferred tax, net debt, provisions, retirement benefit obligations and derivative financial instruments.

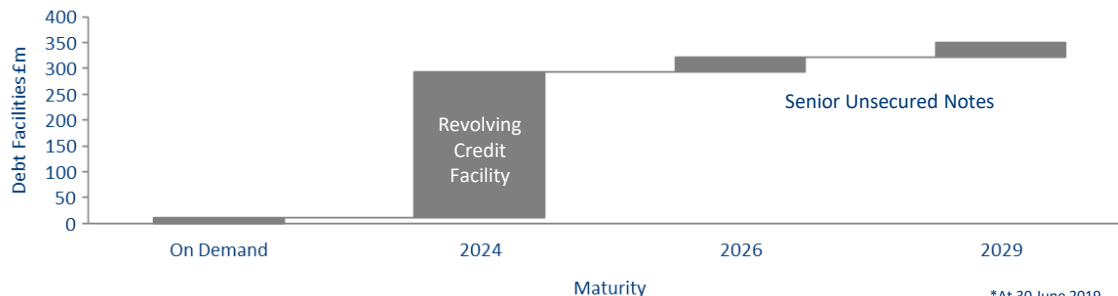
Track record of strong cash generation

Cumulative cash flow 2009 -2018 (£m)



- 90% cash conversion target
- Net debt/EBITDA target 1.5 to 2 times
- Strong cash flow and balance sheet create capacity for investment in high return markets
- Debt facilities provide certainty of funding over medium to long term

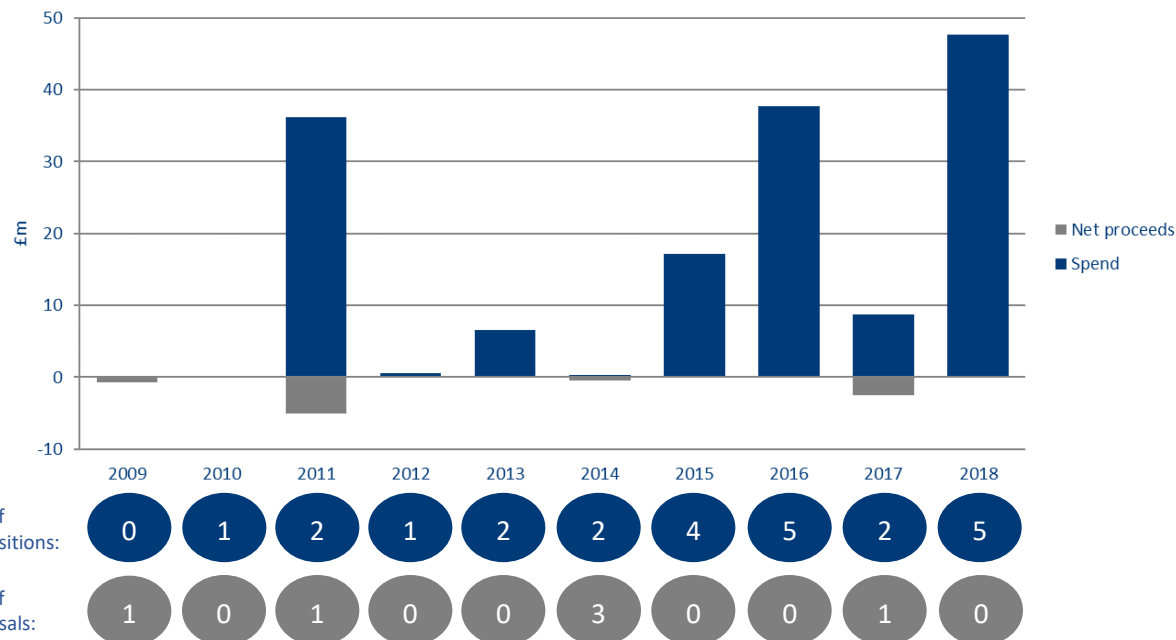
Debt facilities: total c.£350m*



*At 30 June 2019

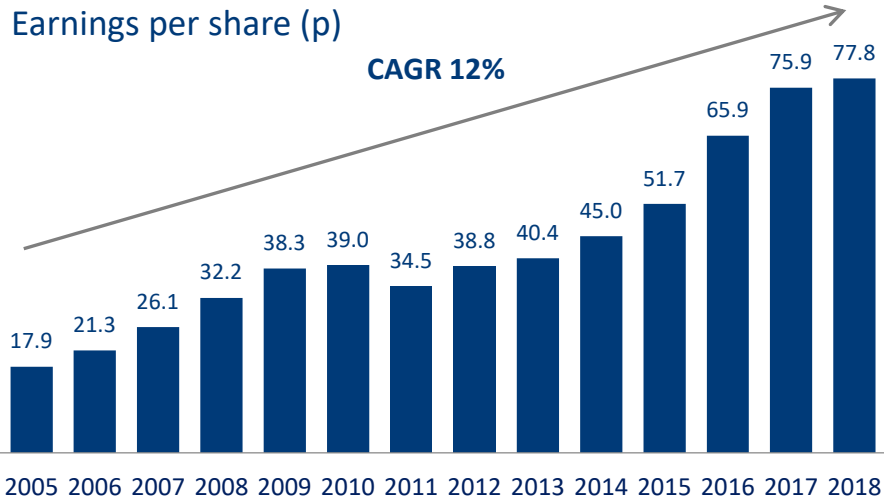
A disciplined approach with focus on value creation

Historical M&A activity

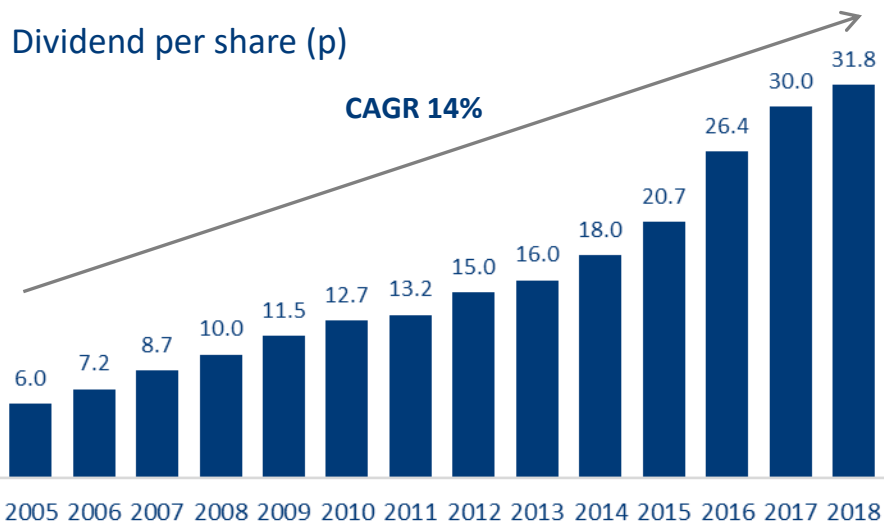


Total acquisition spend 2009 - 2018: £155m

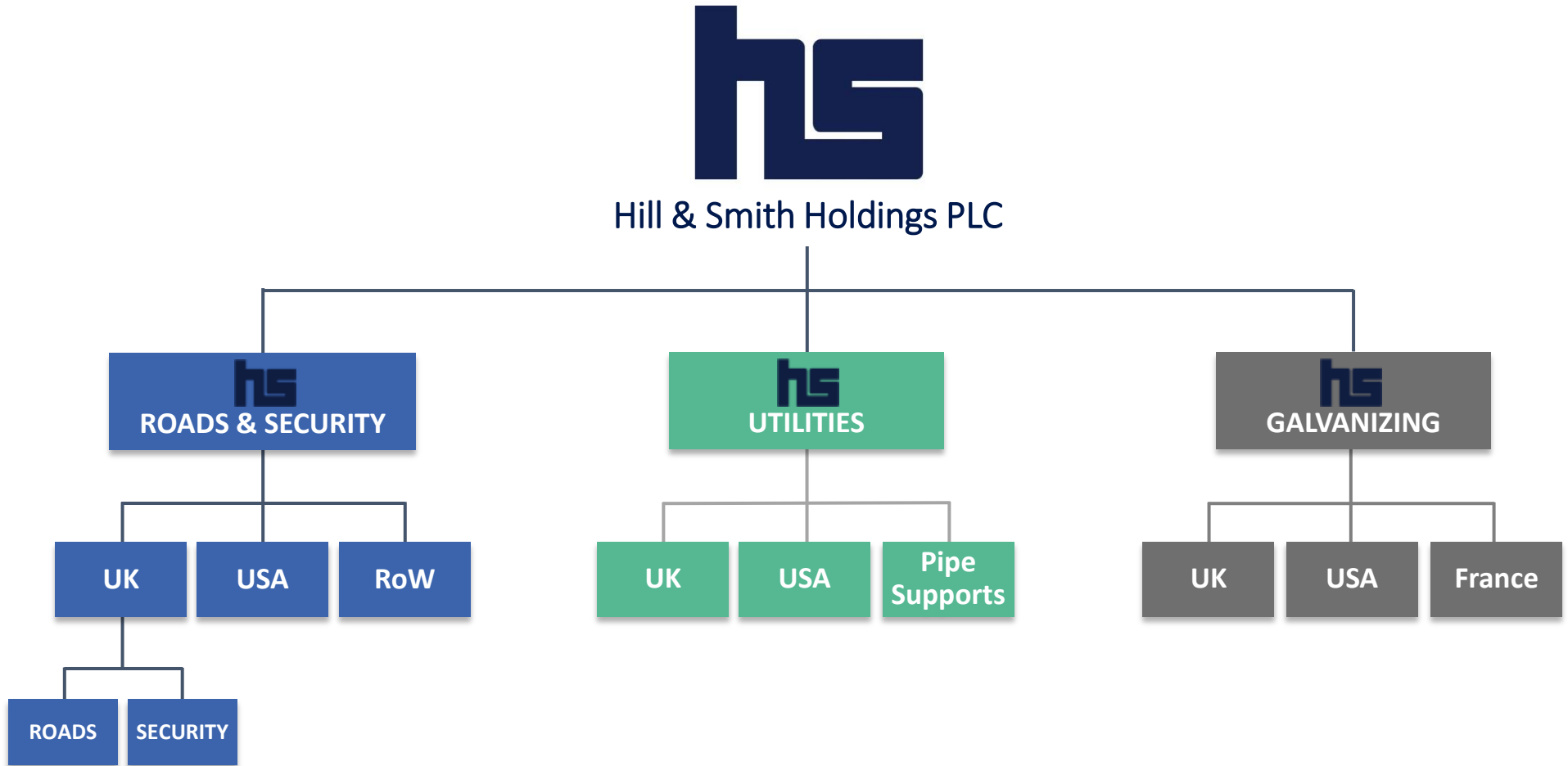
- Average acquisition multiple 6 x EBITDA with typical deal sizes of £10-20m
- Experienced Group M&A team support businesses to identify value enhancing opportunities
- Acquisition pipeline focused on growth markets and businesses we understand
- Local businesses accountable for integration and synergy realisation with oversight from Group



- Strategy delivering sustainable long-term growth in earnings
- Efficient conversion of profit to cash enables progressive dividend policy



- 16 successive years of dividend growth
- Central to strategy and TSR ethos
- Prudent cover at c.2.5x earnings





- **ROADS & SECURITY**

- Road Investment Strategy 2 - £25.3bn
- Ageing US infrastructure – FAST Act
- Collaborative security partnerships
- Growth markets in Europe and Middle East
- Strong product development programme



- **UTILITIES – Creative Composites Group**

- Market expected to grow 8-10%
- Product substitution / lightweight / corrosion resistant
- Product awareness
- New applications in OEM markets
- Significant opportunities in utility poles & cross-arms



- **GALVANIZING – V&S USA**

- Growth in infrastructure spend
- Product substitution from paint (e.g. trailer chassis)
- Increased footprint – New York site increases capacity
- Acquisition opportunities
- Focus on customer service to gain market share

Q & A

Capital Markets Day

10 December 2019

Delivering intelligent
protection solutions



Hill & Smith Holdings PLC



Stock Code **HLS**

DOT	Department of Transportation (USA)
DfT	Department for Transport (UK)
EV	Electric Vehicle
FAST Act	Fixing America's Surface Transportation Act (USA)
FRP	Fibre Reinforced Plastic
HVM	Hostile Vehicle Mitigation
JV	Joint Venture
LRFD	Load & Resistance Factor Design
MASH	Manual for Assessing Safety Hardware
NBA	National Barrier Asset
NRF	National Roads Fund
RIS1	Road Investment Strategy 1
RIS2	Road Investment Strategy 2
ROIC	Return on Invested Capital
TfL	Transport for London
TM	Traffic Management
VRS	Vehicle Restraint System



Derek Muir
Group CEO
6 January 1988

Derek joined the company in 1988 and was appointed to the Board in August 2006. He served as Group Managing Director of the core Infrastructure Products segment from 2001 and has been a Senior Manager within the Hill & Smith group for 30 years, having first been Managing Director of Hill & Smith Limited, one of the Group's principal subsidiaries.



Hannah Nichols
Group CFO
16 September 2019

Hannah joined the company after 14 years with BT Group plc, most recently as CFO, Asia, Middle East & Africa for BT Global Services, where she led a 70-strong globally and culturally diverse finance team, providing services to over 800 multinational and domestic customers across 46 countries.



Andrew Beaney
MD, Roads & Security Group
1 August 2019

A new senior management role leading strategic development across our range of businesses in the roads and security markets, through both organic growth and acquisition. Andrew joined the company after 18 years with Interserve, most recently as the Managing Director of Interserve Engineering Construction, based in Abu Dhabi.



Shane Weyant
CEO, Creative Composites Group

Shane has been with Creative Pultrusions Inc since 1989 when he started as a Regional Sales Manager. Gaining vast experience throughout the company in sales, marketing and operations management, Shane was appointed Chief Executive Officer in 2008 and has been instrumental in the growth and shaping of our US Composite Group.



Brian Miller
CEO, Voigt & Schweitzer LLC

Brian has been with Voigt & Schweitzer LLC since 1993 when he started as Finance Director. Appointed Chief Executive Officer in 2009, he was previously employed by the US accounting firms of Crowe Chizek and Company, and Arthur Andersen. Brian is a licensed Certified Public Accountant and Chartered Global Management Accountant.

Cautionary statement

This presentation contains forward looking statements which are made in good faith based on the information available at the time of its publication. 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.