2020 Preliminary Results

Creating sustainable infrastructure and
safe transport through innovation

10 March 2021

Key messages

- **Safety, health and wellbeing of our employees remain our key priority**
- **Robust trading performance**
  - Good recovery in H2, approaching H2 2019 trading levels
  - US businesses performed well throughout the year
  - Security businesses continue to face challenges
- **Strong cash generation**
  - £69.1m reduction in net debt
  - Repayment of UK furlough monies
- **Total 2020 dividend 26.7p per share**
- **Long term outlook for infrastructure remains positive**

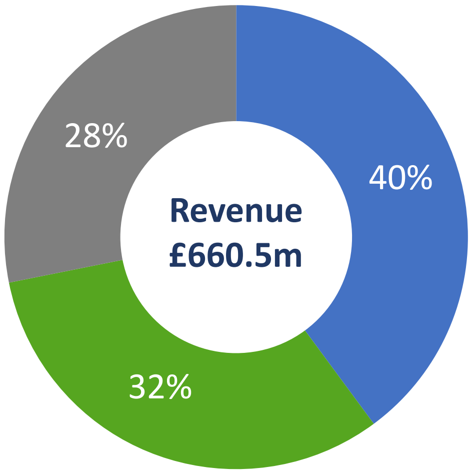
Results summary

	2020	2019	Reported +/-	Organic^ +/-
Revenue (£m)	**660.5**	694.7	-5%	-7%
Operating profit (£m)	**69.9**	86.3	-19%	-20%
Operating margin	**10.6%**	12.4%	-180bps	-180bps
Profit before tax (£m)	**62.6**	79.4	-21%	-22%
Earnings per share (p)	**63.2**	80.7	-22%	-23%
Dividend (p)	**26.7**	10.6	+152%	
Net Debt (£m)	**146.2**	**215.3**		

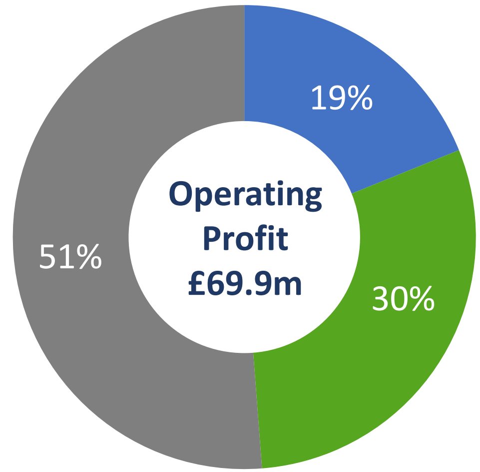
^ *Adjusted for the effect of acquisitions, disposals and foreign exchange movements*

2020 at a glance

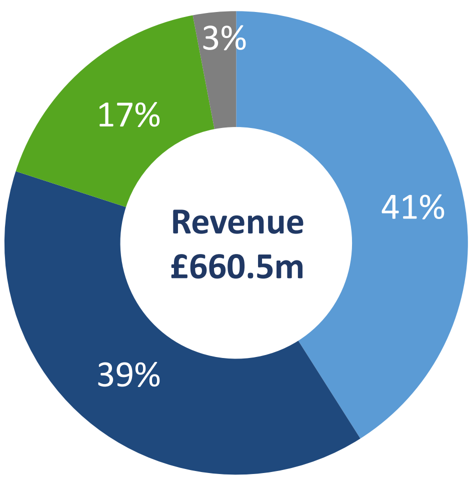
By segment



- Roads & Security
- Utilities
- Galvanizing

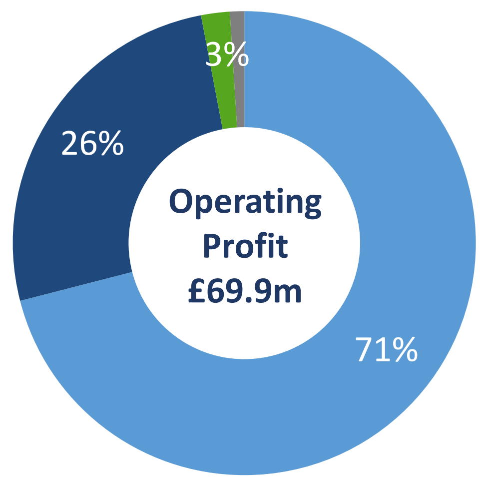


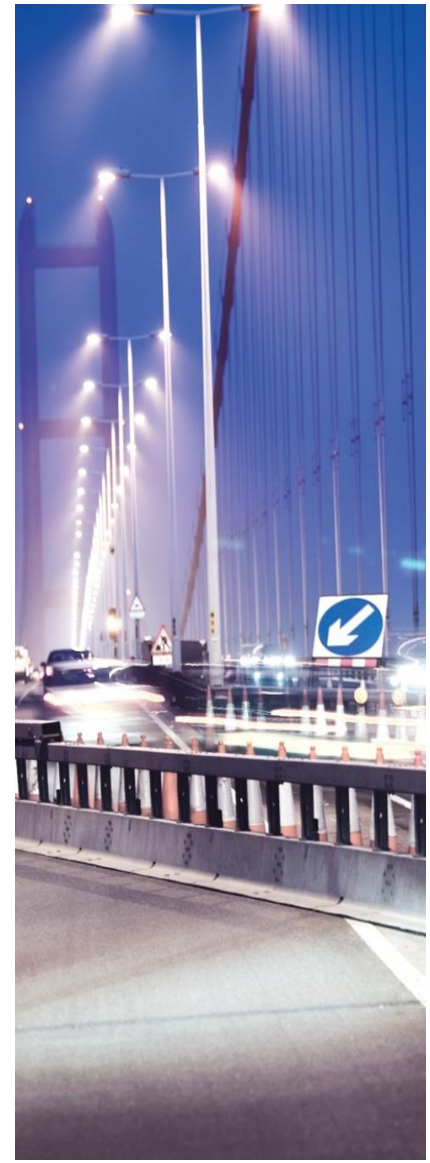
By end market geography



- US
- UK
- Rest of Europe
- Rest of World

By plant location





Roads & Security

	2020	2019*	Organic Change
Revenue (£m)	263.4	275.3	-10%
Operating profit (£m)	13.2	23.2	-45%
Operating margin	5.0%	8.4%	

UK Roads

- UK Government confirmed commitment to RIS 2 spend: £27.4bn (2020-25)
- Temporary rental barrier operated as expected with lower utilisation in H2 2020; new Smart Motorway schemes expected to commence H2 2021
- Good demand for permanent barriers driven by release of new RIS 2 schemes
- Variable message sign business experienced challenges due to slowdown in demand
- Gradual H2 recovery in remaining UK Roads portfolio

US Roads

- Awarded "essential" status and remained open throughout the year
- Strong performance with high demand for crash attenuators and temporary barrier
- Investment in barrier fleet and manufacturing capacity to support future growth

Other International Roads

- Sweden restructuring progressing under new management; losses significantly reduced
- Improved trading performance in Australia; growth opportunities encouraging

UK Security

- Security bollard and HVM projects impacted by delays and cancellations
- Low demand for security rental barrier due to cancellation of public gatherings
- Outlook for data centre security solutions encouraging

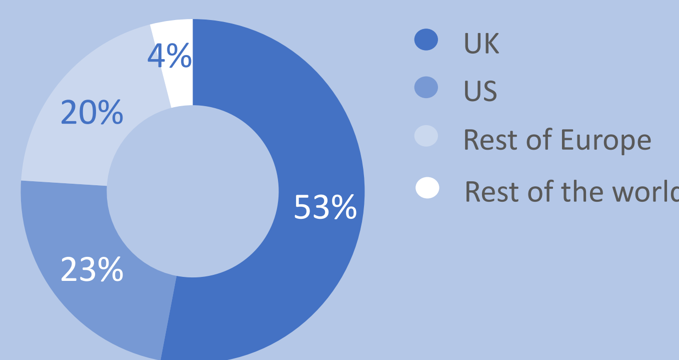
£m	Revenue	Operating Profit
2019*	275.3	23.2
F/X	0.6	-
M&A	16.0	0.5
Organic	(28.5)	(10.5)
2020	263.4	13.2

2020 Revenue

£263.4m Down 10% organically

UK Roads	down 1%	£107m
UK Security	down 29%	£49m
US Roads	up 6%	£57m
International	down 16%	£50m

Revenue by end geography



** 2019 has been restated to reflect the Group's revised segmental structure effective 1 January 2020*

Utilities

	2020	2019*	Organic Change
Revenue (£m)	211.2	222.3	-2%
Operating profit (£m)	20.9	21.3	-4%
Operating margin	9.9%	9.6%	

£m	Revenue	Operating Profit
2019*	222.3	21.3
F/X	(0.4)	-
M&A	(5.4)	0.4
Organic	(5.3)	(0.8)
2020	211.2	20.9

UK

- Building products business temporarily closed in March, reopened in April
- Industrial flooring remained open throughout
- Good recovery in H2

US

- Businesses deemed 'essential' and allowed to remain open
- Strong demand for a wide range of composite solutions including: waterfront protection, transmission access platforms, railcar flooring and HVAC applications
- Electricity distribution substation business delivered strong organic growth driven by upgrade of ageing infrastructure

Pipe Supports

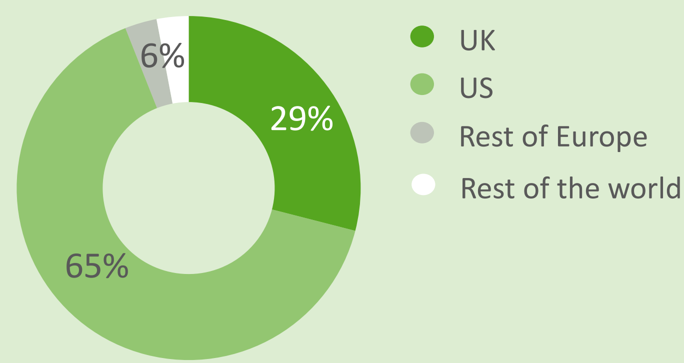
- US business awarded 'essential' status and continued to operate with focus on customer service and efficiencies improving margins
- Investment in our US seismic restraint device manufacturing capability to support future growth
- India impacted by COVID-19 forced shutdown in Q2; recovery in H2
- Growing demand for products to support transition towards cleaner energy

2020 Revenue

£211.2m Down 2% organically

UK	down 14%	£64m
US	up 6%	£103m
Pipes (US/India)	flat	£44m

Revenue by end geography



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Galvanizing

	2020	2019	Organic Change
Revenue (£m)	185.9	197.1	-6%
Operating profit (£m)	35.8	41.8	-14%
Operating margin	19.3%	21.2%	

£m	Revenue	Operating Profit
2019	197.1	41.8
F/X	0.5	-
Organic	(11.7)	(6.0)
2020	185.9	35.8

Overall

- H1 trading impacted by COVID-19 related closure and slowdown in demand
- Volume recovery in H2 supported by wide sectoral spread of customers
- Margins supported by pricing, plant efficiencies and lower zinc input costs

UK: 177k tonnes ↓7%

- All plants remained open to support essential work, albeit with lower activity
- Recovery in H2 with strong demand in fourth quarter

US: 154k tonnes ↓7%

- All plants awarded 'essential' status and continued to operate
- Slowdown in activity due to COVID-19 customer shutdowns and project delays
- New York plant operational January 2020 with baseload of new customers
- Actively assessing locations for further expansion

France: 115k tonnes ↓11%

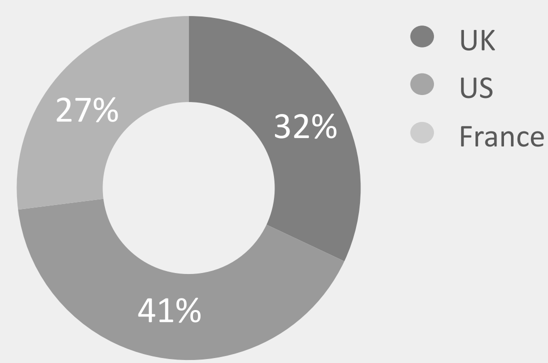
- Forced closure of all plants in middle of March; reopened at end of April
- Gradual recovery of volumes in H2
- Subdued market outlook has resulted in £17.5m goodwill impairment

2020 Revenue

£185.9m Down 6% organically

UK	down 4%	£59m
US	down 6%	£76m
France	down 8%	£51m

Revenue by end geography



Cash generation and financial position

£m	FY 2020	FY 2019
Underlying Operating Profit	69.9	86.3
Depreciation and amortization	33.7	31.3
Underlying EBITDA	103.6	117.6
Working capital	18.2	(12.9)
Capital expenditure (net)	(13.9)	(46.8)
Repayments of lease liabilities	(11.1)	(10.5)
Movements in provisions / other	0.7	(0.9)
Underlying operating cash flow	97.5	46.5
Underlying cash conversion ratio (%)	*139%*	*54%*
Restructuring spend (net)	(0.6)	(1.2)
Pension deficit payments	(3.6)	(2.5)
Interest paid (inc. IFRS 16)	(6.2)	(6.8)
Tax paid	(16.5)	(14.4)
Free cash flow	70.6	21.6
Dividends	(8.4)	(25.1)
Acquisitions/disposals	(0.9)	(46.5)
Lease movements under IFRS 16	7.9	(0.6)
Share issues/other (net)	0.2	1.3
Net cash flow	69.4	(49.3)
FX impact	(0.3)	2.9
Adoption of IFRS 16	-	(36.0)
Net debt**	146.2	215.3

- **Strong cash generation in period**
  - Underlying cash conversion 139%
- **Working capital inflow £18.2m** (2019: £12.9m outflow)
  - £21.6m inflow from trade receivables due to cash collection enhancements and customer mix dynamics
  - Debtor days: 54 days (Dec 2019: 61 days)
  - No benefit from UK COVID-19 reliefs: furlough and Q2 VAT deferrals repaid in December 2020 (c£10m)
- **Capex 0.9 times depreciation/amortisation**
  - Gross spend of £20.4m
  - Rigorous review to prioritise spend without limiting longer term growth prospects
  - FY 2021 guidance c£35m
- **Strong liquidity headroom**
  - Net debt reduced to £146.2m (Dec 2019: £215.3m)
  - Net debt to EBITDA: 1.3 times (covenant < 3.0 times)
  - Interest cover 17.0 times (covenant > 4.0 times)
  - £225.1m headroom against borrowing facilities
  - Facilities have medium to long maturities (95% Dec 2023 onwards)

*** includes £32.4m IFRS 16 (Dec 2019: £40.0m)*

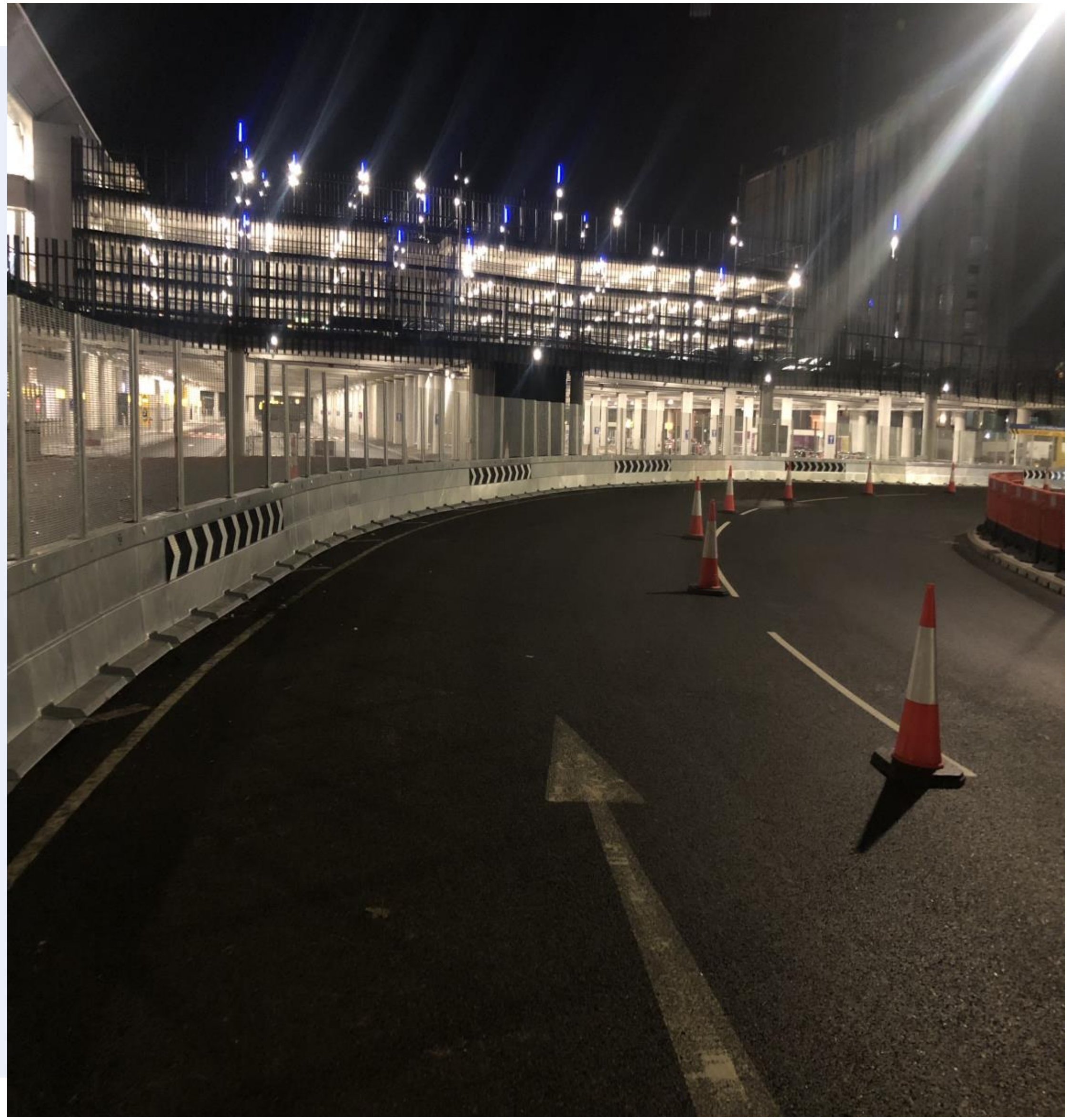
Outlook

Short term

- Expect good overall recovery in 2021
- Mindful of ongoing COVID-19 uncertainty
- FX and raw material price headwinds
- Smart motorway schemes expected to start in H2 2021

Medium to long term

- Outlook for infrastructure spend remains positive
- Potential for significant US infrastructure bill under Biden administration
- UK Government's commitment to £27.4bn RIS2 (2020-25)



Strategy update

Creating sustainable infrastructure and
safe transport through innovation

10 March 2021

Strengths and Opportunities

Strong fundamentals

- Resilient markets – strong growth drivers
- Impressive footprint
- Entrepreneurial autonomous operating model
- Excellent domain knowledge
- Talented people, a positive culture
- Ambitious board
- Financial model
- Strong balance sheet & cash generation

Opportunities

- Become more sustainable led by our purpose
- Increase the focus on organic growth
- Target higher margin applications
- Improve rate of innovation
- US growth prospects
- Fine-tune the portfolio
    - M&A discipline
    - Possible selective disposals
- Organise for growth and scalability

Our strategy

Why?

Creating sustainable infrastructure and safe transport through innovation

Where?

1 Macro drivers
Increasing population, Urbanisation, Climate change, increasing Health & Safety regulations

2 Market drivers
Sustainable materials, Decarbonisation, Infrastructure safety, Enabling technology, Vision zero

3 Applications & niches
Systematic process:
1. Select niches
2. Assessment of businesses

How?

Autonomous operating model
- Autonomy/agility/proximity to market
- Premium on talent
- Innovation

organic growth

Portfolio management
- Disciplined M&A
- Possible selective disposals

Financial model
- Organic profit growth/strong cash
- Conservative financial leverage
- Allocate capital to high growth/returns opportunities (M&A and organic)
- Progressive dividend policy

What?

Superior long-term stakeholder value

Attractive markets

	Sector	Market Trend	Opportunities for H&S
	Galvanizing	• Protects, extends and enhances critical infrastructure • US growth higher than Europe due to lower market penetration and US infrastructure spend	• Develop / acquire technology utilising our domain knowledge • Increase R&D focus to drive innovation • Focus on high margin niche market applications • Introduce products to drive decarbonisation • Geographical expansion (new plants and acquisitions)
	Roads & Security	• Awaiting President Biden's infrastructure bill • FAST Act extended until Q3 2021 • UK strategic road investment spend (RIS2) • Smarter road work zones • Decarbonisation of construction • Increasing data usage – data centres	
	Utilities - Composites	• Strong environmental credentials • Composite technology constantly evolving & increasing awareness of potential applications • Expectation of strong future growth in various market segments	
	Utilities	• Paris agreement: Net-Zero emissions by 2050 (c.190 countries) • Ageing US transmission infrastructure and change in generation sources leading to increase in capital spend	

Examples of US organic growth

1. **Novia**
   - High value engineered HVAC restraint
   - Regional player – capacity constrained
   - Expand manufacturing capacity ($3.6m) and sales coverage

2. **V&S Utilities**
   - Electricity distribution market
   - $1.5m investment in additional Ohio plant

3. **H&S Inc**
   - $11m investment – high value
   - Texas temporary barrier rental facility
   - ITS - Connected ecosystem

4. **V&S Galvanising**
   - High value service
   - $15m invested in NY
   - Market research study underway

Portfolio management

Continue strategy of thoughtful acquisitions and selective disposals

Preferred Application Characteristics

- Fits purpose
- Strong long term market drivers
- Market niches: strong barriers to entry or highly regulated
- Non-discretionary spend

Business Performance

- Gross margins at or above Group average
- Credible plan to deliver organic profit growth every year for the next five years
- Strong growth history/consistency
- Strong cash generation
- Assessment of businesses

Target Characteristics

- Growth and strategic rationale for acquisition
- Utilise our extensive domain knowledge to de-risk new-to-H&S technology acquisitions
- Offer is a small part of a high stakes system
- Good level of IP or high domain knowledge
- Scalable
- Ambitious management and a strong cultural fit

Organising for growth - Executive board

Paul Simmons
CEO

Joined from Halma in 2020. Has worked in the UK, US and China.

Hannah Nichols
CFO

Joined in 2019 from BT. Has worked in the UK and Singapore.

Andrew Park
CPO

Joining in June 2021. Has worked in the UK, US, Turkey and Hungary.

Denise Beachy
Group President

US based, joined from DuPont in 2021. Has also worked in Switzerland and the UK.

Andy Beaney
Group President

Joined in 2019 from Interserve. Has worked in the UK and Middle East.

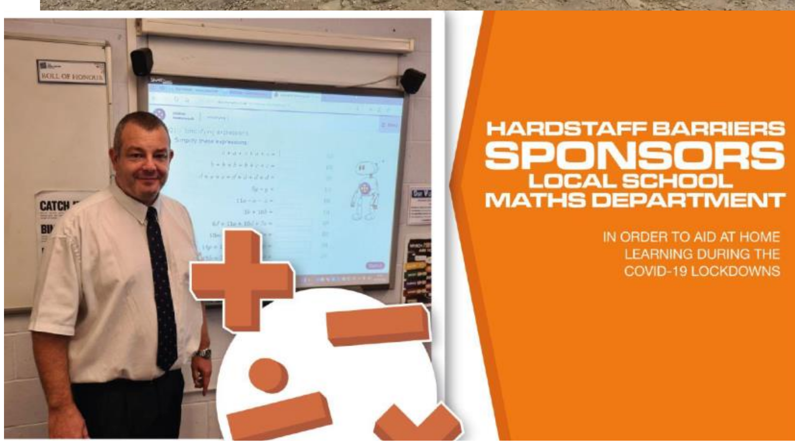
Joel Whitehouse
Corporate Development Director

Joined in 2006. Responsible for acquiring many of the Group's businesses.

Key changes to drive growth:

- **Executive board formed January 2021**
- **Group President Role**
  - Scalability
  - Supports Operating Companies with organic growth
  - Accountable for the delivery of M&A proposals
  - Research new-to-H&S areas
  - Roles are market focussed – not geographical
- **Chief People Officer**
  - Model places a premium on talent
  - Huge potential for employee career development
- **Managing Director and Group President bonus plans transition to profit growth metrics**

Sustainability



Sustainability is central to revenue growth and the way we operate

- H2 2021 major refresh of sustainability priorities

Environmental

- Our products & services reduce resource usage and emissions e.g. galvanizing and composites
- Opportunities to reduce environmental impact across each business
- Lower energy usage, reduce emissions, better water usage

Social

- Ongoing COVID-19 protection
- Safety - focus on continuous improvement to Long Term Injury Rate
- Strengthen talent management processes
- Apprenticeship schemes
- Increasing employee engagement

Governance

- Board refreshed in last three years, ongoing diversity improvements
- Online compliance education
- Increasing stakeholder engagement

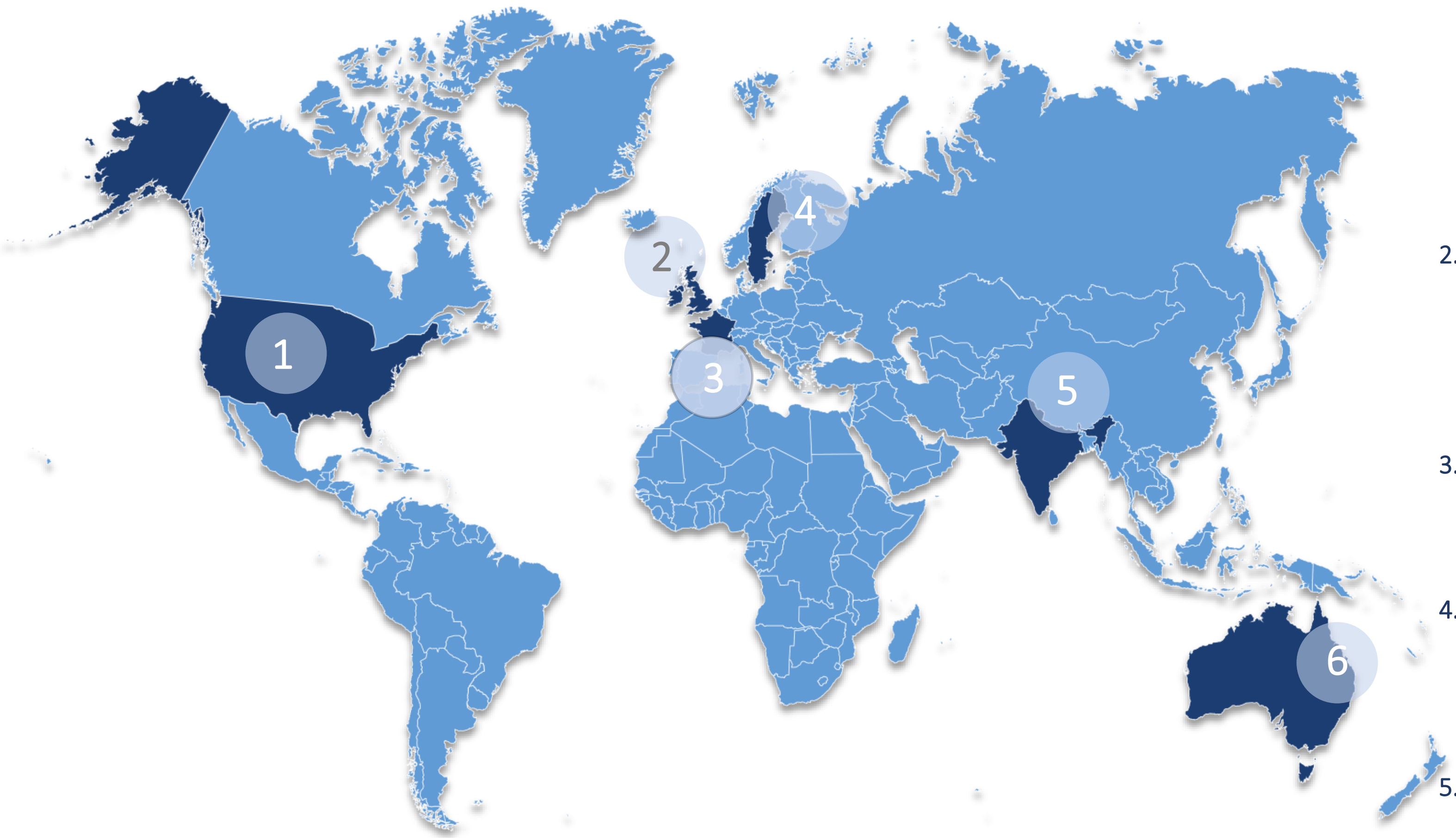
Summary

- Robust profit and cash performance demonstrates the resilience of our markets and our operational execution
- A clear purpose that aligns with long term drivers and medium term market stimuli
- Solid platform for consistent growth, based on proven operating and financial models
- Increased focus on talent and innovation with incentives aligned to organic growth
- Evolve the quality and technical breadth of the portfolio organically and through thoughtful acquisitions (within current and adjacent markets) and selective disposals
- Well positioned to develop and strengthen our sustainability credentials

M1
City

Appendices

Where we operate



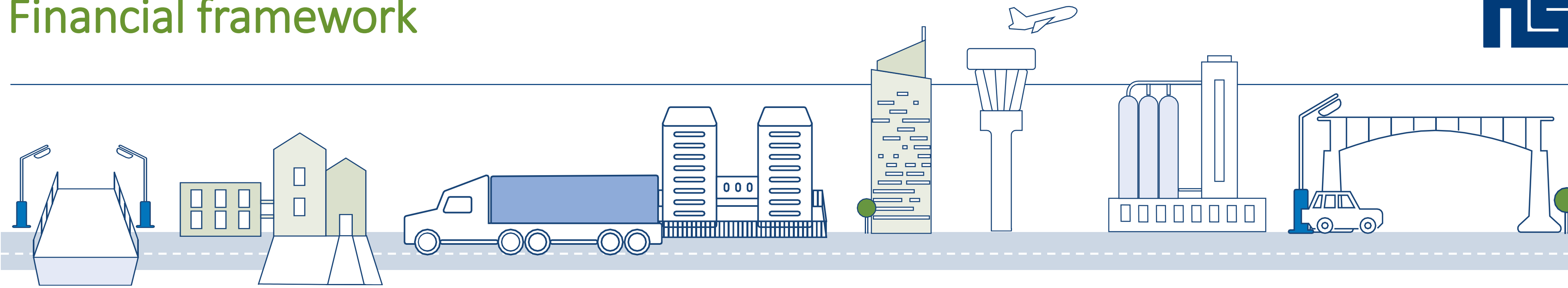
1. USA: Eight galvanizing facilities mainly in the north east, several Utilities sites manufacturing composite solutions and electricity distribution products, our Roads business based in Ohio and a network of locations for the manufacture and distribution of Pipe Support products.
2. UK: Network of 10 galvanizing plants across the country, several roads & security businesses predominantly around the Midlands, two Utilities operations in the north east and our head office in Solihull.
3. FRANCE: Network of 10 galvanizing plants across the country, together with a street lighting manufacturing business based in St. Florentin.
4. SWEDEN: Road safety barrier and signage business centered in Stockholm, with a network of distribution units around the country.
5. INDIA: Manufacturing facilities for our pipe supports products based near Chennai.
6. AUSTRALIA: Temporary and permanent road safety barrier distribution centre based in Brisbane.

Total sites: 76

26 USA | 28 UK | 22 RoW

Our sustainable growth model

Financial framework



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

Capital allocation and dividends

Effective deployment of capital to support growth ambitions

Organic Growth

- Allocation of capital to higher return, higher growth markets
- c£10m of 2020 capex allocated to growth investments

Acquisitions

- Continued financial capacity for acquisitions given strong in year cash generation
- Pipeline focused on capitalising our extensive domain knowledge
- Target higher margins and long-term growth

Group ROIC target : >17%

Progressive Dividend

- 2020 dividend: 26.7p per share
- Focus on maintaining sustainable and progressive dividend policy
- Underlying dividend cover 2.4 x

prolectric
Off-grid solar solutions

hs

Why did we acquire Prolectric?

- A clear fit with our purpose
- Backed by strong macro drivers (increasing population, urbanisation, climate change) and market drivers (decarbonisation, infrastructure safety, enabling technology)
- Strong historical profit growth, clear and credible plan for future growth
- Brings robust solar capability to the Group
- Enhances the Group’s remote monitoring know-how

Why do customers value Prolectric?

- Financial savings versus diesel alternatives
- Measurable carbon dioxide savings (via on-line portal)
- Field proven, remotely monitored solar solution

Financials

- £12.5m initial consideration, with up to £5.7m deferred consideration
- Margins and ROS above the Group average

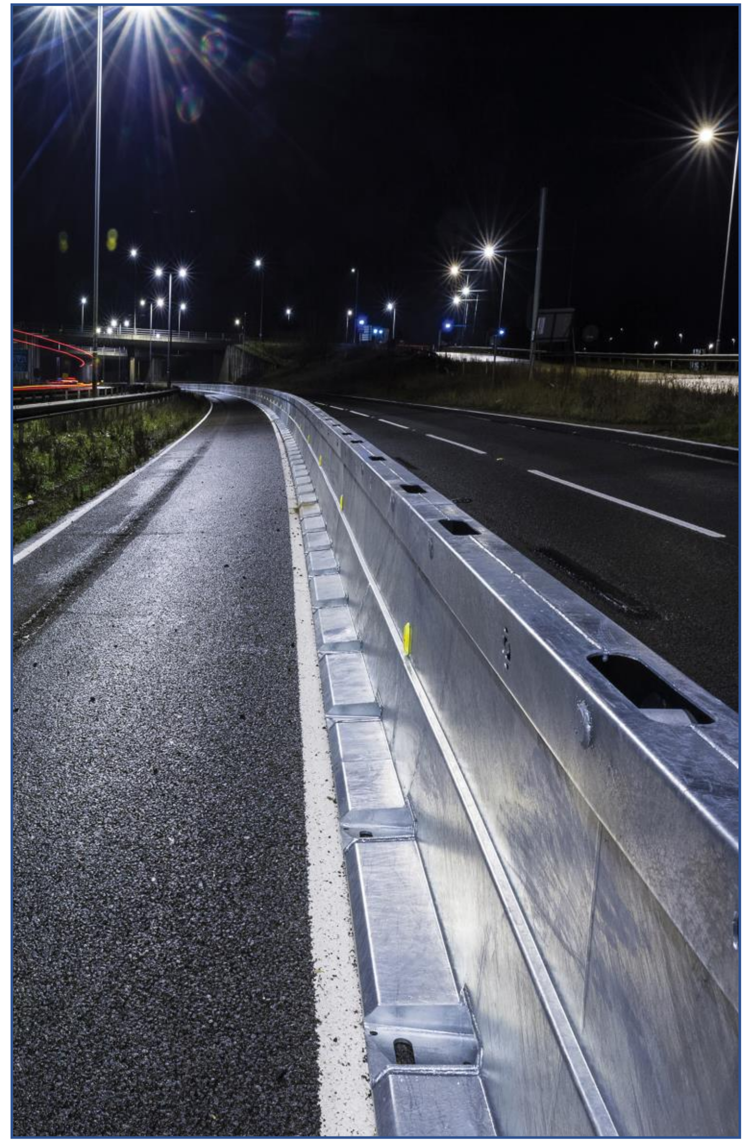
Financial guidelines

>3%	**Organic revenue growth**
12%-15%	**Group operating margin**
>17%	**Return on invested capital**
>90%	**Underlying cash conversion**
1.5 -2x	**Net Debt to EBITDA**

Operating Margin

	Margin			
	2020 %	2019* %		Expected Range %
Roads & Security	5.0	8.4		9 – 13
Utilities	9.9	9.6		8 – 11
Galvanizing	19.3	21.2		19 – 22
Group	10.6	12.4		12 – 15

- Group 2020 margin impacted by operational leverage on lower revenues
- Significant decline in Roads & Security margin mainly as a result of COVID-19 disruption to the security businesses
- Utilities ahead of prior year due to strong performance in US
- Galvanizing within expected range; lower than prior year due to COVID-19 forced closure of France in H1 and slowdown in volumes



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Segment analysis

£m	2020	Organic	M&A	FX	2019*
Roads & Security					
Revenue	263.4	(28.5)	16.0	0.6	275.3
Underlying operating profit	13.2	(10.5)	0.5	-	23.2
Margin	*5.0%*				*8.4%*
Utilities					
Revenue	211.2	(5.3)	(5.4)	(0.4)	222.3
Underlying operating profit	20.9	(0.8)	0.4	-	21.3
Margin	*9.9%*				*9.6%*
Galvanizing					
Revenue	185.9	(11.7)	-	0.5	197.1
Underlying operating profit	35.8	(6.0)	-	-	41.8
Margin	*19.3%*				*21.2%*
Group					
Revenue	660.5	(45.5)	10.6	0.7	694.7
Underlying operating profit	69.9	(17.3)	0.9	-	86.3
Margin	*10.6%*				*12.4%*

** 2019 has been restated to reflect the Group's revised segmental structure effective 1 January 2020*

Non-underlying items

£m	2020	2019
Operating items		
Business reorganisation costs	-	(1.9)
Acquisition costs	(0.3)	(1.8)
Amortisation of acquisition intangibles	(6.1)	(6.2)
Impairment of acquisition intangibles/other assets	(20.3)	(7.0)
Pension past service expense	(0.4)	-
Loss on sale of Weholite Limited	-	(0.7)
Profit on property sales	-	0.5
	(27.1)	(17.1)
Financing costs		
Net pension interest	-	(0.5)
	(27.1)	(17.6)
Cash in year (net)	(0.1)	1.2
Future cash	(0.6)	(0.6)
Non cash	(26.4)	(18.2)
	(27.1)	(17.6)

Return on Invested Capital

Divisional (%)	2020	2019*
Roads & Security	5.5	10.8
Utilities	19.3	18.8
Galvanizing	17.4	19.7

Group	2020	2019
Operating Profit (£m)	69.9	86.3
Av. Invested Capital (£m)	554.5	541.7
ROIC %	12.6	15.9

ROIC is defined as **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.

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Availability and usage of debt facilities

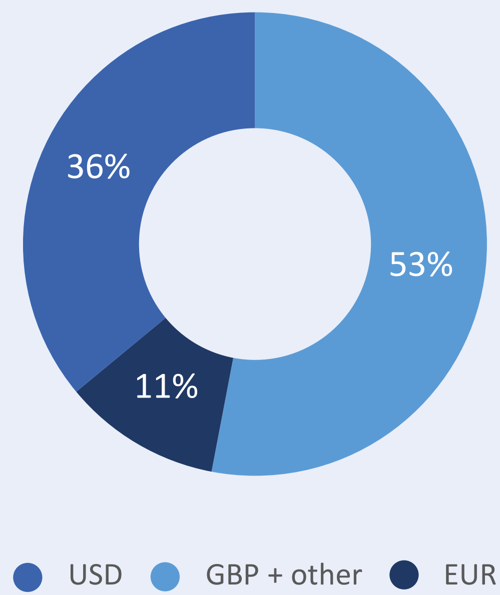
£m	Net Debt	Facility
Committed	**137.4**	328.3
On demand	**1.6**	13.8
Cash	**(22.0)**	-
Net borrowings	**117.0**	342.1
IFRS 16	**32.4**	-
IFRS 9	**(3.2)**	-
Reported net debt	**146.2**	342.1

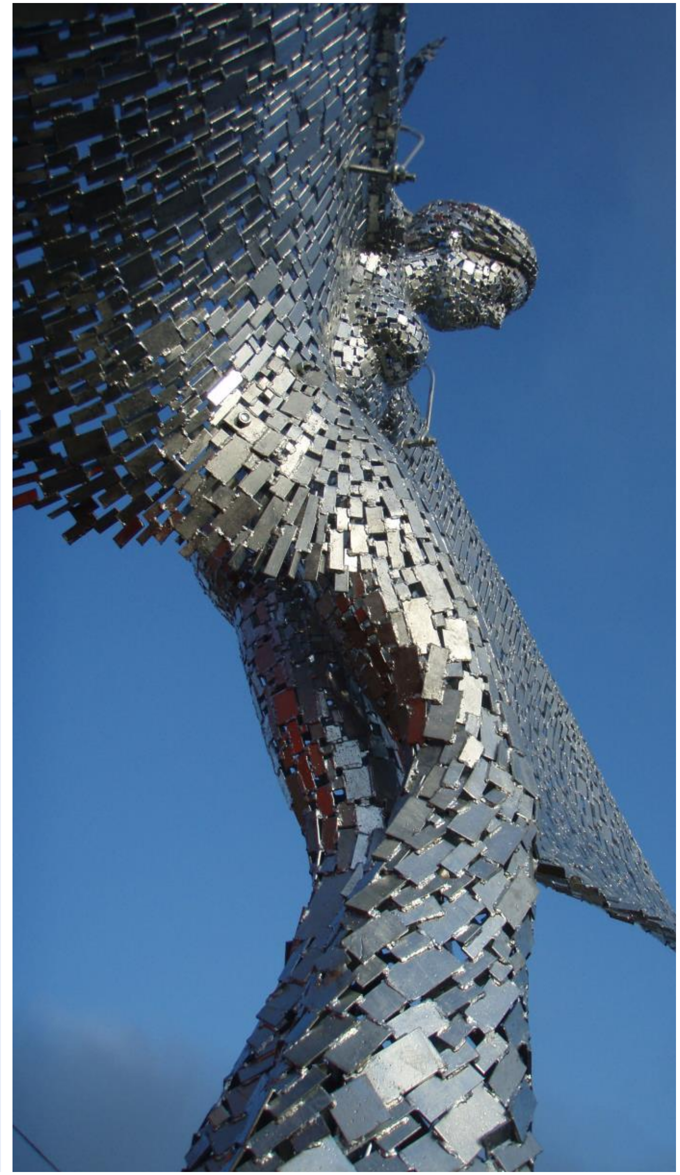
Maturity			
On demand	2021 to 2022	Dec 2023	2026 / 2029
	0.8	276.0	51.5
13.8			

£225.1m total headroom

- **Principal debt facilities have medium to long maturities**
  - Revolving credit facility in place until December 2023
  - Senior notes: $70m unsecured notes mature 2026/29
  - Average cost of debt at 31 December 2020 c2.4%
- **Facilities provide significant headroom of £224.9m**
  - Net debt : EBITDA 1.3 times (covenant 3 times); Interest cover 17.0 times (covenant 4 times)
  - Target net debt: EBITDA range between 1.5 to 2.0 times

Net Debt by currency
(exc. IFRS 16)





Foreign exchange sensitivities

	2020	2019	Change
Average rates			
Euro	**1.13**	1.14	↓ 1%
US$	**1.28**	1.28	No change
Closing rates			
Euro	**1.11**	1.18	↓ 6%
US$	**1.36**	1.32	↑ 3%

Impact on FY 2020	**Revenue**	+ve £0.7m or 0.1%
	Operating profit	No impact

Ready reckoner for translation impact of FX rates movement

Sensitivity to +/- 1 cent move in:	Revenue	Operating profit
Euro	+/- £0.7m	+/- £50k
US$	+/- £2.1m	+/- £410k

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 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.