

Year End Results - 2014



PTSG

PREMIER TECHNICAL
SERVICES GROUP PLC

Niche Specialist Service Provider

GROUP OF COMPANIES



Mission Statement



To create the UK's leading and best Niche Specialist Service Provider



- ✦ Access and Safety
- ✦ Lightning Protection
- ✦ Electrical Testing and Ancillary Services
- ✦ High Level Cleaning



Major Customers and Organic Growth

Delivering a multitude of services for thousands of customers, with over 90% currently taking only one service.

COFELY
GDF SUEZ



M&S

In most cases, we start by delivering single services before being asked to deliver more. Above are three examples of clients who we began taking access and safety services only. Today, they are taking advantage of our wider service offerings including electrical and high-level services.



2014 Highlights

- ✦ Continued underlying growth in revenue and profit
- ✦ Acquisition of Acescott to form High Level Cleaning division (July 2014)
- ✦ Successful admission to AIM and £8.0 million placing (Feb 2015)



“I am pleased to report our highest levels of revenue, gross profit and underlying profit before tax since the Group’s formation in 2007”

**John Foley
Chairman**

Revenue

£18.0m

+29.6%

Gross profit

£10.3m

+22.8%

EBITDA*

£4.7m

+25.3%

Profit before tax*

£3.7m

+22.2%

Pro Forma EPS

3.7p

+39.1%

*Before adjusting items.



2014 Review

In 2014, PTSG expanded into high level cleaning and maintenance with the acquisition of the trade and assets of Acescott Management Services Limited (“Acescott”) in July 2014, which contributed considerably to operating profits.

To complement this, we have a pipeline of acquisition opportunities which will carry us through 2015, 2016 and 2017. Our first acquisition is planned for second quarter 2015.

In 2014, topline performance remained strong, driven by robust EBIT Margins which remained consistently high. We also delivered strong organic growth across the group – most notably in electrical services.

Over 2014, we also invested heavily in software development to increase productivity, efficiency and reduce costs. We also signed new supply chain and framework agreements, including Mitie and Interserve, and renewed our 3-year contract with M&S.

Access and Safety generated sales of £9.6m and adjusted EBIT of £1.7m for the year ended 31 December 2014 with Electrical Services recording sales of £6.6m and adjusted EBIT of £1.9m. The acquisition of Acescott bolstered the High Level Cleaning division and, by the end of the year, was fully integrated.

The integration of previous acquisitions, including Ohmega and Test Strike, continued to strengthen and play significant roles in the performance of the group.



Consolidated Statement of Comprehensive Income

	Year ended 31 December 2014			Year ended 31 December 2013		
	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £
Revenue	18,002,687	-	18,002,687	13,886,853	-	13,886,853
Cost of sales	(7,683,423)	-	(7,683,423)	(5,485,852)	-	(5,485,852)
Gross Profit	10,319,264	-	10,319,264	8,401,001	-	8,401,001
Net operating costs	(6,311,864)	(2,529,716)	(8,841,580)	(5,241,089)	(514,773)	(5,755,862)
Total operating profit	4,007,400	(2,529,716)	1,477,684	3,159,912	(514,773)	2,645,139
Finance costs	(305,030)	-	(305,030)	(130,794)	-	(130,794)
Profit before taxation	3,702,370	(2,529,716)	1,172,654	3,029,118	(514,773)	2,514,345
Pro forma adjusted EPS			3.77p			2.71p



Consolidated Statement of Net Assets

	2014 £	2013 £
Assets		
Non-current assets		
Goodwill	3,615,748	3,539,257
Property, plant and equipment	1,340,886	1,075,740
Deferred tax asset	-	33,408
Total non-current assets	4,956,634	4,648,405
Current assets		
Inventories	201,560	145,476
Trade and other receivables	8,060,904	5,417,116
Cash and cash equivalents	-	372,917
Total non-current assets	8,262,464	5,935,509
Liabilities		
Current liabilities		
Trade and other payables	4,408,865	2,650,432
Bank overdraft, net of cash	1,260,845	-
Finance leases	474,529	369,956
Borrowings	1,000,000	1,250,000
Deferred consideration	899,440	100,000
Current tax liabilities	440,282	400,467
Total non-current liabilities	8,483,961	4,770,855
Net current (liabilities)/assets	(221,497)	1,164,654
Non-current liabilities		
Borrowings	2,750,000	3,750,000
Finance leases	357,715	349,241
Deferred tax liability	6,146	
Deferred consideration	500,000	500,000
Total non-current liabilities	3,613,861	4,599,241
Net assets	1,121,276	1,213,818

NB: 2014 Balance Sheet does not reflect the receipt of the IPO proceeds in February 2015



Consolidated Cashflow Statement

	Actual	Actual
	2014	2013
	£'000	£'000
Adjusted EBITDA*	4,708	3,757
Adjusting items	(2,493)	(622)
Movement in working capital	420	(1,297)
Inflow from operating activities	<u>2635</u>	<u>1,838</u>
Taxation	(561)	(872)
CAPEX/financing	(990)	(592)
Acquisitions	(678)	(850)
Dividends	(790)	(755)
Loans taken out/repaid	(1,250)	5,000
Share buy back		(4,038)
Decrease in cash	<u><u>(1,634)</u></u>	<u><u>(269)</u></u>

*Adjusted for contingent acquisition payments, restructuring, re-branding, and refinancing costs and amortisation of intangible assets



Segmental Analysis

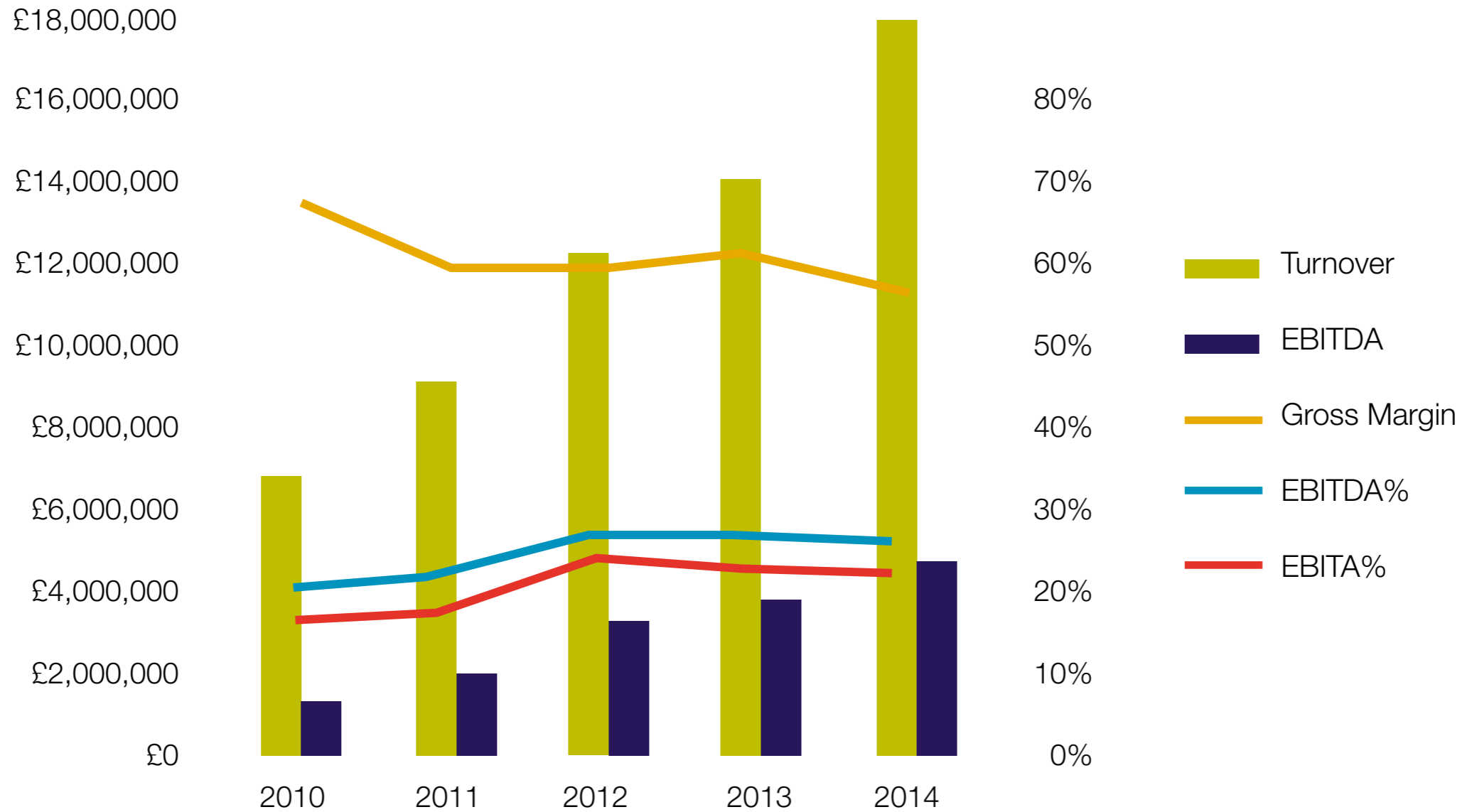
2014 Results

	Turnover £'000	EBIT* £'000
Access and Safety	9,586	1,738 18.1%
Electrical Services	6,583	1,876 28.5%
High Level Cleaning	1,834	415 22.6%
Central		(22)
Group	<u>18,003</u>	<u>4,007</u> 22.3%

*Before adjusting items



Five Year Profit and Loss Summary



Group Structure



Revenue: £9.59m
Est. Mkt Share: 5%

Core Activities:

- Safety Testing & Installation
- Cradle Maintenance & Installation



Revenue: £6.58m
Est. Mkt Share: 4%

Core Activities:

- Lightning Protection
- Fixed Wire Testing
- PAT Testing
- Fire Alarm



Revenue*: £1.83m
Est. Mkt Share: 3%

Core Activities:

- High Level Window, Gutter, Building Cleaning
- Pressure Washing, Graffiti & Chewing Gum Removal
- Specialist Abseiling
- Technical Services



Acquisitions to be targeted to launch this division

*Recent acquisition of Acescott - 6m results



Acquisition Update/Outlook

- ✿ First acquisition planned for second quarter of 2015
- ✿ Pipeline of internally identified acquisition opportunities
- ✿ Organic growth is strong
- ✿ First quarter performance in 2015 in line with the Board's expectations



Five Year Profit and Loss Summary

Appendix 1

	Actual 2010 £'000	Actual 2011 £'000	Actual 2012 £'000	Actual 2013 £'000	Actual 2014 £'000
Turnover	6,712	9,023	12,072	13,887	18,003
Gross profit	4,480 66.7%	5,318 58.9%	7,145 59.2%	8,401 60.5%	10,319 57.3%
Adjusted EBITA**	1,117 16.6%	1,630 18.1%	2,855 23.6%	3,160 22.8%	4,007 22.3%
Adjusted EBITDA**	1,380 20.6%	2,010 22.3%	3,289 27.2%	3,757 27.1%	4,708 26.2%

**Adjusted for contingent acquisition payments, restructuring, re-branding, and refinancing costs and amortisation of intangible assets



Five Year Cashflow

Appendix 2

	Actual	Actual	Actual	Actual	Actual
	2010	2011	2012	2013	2014
	£'000	£'000	£'000	£'000	£'000
Adjusted EBITDA**	1,380	2,010	3,289	3,757	4,708
Adjusting items	0	(942)	(50)	(622)	(2,493)
Movement in working capital	(894)	980	(849)	(1,297)	420
Inflow from operating activities	486	2,048	2,390	1,838	2,635
Taxation	(211)	(292)	(202)	(872)	(561)
CAPEX/financing	(367)	(513)	(517)	(592)	(990)
Acquisitions	0	(127)	(332)	(850)	(678)
Dividends	(90)	(790)	(749)	(755)	(790)
Loans taken out/repaid				5,000	(1,250)
Share buy back				(4,038)	
Increase / (decrease) in cash	(182)	326	590	(269)	(1,634)

**Adjusted for contingent acquisition payments, restructuring, re-branding, and refinancing costs and amortisation of intangible assets



Five Year Balance Sheet

Appendix 3

	Actual 2010** £'000	Actual 2011 £'000	Actual 2012 £'000	Actual 2013 £'000	Actual 2014 £'000
Fixed assets	1,968	2,453	3,360	4,616	4,957
Stock, trade and other receivables	2,966	2,454	3,700	5,562	8,262
Net cash	(297)	51	642	373	(1,261)
Current liabilities*	(1,608)	(2,132)	(3,247)	(3,421)	(5,325)
Net current assets*	1,061	373	1,095	2,514	1,679
Non-current liabilities*	(168)	(85)	(248)	(316)	(363)
Loan		0	0	(5,000)	(3,750)
Deferred consideration		(75)	(100)	(600)	(1,399)
Net assets	2,861	2,666	4,107	1,214	1,121

*excludes loan and deferred consideration

** UK GAAP





John Foley
Chairman

John is a co-founder of the Group and was chief executive of MacLellan Group plc (“MacLellan”), a facilities services company, from 1994 until it was acquired by Interserve plc for an enterprise value of £130 million in June 2006. At the time of John’s appointment, MacLellan was loss making, with a turnover of circa £5 million and 50 employees. When it was sold to Interserve, MacLellan had a turnover of circa £250 million and a profit before tax of circa £9 million, with 13,500 employees. MacLellan grew through a series of acquisitions and organic growth. John is a Chartered Accountant and barrister.



Paul Teasdale
Chief Executive Officer

Paul is a co-founder of the Group and has significant experience and expertise in the access and safety sector, having founded TASS Europe Limited (“TASS”), whose activities included the installation, repair and maintenance of safety eyebolt systems, cradle and safety ladder tie systems, in 1999. TASS was sold to MacLellan in 2004 for £6 million and Paul joined MacLellan as managing director of TASS.



Roger Teasdale
Managing Director

Roger joined the Group as Managing Director in November 2014, and was previously president of the advanced wound management division (divisional revenue of \$1.4 billion, with 4,000 employees) of Smith & Nephew Plc. Roger was employed by Smith & Nephew Plc for 25 years and held a number of key roles including president of their North American business, president of their extruded films division and senior vice president of advanced wound care. Roger is a qualified Chartered Accountant and holds a BA in Accounting and Management Control.



Mark Watford
Finance Director

Mark joined the Group as Finance Director in September 2014 and is a Chartered Accountant. Previously, Mark was a vice president of finance at Smith & Nephew Plc and a member of the global executive management team of its advanced wound management division. Prior to Smith & Nephew Plc, Mark was finance director and managing director of a regional firm of building contractors.





Alan Howarth
Non-executive Director

Alan joined the Board on Admission. Alan was appointed as a director of Chamberlin plc in January 2007 and was previously a partner in Ernst & Young. He is chairman of Cerillion Technologies Limited and Essentia Limited and has further non-executive interests in a range of private companies.



Roger McDowell
Non-executive Director

Roger joined the board on Admission. He was managing director of Oliver Ashworth for 18 years and led the main market listing and subsequent sale to Saint-Gobain S.A. He is currently the chairman or a non-executive director of eight listed companies, namely Avingtrans plc, Servelec Group plc, Inspired Capital plc, Alkane Energy plc, Swallowfield plc, IS Solutions plc, Proteome Sciences plc and Augean plc.

Ownership

John Foley	28.9%
Paul Teasdale	28.9%
Other Directors	0.7%
Hawk Investment Holdings	24.5%
Free Float	17.0%
	<hr/>
	100%



Acquisition History

Appendix 5

		Division	Consid'n £m	Deferred £m	Total £m	Sales £m	EBIT £m
February 2007	National Cradle Maintenance Ltd	A&S	0.9	0.3	1.2	0.6	-0.1
January 2008	Access Equipment Specialists Ltd	A&S	0.3	0.0	0.3	0.5	0.1
July 2008	OCS Access and Safety	A&S	0.3	0.0	0.3	2.4	0.0
December 2010	Thor Lightning Protection Ltd	ES	0.0	0.0	0.0	0.6	-0.2
October 2011	Guardian Cradle Maintenance Ltd	A&S	0.1	0.0	0.1	0.7	-0.2
October 2012	Protectis Ltd	ES	0.2	0.0	0.2	1.4	0.1
November 2012	CJS Eastern Ltd	ES	0.3	0.6	0.9	0.5	0.1
April 2013	Cardinal Specialist Services Ltd	ES	0.1	0.0	0.1	0.2	0.0
June 2013	Kobi	A&S	0.0	0.0	0.0	0.2	0.0
November 2013	Test Strike UK Ltd	ES	0.6	1.1	1.7	0.8	0.1
December 2013	Ohmega Testing Services Ltd	ES	0.2	0.4	0.6	0.0	0.0
July 2014	Acescott Management Services	HLC	0.4	2.6	3.0	3.3	0.5
Total Averages			3.4	5.0	8.4	11.2	0.4

