

A Truly Connected Business

Protecting People, Preserving Buildings



2017 FULL YEAR RESULTS PRESENTATION

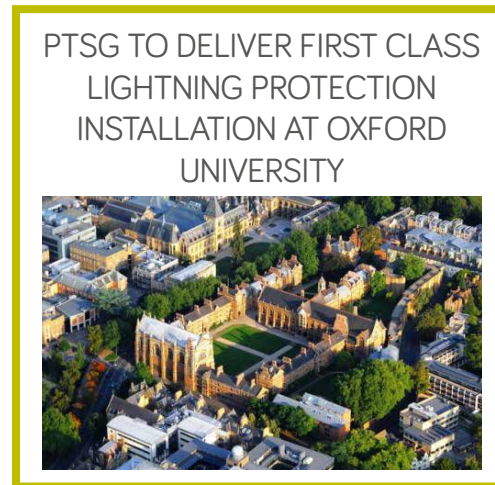


GROUP OF COMPANIES



Agenda

- ✿ Key highlights and group overview – Paul Teasdale
- ✿ Financial review – Mark Watford
- ✿ Strategic update and outlook – Paul Teasdale
- ✿ Q&A



2017 Highlights

- ✿ Another year of exceptional growth in 2017 with revenue of £52.9m (2016: £39.2m) an increase of 35%
- ✿ Good organic growth of 11% on prior year
- ✿ Operating profit* growth of 35% to £10.6m reflecting strong revenue growth and good cost control
- ✿ Integration of UK Sprinklers fully completed and trading 50% ahead of the acquired business
- ✿ BEST Lightning Protection integration is 90% complete and business is performing well
- ✿ Strong order book, successful acquisition integration and high renewal rate of 88% resulted in upgrade to 2018 expectations on 16th January 2018
- ✿ Proposed final dividend of 0.8p per share (up 14%)

Revenue

£52.9m

+35%

Gross profit

£27.1m

+33%

Operating profit*

£10.6m

+35%

Adjusted EPS

9.73p

+28%

Divided per share

1.60p

+14%

*Before adjusting items.

Group Structure



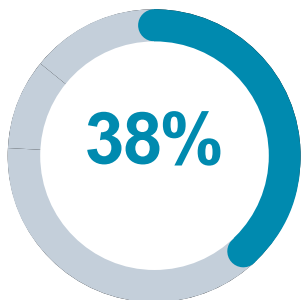
Revenue: £20.2m
Est. Mkt Share: 8%

Market leader across all four sectors

Core Activities:

- Safety Testing & Installation
- Cradle Maintenance & Installation

Group turnover contribution



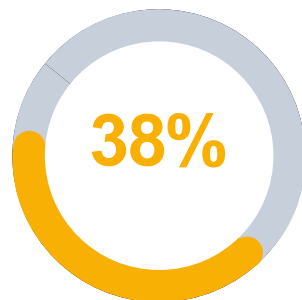
Revenue: £20.2m
Est. Mkt Share: 9%

Market leader in Lightning Protection
Top three in Electrical Testing

Core Activities:

- Lightning Protection
- Fixed Wire Testing
- Portable Appliance Testing
- Fire Alarm & Extinguishers
- Dry Risers
- Steeplejack Services

Group turnover contribution

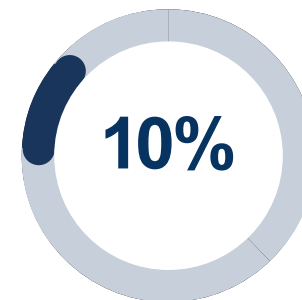


Revenue: £5.4m
Est. Mkt Share: 5%

Core Activities:

- Steeplejack Services
- High-Level Installations
- High-Level Reparation
- High-Level Cleaning

Group turnover contribution

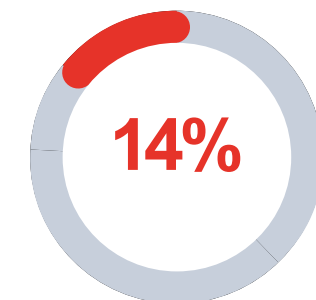


Revenue: £7.1m
Est. Mkt Share: 3%

Core Activities:

- Dry Riser Installation/Maintenance
- Sprinkler Installation/Test/Maintenance
- Fire Alarm/Emergency Lighting Test/Install
- Fire Extinguisher Test/Supply

Group turnover contribution



PTSG Operating Model

Customer diversification

- Over 17,000 customers (2016: 15,000)
- Over 150,000 assets

Repeat business

- Testing, inspection and maintenance works typically delivered via 3-5 year contracts
- Industry leading renewal rates of 88% +
- Ever increasing cross selling opportunities driven by steady widening of the service offer and nationwide coverage

Staff utilisation

- Approximately 400 engineers located across the country
- Model based on 100% utilisation of engineers
- Growth improves route density

National coverage

- Operate from 16 locations across the UK
- Leveraged back office function
- Only truly national player in chosen markets
- Reduced travelling and overnight costs

Use of technology

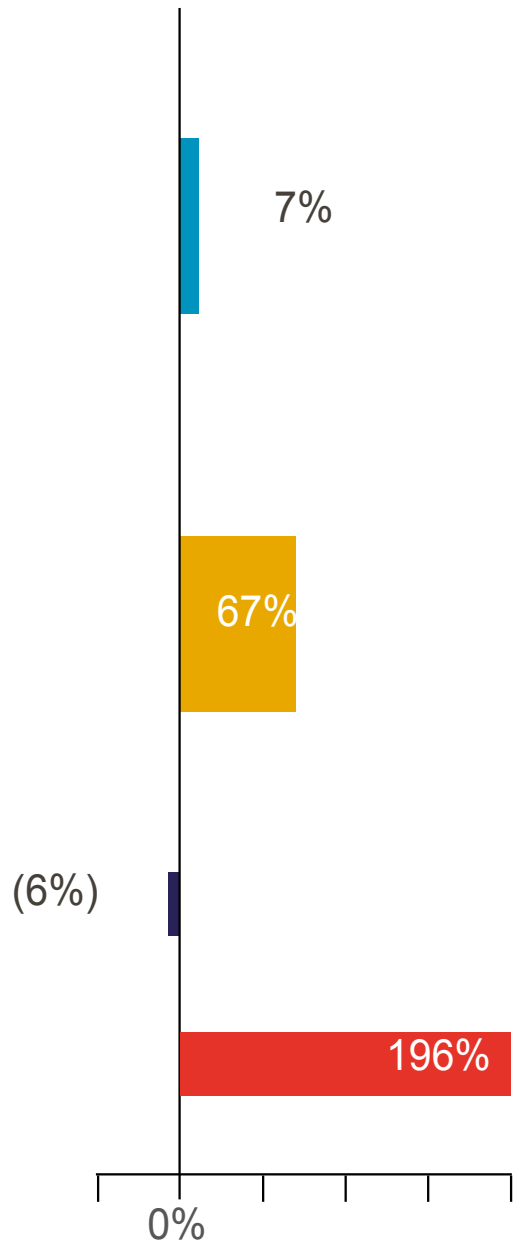
- Self-developed software platform, "Clarity", which provides workforce management, performance dashboards, real time tracker, secure client portal
- In house resource for further development of the Clarity platform including CRM

Accreditation and training

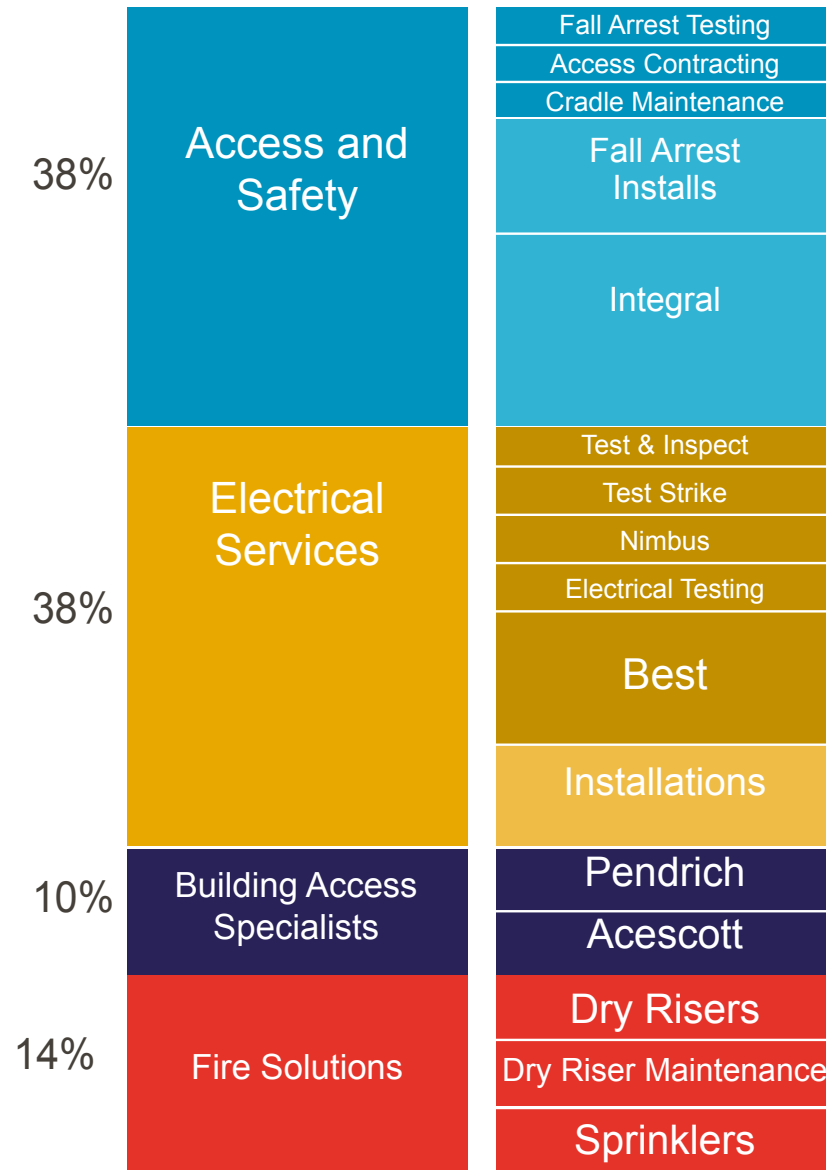
- 133 accreditations including ISO 9001, OHSAS 18001 and ISO 14001
- Training solutions carried out for clients as well as own staff
- Consultancy and insurance inspections carried out for clients

2017 Revenue Growth and Gross Profit

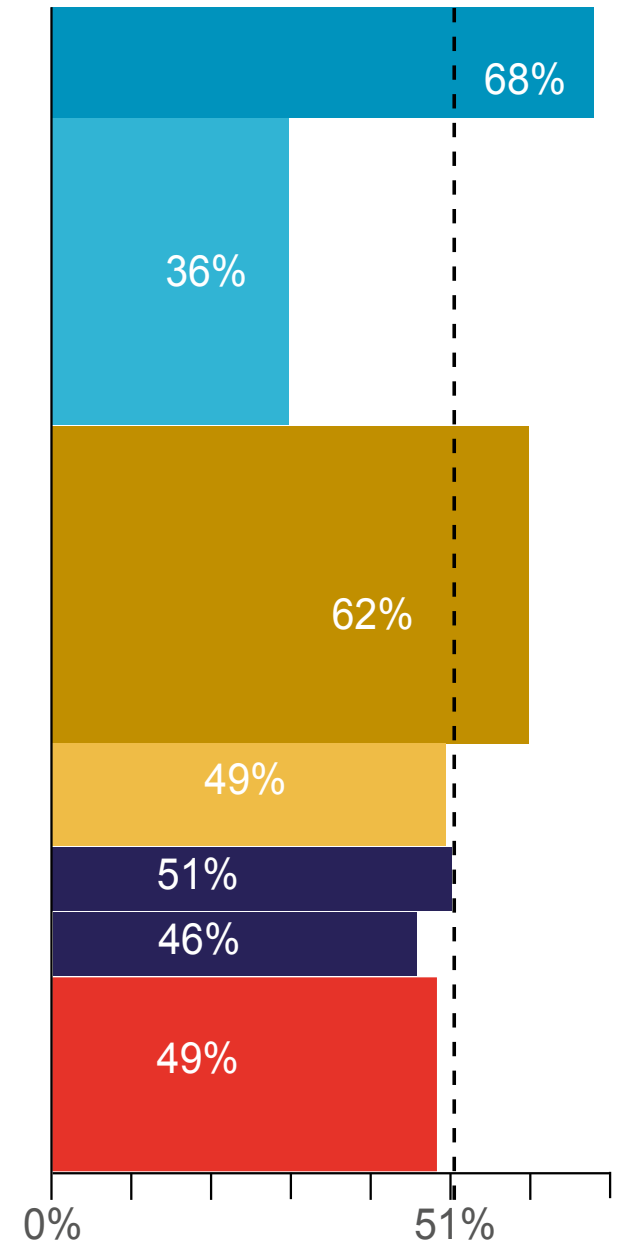
Divisional Revenue Growth



Revenue Split
(% of group)



Divisional Gross Profit Margin



Access and Safety

- ✿ Revenue increased by 7% to £20.2m (£18.9m in 2016) due to a strong performance in all the maintenance and installation businesses
- ✿ Fall Arrest had a particularly impressive year (Testing +17%, Installation +13%) following investment in the sales & engineer base
- ✿ Integral Cradles consolidated the PTSG operation and delivered a very strong H2 in line with expectations
- ✿ Market leadership in all four disciplines
- ✿ Adjusted operating profit increased to £3.2m from £3.1m (2016)
- ✿ Clarity platform now operational in Fall Arrest Testing to add to the existing Cradle Maintenance, further roll-out planned
- ✿ Significant contract wins: Skanska City of London Corporation, Toyota, Unite Students, Principal Place, University of Birmingham, Blackhillock Converter Station, Sugar Quay and White City One

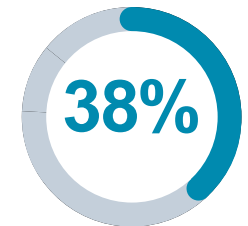
Revenue growth

+7%

Maintenance growth

+8%

Contribution to turnover



Safety Testing



Safety Installation



Cradle Maintenance



Cradle Installation



Electrical Services

- Material revenue growth of 67% to £20.6m (£12.1m in 2016), due to a combination of strong organic growth and the 2017 Nimbus and BEST acquisitions
- Operating profit increased to £4.7m from £2.9m (2016)
- Strong growth of 25% in Testing and Inspection driven by a high number of contract wins and a strong renewal rate. BT contract secured starting in March 2018 for 5 years
- The acquisition of Nimbus Lightning Protection in January 2017 has been fully integrated and showing a good contribution to growth
- Newly expanded Lightning Protection Installation business in London and Scotland showing sales growth of 16% and 227% respectively
- Acquisition of BEST in July 2017 provides excellent strategic rationale and compelling financials. 90% of the integration is complete and the business is performing well.

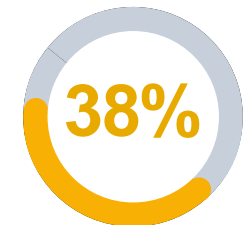
Revenue growth

+67%

Organic growth

+14%

Contribution to turnover



Lightning Protection



Electrical Testing



Fire Services



Steeplejack Services



Building Access Specialists

- ✿ Revenue of £5.4m down 6% on prior year (£5.8m in 2016)
- ✿ Adjusted operating profit margin stable at 22.5% (22.9% in 2016)
- ✿ Continued re-focussing of the business on Specialist Steeplejack and Rope Access works
- ✿ Focus on excellent customer service and delivery model
- ✿ Investment in non-residential sales
- ✿ Strong abseil demand for compliance works, e.g. cladding inspection and replacement
- ✿ Division formed to build scale, geographic presence and offer a more complete range of services to our clients

Revenue growth

(6%)

Contribution to turnover



Steeplejack Services



High-Level Installations



High-Level Repairation



High-Level Cleaning



Fire Solutions

- ✿ Strong organic revenue growth of 30%, with revenue of £7.1m and operating profit of £1.6m
- ✿ Division based on Wet and Dry Risers, Sprinkler Systems, Fire Alarms, Emergency Lighting and Fire extinguishers
- ✿ Unprecedented demand for Fire Solutions
- ✿ UK Sprinklers acquired in September 2017 has been fully integrated and is trading 50% ahead of the acquired business
- ✿ 30% organic growth driven by investment and rigour of the PTSG operating model
- ✿ Strong investment to scale each area and build a Sprinkler Maintenance business

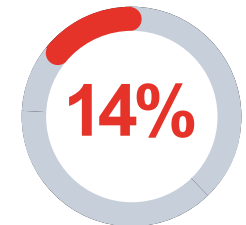
Revenue growth

196%

Organic growth

+30%

Contribution to turnover



**Dry Riser
Installation/Maintenance**



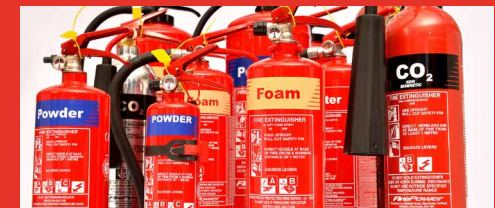
**Sprinkler Installation/
Test/Maintenance**



**Fire Alarm/Emergency
Lighting Test/Install**



**Fire Extinguisher Test/
Supply**



Financial Highlights

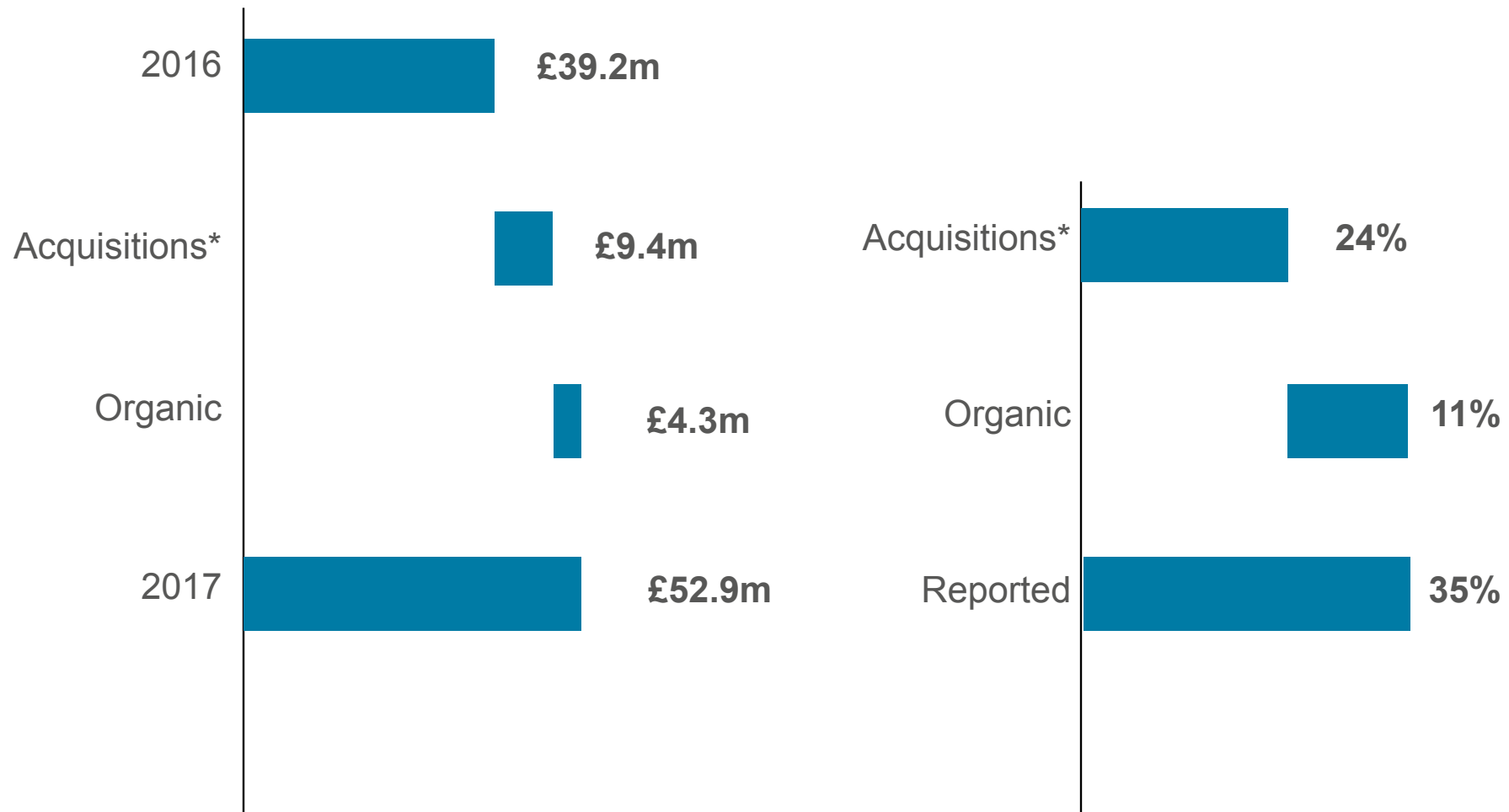
	Full Year 2016	Full year 2017	
Revenue <i>Reported growth</i>	£39.2m <i>52%</i>	£52.9m <i>35%</i>	• Another year of strong growth
Adjusted operating profit* <i>Growth</i>	£7.9m <i>49%</i>	£10.6m <i>35%</i>	• Operating margin maintained at 20%
Adjusted EPS	7.63p	9.73p	• Adjusted EPS up by 28%
Dividend	1.40p	1.60p	• £0.80p final dividend proposed, in line with our progressive dividend policy, total dividend for the year 1.60p
ROTOC	58%	55%	• Strong post tax return on operating capital
Net Debt (excluding finance leases)	£12.1m	£18.3m	• Driven by £4.7m acquisition expenditure and £1.5m dividend
Finance leases	£1.5m	£1.2m	

*See page 13 for adjustments to operating profit

ROTOC is the periods' Adjusted operating profit after tax divided by the average operating capital (fixed assets, plus stock, plus trade and other receivables, less trade and other payables)

Finance leases are excluded from our net debt calculation as they do not form part of our banking facility. They predominately relate to motor vehicles

2017 Revenue Growth



*Acquisition turnover includes 11.5 months base turnover for Nimbus Ltd, 5.75 months of Best, 3.5 months of UK Sprinklers Ltd and the full year effect of acquisitions made in 2016.

Profit Adjusting Items

	2016	2017
	Full Year	Full Year
	£'000	£'000
Adjusted Operating Profit	7,857	10,643
Restructuring costs	(492)	(1,394)
Intangible amortisation	(499)	(370)
Share based payments for Directors*	(1,888)	(2,999)
Contingent payments in relation to acquisitions**	(1,861)	(3,523)
Reported Operating Profit	3,117	2,357

*Directors equity based on trading milestone attainment

**Deferred consideration payments, dependent upon on going employment of the former owner are charged to the P&L under IFRS 3. These payments are dependent upon achieving agreed profit milestones and as such are self-funding. They can be paid in cash or shares at PTSG's discretion.

Consolidated Cashflow

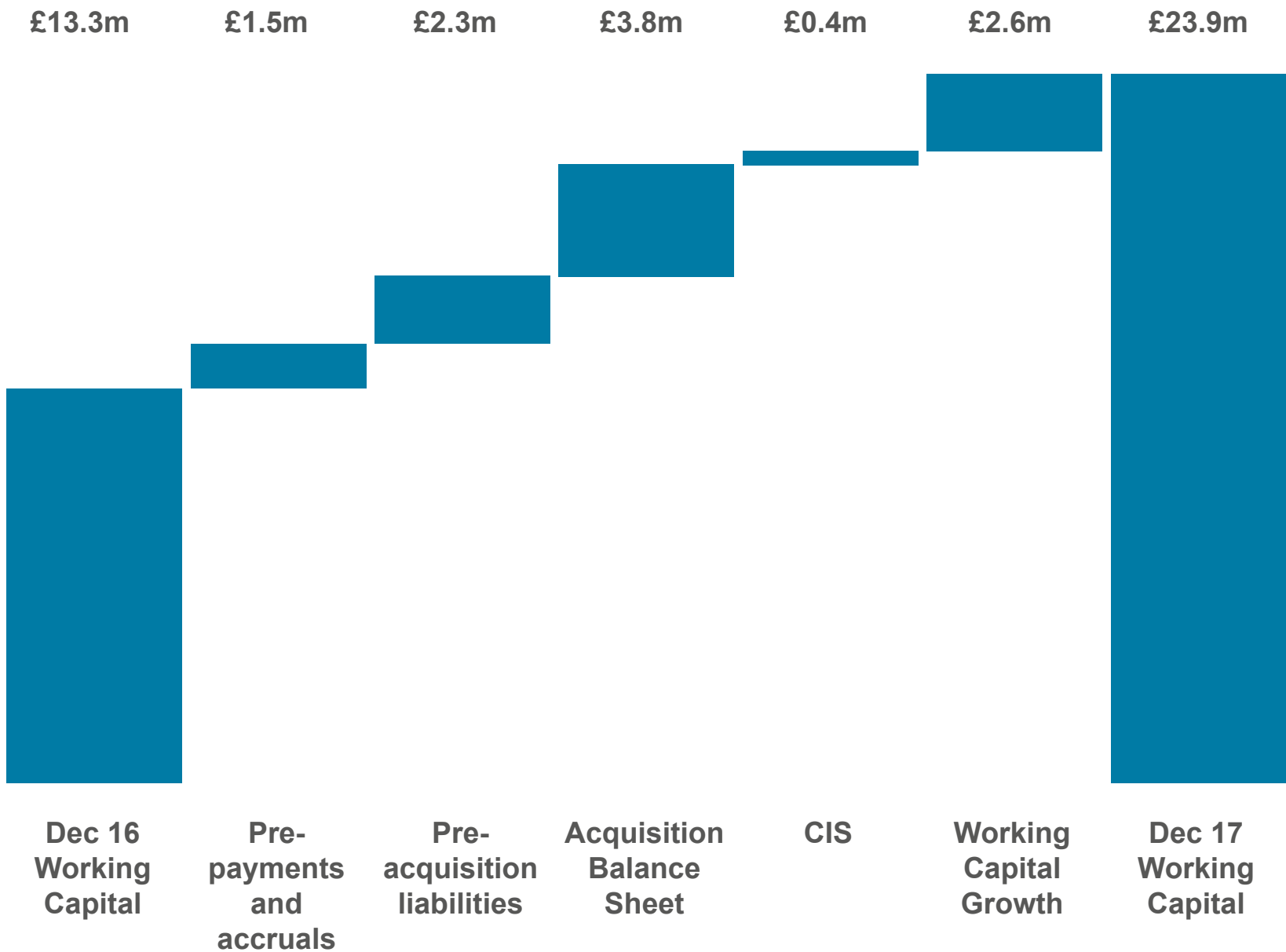
	Full Year	
	2016	2017
	£'000	£'000
Adjusted operating profit	7,857	10,643
Depreciation and amortisation	1,164	1,684
Capital expenditure	(1,454)	(1,771)
Movement in working capital	(3,644)	(5,562)
Trading cash flow	3,923	4,994
Trading cash conversion	50%	47%
Underlying trading cash conversion*		65%
Restructuring	(492)	(1,394)
Interest paid	(433)	(492)
Taxation paid	(796)	(791)
Free Cash flow	2,202	2,317
Acquisition expense and deferred consideration**	(4,162)	(18,307)
Dividends	(1,092)	(1,477)
Other non operating adjustments***	(2,819)	(3,928)
Shares issued	156	15,807
Loans taken out / (repairs)	4,016	1,944
Cash movement	(1,699)	(3,644)

*£1.9m cradle installation receipts January 2018 and £0.4m CIS

**includes pre-acquisition liabilities

***Non-cash element of share-based payments and deferred consideration

Working Capital Bridge



- Investment for growth (vehicles, insurance, RCF) £0.9m supplemented by reduction in accruals
- Payment of pre-acquisition liabilities on acquisition £2.3m
- 2017 acquisitions added £3.8m of working capital
- CIS tax deducted by client £0.4m
- Working capital growth was abnormally high and negatively impacted by two large cradle installation receipts that slipped into January (£1.9m). Excluding this underlying working capital growth was in line with turnover growth

Capital Allocation Framework

Disciplined use of cash in line with strategy

Reinvest
for organic
growth

1

Acquisitions
in line with
strategy

2

Progressive
dividend
policy

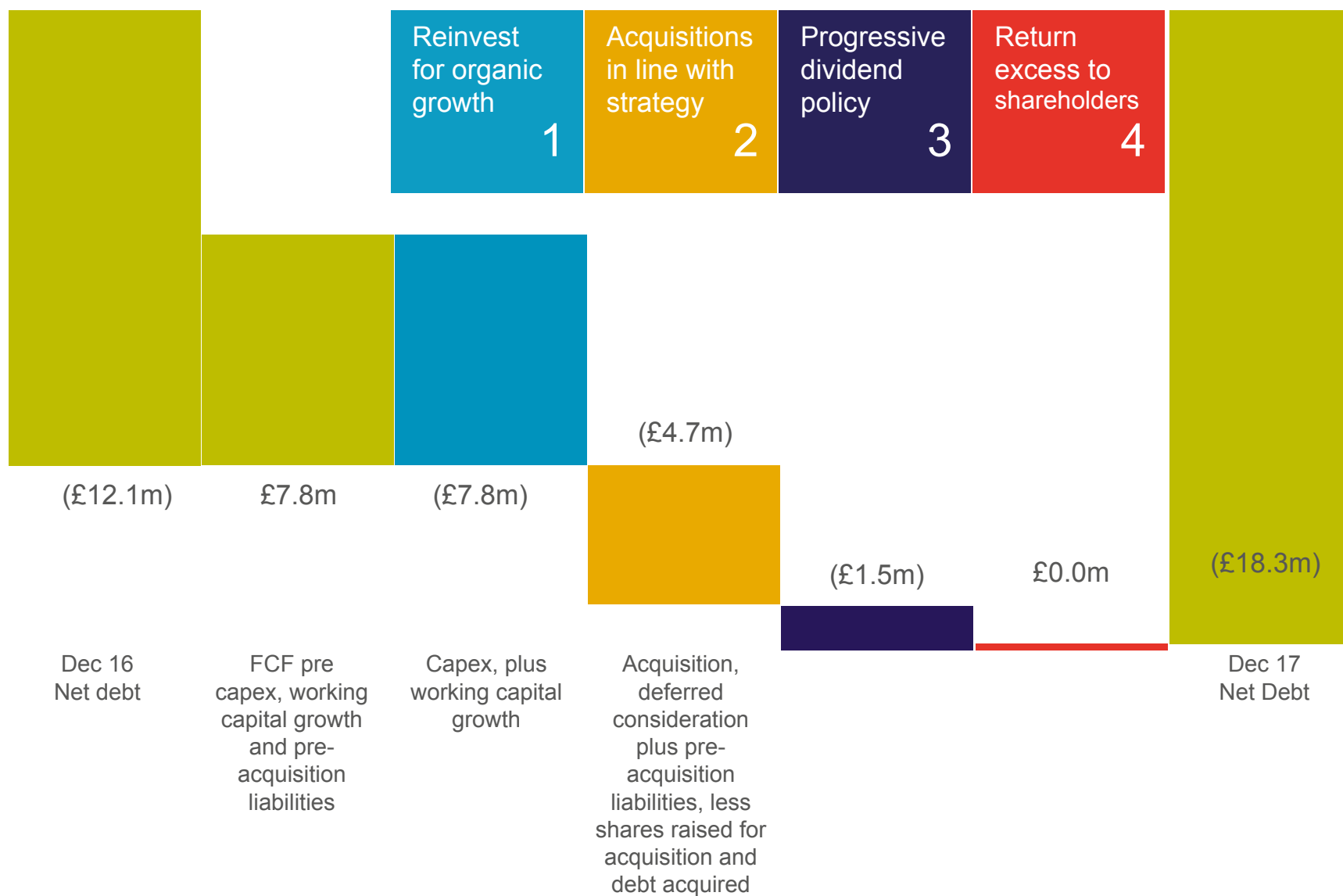
3

Return
excess to
shareholders

4

Maintain strong balance sheet to ensure solid investment metrics

Cashflow and Capital Allocation



Net debt comprises borrowings, cash/cash equivalents and bank overdrafts. Loan notes are excluded as they are a form of deferred consideration. Finance leases are excluded as they do not form part of our banking facilities.

*Acquisition outflow comprises cash consideration (net of proceeds from equity placing) for the 2017 acquisitions of £1.4m, deferred consideration of £1.0m and £2.3m resolution of pre-acquisition liabilities

Net debt increased by £6.2m to support with our business strategy

	Net Debt increase
Reinvest for organic growth	(£1.9m)
<ul style="list-style-type: none">• Geographical expansion (eg LPT London and Scotland)• Significant increase in people related resources including:<ul style="list-style-type: none">• Additional engineers across all areas of the business• Sales team expansion to drive organic growth• £1.7m of capital expenditure – fleet and Property, Plant and Equipment• Associated investment in IT infrastructure and Clarity• Increased working capital associated with growth. Impacted by 2 large Cradle Installation receipts recovered in January 18	£1.9m
Result: Organic revenue growth of £4.3m (11%)	
Acquisitions in line with strategy	£4.7m
<ul style="list-style-type: none">• Acquisition of Nimbus Lightning Protection, Best and UK Sprinklers• Deferred consideration and pre-acquisition liability payments on previous acquisitions	
Revenue growth of £9.4m (24%)	
Progressive dividend policy	£1.5m
<ul style="list-style-type: none">• 1.6p per share – 14% increase on 2016 in line with our profit growth	

Net debt levels and banking covenants

	Bank Covenants	Actual
Debt service	>100%	230%
Interest cost	>500%	2,506%
Leverage	<2.25	1.49

- All banking covenants comfortably met
- Head room remains for future growth

Strategy Overview



Strong focus on organic growth and market leadership



Accelerate growth and diversification with selective acquisitions



Drive industry leading margins through use of PTSG model, scale and efficiency



Focus on the three PTSG fundamentals of safety, service and cost-effectiveness



Embracing innovation to maintain our competitive advantage

Growth Drivers

Organic

- Geographic expansion and increase of service offering
- Renewal rates and repair sales
- Cross-selling of services

Acquisition

- Strong acquisition pipeline
- Track record of driving value

Marketplace

- £1bn+ addressable market with ~5-10% market share
- New sector expansion, e.g. Fire Services

Demand

- Construction
- FM Industry changes
- Regulation

Acquisition of **best**











Brooke Edgley Specialist Technical Services Ltd

 Acquired July 2017

Rationale

-  Market leading Lightning Protection and Steeplejack company
-  Enhances PTSG market presence to a clear #1
-  Excellent strategic rationale providing complementary geographical coverage, scale/critical mass and additional service lines
-  Compelling financials and cross-selling opportunities
-  Acquisition funded via cash placing of ordinary shares
-  Materially and immediately earnings enhancing














Progress and performance

-  Integration 90% complete:
 -  Testing and inspection – fully integrated
Strong uplift in repair generation, engineering efficiency and back office synergies
 -  LP Installation – 5 regional operations created. Commercial and sales performance improved together with improved job profitability. Office rationalisation – Scotland and Chelmsford
 -  Investment behind CDEGS and Surge Protection
 -  Steeplejack business to be integrated in Q2
-  Business performing well:
 -  Strong order momentum and delivery
 -  Renewals strongly improved from 50% to 80%
 -  Operating profit increase of 29%
-  Value and risk as perceived in due diligence

Acquisition of UK sprinklers Ltd (UKS)

We DESIGN, SUPPLY, INSTALL & COMMISSION

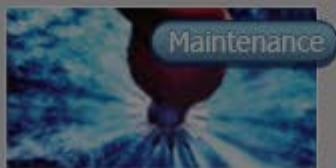
DOMESTIC & RESIDENTIAL SPRINKLER SYSTEMS

-  Acquired in September 2017
-  Consideration up to £2.5m
 -  Initial cash payment £1.3m
 -  Two deferred cash payments of £0.1m
 -  Contingent payment £1.0m based on stretching milestones
-  Revenue* £3.5m, PBT £0.8m
-  Extends Fire Solutions Division
-  Fully integrated within PTSG
-  Business is trading 50% ahead of the acquired business
-  Order book of 2.0x last full year sales
-  Investment in sales team to respond to high market demand
-  Strong customer synergy with PTSG existing 17,000 customers
-  Investment made to build a service and maintenance business

*Unaudited for year ended 31 January 2017



Installation



Maintenance

Design, install and maintain domestic and residential sprinkler systems in accordance with BS9251:2014

How Fire Sprinkler Systems Work

Fire sprinklers are located in the home's ceiling or near the top of a wall. When a home fire reaches extremely high temperatures — typically above 155°F — the sprinkler closest to the fire activates, spraying water directly onto the flames beneath it. Most of the time, only one fire sprinkler will control or extinguish the fire completely. If the homeowner chooses, their RAPID RESPONSE system can also be linked to the local fire department or home alarm system, providing complete fire security.



[View Brochure](#)

Summary and Outlook

2017 Highlights

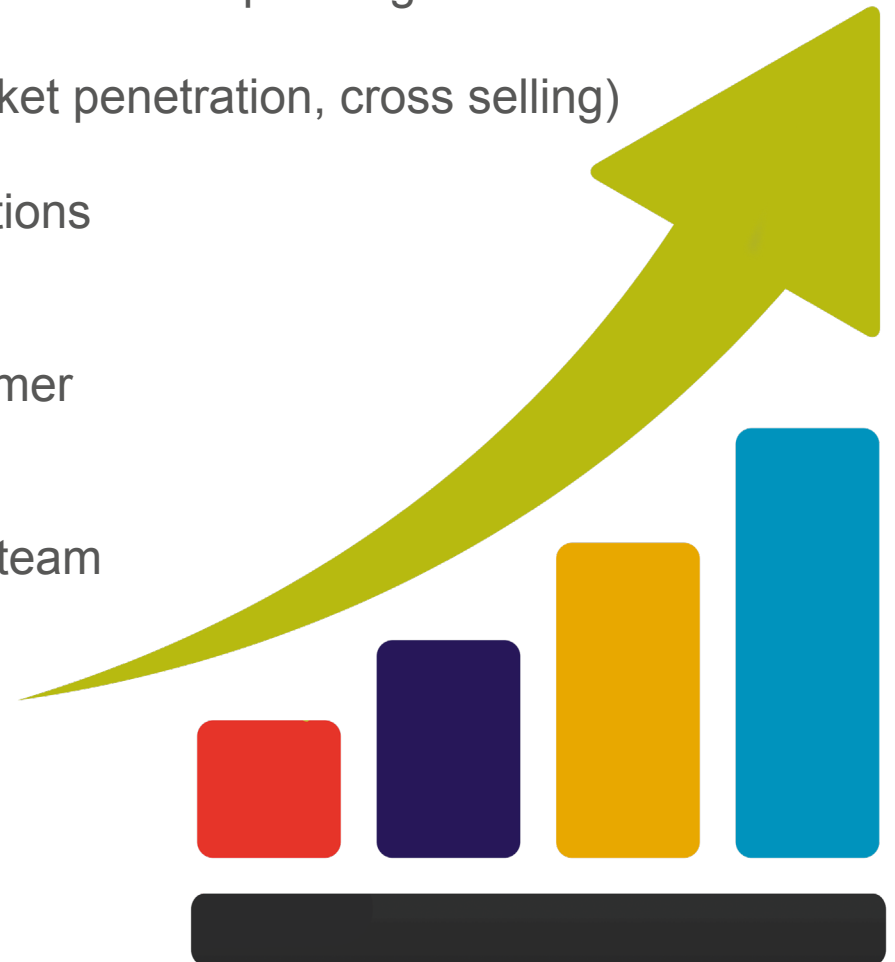
- ✿ 35% revenue growth
- ✿ Good organic growth; 11% on prior year
- ✿ Operating profit growth of 35% on prior year
- ✿ Improved underlying cash conversion to 65%
- ✿ Integration of Nimbus completed and Best 90% completed
- ✿ Strong contract wins and high renewal rate (88%)
- ✿ EPS growth of 28%
- ✿ Dividend per share up 14%

Outlook

- ✿ The Board is confident in the outlook for 2018 as expressed in the 16th January 2018 trading update due to a combination of strong organic growth momentum coupled with a solid acquisition platform
- ✿ The integration of BEST, Nimbus and Sprinklers will deliver a strong contribution to the Group
- ✿ The business operating divisions have been reorganised for growth reflecting the forces driving the market
- ✿ Cross selling becoming a key growth driver based on the diversity of market offering coupled with our extensive geographical presence
- ✿ Strong acquisition pipeline

Investment Case

- ✿ Market leader in attractive niche markets
- ✿ Strong track record of growth, both organic and acquisitive
- ✿ Industry leading operating profits driven by a differentiated operating model
- ✿ Significant latent potential of growth drivers (market penetration, cross selling)
- ✿ A track record of successfully integrating acquisitions and delivering strong value
- ✿ High level of recurring revenue and strong customer retention (88%+)
- ✿ Highly experienced and ambitious management team
- ✿ Highly attractive financial characteristics (high margins, low capex, high returns, good underlying cash generation, progressive dividend policy)



Appendix

Consolidated Statement of Comprehensive Income

	Year ended 31 December 2017			Year ended 31 December 2016		
	Before adjusting	Adjusting	Total	Before adjusting	Adjusting	Total
	items	items		items	items	
	£	£	£	£	£	£
Revenue	52,939,183	–	52,939,183	39,194,766	–	39,194,766
Cost of sales	(25,860,206)	–	(25,860,206)	(18,863,527)	–	(18,863,527)
Gross profit	27,078,977	–	27,078,977	20,331,239	–	20,331,239
Net operating costs	(16,435,955)	(8,286,404)	(24,722,359)	(12,474,374)	(4,739,988)	(17,214,362)
Total operating profit	10,643,022	(8,286,404)	2,356,618	7,856,865	(4,739,988)	3,116,877
Finance costs	(491,885)	(71,357)	(563,242)	(405,076)	(97,402)	(502,478)
Profit before tax	10,151,137	(8,357,761)	1,793,376	7,451,789	(4,837,390)	2,614,399
Taxation	(733,233)	270,542	(462,691)	(730,370)	415,544	(314,826)
Profit attributable to owners of the parent	9,417,904	(8,087,219)	1,330,685	6,721,419	(4,421,846)	2,299,573
Total comprehensive income for the period attributable to owners of the parent	9,417,904	(8,087,219)	1,330,685	6,721,419	(4,421,846)	2,299,573
Basic and diluted earnings per share (Pence)			1.37			2.61
Adjusted EPS	9.73			7.63		

Consolidated Balance Sheet

	Dec 17 £'000	Dec 16 £'000
Assets		
Intangible assets	26,212	12,366
Property, plant and equipment	4,310	3,196
Deferred tax	1,567	417
Non-current assets	32,089	15,979
Current assets		
Inventories	1,219	503
Trade and other receivables	32,531	20,303
Cash and cash equivalents	–	–
	33,750	20,806
Liabilities		
Current liabilities		
Trade and other payables	9,031	7,232
Bank overdraft, net of cash	5,660	2,016
Finance leases	736	767
Borrowings	52	25
Deferred consideration	1,336	1,053
Current tax liabilities	840	296
Total current liabilities	17,655	11,389
Net current assets	16,095	9,417
Non-current liabilities		
Borrowings	12,662	10,010
Finance leases	420	746
Deferred consideration (incl loan notes)	2,667	2,596
Total non-current liabilities	15,749	13,352
Net assets	32,435	12,044

Segmental Analysis

	Full Year				Full Year			
	2017				2016			
	Turnover £'000	Growth	EBIT £'000	Margin	Turnover £'000	Growth	EBIT £'000	Margin
Access & Safety	20,201	7%	3,184	16%	18,870	57%	3,111	16%
Electrical Services	20,164	67%	4,683	23%	12,093	40%	2,911	24%
Building Access Solutions	5,446	(6%)	1,227	23%	5,824	14%	1,334	23%
Fire Solutions	7,128	196%	1,581	22%	2,408		502	21%
Central			(32)				(1)	
	52,939	35%	10,643	20%	39,195	52%	7,857	20%

Segmental Analysis – old structure

	Full Year				Full Year			
	2017				2016			
	Turnover £'000	Growth	EBIT £'000	Margin	Turnover £'000	Growth	EBIT £'000	Margin
Access & Safety	20,201	7%	3,184	16%	18,870	57%	3,111	16%
Electrical Services	30,522	73%	6,870	23%	17,606	69%	4,000	23%
High Level Cleaning	2,216	(18%)	621	28%	2,719	(18%)	747	27%
Central			(32)				(1)	
	52,939	35%	10,643	20%	39,195	52%	7,857	20%

Five Year Income Statement

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017
	£'000	£'000	£'000	£'000	£'000
Turnover	13,887	18,003	25,771	39,195	52,939
Gross profit	8,401 60.5%	10,319 57.3%	13,985 54.3%	20,331 51.9%	27,079 51.2%
Adjusted EBITA*	3,160 22.8%	4,007 22.3%	5,276 20.5%	7,857 20.0%	10,643 20.1%
Adjusted EBITDA*	3,757 27.1%	4,708 26.2%	6,174 24.0%	9,021 23.0%	12,327 23.3%

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

Five Year Balance Sheet

	Actual 2013 £'000	Actual 2014 £'000	Actual 2015 £'000	Actual 2016 £'000	Actual 2017 £'000
Fixed assets	4,616	4,957	13,893	15,979	32,089
Stock, trade and other receivables	5,562	8,262	13,490	20,806	33,750
Net cash	373	(1,261)	(317)	(2,016)	(5,660)
Current liabilities*	(3,421)	(5,325)	(7,845)	(8,320)	(10,659)
Net current assets*	2,514	1,679	5,328	10,470	17,431
Non-current liabilities*	(316)	(363)	(653)	(746)	(420)
Bank loan	(5,000)	(3,750)	(5,994)	(10,010)	(12,662)
Deferred consideration (including loan note)	(600)	(1,399)	(3,653)	(3,649)	(4,003)
Net assets	1,214	1,121	8,921	12,044	32,435

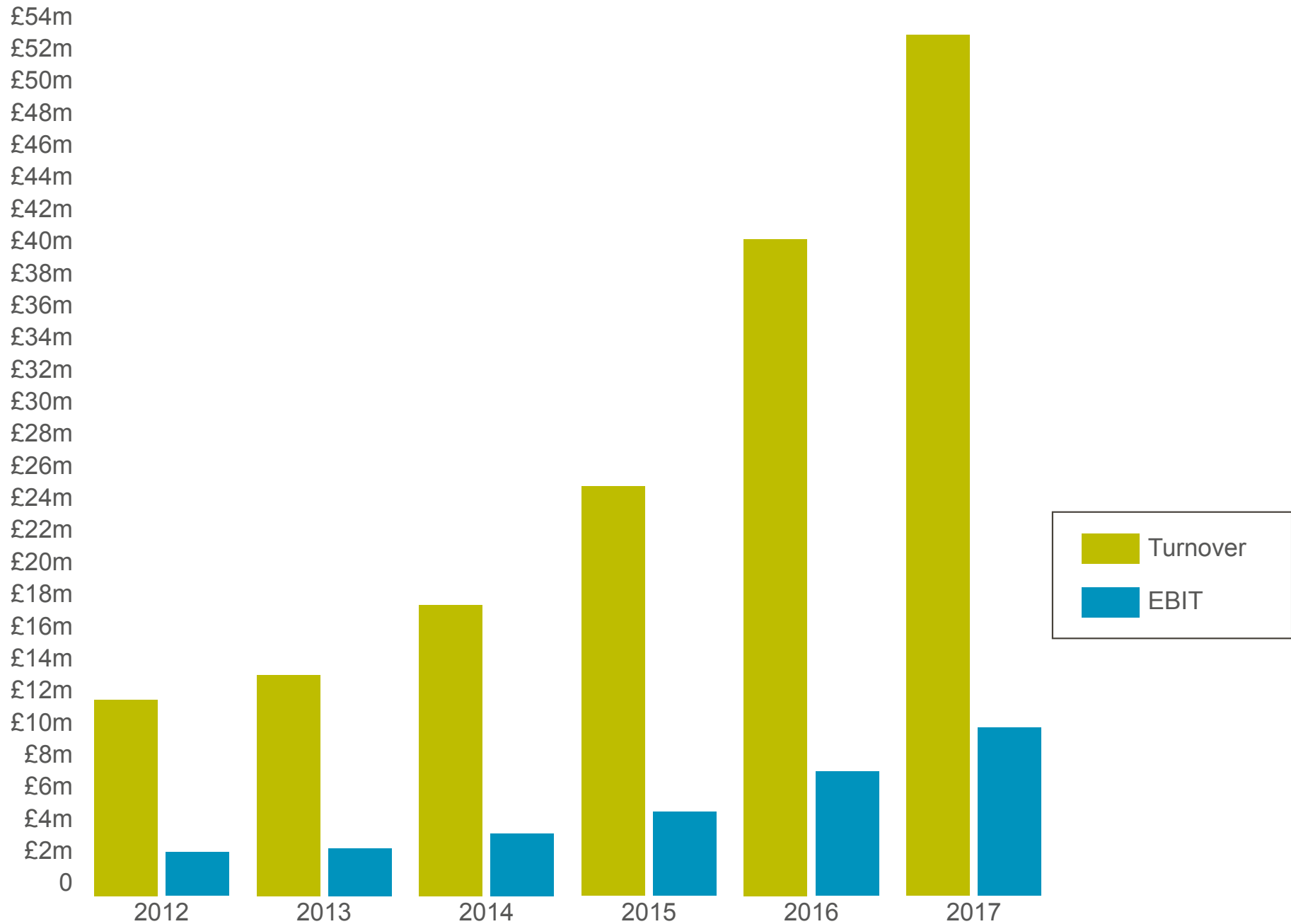
*excludes loan and deferred consideration

Five Year Cashflow





	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017
	£'000	£'000	£'000	£'000	£'000
Adjusted EBITDA*	3,757	4,708	6,174	9,021	12,327
Adjusted items	(622)	(2,493)	(2,112)	(3,310)	(5,939)
Movement in working capital	(1,297)	420	(4,592)	(5,144)	(8,360)
Inflow from operating activities	1,838	2,635	(530)	567	(1,972)
Taxation	(872)	(561)	(489)	(797)	(791)
CAPEX/financing	(592)	(990)	(1,040)	(1,887)	(2,262)
Acquisitions	(850)	(678)	(3,333)	(2,662)	(16,054)
Dividends	(755)	(790)	(534)	(1,092)	(1,447)
Loans taken out/repaid	5,000	(1,250)	2,196	4,016	1,944
Share buy back	(4,038)	–	–	–	–
Issues of shares	–	–	4,673	156	16,968
Increase/(decrease) in cash	(269)	(1,634)	943	(1,699)	(3,644)

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

Five Year Profit and Loss Summary



Technical Guidance

-  Acquisitive growth is the cumulative base sales for each acquisition's stub period expressed as a percentage of the total Group turnover for the prior period
-  Organic growth is reported growth less acquisitive growth
-  Deferred consideration payments, dependent upon on going employment of the former owner are charged to the P&L under IFRS 3. These payments are dependent upon achieving agreed profit milestones and as such are self-funding. They can be paid in cash or shares at PTSG's discretion
-  Net debt comprises borrowings, cash/cash equivalents and bank overdrafts. Loan notes are excluded as they are a form of deferred consideration. Finance leases are excluded as they do not form part of our banking facilities

PTSG on a Page

Locations



We have **16** office locations nationwide

133 accreditations

11 health & safety awards

Compliance

Customer Service



We do everything by word of Mouse

Memorable
Outstanding
Unique
Service
Experience

Our unique customer service ambassador ensures all our people offer continuously high levels of service, which in turn leads to repeat business

Our People

We have **641** members of staff

Full-time **health & safety** management team

All **highly** trained

We recruit the **best** in the industry



Formed in **2007**

23 acquisitions

Listed on the **London** Stock Exchange

17,000 customers

No1 across our market sectors

12 top industry awards

About

88% renewal rates

Over **150,000** assets

Acquisitions

