

Interim Results - 2015



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
- ✦ Steeplejack Services
- ✦ Electrical Testing
- ✦ High Level Cleaning



2015 Interim Highlights

- ✦ An excellent start to 2015 with strong growth in revenue and profit
- ✦ Acquisition of Pendrich Height Services Limited and NATHS Limited to extend our service offering to include Steeplejack Services
- ✦ Interim dividend of 0.46p per share
- ✦ Significant N+1 Singer upgrade to 2016 forecast

Revenue

£11.7m

+40%

Gross profit

£6.4m

+27%

Operating profit*

£2.4m

+30%

Pro Forma EPS

2.21p

Divided per share

0.46p

*Before adjusting items on consistent basis



“The Group has made a very encouraging start to life as a public company with strong levels of profitable organic growth seen across our service offerings.”

**John Foley
Chairman**



2015 Interim Review

In 2015 PTSG expanded its Lightning Protection offering to include Steeplejack Services when we acquired Pendrich Height Services Ltd and NATHS Ltd in June.

Our acquisitions pipeline remains strong and we expect to complete further acquisitions in H2.

Growth was achieved across all areas of the group, robust EBIT margins remained strong and consistent.

Further investment in the development of our unique IT software which will aid productivity, efficiency and ultimately reduce costs.

New framework agreements were signed with Vinci, Norlands, Cloud FM and Shepherd FM. We also secured a renewal of our extensive Tubeline contract after a successful initial four years.

Access & Safety generated sales of £5.5m and adjusted EBIT of £0.9m for H1, with Electrical Services recording sales of £4.4m and an adjusted EBIT of £1.2m. High Level Cleaning generated sales of £1.8m and an adjusted EBIT of £0.4m.

Further significant investment in growth expected, including acquisitions during the second half.



Consolidated Statement of Comprehensive Income

	6 months ended 30 June 2015			6 months ended 30 June 2014			Year ended 31 December 2014		
	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £
Revenue	11,740,772	-	11,740,772	8,401,613	-	8,401,613	18,002,687	-	18,002,687
Cost of sales	(5,347,246)	-	(5,347,246)	(3,372,982)	-	(3,372,982)	(7,683,423)	-	(7,683,423)
Gross Profit	6,393,526	-	6,393,526	5,028,631	-	5,028,631	10,319,264	-	10,319,264
Net operating costs	(3,906,022)	(1,653,095)	(5,559,117)	(2,914,756)	(353,065)	(3,267,821)	(6,311,864)	(2,529,716)	(8,841,580)
Net operating costs incorporating pre IPO management dividends	(3,996,022)	(1,653,095)	(5,649,117)	(3,184,756)	(353,065)	(3,537,821)	(6,851,864)	(2,529,716)	(9,381,580)
Total operating profit following consistent treatment of pre IPO management dividends	2,397,504	(1,653,095)	744,409	1,843,875	(353,065)	1,490,810	3,467,400	(2,529,716)	937,684
Total operating profit	2,487,504	(1,653,095)	834,409	2,113,875	(353,065)	1,760,810	4,007,400	(2,529,716)	1,477,684
Finance costs	(138,863)	-	(138,863)	(163,794)	-	(163,794)	(305,030)	-	(305,030)
Profit before taxation	2,348,641	(1,653,095)	695,546	1,950,081	(353,065)	1,597,016	3,702,370	(2,529,716)	1,172,654
Pro forma adjusted EPS			2.21p			2.03p			3.77p
Dividend per share			0.46p						
Dividend cover			4.8x						



Consolidated Statement of Net Assets

	June 2015 £	June 2014 £	December 2014 £
Assets			
Non-current assets			
Goodwill	4,137,951	3,539,257	3,615,748
Property, plant and equipment	1,497,645	1,206,213	1,340,886
Deferred tax asset	-	33,408	-
Total non-current assets	5,635,596	4,778,878	4,956,634
Current assets			
Inventories	364,973	228,473	201,560
Trade and other receivables	10,414,871	6,460,644	8,060,904
Cash and cash equivalents	1,633,357	-	-
Total current assets	12,413,201	6,689,117	8,262,464
Liabilities			
Current liabilities			
Trade and other payables	4,846,824	2,256,826	4,408,865
Bank overdraft, net of cash	-	685,611	1,260,845
Finance leases	520,126	428,554	474,529
Borrowings	1,000,000	1,000,000	1,000,000
Deferred consideration	1,299,440	100,000	899,440
Current tax liabilities	800,651	641,608	440,282
Total current liabilities	8,467,041	5,112,599	8,483,961
Net current assets / (liabilities)	3,946,160	1,576,518	(221,497)
Non-current liabilities			
Borrowings	2,250,000	3,250,000	2,750,000
Finance leases	329,509	399,525	357,715
Deferred tax liability	11,198	-	6,146
Deferred consideration	300,000	675,000	500,000
Total non-current liabilities	2,890,707	4,324,525	3,613,861
Net assets	6,691,049	2,030,871	1,121,276



Consolidated Cashflow Statement

	6 months ended 30 June 2015	6 months ended 30 June 2014	Year ended 31 December 2014
	£'000	£'000	£'000
Adjusted EBITDA*	2,903	2,449	4,708
Adjusting items	(1,395)	(423)	(2,493)
Movement in working capital	(2,013)	(1,345)	420
Inflow from operating activities	(505)	681	2,635
Taxation	(100)	(144)	(561)
CAPEX / financing	(570)	(454)	(990)
Acquisitions	(386)	-	(678)
Dividends	(132)	(395)	(790)
Loans repaid	(500)	(750)	(1,250)
Shares issued	5,087	-	-
Increase / (decrease) in cash	2,894	(1,059)	(1,634)

*Adjusted for contingent acquisition payments, restructuring, re-branding, IPO costs and share based payments



Segmental Analysis

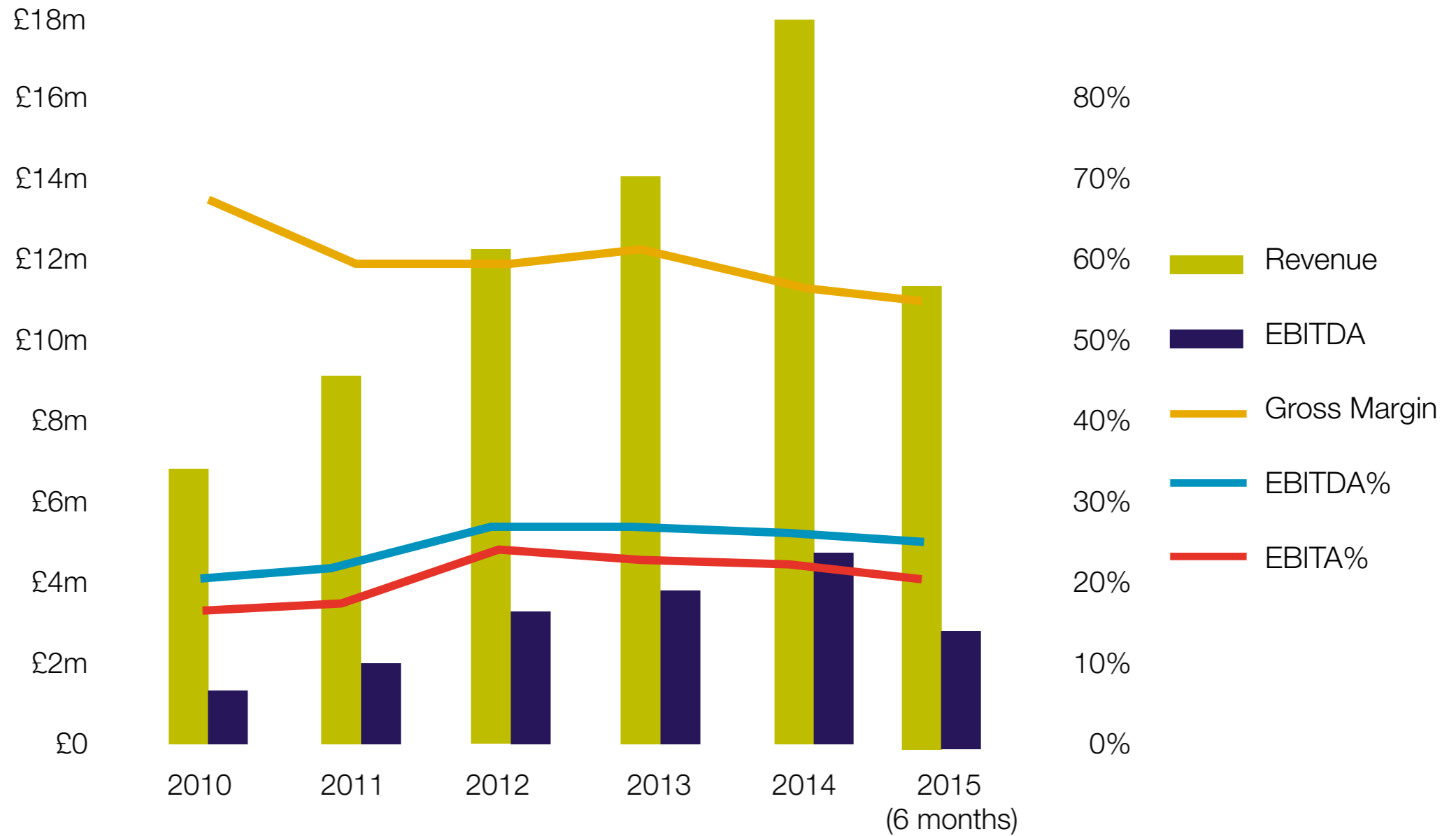
2015 Interim Results

	Revenue £'000	EBIT* £'000
Access and Safety	5,537	918 16.6%
Electrical Services	4,418	1,227 27.8%
High Level Cleaning	1,786	361 20.2%
Central		(18)
Group	<u>11,741</u>	<u>2,488</u> 21.2%

*Before adjusting items



Income Statement Summary



Group Structure



Revenue: £5.54m
Est. Mkt Share: 5%

Core Activities:

- Safety Testing & Installation
- Cradle Maintenance & Installation



Revenue: £4.42m
Est. Mkt Share: 4%

Core Activities:

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



Revenue: £1.79m
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



Outlook

- ✿ Strong pipeline of acquisition opportunities with further acquisitions planned for H2
- ✿ Organic growth remains strong
- ✿ 2015 N+1 Singer full year forecast upgraded
- ✿ 2016 N+1 Singer forecast substantially upgraded



Income Statement

Appendix 1

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015 (6 months)
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	6,712	9,023	12,072	13,887	18,003	11,741
Gross profit	4,480 66.7%	5,318 58.9%	7,145 59.2%	8,401 60.5%	10,319 57.3%	6,394 54.5%
Adjusted EBITA**	1,117 16.6%	1,630 18.1%	2,855 23.6%	3,160 22.8%	4,007 22.3%	2,488 21.2%
Adjusted EBITDA**	1,380 20.6%	2,010 22.3%	3,289 27.2%	3,757 27.1%	4,708 26.2%	2,903 24.8%

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



Cashflow

Appendix 2

	Actual 2010 £'000	Actual 2011 £'000	Actual 2012 £'000	Actual 2013 £'000	Actual 2014 £'000	Actual 2015 (6 months) £'000
Adjusted EBITDA**	1,380	2,010	3,289	3,757	4,708	2,903
Adjusting items	0	(942)	(50)	(622)	(2,493)	(1,395)
Movement in working capital	(894)	980	(849)	(1,297)	420	(2,013)
Inflow from operating activities	486	2,048	2,390	1,838	2,635	(505)
Taxation	(211)	(292)	(202)	(872)	(561)	(100)
CAPEX / financing	(367)	(513)	(517)	(592)	(990)	(570)
Acquisitions	0	(127)	(332)	(850)	(678)	(386)
Dividends	(90)	(790)	(749)	(755)	(790)	(132)
Loans taken out / (repaid)	-	-	-	5,000	(1,250)	(500)
Share buy back	-	-	-	(4,038)	-	-
Shares issued	-	-	-	-	-	5,087
Increase / (decrease) in cash	(182)	326	590	(269)	(1,634)	2,894

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



Balance Sheet

Appendix 3

	Actual 2010** £'000	Actual 2011 £'000	Actual 2012 £'000	Actual 2013 £'000	Actual 2014 £'000	Actual June 2015 £'000
Fixed assets	1,968	2,453	3,360	4,616	4,957	5,635
Stock, trade and other receivables	2,966	2,454	3,700	5,562	8,262	10,779
Net cash	(297)	51	642	373	(1,261)	1,633
Current liabilities*	(1,608)	(2,132)	(3,247)	(3,421)	(5,325)	(6,167)
Net current assets*	1,061	373	1,095	2,514	1,676	6,245
Non-current liabilities*	(168)	(85)	(248)	(316)	(363)	(340)
Loan		0	0	(5,000)	(3,750)	(3,250)
Deferred consideration		(75)	(100)	(600)	(1,399)	(1,599)
Net assets	2,861	2,666	4,107	1,214	1,121	6,691

*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 other 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
June 2015	Pendrich Height Services Ltd / NATHS Ltd	ES	0.2	1.5	1.7	3.5	-0.2
Total Averages			3.6	6.5	10.1	14.7	0.2

