

A Truly Connected Business

Protecting People, Preserving Buildings



GROUP OF COMPANIES



Agenda

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



PTSG'S ACCESS TEAMS HEAD TO THE TOP OF LONDON'S TALLEST RESIDENTIAL TOWER



PTSG TAKES CENTRE STAGE IN LONDON'S WEST END



PTSG HELPS TO MAKE HISTORY IN SCOTLAND



2017 (H1) Highlights

-  A strong start to 2017 with revenue of £21.9m (2016: £18.5m) an increase of 19%
-  Good organic growth; 5% on prior year, underlying 14%
-  Operating profit* growth of 20% to £4.4m reflecting strong revenue growth and good cost control
-  Integration of the Nimbus Lightning Protection acquisition has been fully completed with a good contribution to growth in H1
-  The integration of BEST is progressing to plan and the business is performing well
-  A heightened compliance environment, coupled with new contract wins and a high renewal rate (85%) continue to demonstrate the strength of the model
-  Divisional reorganisation in response to our customer needs and industry demands
-  Proposed interim dividend of 0.8p per share (up 14%)

Revenue

£21.9m

+19%

Gross profit

£11.2m

+18%

Operating profit*

£4.4m

+20%

Adjusted EPS

3.86p

+21%

Divided per share

0.8p

+14%

*Before adjusting items.

Group Structure



PTSG
PREMIER TECHNICAL SERVICES GROUP
Access and Safety Ltd

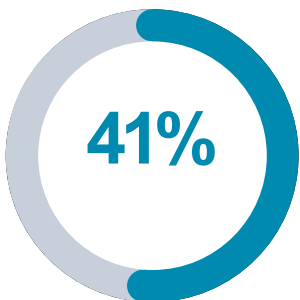
Revenue: £9.1m
Est. Mkt Share: 7%

Market leader across all four sectors

Core Activities:

- Safety Testing & Installation
- Cradle Maintenance & Installation

Group turnover contribution



PTSG
PREMIER TECHNICAL SERVICES GROUP
Electrical Services Ltd

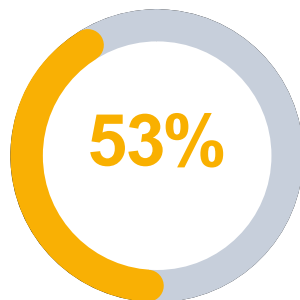
Revenue: £11.6m
Est. Mkt Share: 6%

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



PTSG
PREMIER TECHNICAL SERVICES GROUP
High Level Cleaning Ltd

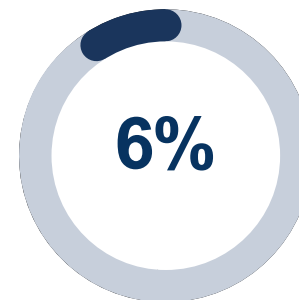
Revenue: £1.3m
Est. Mkt Share: 3%

Top 20

Core Activities:

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

Group turnover contribution



PTSG
PREMIER TECHNICAL SERVICES GROUP
Training Solutions Ltd

See page 19.

PTSG Operating Model

Customer diversification

- Over 17,000 customers
- Over 150,000 assets

Repeat business

- Testing, inspection and maintenance works typically delivered via 3-5 year contracts
- Industry high renewal rates of 85% +
- Cross selling opportunities

Staff utilisation

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

National coverage

- Operate from 17 locations across the UK
- Leveraged back office function
- Only truly national player in chosen market
- 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

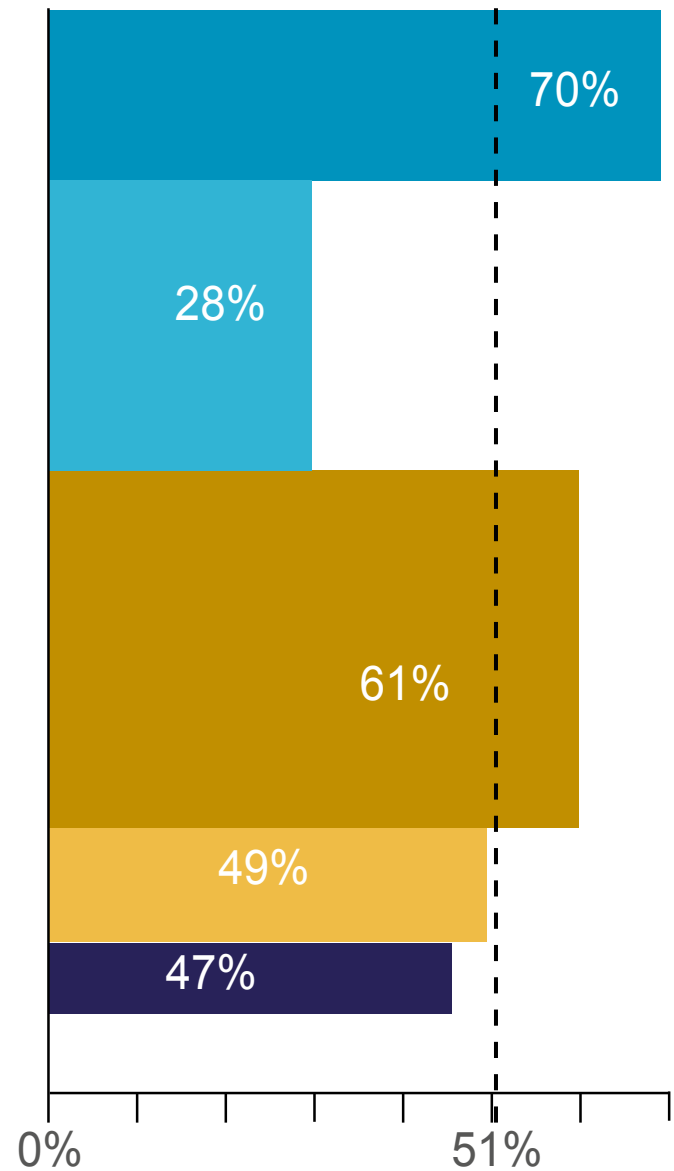
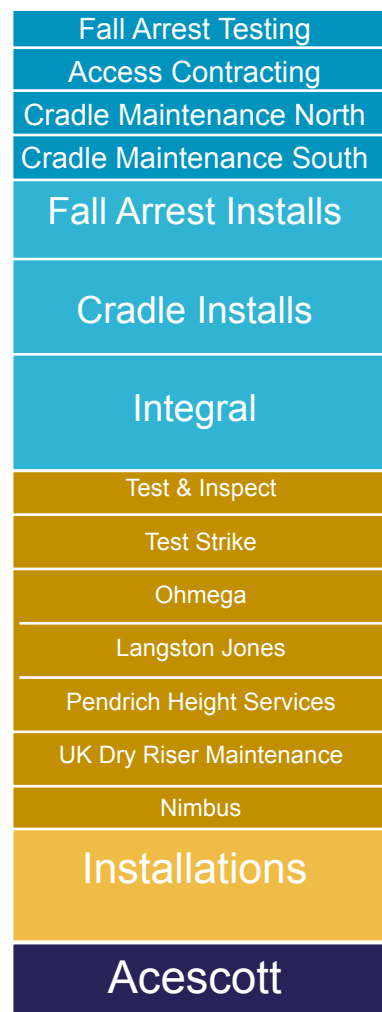
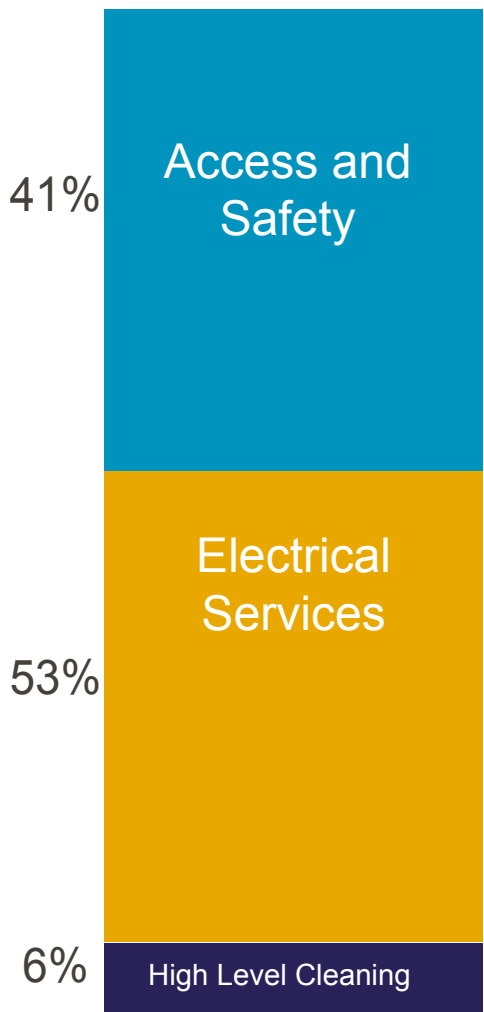
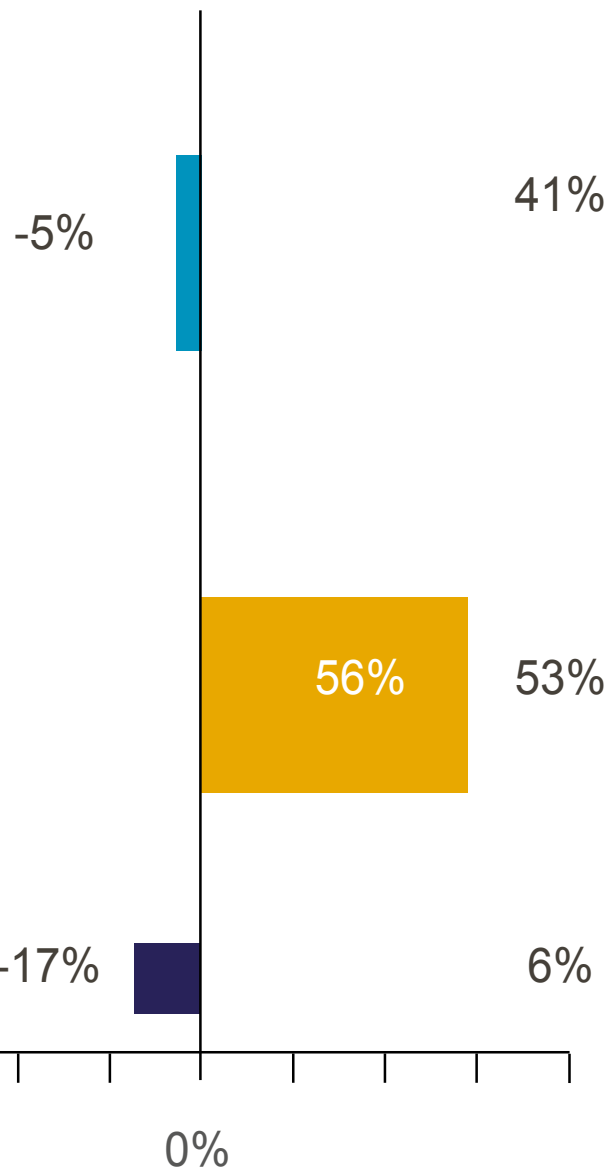
- 122 accreditations including ISO 9001, OHSAS 18001 and ISO 14001
- Training solutions carried out for clients as well as own staff
- Consultancy and insurance inspections carried out for clients

2017 H1 Revenue Growth and Gross Profit

Divisional Revenue Growth

Revenue Split

Divisional Gross Profit Margin



Access and Safety

- ✿ Turnover reduced 5% to £9.1m (£9.5m in H1 2016) due to a strong comparator driven by the timing of certain large installations in 2016
- ✿ Underlying maintenance revenue grew by 11%
- ✿ Adjusted operating profit decreased to £1.5m from £1.6m (H1 2016)
- ✿ Strong pipeline of cradle installations planned for H2 and 2018
- ✿ Market leadership in all four disciplines
- ✿ Clarity operational in Cradle Maintenance with Fall Access Testing on track for Q3 implementation
- ✿ Significant contract wins: Skanska City of London Corporation, Toyota, Unite Students, Verde SW1, University of Birmingham, Blackhillock Converter Station, South Bank Place and White City One

Revenue growth

(5%)

Maintenance growth

+11%

Contribution to turnover



Safety Testing



Safety Installation



Cradle Maintenance



Cradle Installation



Electrical Services

- ✿ Strong revenue growth, £11.6m (£7.4m in H1 2016), due to a combination of high organic growth and the 2016 Dry Risers and 2017 Nimbus acquisitions
- ✿ Operating profit increased to £2.6m from £1.7m (H1 2016)
- ✿ Strong growth of 15% from UK Dry Riser and 61% UK Dry Riser Maintenance following successful acquisition in 2016
- ✿ 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 42% and 452%
- ✿ Acquisition of BEST in July 2017 provides excellent strategic rationale and compelling financials. The integration is progressing to plan and the business is performing well.

Revenue growth

+56%

Organic growth

+15%
underlying

Contribution to
turnover



Lightning Protection



Electrical Testing



Fire Services



Steeplejack Services



High Level Cleaning

- ✿ Increase in adjusted operating margin from 21.8% (2016 H1) to 26.1%
- ✿ Adjusted operating profit stable at £335k (£335k H1 2016)
- ✿ Continued re-focussing of the business on Rope Access Works
- ✿ Focus on excellent customer service and delivery model
- ✿ Investment in non-residential sales
- ✿ Strong abseil demand for cladding inspection

Revenue growth

(13%)

Contribution to turnover



High Level Window Cleaning



Gutter Cleaning



Building Cleaning



Pressure Washing



Financial Highlights

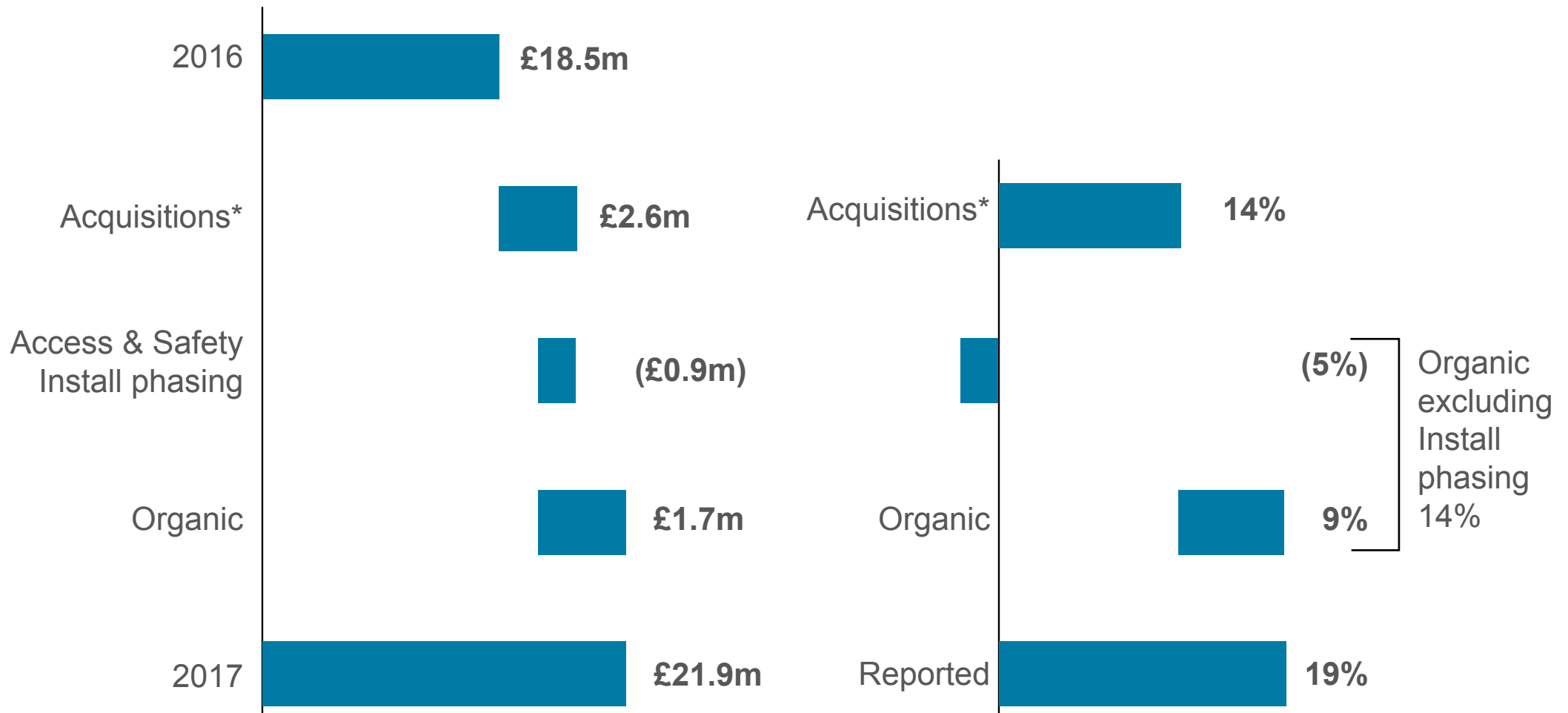
	H1 2017	H1 2016	Full Year 2016	
Revenue <i>Reported growth</i>	£21.9m 19%	£18.5m 57%	£39.2m 52%	• Revenue up by 19% on H1 2016
Adjusted operating profit <i>Growth</i>	£4.4m 20%	£3.7m 47%	£7.9m 49%	• Operating profit up by 20% on H1 2016
Adjusted EPS	3.86	3.19	7.63	• Adjusted EPS up by 21% on H1 2016
Dividend	0.80p	0.70p	1.40p	• £0.80p dividend proposed, in line with our progressive dividend policy
ROTOC*	25%	28%	58%	• Strong post tax return on operating capital despite additional investment 2016 acquisitions
Net Debt (excluding finance leases)	£12.2m	£7.7m	£12.1m	• There remains a significant headroom against our current facilities despite the increase in net debt to fund the acquisitions and organic growth
Financial leases	£1.4m	£1.1m	£1.5m	

*On a consistent treatment of dividends and tax

ROTOC is the periods (6 months or 12 months) post tax EBITA dividend 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

H1 Revenue Growth



*Acquisition turnover includes, 6 months base turnover for UK Dry Risers Ltd, UK Dry Riser Maintenance Ltd and 5.5 months of Nimbus Ltd

Profit Adjusting Items

	H1	H1	Full Year
	2017	2016	2016
	£'000	£'000	£'000
Adjusted Operating Profit	4,374	3,660	7,857
Restructuring costs	(267)	(220)	(492)
Intangible amortisation	(39)	(243)	(499)
Share options for Directors	(1,076)	(285)	(1,888)
Contingent payments in relation to acquisitions*	(1,022)	(649)	(1,861)
Reported Operating Profit	1,970	2,263	3,117

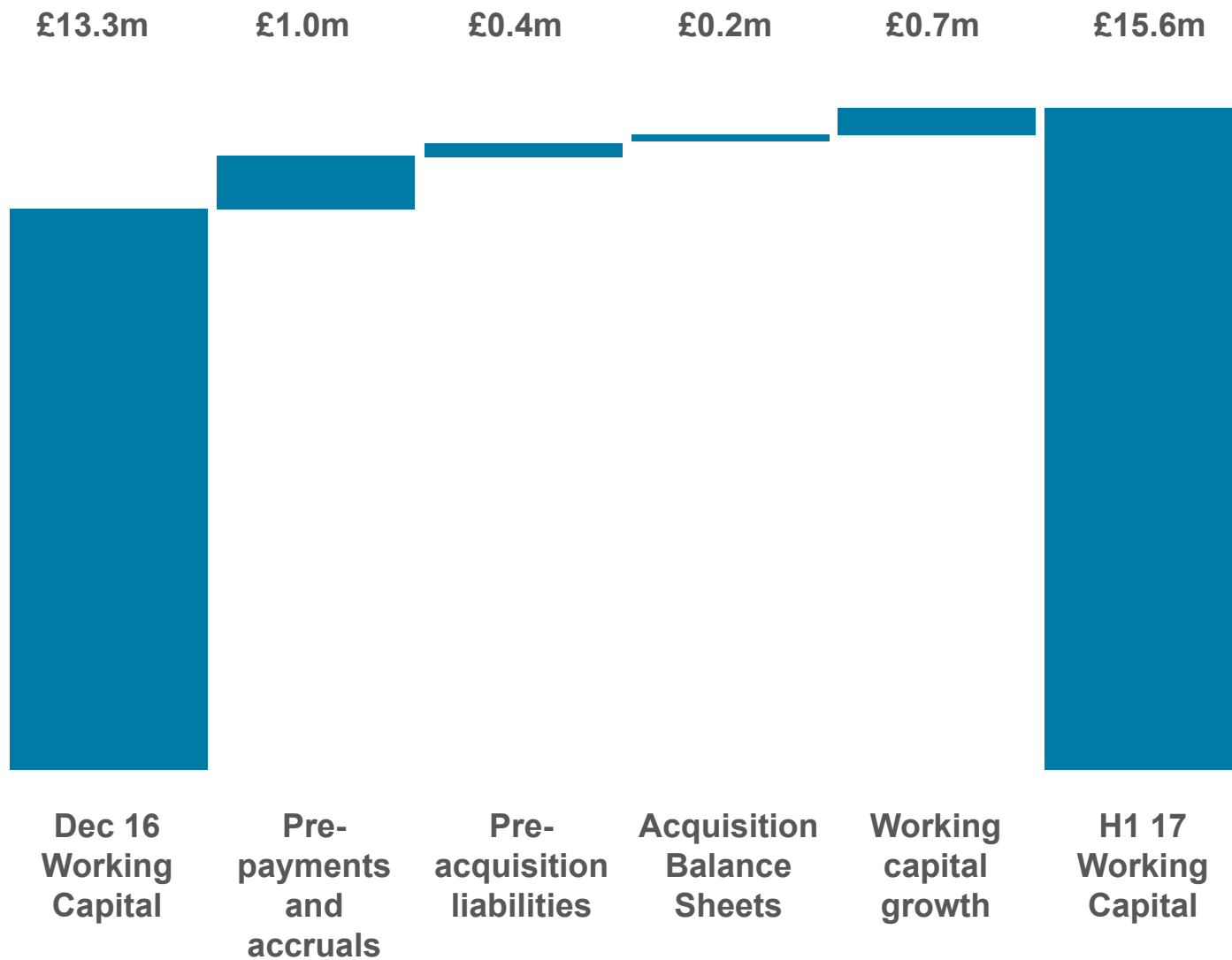
*Deferred consideration payments, dependent upon on going employment of the former owner are charged to the P&L under IFRS 3. These payments are dependent upon achieving agreed profit milestones and as such are self-funding. They can be paid in cash or shares at PTSG's discretion.

Consolidated Cashflow

	H1	H1	Full Year
	2017	2016	2016
	£'000	£'000	£'000
Adjusted operating profit	4,374	3,660	7,857
Depreciation and amortisation	765	770	1,164
Capital expenditure	(666)	(540)	(1,454)
Movement in working capital	(1,693)	(2,931)	(3,644)
Trading cash flow	2,780	959	3,923
Trading cash conversion	64%	26%	50%
Restructuring	(268)	(114)	(492)
Interest paid	(231)	(181)	(433)
Taxation paid	334	(52)	(796)
Free Cash flow	2,615	612	2,202
Acquisition expense and deferred consideration*	(1,327)	(1,071)	(4,162)
Dividends	—	—	(1,092)
Other non operating adjustments	(1,671)	(1,313)	(2,819)
Shares issued	208	400	156
Loans taken out / (repairs)	(50)	2,800	4,016
Cash movement	(225)	1,428	(1,699)

*includes reflating acquisition balance sheets and pre-aquisition liabilities (approx £350k H1 2017, £600k H1 2016 and £1.5m FY 2016)

Working Capital Bridge



- Half year versus full year phasing resulted in a £1.0m (£0.8m prepayment + £0.2m accruals) increase in working capital
- Resolution of pre-acquisition liabilities - £0.4m
- 2017 acquisitions added £0.2m of working capital
- Working capital growth was 5%, virtually half the Q2 organic growth rate

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

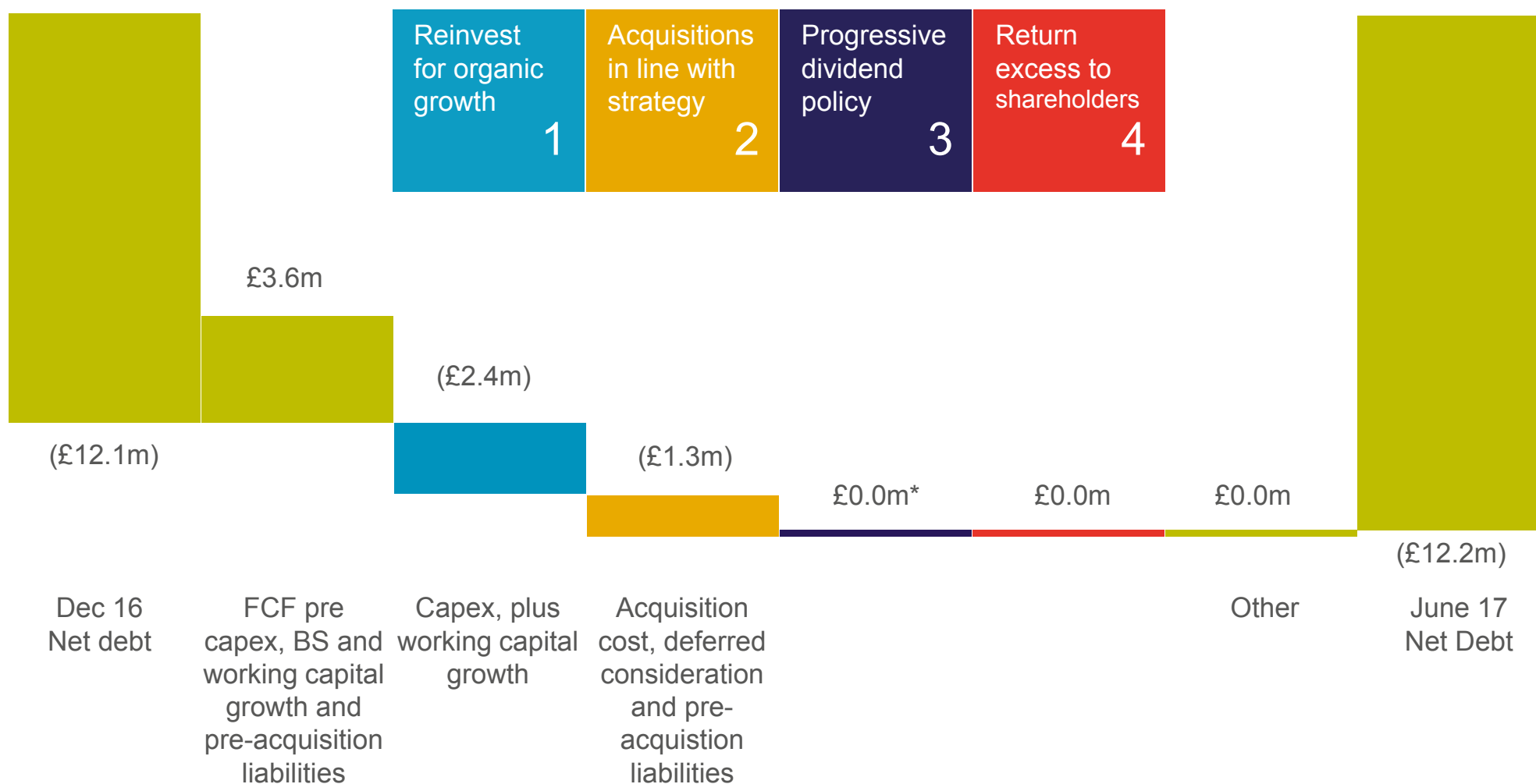
3

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.

*2016 final dividend was paid in July 2017 (£0.6m)

Net debt levels and banking covenants

	Bank Covenants	Actual
Debt service	>100%	289%
Interest cost	>500%	2,156%
Leverage	<2.25	1.41

- 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

- £600m addressable market with ~5-10% market share
- New sector expansion, eg: Fire Services

Demand

- Construction
- FM Industry changes
- Regulation

Change in PTSG divisions follows period of significant growth

Current divisional structure






New divisional structure (26 September 2017)



→ Steeplejacking

→ Dry Riser Installs
Dry Riser Maintenance

Rebrand rationale

-  New brand reflects PTSG's current and diverse range of products and services and team's broad level of capabilities
-  New brand easily recognisable and better understood by our customers – reflecting our goals, values and service offering
-  New brand ensures our message is clear and positive and is an excellent reflection of what we can do for our customers' businesses



Providing installation, maintenance, inspection, safety testing and repair services for all types of equipment including building maintenance units, gantry systems, cradle systems, monorail systems and lifting equipment.



Providing installation, maintenance, inspection, safety testing and repair services for all lightning and surge protection systems along with fixed wire and portable appliance testing.



Providing highly trained rope access and steeplejack personnel who can access any part of any building or structure to install, maintain, inspect, test, clean and repair any aspect that will help to improve and sustain aesthetic and structural integrity.



Providing installation, maintenance, inspection, safety testing and repair services for all types of dry riser systems, fire alarms, sprinkler, emergency lighting and fire extinguisher systems.

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 progressing to plan:
 -  Operational and financial procedures in place
 -  Renewals database and process established
 -  IT migration underway
 -  Chelmsford Lightning Protection office relocation to JW Grays at Witham, Essex
-  Business performing well:
 -  Strong order momentum and delivery
-  Minimal operational disruption
-  Value and risk as perceived in due diligence

Acquisition of UK sprinklers Ltd (UKS)

We DESIGN, SUPPLY, INSTALL & COMMISSION

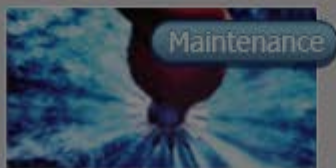
SPRINKLER SYSTEMS

-  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
-  UKS one of the largest independent installers of sprinklers systems in the UK
-  Business installs, tests, inspects, certifies and repairs sprinkler systems
-  Order book of 1.5x last full year sales
-  Strong customer synergy with PTSG existing 17,000 customers
-  Opportunity to expand sprinkler 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 H1 Highlights

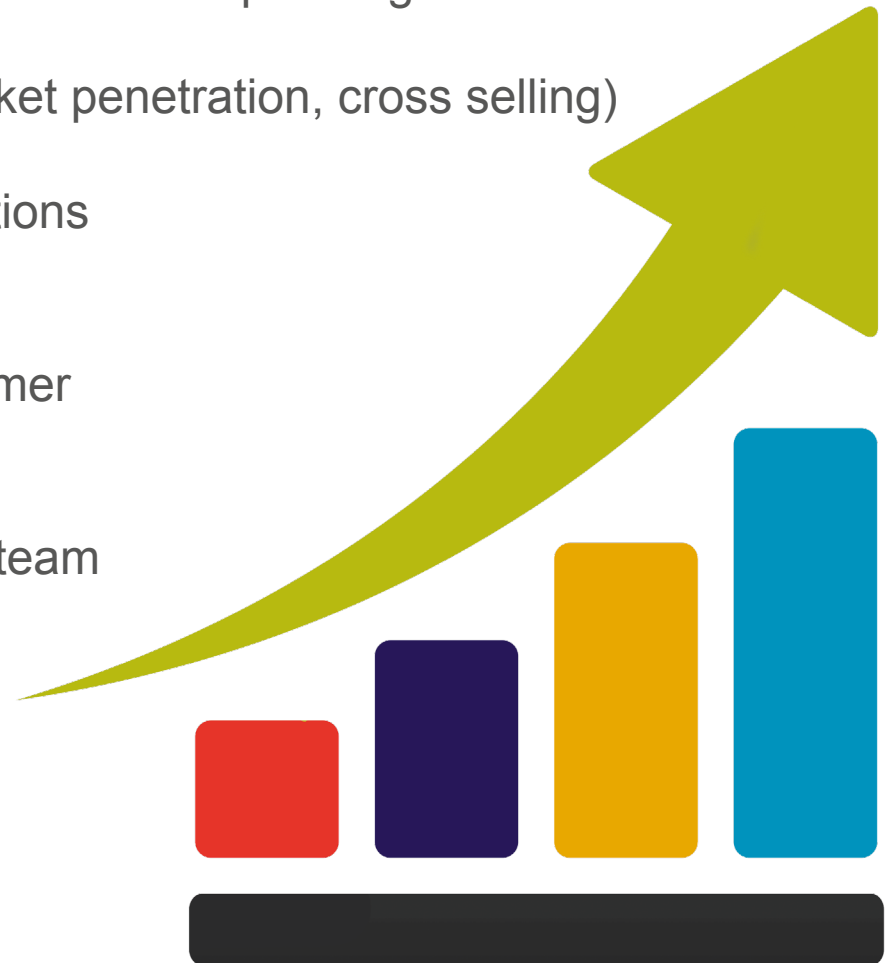
- 🌸 19% revenue growth
- 🌸 Good organic growth; 5% on prior year, underlying 14%
- 🌸 Operating profit growth of 20% on prior year
- 🌸 Improved cash conversion to 64%
- 🌸 Integration of Nimbus completed and Best progressing to plan
- 🌸 Strong contract wins and high renewal rate (85%)
- 🌸 EPS growth of 21%
- 🌸 Dividend per share up 14%

Outlook

- 🌸 The Board remain confident in the outlook for 2017 – 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
- 🌸 Operating in a heightened compliance environment with an enhanced and meaningful service offering
- 🌸 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 (85%+)
- ✿ 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

	Six months ended 30 June 2017			Six months ended 30 June 2016			Year ended 31 December 2016 (audited)		
	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £
Revenue	21,913,210	–	21,913,210	18,474,443	–	18,474,443	39,194,766	–	39,194,766
Cost of sales	(10,719,940)	–	(10,719,940)	(8,964,379)	–	(8,964,379)	(18,863,527)	–	(18,863,527)
Gross profit	11,193,270	–	11,193,270	9,510,064	–	9,510,064	20,331,239	–	20,331,239
Net operating costs	(6,818,907)	(2,404,830)	(9,223,737)	(5,849,823)	(1,397,193)	(7,247,016)	(12,474,374)	(4,739,988)	(17,214,362)
Total operating profit	4,374,363	(2,404,830)	1,969,533	3,660,241	(1,397,193)	2,263,048	7,856,865	(4,739,988)	3,116,877
Finance costs	(231,160)	(35,437)	(266,597)	(181,446)	–	(181,446)	(405,076)	(97,402)	(502,478)
Profit before tax	4,143,203	(2,440,267)	1,702,936	3,478,795	(1,397,193)	2,081,602	7,451,789	(4,837,390)	2,614,399
Taxation	(689,853)	13,681	(676,172)	(673,122)	95,948	(577,174)	(730,370)	415,544	(314,826)
Profit attributable to owners of the parent	3,453,350	(2,426,586)	1,026,764	2,805,673	(1,301,245)	1,504,428	6,721,419	(4,421,846)	2,299,573
Total comprehensive income for the period attributable to owners of the parent	3,453,350	(2,426,586)	1,026,764	2,805,673	(1,301,245)	1,504,428	6,721,419	(4,421,846)	2,299,573
Basic and diluted earnings per share (Pence)			1.15			1.71			2.61
Adjusted EPS	3.86			3.19			7.63		

Consolidated Balance Sheet

	Jun 17 £'000	Jun 16 £'000	Dec 16 £'000
Assets			
Intangible assets	13,325	10,577	12,366
Property, plant and equipment	3,210	2,502	3,196
Deferred tax	174	706	417
Non-current assets	16,709	13,785	15,979
Current assets			
Inventories	648	479	503
Trade and other receivables	23,992	17,170	20,303
Cash and cash equivalents	8,040	1,110	–
	32,680	18,759	20,806
Liabilities			
Current liabilities			
Trade and other payables	8,110	6,408	7,232
Bank overdraft, net of cash	10,282	–	2,016
Finance leases	776	569	767
Borrowings	–	25	25
Deferred consideration	1,925	1,354	1,053
Current tax liabilities	893	1,326	296
Total current liabilities	21,986	9,682	11,389
Net current assets	10,694	9,077	9,417
Non-current liabilities			
Borrowings	9,985	8,779	10,010
Finance leases	631	541	746
Deferred tax liability	–	–	–
Deferred consideration (incl loan notes)	2,632	2,562	2,596
Total non-current liabilities	13,248	11,882	13,352
Net assets	14,155	10,980	12,044

Segmental Analysis

	H1				H1				Full Year			
	2017		2016		2016		2016		2016		2016	
	Turnover £'000	Growth	EBIT £'000	Margin	Turnover £'000	Growth	EBIT £'000	Margin	Turnover £'000	Growth	EBIT £'000	Margin
Access & Safety	9,070	(5%)	1,460	16%	9,541	72%	1,605	17%	18,870	57%	3,111	16%
Electrical Services	11,558	56%	2,612	23%	7,395	67%	1,740	24%	17,606	69%	4,000	23%
High Level Cleaning	1,285	(17%)	335	26%	1,539	(14%)	336	22%	2,719	(18%)	747	27%
Central			(33)				(20)				(1)	
	21,913	19%	4,374	20%	18,475	57%	3,661	20%	39,195	52%	7,857	20%

Five Year Income Statement

	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017 (6 months)
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	12,072	13,887	18,003	25,771	39,195	21,913
Gross profit	7,145 59.2%	8,401 60.5%	10,319 57.3%	13,985 54.3%	20,331 51.9%	11,193 51.1%
Adjusted EBITA*	2,855 23.6%	3,160 22.8%	4,007 22.3%	5,276 20.5%	7,857 20.0%	4,374 20.0%
Adjusted EBITDA*	3,289 27.2%	3,757 27.1%	4,708 26.2%	6,174 24.0%	9,021 23.0%	5,101 23.3%

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

Five Year Balance Sheet

	Actual 2012 £'000	Actual 2013 £'000	Actual 2014 £'000	Actual 2015 £'000	Actual 2016 £'000	Actual June 2017 £'000
Fixed assets	3,360	4,616	4,957	13,893	15,979	16,709
Stock, trade and other receivables	3,700	5,562	8,262	13,490	20,806	24,640
Net cash	642	373	(1,261)	(317)	(2,016)	(2,242)
Current liabilities*	(3,247)	(3,421)	(5,325)	(7,845)	(8,320)	(9,779)
Net current liabilities*	1,095	2,514	1,679	5,328	10,470	12,619
Non-current liabilities*	(248)	(316)	(363)	(653)	(746)	(631)
Bank loan	–	(5,000)	(3,750)	(5,994)	(10,010)	(9,985)
Deferred consideration (incl loan note)	(100)	(600)	(1,399)	(3,653)	(3,649)	(4,557)
Net assets	4,107	1,214	1,121	8,921	12,044	14,155

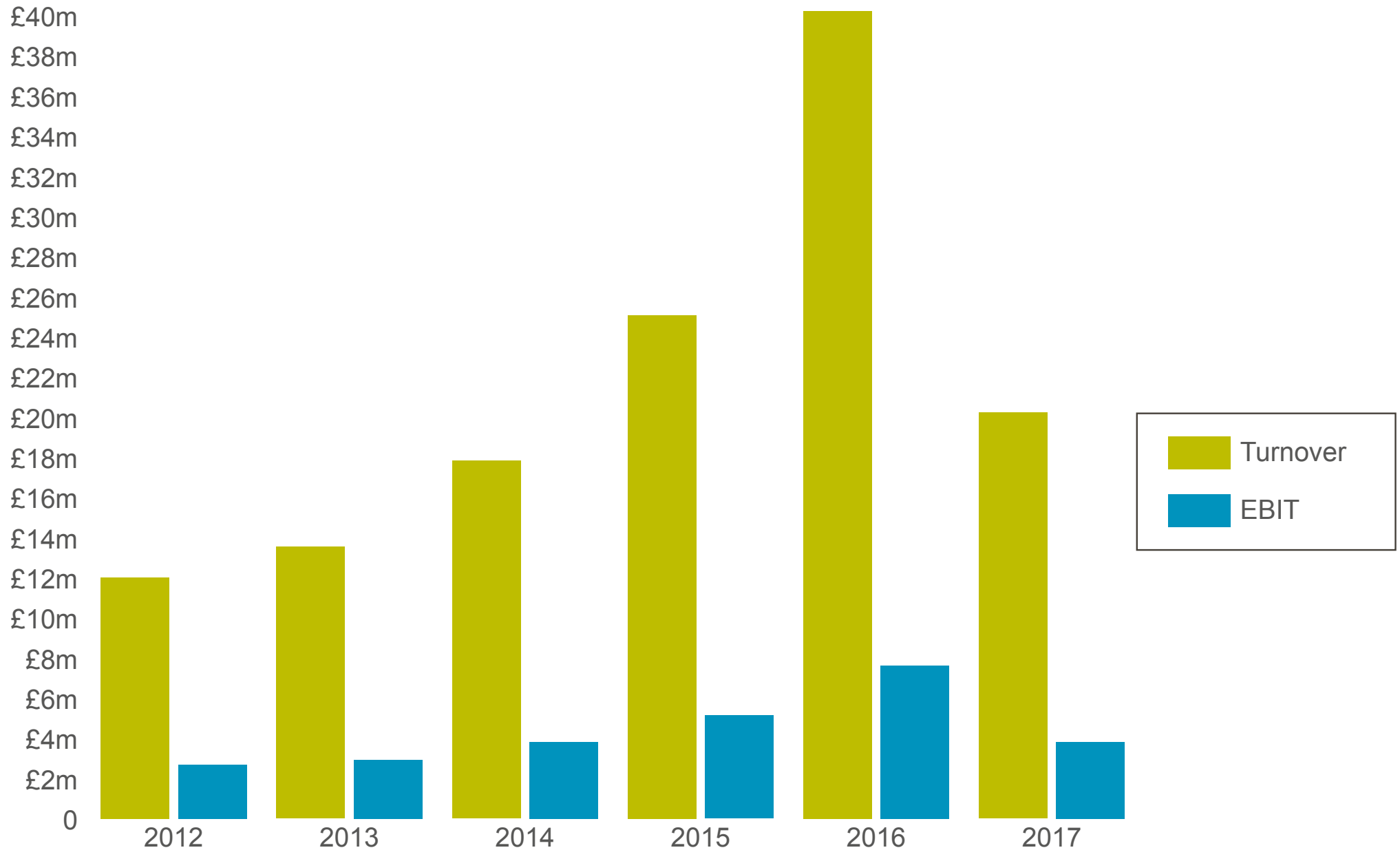
*excludes loan and deferred consideration

Five Year Cashflow





	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual June 2017 6 months
	£'000	£'000	£'000	£'000	£'000	£'000
Adjusted EBITDA*	3,289	3,757	4,708	6,174	9,021	5,101
Adjusted items	(50)	(622)	(2,493)	(2,112)	(3,310)	(1,901)
Movement in working capital	(849)	(1,297)	420	(4,592)	(5,144)	(2,043)
Inflow from operating activities	2,390	1,838	2,635	(530)	567	1,157
Taxation	(202)	(872)	(561)	(489)	(797)	335
CAPEX/financing	(517)	(592)	(990)	(1,040)	(1,887)	(898)
Acquisitions	(332)	(850)	(678)	(3,333)	(2,662)	(977)
Dividends	(749)	(755)	(790)	(534)	(1,092)	–
Loans taken out/repaid	–	5,000	(1,250)	2,196	4,016	(50)
Share buy back	–	(4,038)	–	–	–	–
Issues of shares	–	–	–	4,673	156	208
Increase/(decrease) in cash	590	(269)	(1,634)	943	(1,699)	(225)

*Adjusted for contingent acquisition payments, restructuring, rebranding, 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 **17** office locations nationwide

122 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

Over **600** 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

85% renewal rates

Over **150,000** assets

