



## Introduction

Premier Technical Services Group PLC (PTSG) is the UK's leading provider of façade access and fall arrest equipment services, lightning protection and electrical testing, specialist building access and fire solutions. The company specialises in the proactive compliance, testing and installation of niche specialist services and is ready to mobilise its specialist engineers from anywhere in the UK at a moment's notice to ensure facilities remain safe and operational.

Its four separate but complementary business divisions serve a large customer base and provide the full range of proactive and reactive services – enhancing residential and workplace quality and safety. The company began in 2007 with a clear strategy for growth, which it has executed diligently over the last 11 years, achieving a healthy and strong balance of organic and acquisitive growth. Although it now boasts 670 specialist members of staff operating out of 18 UK offices, PTSG was nimble enough to realign its divisions in 2017 to meet industry requirements. Fire Solutions has been in constant demand since its formation and further acquisitions, including UK Dry Risers and UK Sprinklers, have bolstered its provision and increased its contribution to the Group's turnover. The acquisition of M&P Fire Protection Ltd in the south of England on 5 July 2018 means that PTSG can now offer a more comprehensive fire solutions service right across the UK.

The Group has seen a continued strong performance in the first half of the year, driven by a marked increase in testing and compliance work, with high activity levels across all divisions.

Our contract renewal rates remain high and a number of new and significant contracts have been won during the first half of the year across our range of services, including The Department of Work and Pensions with Interserve, FirstPort, and the Ministry of Justice's new facilities management company, Government Facilities Services Ltd. The majority of these contracts range from three to five years, and range in value from £500,000 to £1m per annum, which, in addition to the existing customer base, provides excellent revenue visibility over the medium term and reinforces the Board's confidence in our organic growth plans.

The three acquisitions completed last year have been successfully integrated and are making significant contributions to the Group. Acquisitions remain a core element of our growth strategy.

The business is performing in line with expectations and the Board remains confident of delivering full year expectations and in the significant long-term growth opportunity for PTSG.

**Paul Teasdale**  
Chief Executive

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To view this document online visit [ptsg.co.uk/investor-relations](https://ptsg.co.uk/investor-relations)



**What we do:** For an overview of our business see our video at [ptsg.co.uk](https://ptsg.co.uk)



**Web links:** Where indicated, links will take you to relevant web pages

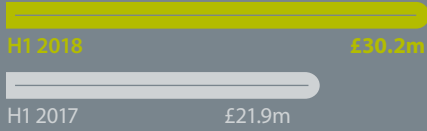


**Page links:** Where indicated, links will take you to relevant content within the Annual Report

Revenue

**£30.2m**

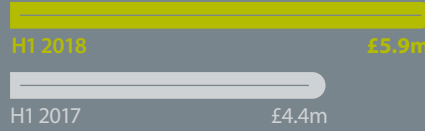
↑38%



Adjusted operating profit\*

**£5.9m**

↑35%



Dividend per ordinary share paid and proposed

**0.90p**

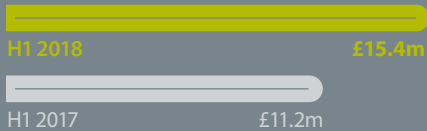
↑13%



Gross profit

**£15.4m**

↑37%



Adjusted earnings per share (EPS)\*

**5.03p**

↑30%



**Electrical Services**

We are the UK's leading lightning protection installation, testing and maintenance business. We specialise in surge protection and specialist earthing and our wider team are market leaders in fixed wire and portable appliance testing.



**Fire Solutions**

Our highly trained personnel lead the way in fire solutions working on residential and commercial properties UK-wide. Sprinkler systems, dry and wet riser systems and fire alarm and emergency lighting solutions complete PTSG's comprehensive offering in this important area of work.



**Access and Safety**

Our team comprises some of the industry's most knowledgeable access and safety experts, and we have further developed our skills base over the years through the strategic acquisition of market leading businesses. We are the UK's largest access and safety business.



**Business Access Specialists**

We have an industry-leading reputation for being able to safely access some of the tallest and most challenging buildings, structures and chimney stacks to undertake surveys, remedial and reparatory work. Our rope access and steeplejack teams are, without doubt, the very best in the business.



\*before adjusting items of £4.2m (2017: £2.4m) resulting in a statutory operating profit of £1.7m (2017: £2.0m) and EPS of 1.06p (2017: 1.15p).

## Independent business divisions working in partnership

While other companies are likely to specialise in just one niche building service, PTSG goes way beyond this. We operate in four distinct business divisions, each supplying the Support Services Sector with a particular set of services. It was our vision back in 2007 to address the absence of a single company offering multiple niche specialist services. We have steadily diversified into related markets where we can derive similarly high margins, and are now routinely able to save our customers valuable time and money by supplying different services for their buildings in a single contract.

### Access & Safety

- Safety Testing
- Safety Installation
- Cradle Maintenance
- Cradle Installation

We are the UK's leading supplier of fall arrest systems and safety testing services. We offer maintenance, inspection and testing solutions for safety at height as well as the design and installation of permanently installed façade access equipment and fall arrest equipment.

H1 2018 Turnover

£7.9m

H1 2017: £9.1m

Contribution to turnover:



PTSG Access and Safety has been enlisted to carry out Working at Height training across UNITE's UK portfolio to ensure its team is fully trained in the safe use and operation of fall arrest equipment as well as completing vast amounts of repairs and essential upgrades to mansafe systems.

### Electrical Services

- Lightning Protection
- Surge Protection
- Specialist Earthing
- Electrical Testing

Our systems not only save time and money, they save lives. Whether it's testing a portable appliance, fixed wiring, or a complete lightning and surge protection system, our team of highly trained technicians is the market leader in these fields.

H1 2018 Turnover

£13.4m

H1 2017: £7.4m

Contribution to turnover:



Following the successful delivery of a contract with the Co-op, performing PAT and fixed wire testing at eight distribution centres, the Group was commissioned to provide PAT and fixed wire testing to over 600 large food stores, local stores and funeral service providers across the UK.

### Building Access Specialists

- Steeplejack Services
- High-Level Installation
- High-Level Reparation
- High-Level Cleaning

Our high-level cleaning team members are experts in working at height, and we can provide cleaning and refurbishment work encompassing a wide range of vital services – for the inside or outside of any building.

H1 2018 Turnover

£2.7m

H1 2017: £3.0m

Contribution to turnover:



At the Balmoral Hotel in Edinburgh, PTSG answered an emergency call to carry out repairs to damaged masonry, which was putting people in the immediate vicinity at risk. This contract was extended to include the cleaning of over 500 windows in this major hotel in Scotland's capital. PTSG's rope access team had to devise an innovative airbag system to access all areas of the building without posing a danger to the walkways beneath – or engineers.

### Fire Solutions

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

PTSG offers a tailored service for a range of fire prevention and suppression systems in a variety of public and private buildings. From initial design and feasibility, through to installation, testing, replacement, maintenance and certification, we provide a complete fire protection solution to ensure that your facilities remain safe and compliant.

H1 2018 Turnover

£6.2m

H1 2017: £2.5m

Contribution to turnover:



Fire Solutions was awarded a contract to provide an installation of fire protection systems at a large housing and regeneration scheme in central London. A team of highly trained engineers installed sprinkler systems to the site's community hub building, and was also contracted to install a water supply to the landlord areas of the development as part of the project's tenant fit-out.

## Driving availability and expert service across our connected network

Headquartered in Castleford, West Yorkshire, with 18 offices and more than 400 engineers countrywide, PTSG is positioned to deliver. We have strategically placed staff which allows us to reduce travel costs and the necessity for overnight stays and continue to deliver a highly cost-effective service.

### UK coverage

**18**

UK office locations

**670**

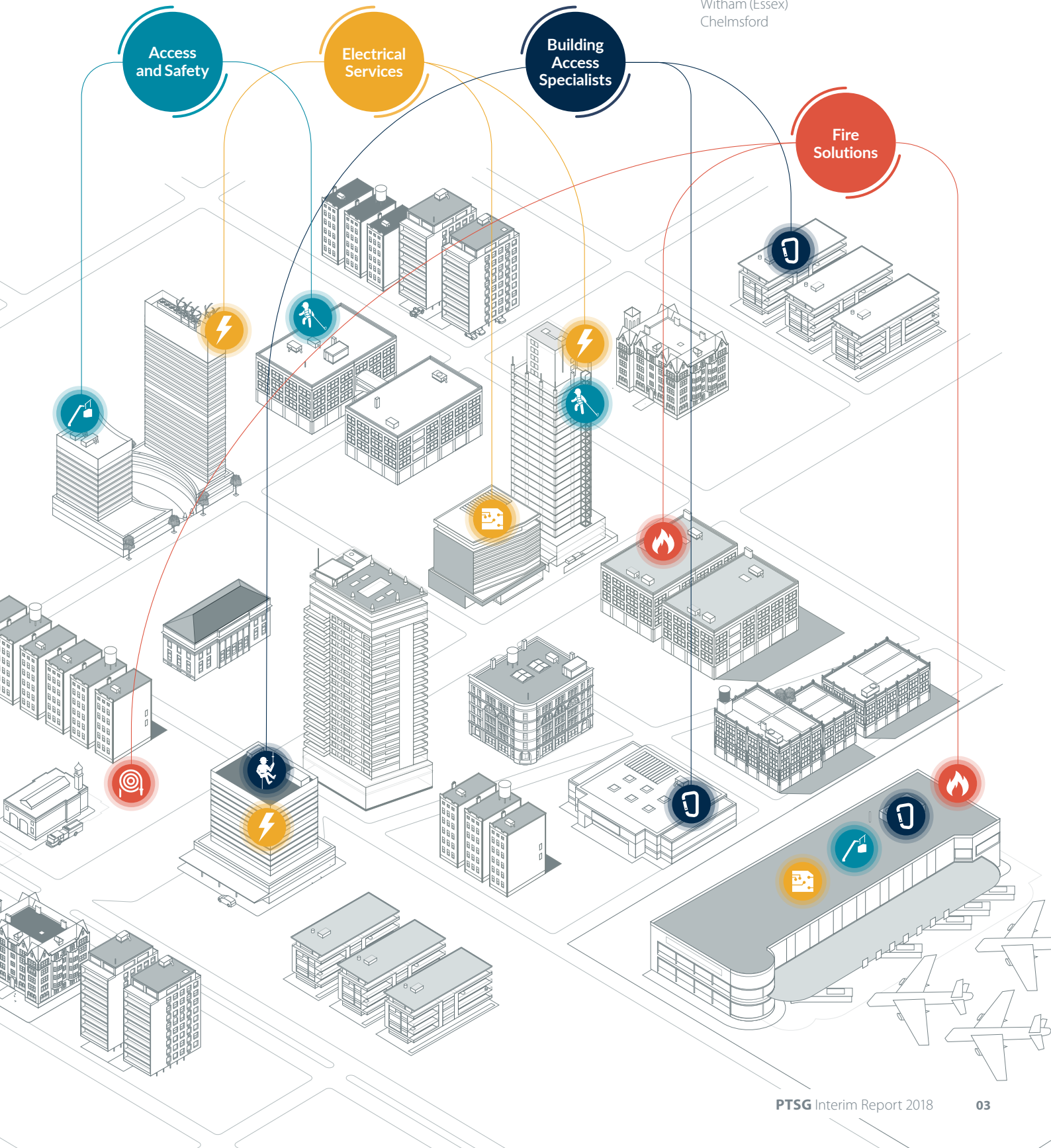
Full-time employees

**Head office**  
Glasshoughton  
Castleford  
West Yorkshire

**UK distribution centre**  
Pioneer Way  
Castleford  
West Yorkshire

**Regional offices**  
Edinburgh  
Wishaw (Lanarkshire)  
Bury  
Oldham  
Maidstone  
Manchester  
Sheffield  
Stoke  
Nottingham  
Kidderminster  
Witham (Essex)  
Chelmsford

**London offices**  
South HQ  
South  
City office  
Gatwick



## A large diverse client base supports sustainable growth

PTSG has over 17,000 customers across 150,000 buildings. We are a multidisciplinary business operating across a wide variety of market sectors. In 2017, no one customer accounted for more than 2% of revenue. This means that the effect of a downturn in any one area is marginal – we can weather any sector-specific storm.

Construction in the UK commercial and industrial sector was valued at nearly £164bn in 2017, and 35 per cent of this was made up of orders for repair and maintenance. As the market leader in the majority of the niche specialist services we offer, we are confident that PTSG will continue to win

significant access and safety, electrical services, specialist building access and fire solutions contracts across a multitude of market sectors. This illustration shows the wide range of organisations we work with and some of the many projects we have delivered in recent months:

### PTSG Market Sector Overview





### A case study in connectedness

A strong example of PTSG's ability to offer multiple services to one client as part of an ongoing partnership is the Group's collaboration with Marks & Spencer PLC (M&S). The partnership began when PTSG was commissioned to carry out fall arrest testing at a handful of stores.

This evolved as the contract was extended to include a wide range of services, including cradle maintenance, fall arrest and lightning protection across more than 400 M&S stores nationwide. PTSG also carries out surveys at new stores not yet covered within its current contract and provides solutions for cost-savings and improvements to M&S.

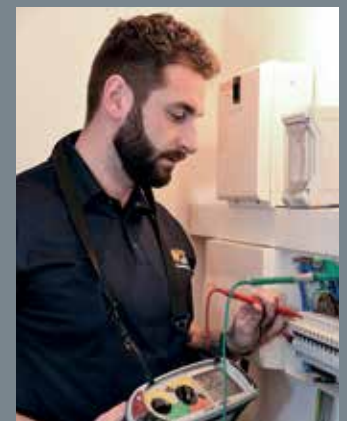
Eighteen months ago, PTSG and Marks and Spencer were jointly presented a top industry award by Premises and Facilities Management magazine for their collaborative approach to delivering multiple services in offices and stores across the UK. Industry-leading judges rated PTSG and M&S as the best performing partnership in the retail sector for the way in which the companies work together to keep stores open for business nationwide.

The judges said: "It is clear that this relationship is here to stay as PTSG is continuously innovating and providing a cost-efficient and responsive service. M&S is a demanding and intelligent client. Meeting the challenges of the nationwide M&S retail estate, growing the service offering and winning a further three-year contract is to be applauded."

Pete Richardson, PPM and Compliance Support Manager at M&S, said: "The speed of response, agility and professionalism of PTSG is unrivalled. The number of our assets PTSG works upon is testament to the incredible planning and execution of their work and we look forward to collaborating for many years to come."



It is clear that this relationship is here to stay as PTSG is continuously innovating and providing a cost-efficient and responsive service. M&S is a demanding and intelligent client. Meeting the challenges of the nationwide M&S retail estate, growing the service offering and winning a further three-year contract is to be applauded.



## Momentum and growth

“We remain both confident about continuing the positive revenue and profit momentum which is evident in the Group’s results for the first six months of 2018 and also enthusiastic about our prospects for the future.”

**John Foley**  
Chairman



### 2018 Key events

Acquisitions completed in 2017 fully integrated with good contribution to growth.

New divisional structure received well by customers.

Significant momentum achieved in the growth of the Fire Division.

Acquisition of M&P Fire Protection Ltd strengthens and expands our fire offering.

#### Overview

The first half of 2018 was a period of internal focus to integrate the three acquisitions made in 2017 into PTSG as well as a period of external communication and delivery to ensure that our customer base understood and reacted favourably to the new divisional structure that was implemented in 2017. Both objectives were successfully achieved and I am pleased to report continuing record levels of turnover, gross profit, adjusted EBITDA and adjusted earnings per share were achieved in the period.

#### Acquisitions

All three acquisitions made in 2017 have made a strong contribution within PTSG. The acquisitions of Nimbus Lightning Protection Ltd and Brook Edgley (Industrial Chimneys) Ltd (“BEST”) confirmed our position as market leader in the UK Lightning Protection sector. The acquisition of UK Sprinklers Ltd enhanced the capabilities of our recently created Fire Solutions Division and the growth in the size and scale of this particular business has been spectacular since its acquisition in September 2017.

The successful integration of these 2017 acquisitions into PTSG enabled us to make a further acquisition on 5 July 2018 to further strengthen and extend the offering of our Fire Solutions Division. M & P Fire Protection Ltd which is based in Maidstone is a specialist in the installation and maintenance of sprinkler, dry and wet riser systems was acquired for a total consideration of up to £3.5m, comprising an initial cash payment of £1.0m with deferred cash payments of £2.5m payable over five years subject to the business achieving stretching and escalating milestone profitability targets in each of these periods.

#### Financial overview

Turnover increased by 38% to £30.2m (H1 2017: £21.9m). Gross profit increased by 37% to £15.4m (H1 2017: £11.2m). Adjusted EBITDA increased by 36% to £6.9m (H1 2017: £5.1m). Underlying profit before taxation (before adjusting items of £4.3m) increased by 37% to £5.6m (H1 2017: £4.1m). Adjusted earnings per share increased by 30% to 5.03 pence (H1 2017: 3.86 pence). The Board has recommended an interim dividend of 0.9 pence which will be paid on 26 October 2018 to shareholders on the register at 5 October 2018.

Net debt at 30 June 2018 was £11.8m (£18.3m at 31 December 2017) and benefitted from a £4.2m receipt in June from Mr R Teasdale, to cover the tax payments on his previously awarded share based payments, which was paid to the HMRC in early Q3. Excluding this, the underlying net debt would have been £16.0m, a £2.3m reduction from the year end, due to improved trading cash conversion which increased to 81% in the period.

#### Operational highlights

PTSG’s established operating model delivers sustainable high margins together with industry leading renewal rates. Results for H1 2018 show gross margins of 51% (H1 2017: 51%) and adjusted operating margins of 19.5% (H1 2017: 20%). Contract renewal rates in our core maintenance divisions were once again in excess of 88% during H1 2018 and the Group’s underlying organic revenue growth rate was 14% during the period.

The fastest organic growth rates are currently being experienced by our Fire Solutions Division. As an example, the turnover of UK Sprinklers Ltd for the 12 months prior to its acquisition in September 2017 was exceeded in the first 6 months of 2018 and its annualised operating profits have increased by just over 300%. This example of profitable growth is not simply the result of an operation finding itself in the right place at the right time; it is also the result of a positive application of PTSG’s operating model.



The same successful result can be seen in BEST's Testing and Inspection business; it had a 50% contract renewal rate at the time of its acquisition in September 2017 and had no 3/5 year contracts; the renewal rate for June 2018 was 85% and the number of 3/5 year contracts was 610. In addition, its operating margin had increased by 15%.

The new divisional structure has been well received by our customers and the recently created national sales team has secured a number of significant new multi-disciplinary contract wins. The Chief Executive's review provides further detail about operational performance and contract wins.

### Strategy

Our principal objective is to build a Group which is the UK's leading provider of clearly identified niche specialist services to customers in the facilities management, construction and property sectors. Our focus on compliance to a demanding set of safety standards remains foremost in our thoughts and actions.

We undertake acquisitions to seek sector dominance in the provision of those clearly identified services where our established operating model can be put to good effect. We continue to see and develop further opportunities which can assist the Group to achieve its stated principal objectives and the pipeline of potential acquisitions remains both healthy and full. The Group is now at a stage where further acquisitions will seek to increase the relative percentage of compliance related turnover since gross margins on this type of work are higher and more sustainable than in installation related activity and provides better visibility of revenues; the Group's infrastructure is well enough developed to take on further opportunities in the compliance area.

### Outlook

We remain both confident about continuing the positive revenue and profit momentum which is evident in the Group's results for the first six months of 2018 and also enthusiastic about our prospects for the future.

**John Foley**  
Chairman

25 September 2018

## An incredibly high profile

### PTSG is well respected in the industries it serves for having an outstanding health and safety record.

As a health and safety leader we readily take every opportunity to offer insights into our approach and share them with the wider industry – this also gives customers and business prospects greater confidence and comfort in the service we deliver.

We do this by regularly issuing editorials in leading industry publications to share our experiences and the important lessons we've learned over the last 11 years. These pieces offer regular exposure to a highly targeted audience of facilities, property and construction professionals.

People trust what industry publications have to say because they offer valuable third-party endorsement of an organisation's work. By communicating our key messages through magazine editorials, we naturally reinforce our credibility, avoiding the risk of celebrating our successes and being dismissed simply as 'marketing speak'.

In 2018 we have already featured in three double-page articles covering fire safety, our seven consecutive International Safety Awards and the improved level of safety that we create for our customers.

These editorials are an important way for us to showcase our successes while communicating our key messages and reinforcing our position as an industry leader across a vast range of specialist services.

They have a large reach with tens of thousands of readers in print and online across the UK and each audience is guaranteed to be an industry professional or decision maker. This means that new contacts can start following our successes, perhaps becoming clients in the future, and existing customers remain confident in our ability to perform safely and to a high standard.

# 138,000

Over 138,000 customers and business prospects reached each and every month.

## New opportunities

“We have seen exponential growth year on year, with increasing interest from clients and investors who value the clarity and strength of our business model.”

**Paul Teasdale**  
Chief Executive



### 2018 Highlights

**38%**

Revenue growth in H1 2018

**37%**

Gross profit growth in H1 2018

**35%**

Adjusted operating profit growth in H1 2018\*

\* before adjusting items of £4.2m (H1 2017: £2.4m).

#### Overview

Change is inevitable in business and those organisations that embrace change are far more likely to succeed. PTSG is evolving to remain at the cutting edge of market demands and as a result, business has never been better.

Following the introduction of new businesses incorporating dry and wet risers and sprinklers in 2016 and 2017, our Fire Solutions division is already experiencing ever-greater demand – well beyond our initial forecasts.

Testing and compliance are at the core of our service provision. This is true for the Group as a whole, but is perhaps most visible in Fire Solutions. It means delivering a consistently high level of workmanship to meet a rigorous set of demands. This is one of the ways in which we add value for our clients, giving them reassurance that the work we do not only keeps their buildings legally safe, but is of the highest possible standard.

An interesting development within facilities management this year has been the passing of a resolution to change the name of the British Institute of Facilities Management to the Institute of Workplace and Facilities Management. PTSG has always been a supporter of forward-thinking industry bodies such as BIFM, and was fully on board with this development. The name change signifies a culture change in the industry, giving greater emphasis to the term ‘workplace’.

This wholly resonates with PTSG; whilst we understand that the workplace varies widely from organisation to organisation and sector to sector, our specialists uphold the same high standards in the different sectors within the facilities management industry.

#### The importance of Fire Solutions

It is a fact that since the Grenfell Tower tragedy in 2017, awareness of accountability for ensuring buildings are compliant and users remain safe has heightened. Compliance is a legal requirement where fire risk in buildings is involved. However, meeting the latest regulations shouldn't be the sole motivation for building owners and managers in safeguarding their assets.

The safety and wellbeing of all building users, including engineers performing any kind of work, should always be a priority. It's how we at PTSG work. Indeed, since day one we have worked to the principle: “If it can't be done safely, we won't do it”. PTSG's Fire Solutions division

is currently testing systems within Grenfell Tower. With new regulations for fire safety and a heightened awareness throughout the industry for implementing safe practices, it has never been more important to adhere to our safety principle.

Our recent acquisition of M&P Fire Protection Ltd. signals the Group's intention to further expand our Fire Solutions division. When growth in our dry risers and sprinklers businesses reaches a level that meets our expectation, we aim to add addressable fire systems to our portfolio. This will see Fire Solutions offering a truly comprehensive range of services to enable buildings of all kinds, in all sectors to be as safe and compliant as possible.

#### Acquisition key to success

Even though Fire Solutions is the newest of the PTSG's divisions, it is already showing incredibly strong signs of success. Our move into this important area of work began with the acquisition of UK Dry Risers Ltd. (UKDR) and UK Dry Risers Maintenance Ltd. (UKDRM), specialists in the installation, maintenance and testing of dry and wet riser systems.

After just six months of integration into the Group, UKDRM had grown by an incredible 37% which was largely attributable to its successful integration into the Premier Technical Services Group of companies. Turnover growth since acquisition now stands at 102% with operating profit growth at 399% within the first 24 months. Integration is a fundamental part of the acquisition process. It enables all new members of staff to become fully aligned with our methods and practices – which are proven to be highly successful. It enables them to continue to use their vital industry skills to their full potential – and crucially, that they are satisfied working within their new parent company.

The integration of BEST into our Electrical Services business in July 2017 is another good example. Due to the way in which we overlay PTSG's policies and procedures, we have seen a 15% margin improvement in that business in our first 12 months together. Renewal rates have increased from 50% to 85% and we have secured 610 additional 3-5 year contracts in the last year.

I must mention Clarity – our proprietary software system – and its increasingly important role in the integration process. The system has now been rolled out across the majority of our compliance business and it is making a big difference to the way in which we work.



With the further development of Clarity, our proprietary software system designed to significantly improve the way we do business, we are now at the forefront of today's digital age. All of which is making a huge difference to our stakeholders and customers.

Clarity enables everyone at PTSG, including office-based administrative staff, business development managers and on-site engineers, to do their jobs safely and far more efficiently than ever before.

UK Sprinklers was acquired in September 2017 and integrated into the Group in the months that followed. The turnover for UK Sprinklers prior to acquisition was just over £3m; the expected turnover this year is £6-£8m. Current turnover growth since acquisition is 101% with operating profit growth at 318% within the first 12 months.

With a strong pipeline of potential acquisitions, the Group is set to continue its progression.

#### Divisional results

Each of our divisions has contributed to the exceptional performance of PTSG in the first half of 2018, thanks to our unique operating model and our teams of highly trained experts.

#### Access & Safety

Safety Testing and Installation, Cradle Maintenance and Installation. As the UK's leading supplier of fall arrest systems and safety testing services, we achieved a turnover of £7.9m in H1 2018 (2017 H1: £9.1m) – a 26% contribution to the turnover of the Group. Adjusted operating profits were £1.3m from £1.5m in 2017, with decline resulting from the strong comparative performance from the lumpy Cradle Installs business in H1 2017.

The safety testing and safety installation business continued to grow showing increases of 9% and 24% respectively.

#### Electrical Services

Lightning Protection, Fixed Wire and PAT Testing, (design, install and maintenance). We achieved a turnover of £13.4m in H1 2018 (2017 H1: £7.4m) – a 44% contribution to the turnover of the Group. Adjusted operating profits increased from £1.7m in 2017 to £2.8m. We saw good growth across all services, the acquisitions of BEST and Nimbus showed good progress coupled with strong organic growth.

#### Building Access Specialists

Steeplejack Services, High Level Installations, High Level Remedials, High Level Cleaning. Our products and services enable safe, efficient access to any part of any building. Our team members are experts at working at height and performing a high-quality service even in the most inaccessible locations.

We employ some of the UK's most talented and safety-conscious working at height specialists in the UK. In H1 2018 we achieved a turnover of £2.7m (2017 H1: £3.0m) – a 9% contribution to the turnover of the Group. Adjusted operating profit was £0.6m (2017: £0.7m).

#### Fire Solutions

Wet and Dry Risers, Sprinkler Systems, Fire Alarms, Emergency Lighting, Fire Extinguishers (design, install and maintenance). We now offer one of the UK's most comprehensive fire solutions services delivering high quality, safety systems in both residential and commercial settings. Turnover increased from £2.5m in H1 2017 to £6.2m in H1 2018 representing 21% of turnover. Adjusted operating profits increased from £0.6m in 2017 to £1.3m in 2018. The increase was a mixture of strong organic growth across all areas of the division, together with the excellent performance of UK Sprinklers which was acquired in September 2017.

#### A sustainable model for success

Naturally, anyone looking to work with PTSG, whether as a customer, a shareholder or an employee, wants to be reassured that our success up until now will continue. PTSG offers the best guarantee of the Group's sustainability for the future, based on a number of factors.

PTSG's operating model is built around the twin drivers of organic and acquisitive growth, augmented by the demands of the marketplace.

It is an efficient, unique operating model, designed to achieve long-term sustainable profitability. An important part of this is ensuring that the utilisation of engineers is maximised, coupled with efficiency in planning in our back office functions. Our approach in this respect has been further enhanced since we implemented our new, proprietary software system, Clarity.

Whilst we intend to continue with the operating model which has yielded so much success over the last 11 years, we remain agile and able to evolve to the changing demands of customers and legislation. That is what has happened when the industry called for a more robust approach to fire safety.

As a consequence of the need for all building owners or managers to take a significant step up in safety, our Fire Solutions division was formed and has been a strong success over the last two years. Our three other divisions also continue to grow apace and I am pleased with the performance of our well-established, highly trained and professional teams who deliver consistently well in these important areas of our operations.

Cross-selling is something that has differentiated PTSG within the marketplace. Our ability to offer a bundled service provision is key in saving our clients the time, cost and complication of finding multiple service providers. We have strong relationships with our customers, which has seen us achieve a contract renewal rate of 88 per cent, which is why they are often happy for us to extend our provision to include other niche specialist services.

Our newly formed sales team, established in 2017, is already performing strongly and adding value. With £4m in new sales in 2017, they are on target to achieve in excess of £8m in 2018.

An impressive endorsement of the sustainability of our operating model came on 24<sup>th</sup> June this year. Joanne Hart, the 'shares guru with the golden touch', reviewed the Group from a financial perspective in her Midas column in the Mail on Sunday, tipping it to grow on the success it has already achieved.

The article recommends PTSG shares as a strong addition to investors' portfolios, focusing on the fact that the Group often carries out work that is mandatory by law, providing valuable assistance both with installations and maintenance, and holding contracts that last for several years.

It neatly summarises what PTSG does, which has been at the root of our success since 2007. Compliance and testing remain at the very core of our provision for customers going into the future, ensuring buildings perform safely and well for all who use them.

I hope you will join me in looking forward to the year-end results, confident of another record-breaking set of figures for PTSG. In the meantime, the results highlighted in this interim report should give confidence to current and future investors alike.

**Paul Teasdale**  
Chief Executive

25 September 2018

## Acquisition of M&P Fire Protection Ltd.

In July 2018, PTSG acquired M&P Fire Protection Ltd. Based in Maidstone, the company specialises in the installation, maintenance and testing of dry and wet riser systems and commercial and domestic sprinkler systems.



We are delighted to welcome M&P as our latest addition to the Group. The business is well established and respected in the UK, their addition to the Group extends our service offering in Fire Solutions, particularly in London and South East and complements our existing extensive offering as the UK's largest niche specialist service provider. We look forward to working with Paul and Michael and their colleagues to grow the business and expand the Group's activities in these key areas.

**Paul Teasdale**  
Chief Executive

The acquisition extends the service offering within PTSG's Fire Solutions division and establishes a more comprehensive and sustainable geographical coverage. It now offers dry riser and sprinkler services in the north and south of the country, mobilising teams to jobs of any magnitude and complexity, wherever they arise.

Paul Teasdale, CEO of PTSG, said: "We are fully committed to the continuation of our successful strategy of achieving market leadership across the sectors in which we operate, and this acquisition strengthens our geographical coverage within the fire protection sector, particularly in London and the South East."

The business will retain its management team, which will continue to grow and expand the businesses. Mike Thackery and Paul Atkins will continue to lead the business and their vast experience and technical ability will ensure that they are highly valued members of the PTSG team.

M&P is now undergoing PTSG's integration process to ensure all staff are fully cognisant of the Group's methods and practices. This includes the use of Clarity, PTSG's unique software system, which enables engineers and office staff to manage operations and client relationships better and more efficiently.

### Key M&P figures

- M&P was acquired for a total consideration of **£3.5m**
- **£1m** initial consideration with £2.5m deferred over five years
- Unaudited revenue of M&P for the year ended 31 March 2017 was **£2.1m**



The acquisition brings multiple cross-selling opportunities though enhanced exposure to existing clients, bringing new clients to the Group and through an increased service offering.





**£2.1m**

Revenue\*

**£0.2m**

Profit before tax\*

\* for the year ended 31 March 2017 (unaudited).



## Unaudited consolidated statement of comprehensive income

	Six months ended 30 June 2018			Six months ended 30 June 2017			Year ended 31 December 2017 (audited)		
	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £
Revenue	30,194,449	–	30,194,449	21,913,210	–	21,913,210	52,939,183	–	52,939,183
Cost of sales	(14,842,933)	–	(14,842,933)	(10,719,940)	–	(10,719,940)	(25,860,206)	–	(25,860,206)
<b>Gross profit</b>	<b>15,351,516</b>	<b>–</b>	<b>15,351,516</b>	11,193,270	–	11,193,270	27,078,977	–	27,078,977
Net operating costs	(9,448,141)	(4,228,745)	(13,676,886)	(6,818,907)	(2,404,830)	(9,223,737)	(16,435,955)	(8,286,404)	(24,722,359)
<b>Total operating profit</b>	<b>5,903,375</b>	<b>(4,228,745)</b>	<b>1,674,630</b>	4,374,363	(2,404,830)	1,969,533	10,643,022	(8,286,404)	2,356,618
Finance costs	(335,748)	(36,411)	(372,159)	(231,160)	(35,437)	(266,597)	(491,885)	(71,357)	(563,242)
<b>Profit before tax</b>	<b>5,567,627</b>	<b>(4,265,156)</b>	<b>1,302,471</b>	4,143,203	(2,440,267)	1,702,936	10,151,137	(8,357,761)	1,793,376
Taxation	(293,567)	105,167	(188,400)	(689,853)	13,681	(676,172)	(733,233)	270,542	(462,691)
<b>Profit attributable to owners of the parent</b>	<b>5,274,060</b>	<b>(4,159,989)</b>	<b>1,114,071</b>	3,453,350	(2,426,586)	1,026,764	9,417,904	(8,087,219)	1,330,685
<b>Total comprehensive income for the period attributable to owners of the parent</b>	<b>5,274,060</b>	<b>(4,159,989)</b>	<b>1,114,071</b>	3,453,350	(2,426,586)	1,026,764	9,417,904	(8,087,219)	1,330,685
Basic and diluted earnings per share (pence)			1.06			1.15			1.37
Adjusted EPS	5.03			3.86			9.73		

## Unaudited consolidated statement of changes in equity

	Share capital £	Capital redemption reserve £	Share premium £	Retained earnings £	Total £	Non- controlling interest £	Total equity £
<b>Balance as at 1 January 2017</b>	884,025	128,753	548,418	10,482,697	12,043,713	179	12,043,892
Profit for the year	–	–	–	1,330,685	1,330,685	–	1,330,685
<b>Total comprehensive income</b>	–	–	–	1,330,685	1,330,685	–	1,330,685
Transactions with owners							
Issue of share capital	161,192	–	16,806,567	(1,160,631)	15,807,128	–	15,807,128
Share based payments charge	–	–	–	2,444,433	2,444,433	–	2,444,433
Share based deferred consideration charge	–	–	–	923,000	923,000	–	923,000
Tax credit relating to share based payments	–	–	–	1,363,109	1,363,109	–	1,363,109
Ordinary dividend paid	–	–	–	(1,476,752)	(1,476,752)	–	(1,476,752)
<b>Transactions with owners</b>	161,192	–	16,806,567	2,093,159	19,060,918	–	19,060,918
<b>Balance at 31 December 2017</b>	1,045,217	128,573	17,354,985	13,906,541	32,435,316	179	32,435,495
Profit for the six months ended 30 June 2018	–	–	–	1,114,071	-1,114,071	–	1,114,071
<b>Total comprehensive income</b>	–	–	–	1,114,071	1,114,071	–	1,114,071
Transactions with owners							
Issue of share capital	52,263	–	2,665,386	(2,717,649)	–	–	–
Share based payments charge	–	–	–	543,268	543,268	–	543,268
Share based deferred consideration charge	–	–	–	1,330,000	1,330,000	–	1,330,000
Tax charge relating to share based payments	–	–	–	(474,579)	(474,579)	–	(474,579)
Ordinary dividend paid	–	–	–	–	–	–	–
<b>Transactions with owners</b>	52,263	–	2,665,386	(1,318,960)	1,398,689	–	1,398,689
<b>Balance at 30 June 2018</b>	<b>1,097,480</b>	<b>128,573</b>	<b>20,020,371</b>	<b>13,701,652</b>	<b>34,948,076</b>	<b>179</b>	<b>34,948,255</b>
<b>Balance as at 1 January 2017</b>	884,025	128,573	548,418	10,482,697	12,043,713	179	12,043,892
Profit for the six months ended 30 June 2017	–	–	–	1,026,764	1,026,764	–	1,026,764
<b>Total comprehensive income</b>	–	–	–	<b>1,026,764</b>	<b>1,026,764</b>	–	<b>1,026,764</b>
Transactions with owners							
Issue of share capital	–	–	–	644,935	644,935	–	644,935
Share based payments charge	–	–	–	–	–	–	–
Issue of shares related to share based payments	22,320	–	1,138,311	(1,160,631)	–	–	–
Issue of shares related to deferred consideration	4,772	–	395,228	(400,000)	–	–	–
Issue of share capital	4,000	–	204,087	–	208,087	–	208,087
Tax charge relating to share based payments	–	–	–	231,484	231,484	–	231,484
<b>Transactions with owners</b>	<b>31,092</b>	–	<b>1,737,626</b>	<b>(684,212)</b>	<b>1,084,506</b>	–	<b>1,084,506</b>
<b>Balance at 30 June 2017</b>	<b>915,117</b>	<b>128,573</b>	<b>2,286,044</b>	<b>10,825,249</b>	<b>14,154,983</b>	<b>179</b>	<b>14,155,162</b>

## Unaudited consolidated balance sheet

as at 30 June 2017 and 2018 and 31 December 2017

	30 June 2018 £	30 June 2017 £	31 December 2017 (audited) £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	25,880,063	13,324,958	26,212,021
Property, plant and equipment	5,069,754	3,210,276	4,310,058
Deferred tax asset	876,729	173,989	1,567,611
<b>Total non-current assets</b>	<b>31,826,546</b>	16,709,223	32,089,690
<b>Current assets</b>			
Inventories	1,256,710	647,792	1,219,165
Trade and other receivables	32,205,660	23,992,192	32,531,384
Cash and cash equivalents	13,851,861	8,040,415	7,002,025
<b>Total current assets</b>	<b>47,314,231</b>	32,680,399	40,752,574
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10,822,742	8,109,976	9,030,829
Bank overdraft	13,654,960	10,281,519	12,662,910
Finance leases	692,244	776,431	736,069
Borrowings	–	–	52,167
Deferred consideration	2,457,000	1,925,137	1,335,432
Current tax liabilities	768,567	893,303	839,982
<b>Total current liabilities</b>	<b>28,395,513</b>	21,986,366	24,657,389
<b>Net current assets</b>	<b>18,918,718</b>	10,694,033	16,095,185
<b>Non-current liabilities</b>			
Borrowings	12,000,000	9,984,784	12,661,742
Loan notes	2,703,974	2,631,643	2,667,563
Finance leases	1,093,035	631,667	420,075
Deferred tax liability	–	–	–
Deferred consideration	–	–	–
<b>Total non-current liabilities</b>	<b>15,797,009</b>	13,248,094	15,749,380
<b>Net assets</b>	<b>34,948,255</b>	14,155,162	32,435,495
<b>Equity attributable to the owners of the parent</b>			
Share capital	1,097,480	915,117	1,045,217
Share premium	20,020,371	2,286,044	17,354,985
Capital redemption reserve	128,573	128,573	128,573
Retained earnings	13,701,652	10,825,249	13,906,541
	<b>34,948,076</b>	14,154,983	32,435,316
<b>Non-controlling interests</b>	<b>179</b>	179	179
<b>Total equity</b>	<b>34,948,255</b>	14,155,162	32,435,495



## Unaudited consolidated cash flow statement

for the six months ended 30 June 2017 and 2018  
and the year ended 31 December 2017

	30 June 2018 £	30 June 2017 £	31 December 2017 (audited) £
<b>Cash flows from operating activities</b>			
Profit after taxation	1,114,071	1,026,764	1,330,685
Adjustments for:			
Income tax charge	188,400	676,172	462,691
Depreciation	1,032,561	726,688	1,683,633
Amortisation of intangible assets	331,958	38,667	370,623
Profit on disposal of property, plant and equipment	(220,000)	(180,000)	(319,299)
Finance costs	372,159	266,597	563,242
Share based payments	641,712	644,935	2,998,813
	<b>3,460,861</b>	<b>3,199,823</b>	<b>7,090,388</b>
Changes in working capital:			
Increase in inventories	(37,545)	(132,497)	(243,705)
Increase/(decrease) in trade and other receivables	325,724	(3,449,500)	(7,462,133)
Increase/(decrease) in trade and other payables*	4,183,024	1,539,114	(195,864)
<b>Cash generated/(used in) from operations</b>	<b>7,932,064</b>	<b>1,156,940</b>	<b>(811,314)</b>
Interest paid	(335,748)	(231,160)	(491,885)
Tax repaid/(paid)	43,506	334,705	(790,890)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>7,639,822</b>	<b>1,260,485</b>	<b>(2,094,089)</b>
<b>Cash flows from investing activities</b>			
Acquisition of businesses	–	(826,870)	(14,993,975)
Purchase of property, plant and equipment	(1,076,270)	(407,440)	(1,368,289)
Payment of deferred consideration	(125,000)	(150,000)	(1,060,000)
Net proceeds from sale of property, plant and equipment	820,000	180,000	626,002
<b>Net cash outflow from investing activities</b>	<b>(381,270)</b>	<b>(1,204,310)</b>	<b>(16,796,262)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	–	–	1,944,124
Repayment of bank borrowings	(713,909)	(50,404)	–
Capital element of finance lease payments	(686,857)	(438,441)	(1,028,513)
Issue of shares	–	208,087	15,807,128
Dividends paid	–	–	(1,476,752)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(1,400,766)</b>	<b>(280,758)</b>	<b>15,245,987</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>5,857,786</b>	<b>(224,583)</b>	<b>(3,644,364)</b>
Cash and cash equivalents at beginning of period	(5,660,885)	(2,016,521)	(2,016,521)
<b>Cash and cash equivalents at end of period</b>	<b>196,901</b>	<b>(2,241,104)</b>	<b>(5,660,885)</b>

\* Includes £4,237,047 receipt from Mr R Teasdale to cover the tax payments on his previously awarded share based payment (30 June 2017: £nil, 31 December 2017: £nil).

## Notes to the unaudited consolidated financial information

for the six months ended 30 June 2018

### 1. GENERAL INFORMATION

Premier Technical Services Group plc (the "Company") is a company incorporated in England and Wales and domiciled in the UK. The address of the registered office is: 13 Flemming Court, Whistler Drive, Castleford, WF10 5HW (registered company number is 06005074). The Company and its subsidiaries (together referred to as the "Group") is a niche specialist service provider whose principal activities are the maintenance, inspection, testing, repair and installation of permanent façade access equipment, fall arrest systems and lightning protection systems together with fixed wire and portable appliance testing and high-level cleaning and fire solutions.

### 2. BASIS OF PREPARATION

The interim financial information for the six month period ended 30 June 2018 has not been audited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The interim financial information for the period ended 30 June 2017 is also unaudited. The comparative figures for the year ended 31 December 2017 do not constitute full financial statements and have been abridged from the full accounts for the year ended on that date, on which the auditors gave an unqualified report.

This unaudited consolidated interim financial information ("interim financial information") has been prepared on a going concern basis under the historical cost convention and is in accordance with AIM Rule 18 in relation to half year reports.

### 3. GOING CONCERN BASIS

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the interim financial information.

### 4. SIGNIFICANT ACCOUNTING POLICIES

In preparing the unaudited Interim Financial Information, the significant accounting policies, critical accounting estimates and judgements, and financial risk management disclosures, are the same as those set out in the 2017 Annual Report and Accounts.

### 5. SEGMENTAL ANALYSIS

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Board of Directors is the chief operating decision maker in accordance with the requirements of IFRS 8 "Operating segments".

The Board of Directors considers the business to be split into four main types of business generating revenue; Access and Safety, Electrical Services, Building Access Specialists and Fire Solutions.

Following significant growth in the safe access/steeplejack and fire services sectors, two divisions were renamed, Building Access Specialists formerly High Level Cleaning and Fire Solutions formerly Training Solutions, with certain service lines moving divisions to better reflect how the Group operates and is managed. The prior year figures have been restated.

	Access and Safety £	Electrical Services £	Building Access Specialists £	Fire Solutions £	Group £	Total £
<b>Six months ended 30 June 2018</b>						
<b>Revenue</b>						
Total revenue	7,896,720	13,374,065	2,703,243	6,220,421	-	30,194,449
<b>Total revenue from external customers</b>	<b>7,896,720</b>	<b>13,374,065</b>	<b>2,703,243</b>	<b>6,220,421</b>	<b>-</b>	<b>30,194,449</b>
<b>Operating profit before adjusting items</b>	<b>1,255,829</b>	<b>2,832,338</b>	<b>600,848</b>	<b>1,277,185</b>	<b>(62,825)</b>	<b>5,903,375</b>
Restructuring costs	(196,797)	(339,622)	-	(17,089)	-	(553,508)
Share options granted to Directors and employees	(641,712)	-	-	-	-	(641,712)
Amortisation of intangible asset acquired	(26,167)	(293,290)	(12,500)	-	-	(331,957)
Contingent payments in relation to acquisitions	(50,000)	(2,651,568)	-	-	-	(2,701,568)
<b>Segmental operating profit</b>	<b>341,153</b>	<b>(452,142)</b>	<b>588,348</b>	<b>1,260,096</b>	<b>(62,825)</b>	<b>1,674,630</b>
Net financing costs	(120,932)	(49,747)	(6,285)	(8,659)	(186,536)	(372,159)
<b>Profit before taxation</b>	<b>220,221</b>	<b>(501,889)</b>	<b>582,063</b>	<b>1,251,437</b>	<b>(249,361)</b>	<b>1,302,471</b>

## 5. SEGMENTAL ANALYSIS continued

Six months ended 30 June 2017 (restated)	Access and Safety £	Electrical Services £	Building Access Specialists £	Fire Solutions £	Group £	Total £
<b>Revenue</b>						
Total revenue	9,070,030	7,362,045	2,958,602	2,522,533	–	21,913,210
<b>Total revenue from external customers</b>	<b>9,070,030</b>	<b>7,362,045</b>	<b>2,958,602</b>	<b>2,522,533</b>	<b>–</b>	<b>21,913,210</b>
<b>Operating profit before adjusting items</b>	<b>1,460,275</b>	<b>1,700,849</b>	<b>668,643</b>	<b>577,616</b>	<b>(33,020)</b>	<b>4,374,363</b>
Restructuring costs	(136,894)	(58,535)	(64,035)	(8,955)	–	(268,419)
Share options granted to Directors and employees	(1,075,677)	–	–	–	–	(1,075,677)
Amortisation of intangible asset acquired	(26,167)	–	(12,500)	–	–	(38,667)
Contingent payments in relation to acquisitions	(50,000)	(972,067)	–	–	–	(1,022,067)
<b>Segmental operating profit</b>	<b>171,537</b>	<b>670,247</b>	<b>592,108</b>	<b>568,661</b>	<b>(33,020)</b>	<b>1,969,533</b>
Net financing costs	(41,357)	(39,771)	(1,425)	(7,307)	(176,737)	(266,597)
<b>Profit before taxation</b>	<b>130,180</b>	<b>630,476</b>	<b>590,683</b>	<b>561,354</b>	<b>(209,757)</b>	<b>1,702,936</b>

Year end 31 December 2017	Access and Safety £	Electrical Services £	Building Access Specialists £	Fire Solutions £	Group £	Total £
<b>Revenue</b>						
Total revenue	20,200,519	20,163,991	5,445,543	7,129,130	–	52,939,183
<b>Total revenue from external customers</b>	<b>20,200,519</b>	<b>20,163,991</b>	<b>5,445,543</b>	<b>7,129,130</b>	<b>–</b>	<b>52,939,183</b>
<b>Operating profit before adjusting items</b>	<b>3,184,034</b>	<b>4,682,742</b>	<b>1,227,390</b>	<b>1,580,356</b>	<b>(31,500)</b>	<b>10,643,022</b>
Restructuring costs	(566,648)	(741,074)	(28,601)	(48,790)	(6,493)	(1,391,606)
Share options granted to Directors and employees	(2,998,813)	–	–	–	–	(2,998,813)
Amortisation of intangible asset acquired	(52,333)	(293,290)	(25,000)	–	–	(370,623)
Contingent payments in relation to acquisitions	(100,000)	(3,425,362)	–	–	–	(3,525,362)
<b>Segmental operating profit</b>	<b>(533,760)</b>	<b>223,016</b>	<b>1,173,789</b>	<b>1,531,566</b>	<b>(37,993)</b>	<b>2,356,618</b>
Net financing costs	(89,433)	(75,482)	(15,951)	(15,780)	(366,596)	(563,242)
<b>Profit before taxation</b>	<b>(623,193)</b>	<b>147,534</b>	<b>1,157,838</b>	<b>1,515,786</b>	<b>(404,589)</b>	<b>1,793,376</b>

## 6. EARNINGS PER SHARE

The calculation of basic earnings per share for the half year to 30 June 2018 was based on the profit attributable to ordinary shareholders of £1,114,071 (six months ended June 2017: £1,026,764; year ended 31 December 2017: £1,330,685) and a weighted average number of Ordinary Shares in issue of 104,923,666 (six months ended 30 June 2017: 89,505,162; year ended 31 December 2017: 96,809,578).

The calculation of adjusted earnings per share for the half year to 30 June 2018 was based on the profit before adjusting items of £5,274,060 (six months ended 30 June 2017: £3,453,350; year ended 31 December 2017: £9,417,904) and a weighted average number of Ordinary Shares in issue of 104,923,666 (six months ended 30 June 2017: 89,505,162; year ended 31 December 2017: 96,809,578).

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