2021

10 March 2022

Preliminary Results for the
year ended 31 December 2021

HIGHLIGHTS

Record constant currency revenue and operating profit

- +10% revenue and +29% operating profit OCC growth vs 2020
- +4% revenue and +3% operating profit OCC growth vs 2019
- Successful management of supply chain headwinds and input cost inflation

ESG strategy developed

- Commitment to net zero carbon for Scopes 1 & 2 by 2040

Continued focus on improving the quality of the portfolio

- Agreement to sell part of our Swedish road business

Group remains highly cash generative with a strong balance sheet

Total 2021 dividend 31p per share

Outlook positive with good progress expected in 2022

OUR PURPOSE AND STRATEGY

WHY?

Creating sustainable infrastructure and safe transport through innovation

WHERE?

1 MACRO DRIVERS
- Increasing population
- Urbanisation
- Climate change
- Increasing health and safety regulations

2 MARKET DRIVERS
- Sustainable materials
- Decarbonisation
- Infrastructure safety
- Enabling technology
- Vision Zero

3 APPLICATIONS AND NICHES
- Systematic process
- Faster growing niche opportunities
- Critical applications

HOW?

ORGANIC GROWTH
- Autonomous operating model
- Agility/proximity to market
- Premium on talent
- Innovation

PORTFOLIO MANAGEMENT
- Disciplined M&A
  - Fit with purpose and market drivers
  - Strategic rationale
  - Fast growing niche markets
  - Credible organic growth plan
- Targeted disposals

ESG
- Protecting the world
- Saving and enhancing lives
- Sustainable governance

FINANCIAL MODEL
- Organic profit growth/strong cash conversion
- Conservative financial leverage
- Allocate capital to high growth/return opportunities (M&A and organic)
- 2.5x underlying earnings dividend policy

WHAT?

Superior long-term stakeholder value

THREE IMPERATIVES
SEVEN FOCUS AREAS

PROTECTING THE WORLD

- Supporting our customers through our sustainable infrastructure products and services
- Minimising our environmental impact as we deliver our products and services

ESG FOCUS AREAS:

1. Greenhouse gas emissions and energy efficiency
2. Sustainable products (infrastructure)

UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

SAVING AND ENHANCING LIVES

- Ensuring that the public are safe when they travel, and road-workers are protected at work
- Opportunity and a responsibility to enhance the welfare of our employees, their families and their local communities:
    - Employment practices, people development and community support
    - Inclusive of all members of society

ESG FOCUS AREAS:

2. Sustainable products (safe transport)
3. Health & Safety
4. Talent and engagement
5. Diversity and inclusion

UN SDGs

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

SUSTAINABLE GOVERNANCE

- Ensure that our plans are credible
- Appropriate metrics in place
- Guarantee that we deliver on our promises over the long-term

ESG FOCUS AREAS:

6. Climate risks
7. Ethical conduct

UN SDGs

13 CLIMATE ACTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

OUR COMMITMENT
TO NET ZERO

Background

- Committed to SBTi in 2021
- Scope 1 & 2 CO_2 emissions

  >50% gas for galvanizing

  >20% electricity (Scope 2)

  >15% HGVs, forklift trucks etc.

  >5% domestic heating

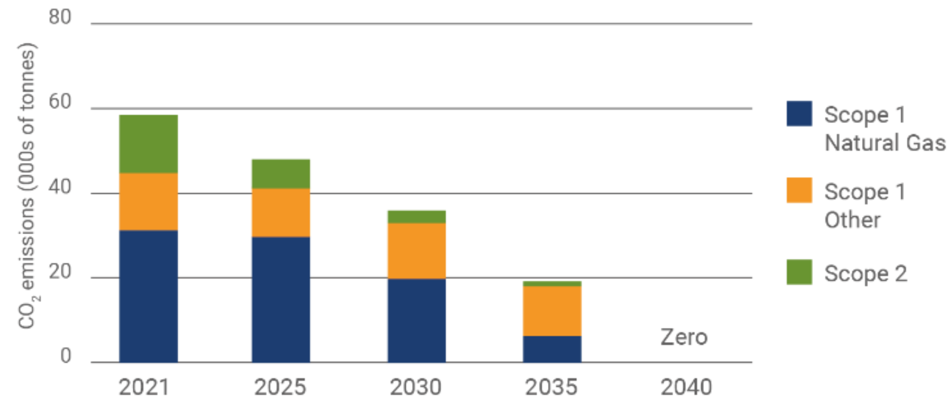
Costed plan

- Details the key actions and assumptions from 2022 to 2040 to deliver net zero CO_2 emissions for Scopes 1 & 2
- Increased capital costs minimised by synchronising clean energy upgrades with the end of the plant's natural life e.g. galvanizing baths, HGVs
- Some running costs increase, not materially

Our commitment

- Commit to net zero for Scope 1 & 2 by 2040
- Measure using a carbon intensity measure
- Develop our Scope 3 metrics in 2022/23

Net Zero Scope 1 and 2 emissions by 2040



2020-2025	2025-2030	2030-2035	2035-2040
5 galvanizing plants to alternative technology	10 galvanizing plants to alternative technology	10 galvanizing plants to alternative technology	Remaining galvanizing plants to alternative technology
Replace forklift truck gas oil with renewables	Replace forklift truck fuel with renewables	Businesses to renewable electricity	Replace diesel in commercial vehicles with renewables
UK to renewable electricity	Non-UK businesses start to move to renewable electricity		

Key measure:
Intensity ratio 0.1 in 2022, 0.08 in 2025, 0.06 by 2030

SUSTAINABLE PRODUCTS

VALUE2SOCIETY

Methodology

- Assess economic value to society of our products and services
- Evaluates a specific product’s impact on Six Capitals
- Credible, external sources of data
- Three key products for pilot study

1. Supply chain

- Considers 17 impact indicators across a database of 191 countries
- e.g. air pollution, modern slavery, land use, value added

2. Direct operations (our facilities)

- Considers factors such as gender equality, waste generation, taxes paid etc.
- Outputs the total value to society of our operations across the Six Capitals

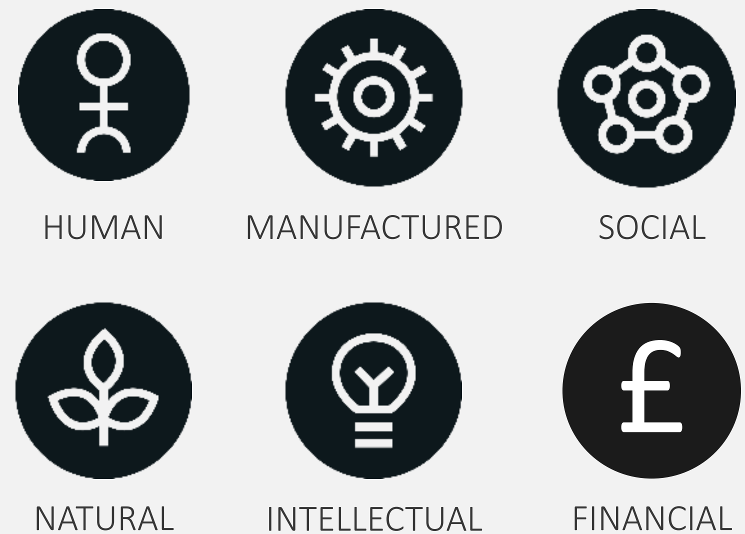
3. Downstream usage

- Assess economic value to society by product

Next steps

- Validate and roll out to other products
- Develop metrics and an improvement plan

THE SIX CAPITALS



Route2

Key measure:
To be developed for the 2022 Annual Report

TALENT
TO DELIVER GROWTH

PAUL SIMMONS
CEO

Joined from Halma in September 2020. Has worked in the UK, US and China.

HANNAH NICHOLS
CFO

Joined in 2019 from BT. Has worked in the UK and Singapore.

ANDREW PARK
CPO

Joined in June 2021 from Inchcape. Has worked in the UK, US, Turkey and Hungary.

JOEL WHITEHOUSE
Corporate Development Director

Joined in 2006 from HSBC. Responsible for acquiring many of the Group's businesses.

DENISE BEACHY
Group President

US based, joined from DuPont in January 2021. Has also worked in Switzerland and the UK.

DAVID GEORGE
Group President

US based, joined from Sitetracker in 2022. Has also worked in China, France, Czech R, Japan and the UK.

HOOMAN JAVVI
Group President

UK based, joins from ABB in 2022. Has also worked in Sweden and Germany.

OTHER KEY ADDITIONS

Head of Sustainability

- Lucinda Farrington-Parker joined in February 2022

Head of Health & Safety

- US based, Diana Hart joined in September 2021

Non-Executive Directors

- Leigh-Ann Russell joined the PLC Board in March 2021. Leigh-Ann is Executive Vice President Innovation & Engineering at BP.
- US based Farrokh Batliwala joins our PLC Board in April. Farrokh had a successful, senior career at ITT Inc. and Eaton Corporation.

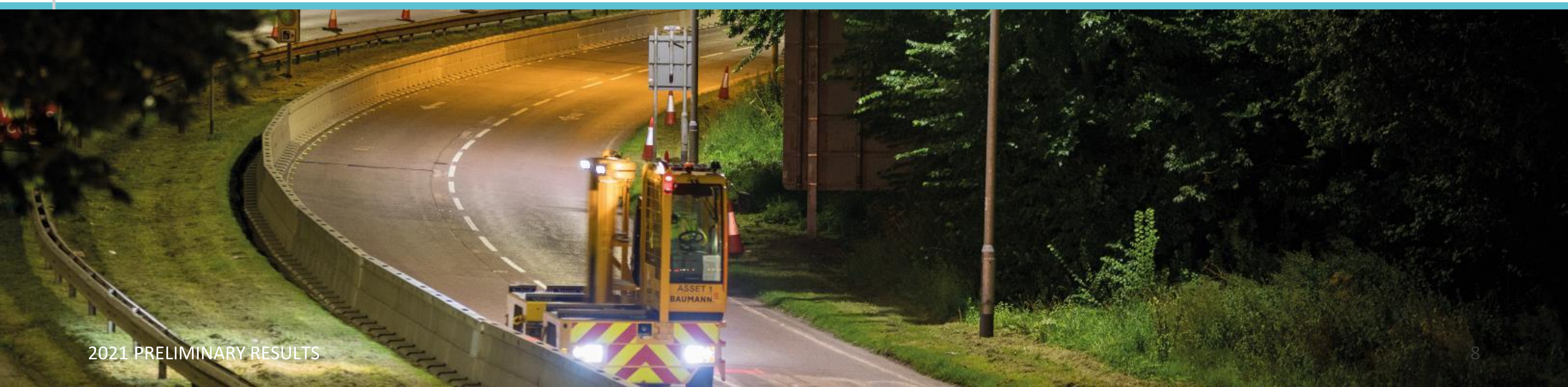
8 DECENT WORK AND ECONOMIC GROWTH

Key measure:
Improve employee engagement from 58% to 66% by 2025 and 75% by 2030.

RESULTS
SUMMARY

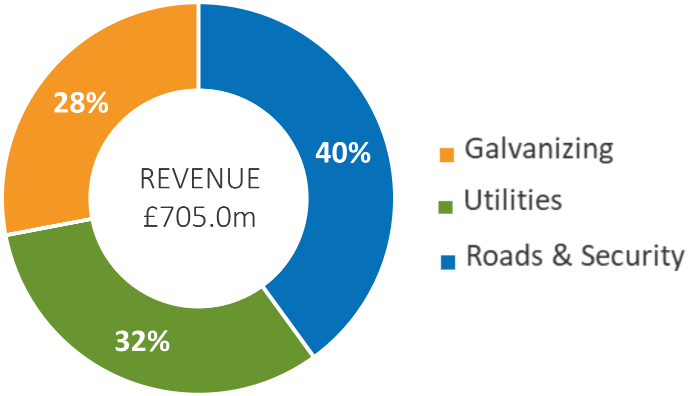
	2021	2020	Reported +/-	OCC* +/-
Revenue (£m)	**705.0**	660.5	+7%	+10%
Operating profit (£m)	**86.0**	69.9	+23%	+29%
Operating margin (%)	**12.2**	10.6	+160bps	+190bps
Profit before tax (£m)	**79.9**	62.6	+28%	
Earnings per share (p)	**77.9**	63.2	+23%	
Dividend (p)	**31.0**	26.7	+16%	

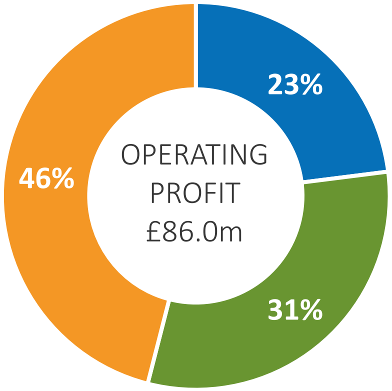
*Organic constant currency (OCC) measures are adjusted for the effect of acquisitions, disposals and foreign exchange movements.



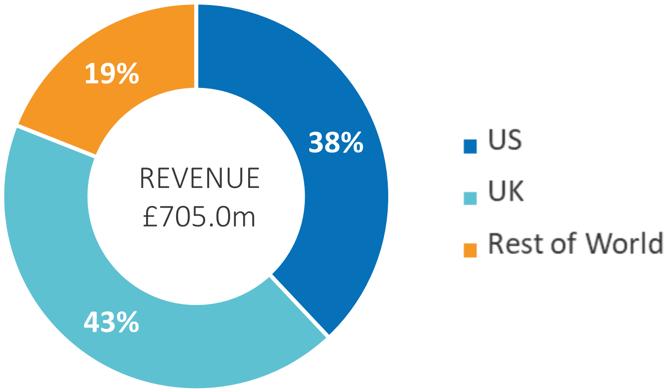
2021
AT A GLANCE

By division

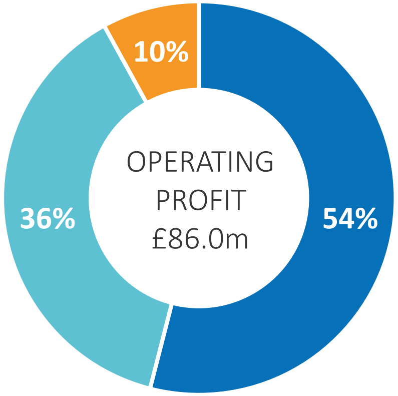




By end market geography



By plant location



GALVANIZING

	2021	2020	OCC change
Revenue (£m)	**198.3**	185.9	+11%
Operating profit (£m)	**39.5**	35.8	+18%
Operating margin	**19.9%**	19.3%	

£m	Revenue	Operating Profit
2020	**185.9**	**35.8**
F/X	(6.8)	(2.2)
Organic	19.2	5.9
2021	**198.3**	**39.5**

2021 Revenue	£m	OCC change
UK	69.6	+ 17%
US	72.2	+ 3%
France	56.5	+15%
2021	**198.3**	**+11%**

Headlines

- Maintaining strong operating margins: c.20% for 2021
- Good recovery vs Covid impacted 2020

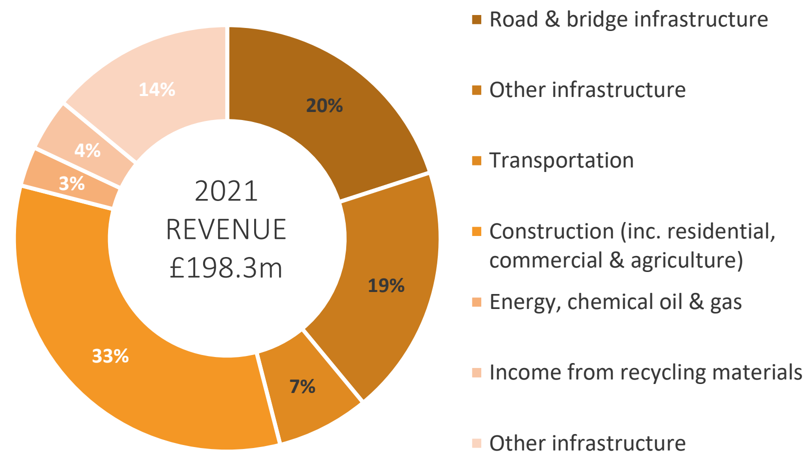
By subdivision

- UK: record operating profit in year
- US: superior margins maintained despite challenges with labour availability and customer delays
- France: strong recovery

Key growth drivers

- US bipartisan infrastructure bill expected to support growth above GDP from 2023
- US opportunities for organic and inorganic geographic expansion
- Sustainability benefits of galvanizing

WIDE SECTORAL SPREAD OF CUSTOMERS IN RESILIENT END MARKETS



Source: Company compiled analysis of 2021 revenue end markets

SUSTAINABILITY BENEFITS
OF HOT-DIP GALVANIZING

Hot-dip galvanizing is a proven steel corrosion protection solution which optimises the service life of steel structures

- Saves on maintenance costs
- Avoids the premature replacement of steel products
- Reduces the life cycle carbon footprint compared to paint coating systems

Our galvanizing process is designed to minimise environmental impacts and allows us to recycle nearly all our by-products

- Zinc by-products are either reused in the galvanizing process or sold for recycling
- Heat energy and treatment water are reused during the process

Galvanized steel is 100% reusable and can be recycled over and over again to create new steel products

COMPARISON FOR STEEL-FRAMED CAR PARK OVER 60 YEAR LIFE: CO_2 EMISSIONS*

Service life (years)	Hot-dip galvanized steel structure (kg CO_2 equivalent)	Painted steel structure (kg CO_2 equivalent)	Saving by hot-dip galvanizing (kg CO_2 equivalent)	% CO_2 saving over service life
60	41,500	98,600	57,100	58%

*Source: EGGA report April 2021 'Galvanized Steel and Sustainable Construction: Solutions for a Circular Economy'

UTILITIES

	2021	2020	OCC change
Revenue (£m)	**223.7**	211.2	+12%
Operating profit (£m)	**26.8**	20.9	+38%
Operating margin	**12.0%**	9.9%	

£m	Revenue	Operating Profit
2020	**211.2**	**20.9**
F/X	(10.6)	(1.5)
Organic	23.1	7.4
2021	**223.7**	**26.8**

2021 Revenue	£m	OCC change
UK	77.1	+ 20%
US	101.3	+ 6%
Engineered Supports (UK/India)	45.3	+10%
2021	**223.7**	**+12%**

Headlines

- Strong profit growth against robust 2020 comparators
- Continued margin progress

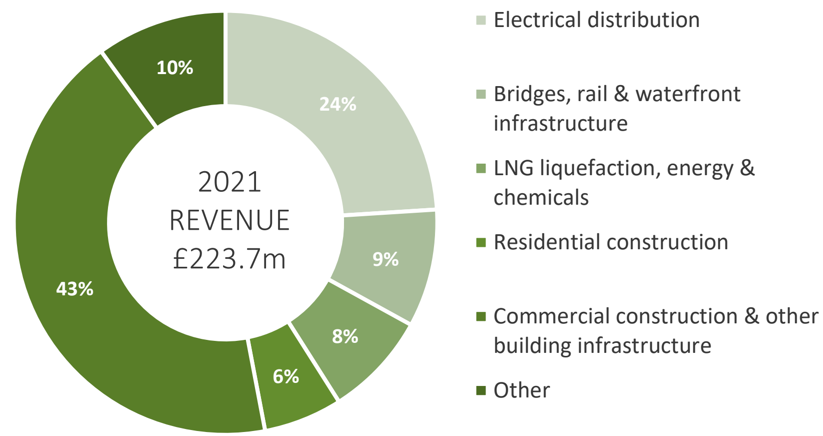
By subdivision

- US: high demand for engineered composite solutions; customer delays in electricity distribution substation business
- UK: strong recovery in residential construction
- Engineered supports: rebound in US construction market and LNG development projects

Key growth drivers

- Sustainable construction
- Climate change: solutions to protect against extreme weather
- US investment to upgrade ageing electricity infrastructure

OPPORTUNITY TO GROW MARKET SHARE IN GROWTH MARKETS



Source: Company compiled analysis of 2021 revenue end markets

UTILITIES CASE STUDY

FIRE RESISTANT ELECTRICAL DISTRIBUTION POLES

FRP utility poles have significant benefits

- Durable and low maintenance: do not rust or rot, can be engineered to withstand high winds
- Safe: high dielectric strength improving worker safety
- Lightweight: cheaper to transport and easier to handle

Customer need

- While FRP offers some degree of fire resistance, our customer in California required a product that could withstand the extreme heat of wildfires

Our response

- Our team developed fire resistant pole sleeves which can be added to shield the base FRP pole from extreme heat
- Integration of a temperature monitoring system helps determine structural integrity after a wildfire

Strong demand in 2021, future growth potential in California and other wildfire impacted states

ROADS & SECURITY

	2021	2020	OCC change
Revenue (£m)	**283.0**	263.4	+8%
Operating profit (£m)	**19.7**	13.2	+43%
Operating margin	**7.0%**	5.0%	

£m	Revenue	Operating Profit
2020	**263.4**	**13.2**
F/X	(4.6)	(0.3)
M&A	2.7	1.2
Organic	21.5	5.6
2021	**283.0**	**19.7**

2021 Revenue	£m	OCC change
UK	122.5	+ 8%
US	56.1	+ 6%
International	46.2	-7%
Security	58.2	+26%
2021	**283.0**	**+8%**

Headlines

- Solid recovery in UK and good levels of demand in US
- Actions to improve portfolio quality
  - Prolectric acquisition: positive contribution in 2021
  - Disposal and closure of loss making businesses

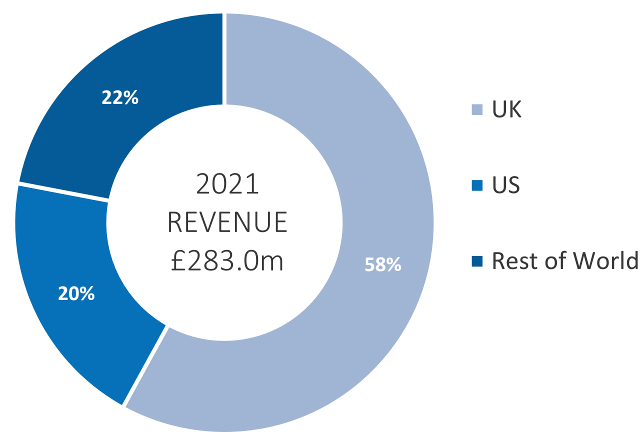
By subdivision

- UK: strategic road network and local schemes driving demand
- US: investment in rental fleet expansion
- International: planned disposal of Sweden rental business
- Security: partial recovery of end markets improving margins

Key growth drivers

- Vision Zero/US National Roadway safety strategy
- US investment to upgrade road infrastructure including bipartisan infrastructure bill
- UK Road Investment Strategy (RIS2)

2021 REVENUE BY END GEOGRAPHY



UK ROADS
FUNDING SOURCES

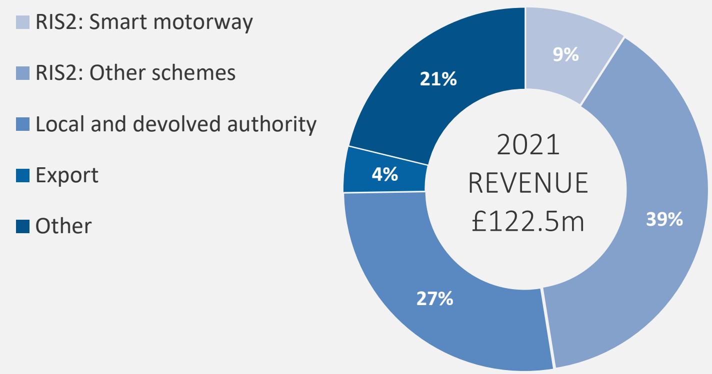
Road Investment Strategy

- RIS2: committed funds to improve strategic road network (2020-25)
- Hill & Smith opportunity comes from two spend areas:
  - Capital maintenance: 32% increase vs RIS1
  - Capital enhancements: 30%* increase vs RIS1
- RIS3 expected to continue investment beyond 2025

Smart Motorway scheme roll out

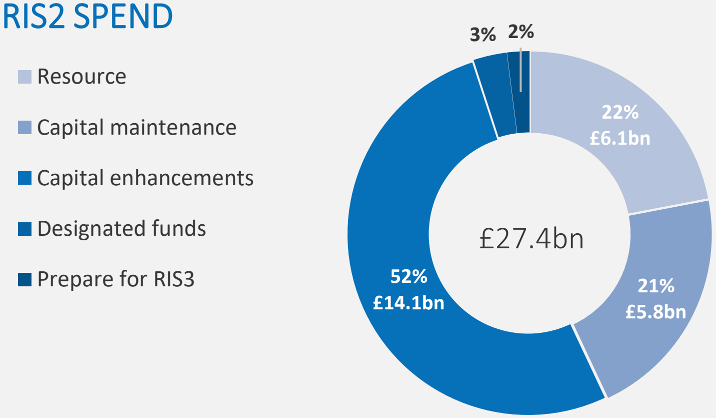
- £4.5bn in capital enhancements out of total RIS2 £27.4bn
- Jan 22 UK Government response to Transport Committee review, broadly in line with expectations:
  - Pause roll out of further all lane running schemes until sufficient safety data available (end 2024)
  - Retrofit of additional emergency refuge areas (ERAs)
- Smart Motorway related projects <10% of UK Roads revenue in 2021
  - 2022 rental barrier fleet demand driven by retrofit of ERAs, central reservation schemes and upgrades to wider strategic road network

2021 UK ROADS REVENUE



Source: Company compiled estimates of ultimate funding source

RIS2 SPEND



Source: Road Investment Strategy 2 (RIS2): 2020 to 2025 - GOV.UK (www.gov.uk)

*Capital enhancement % increase vs RIS1 calculated after excluding £4.2bn spend relating to two major projects for Lower Thames Crossing and A303 tunnel at Stonehenge.

CASH GENERATION
AND FINANCIAL POSITION

Group continues to be highly cash generative
- Underlying operating cash flow £67.1m
- 78% cash conversion; 97% excluding strategic investments in rental assets

Efficient working capital management
- Outflow reflecting increased trading in year

Capital expenditure to support growth
- Gross spend £35.9m including c.£25m for growth investments
- Innovation spend £1.2m; modest increase expected in 2022

Strong free cash flow £40.6m
- Supporting acquisition strategy and dividend policy

Allocation of capital to portfolio enhancing acquisitions
- Prolectric acquisition £11.8m

Significant liquidity headroom and leverage capacity
- Net debt to EBITDA: 1.0 times
- £234.4m headroom against borrowing facilities

ROIC
- Increasing to 16.8% (2020: 12.6%)

£m	2021	2020
Underlying operating profit	**86.0**	69.9
Depreciation and amortisation	**32.6**	33.7
Underlying EBITDA	**118.6**	103.6
Working capital	**(6.8)**	18.3
Capital expenditure (net)	**(32.2)**	(13.9)
Repayments of lease liabilities	**(10.3)**	(11.2)
Movements in provisions / other	**(2.2)**	0.7
Underlying operating cash flow	**67.1**	97.5
Underlying cash conversion ratio (%)	**78%**	139%
Restructuring spend (net)	**(2.7)**	(0.6)
Pension deficit payments	**(3.7)**	(3.6)
Interest paid (inc. IFRS 16)	**(4.9)**	(6.2)
Tax paid	**(15.2)**	(16.5)
Free cash flow	**40.6**	70.6
Dividends	**(21.2)**	(8.4)
Acquisitions/disposals	**(12.0)**	(0.9)
Lease movements under IFRS 16	**(6.9)**	7.9
Share issues/other (net)	**-**	0.2
Net cash flow	**0.5**	69.4
FX impact	**1.0**	(0.3)
Net debt	**144.7**	146.2

HOW WE VIEW
PORTFOLIO MANAGEMENT

M&A LANDSCAPE

Niche application	Structure	Sensing	Process/ monitoring
Highway gantry			
Work zone barrier			
Work zone ITS			
Connected road worker			

(For example only)

TARGET GENERATION

- Direct approaches
- MDs & GPs
- Corporate Development
- Trade shows
- Paid research
- In process
- Bankers
- Boutique M&A...

M&A PIPELINE

Pre-qualified targets

Qualified targets

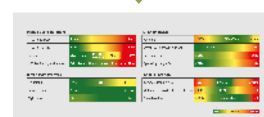
Portfolio ranking tool
13 criteria

DISPOSALS
c.15% of Group revenue

To date:
- Technocover
- VMS
- ATA – Sweden

EXISTING PORTFOLIO

HEAT MAP



DEAL ACTIVITY
- **Prolectric**

ACQUISITION

HEAT MAP

Strategic considerations

Fit with purpose	Strong				Poor
Fit with strategy	Strong				Poor
Geography	USA	UK	Europe Australia	Asia	ROW
H&S familiarity with niche	Active today	Researched +ve		In research	New

Target financials

Revenue	>£100m	£15m-£50m	<£3m
5 year CAGR growth outlook		5-15%	<3%
Gross margin %	>60%		<20%
Operating margin %	>20%		0%

Target characteristics

Ownership	Private	Trade	PE
Business type	Product		Service
Digitisation	High		Low

Capital allocation

ROIC to exceed WACC	1 year	2-3 years	5 years
Multiple of consideration to EBITDA	> X 15	X 7-10	X 0
Consideration	>£200m	£5m-£195m	£0

SCALE

Likely Possible Unlikely

OUTLOOK

Short term

- We expect to make good progress in 2022, despite the ongoing headwinds and geopolitical uncertainties which we continue to actively manage
- No operations in Eastern Europe or material trading relationships

Medium to long term

- Positive outlook supported by strong long term growth drivers for both sustainable infrastructure and safe transport
- US businesses well placed to benefit from increased spend approved under the Infrastructure Investment and Jobs Act
- UK Government's commitment to increased level of funding for Road Investment Strategy 2 supports medium term growth

APPENDICES

FINANCIAL
GUIDELINES

>3%	ORGANIC REVENUE GROWTH
12%-15%	OPERATING MARGIN
>17%	RETURN ON INVESTED CAPITAL
>90%	UNDERLYING CASH CONVERSION
1.5 - 2x	NET DEBT TO EBITDA

CAPITAL ALLOCATION
AND DIVIDENDS

Effective deployment of capital to support growth ambitions

2021 ROIC improved to 16.8%

Organic Growth

- Focus on higher return higher growth markets
- Working capital investment reflective of growth rates
- Capital projects: c.£25m 2021 capex supported growth investments

Acquisitions

- Aligned with our purpose
- Focus on quality: higher gross margins and long-term growth
- Structured approach based on a clear set of financial criteria
- Returns to exceed Group WACC within 3 year time frame
- Target leverage range 1.5-2 times

Progressive Dividend

- Focus on maintaining sustainable and progressive dividend policy
- Dividend cover c.2.5 times underlying earnings
- 2021 Full Year dividend 31.0p per share

Group ROIC target: >17% through the cycle

2022
MODELLING GUIDANCE

Working capital
Maintained at c.18% annualised sales

Interest[1]
c.£7.5m

Capex
Total c.£40-45m

- Maintenance c.£17m
- Growth investments c.£26m

H1/H2 weighting
Profit modestly H2 weighted

Effective tax rate[2]
c.23%

Translation impact of FX rate movements

+/- 1 cent move in:	FY Revenue	FY Operating profit
Euro	+/- £0.7m	+/- £0.1m
US$	+/- £1.9m	+/- £0.4m

Note 1: Excludes any IFRS9 impact associated with refinancing. Guidance to be provided once impact known.
Note 2: Assuming no change in headline corporation tax rates in the UK or US.

SEGMENT
ANALYSIS

£m	2021	Organic	M&A	FX	2020
Galvanizing					
Revenue	**198.3**	19.2	-	(6.8)	185.9
Underlying operating profit	**39.5**	5.9	-	(2.2)	35.8
Margin	***19.9%***				*19.3%*
Utilities					
Revenue	**223.7**	23.1	-	(10.6)	211.2
Underlying operating profit	**26.8**	7.4	-	(1.5)	20.9
Margin	***12.0%***				*9.9%*
Roads & Security					
Revenue	**283.0**	21.5	2.7	(4.6)	263.4
Underlying operating profit	**19.7**	5.6	1.2	(0.3)	13.2
Margin	***7.0%***				*5.0%*
Group					
Revenue	**705.0**	63.8	2.7	(22.0)	660.5
Underlying operating profit	**86.0**	18.9	1.2	(4.0)	69.9
Margin	***12.2%***				*10.6%*

OPERATING
MARGIN

Strong recovery in Group operating margins in 2021

Further progress expected in 2022

	Margin		
	2021 %	2020 %	Target range %
Galvanizing	**19.9**	19.3	19-22
Utilities	**12.0**	9.9	8-11
Roads & Security	**7.0**	5.0	9-13
Group	**12.2**	10.6	12-15

RETURN ON
INVESTED CAPITAL

ROIC is defined as **underlying operating profit** for the last 12 months, divided by **average invested capital**.

Invested capital is defined as the sum of intangible assets, property, plant and equipment, right-of-use lease assets, assets and liabilities held for sale, inventories, trade and other receivables, and trade and other liabilities.

Divisional (%)	2021	2020
Galvanizing	**20.9**	17.4
Utilities	**27.4**	19.3
Roads & Security	**8.5**	5.5

Group	2021	2020
Operating profit (£m)	**86.0**	69.9
Average invested capital (£m)	**510.8**	554.5
ROIC %	**16.8**	12.6

NON-UNDERLYING
ITEMS

£m	2021	2020
Business reorganisation costs	**(4.5)**	-
Costs relating to acquisitions and disposals	**(2.0)**	(0.3)
Amortisation of acquisition intangibles	**(6.1)**	(6.1)
Impairment of goodwill/other assets	**(16.0)**	(20.3)
Loss on disposal of subsidiary	**(0.4)**	-
Past service pension expense	**-**	(0.4)
	(29.0)	(27.1)

Cash in year (net)	**(2.7)**	(0.1)
Future cash	**(3.1)**	(0.6)
Non cash	**(23.2)**	(26.4)
	(29.0)	(27.1)

DEBT FACILITIES
AVAILABILITY AND USAGE

Principal debt facilities have medium to long maturities

- Revolving credit facility in place until December 2023; expect to refinance in 2022
- Senior notes: $70m unsecured notes mature 2026/29
- Average cost of debt c.2.5%

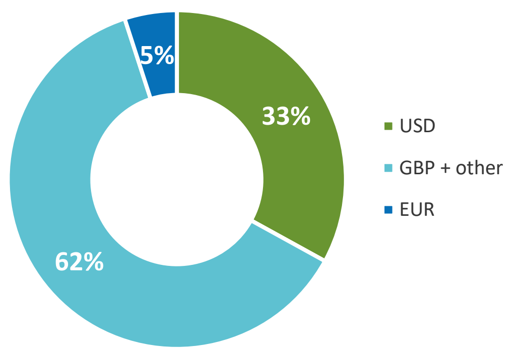
Facilities provide significant headroom of £234.4m

- Net debt: EBITDA 1.0 times (covenant 3 times); Interest cover 25.4 times (covenant 4 times)
- Target net debt: EBITDA range between 1.5 and 2.0 times

£m	Net debt	Facility
Committed	**125.2**	327.6
On demand	**0.2**	13.4
Cash	**(18.8)**	-
Net borrowings	**106.6**	341.0
IFRS 16	**40.6**	
IFRS 9	**(2.5)**	
Reported net debt	**144.7**	

Maturity			
On demand	2022 to 2023	Dec 2023	2026/2029
13.4	1.8	273.9	51.9

NET DEBT BY CURRENCY (exc. IFRS 16)



£234.4m total headroom

prolectric
Off-grid solar solutions

Why did we acquire Prolectric?

- A clear fit with our purpose
- Backed by strong macro drivers (increasing population, urbanisation, climate change) and market drivers (decarbonisation, infrastructure safety, enabling technology)
- Strong historical profit growth, clear and credible plan for future growth
- Brings robust solar capability to the Group
- Enhances the Group’s remote monitoring know-how

Why do customers value Prolectric?

- Financial savings versus diesel alternatives
- Measurable carbon dioxide savings (via online portal)
- Field proven, remotely monitored solar solution

Financials

- £12.0m initial consideration
- Gross margins and operating margin above the Group average
- 2021 performance exceeded expectations

DISCLAIMER

Cautionary statement

This presentation contains forward looking statements which are made in good faith based on the information available at the time of its publication.

It is believed that the expectations reflected in these statements are reasonable but they may be affected by a number of risks and uncertainties that are inherent in any forward looking statement which could cause actual results to differ materially from those currently anticipated. Nothing in this document should be regarded as a profits forecast.