



Investor Visit to Bilston

Creating sustainable infrastructure and safe transport through innovation

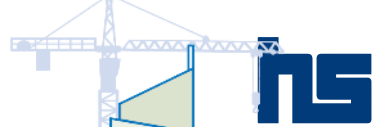
16 September 2021



- **Introductions and Health & Safety briefing**
- **Strategy overview**
- **UK Galvanizing overview**
- **Vehicle Restraint Systems ('VRS') overview**
- **Site tour**
- **Lunch and Q&A**



Our strategy



Why?

Creating sustainable infrastructure and safe transport through innovation



Where?

- 1 Macro drivers**
 Increasing population, urbanisation, climate change, increasing health & safety regulations
- 2 Market drivers**
 Sustainable materials, decarbonisation, infrastructure safety, enabling technology, Vision Zero
- 3 Applications & niches**
 Systematic process:
 1. Select niches
 2. Assessment of businesses



How?

Autonomous operating model

- Autonomy/agility/proximity to market
 - Premium on talent
 - Innovation
- } Organic growth

Portfolio management

- Disciplined M&A
- Possible selective disposals

Financial model

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



What?

Superior long-term stakeholder value

ESG Steering team established

- Role is to de-mystify ESG for the operating companies: translating our ESG plans into common sense initiatives, near-term targets and actions
- Plan to add a Head of Sustainability role in next 9 months

Governance of ESG

- Signed up to Science Based Targets initiative Business Ambition for 1.5°C



- TCFD compliant by year end

H&S Materiality study

- We consulted 38 stakeholders: customers, investors, suppliers, a bank and a diverse range of our employees
- Compared the output to SASB's materiality maps

Resultant focus areas

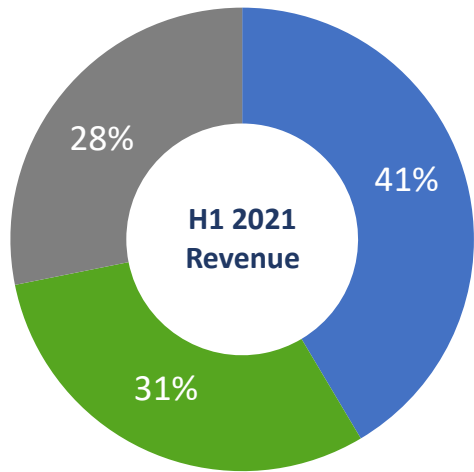
1. Sustainable products
2. GHG emissions and energy reduction
3. Health & Safety
4. Talent development and employment practices
5. Engagement, diversity and inclusion
6. Climate risks to, and opportunities for, our business
7. Ethical conduct



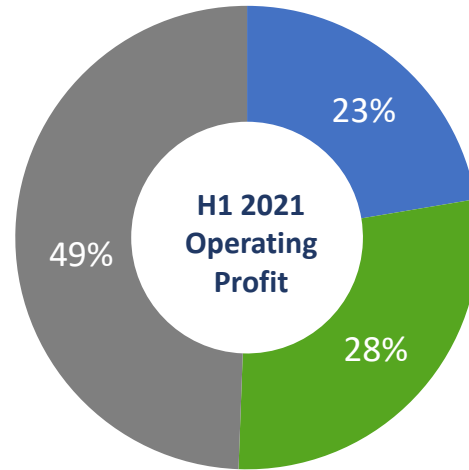
Our Group at a glance



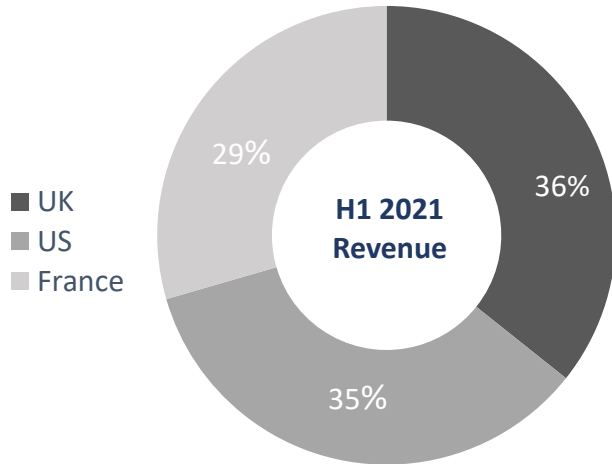
By division



- Roads & Security
- Utilities
- Galvanizing

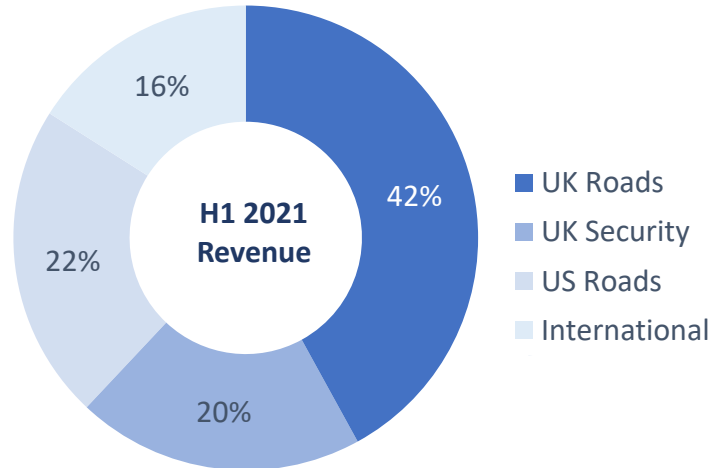


Galvanizing



- UK
- US
- France

Roads & Security



- UK Roads
- UK Security
- US Roads
- International





UK Galvanizing

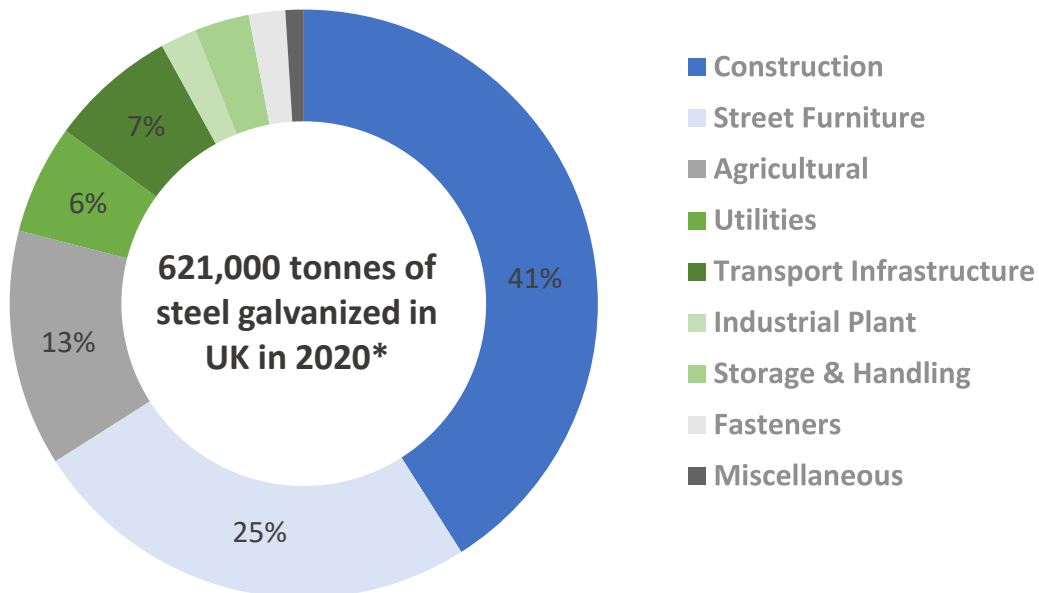
Steven Hopkins
MD, Joseph Ash Group



UK galvanizing at a glance

- Founded in 1857 by Joseph Ash, the entrepreneurial son of a Birmingham chemist
- 10 site locations, 4 strategically adjacent to our manufacturing facilities
- 11 galvanizing kettles including the widest and the deepest in UK
- c620 employees
- Our UK group benefits from a wide sectoral spread of customers including residential and commercial construction, agriculture, and road and rail infrastructure
- Our UK group galvanized 154,000 tonnes of steel in 2020

End use market analysis 2020



*Source: UK Galvanizers Association "Trends in General Galvanized Products in Great Britain and Ireland 2016–2020" May 2021

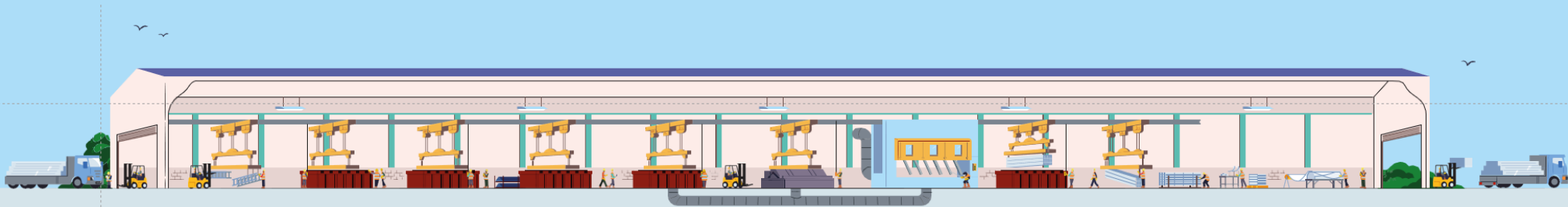


Why we are a market leader



The galvanizing process

- Our process typically begins with educating our customer on design prior to galvanizing
- We work hard to ensure materials are correctly prepared prior to galvanizing to guarantee customer satisfaction
- We are committed to preventing pollution and minimising environmental impacts throughout the process



Goods In

We use modern low emission tractor units equipped with technology to influence driver style and fuel efficiency

Degrease

Rinse

Rinse water is used a second time to dilute hydrochloric acid

Acid Clean

Rinse

Spent acid is taken away by bulk tanker for re-use neutralising alkali waste from other industrial processes

Flux

Dry

Zinc Bath

Galvanizing baths use high-velocity gas burners to minimise gas consumption. Residual heat from the furnace used to heat the pre-treatment chemical tanks

Cool

Inspect and pack

Despatch

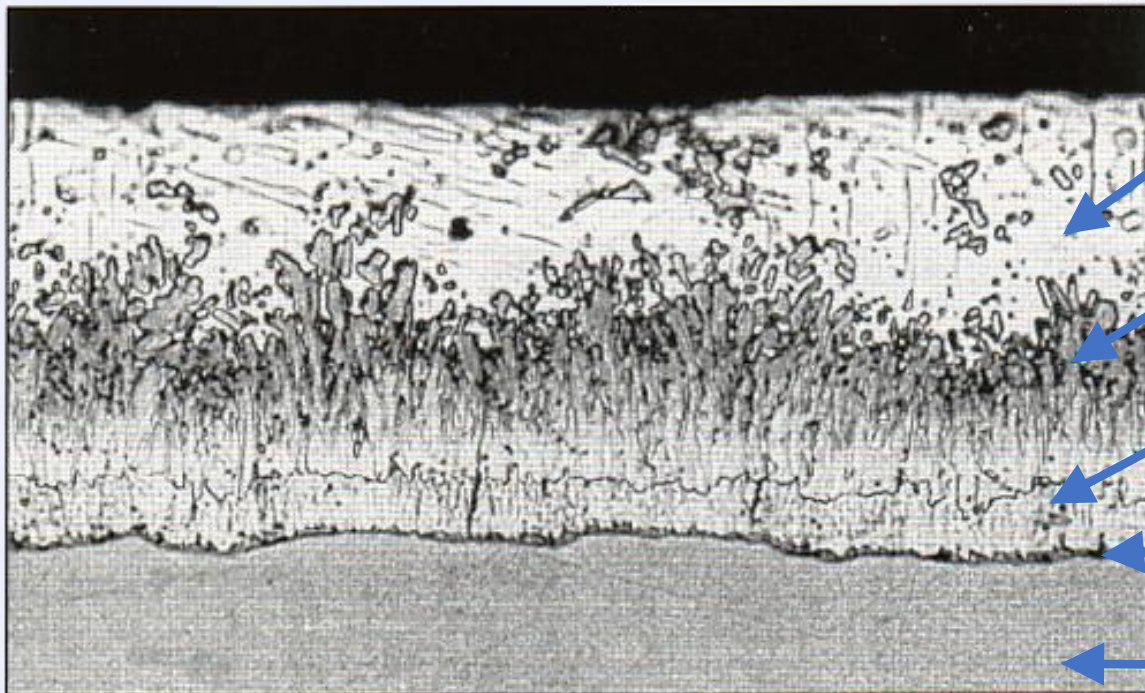
Zinc waste (dross & ash) treated on site to reclaim as much zinc as possible. Residues are recycled by specialist waste handlers

The wire used to hang articles on overhead cranes is 100% recycled

Hot dip galvanizing is a proven steel corrosion protection solution

- The galvanized coating is bonded to the steel which creates the highest level of corrosion resistance
- Galvanizing significantly extends the lifetime of steel structures compared to paint coating alternatives

A photomicrograph of hot dip galvanized coating



Eta (100% Zn)
70 DPN Hardness

Zeta (94% Zn 6%Fe)
179 DPN Hardness

Delta (90% Zn 10%Fe)
244 DPN Hardness

Gamma (75% Zn 25% Fe)
250 DPN Hardness

Base Steel
159 DPN Hardness

Sustainability benefits of hot-dip galvanizing

- **Hot-dip galvanizing is a proven steel corrosion protection solution which optimises the service life of steel structures and products (>60 years)**
 - Saving 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 of our by-products**
 - Zinc by-products are either reused in the galvanizing process or sold for recycling
 - Heat energy is used at least twice in the process
 - All treatment water is also used twice, thus halving disposal costs
- **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: CO2 emissions*

Service Life (Years)	Hot dip Galvanized Steel structure (kg CO2 equivalent)	Painted Steel Structure (kg CO2 equivalent)	Saving by hot dip galvanizing (kg CO2 equivalent)	% CO2 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'





UK Roads: VRS Solutions Group

Andrew Beaney
Group President, Roads & Security Division



- **Vehicle Restraints Systems (VRS) Solutions Group created in 2021**
 - Combines our strength and expertise in temporary and permanent containment systems
 - Providing an enhanced service and solutions offering for our customer and specifiers
- **VRS Solutions Group has operations in 4 locations across the UK**
- **c230 employees**
- **Significant part of Group portfolio; represents >50% of UK Roads revenue in 2021**
- **Customer portfolio includes:**
 - Tier 1 contractors (e.g. Balfour Beatty, Costain)
 - Tier 2 contractors
 - Local authorities
 - International export customers



Steel product

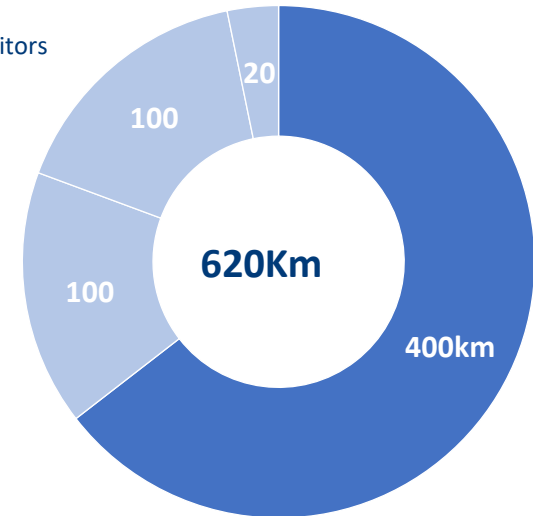


Concrete product



UK temporary barrier market

- Asset VRS
- Other competitors



- Our temporary vehicle restraint systems are designed and rigorously tested to protect road workers and the travelling public
- We can supply for any traffic management requirement irrespective of complexity



Steel & Aluminium



Concrete



Brifen Wire Rope

- Exported world-wide
- Not affected by blowing sand gathering
- Minimises visual intrusion

Bridge Parapets

- Steel & aluminium
- Range of products for multiple containment categories
- Multiple heights for special uses

Attenuators End Terminals

- Designed to integrate with other products offered by VSG
- Enables end to end compliance of VRS systems

Flexbeam

- Installed on 60% of UK motorways
- Normal and high containment versions

Rebloc

- Central reserve barrier being replaced with concrete
- Removes wet trades
- Quicker install
- Longer life

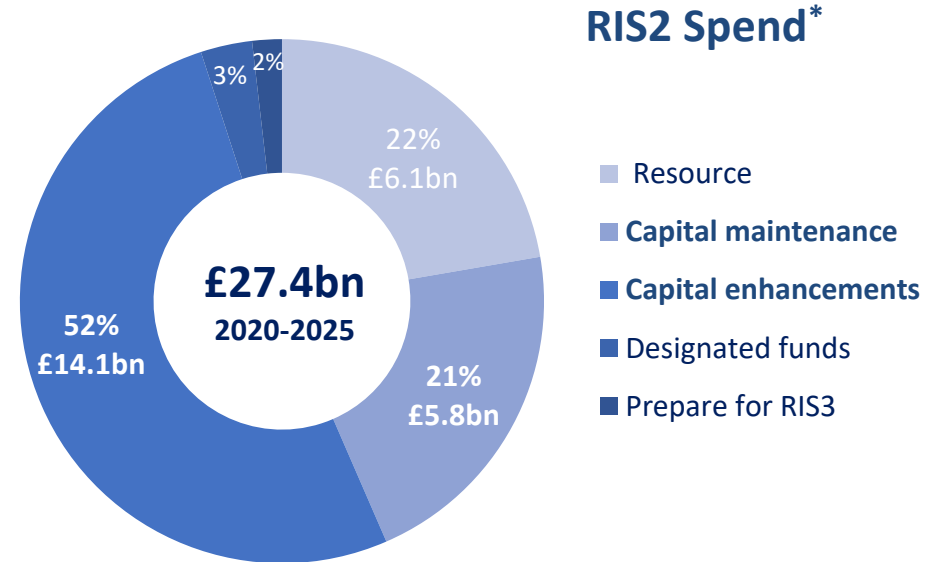
Why we are a market leader



Our value proposition



- Opportunity for Hill & Smith primarily comes from two of the RIS2 funding categories
- Government investment in our ‘routes to market’ has increased significantly compared to RIS1
 - Capital enhancements: 84% increase
 - Capital maintenance: 32% increase



Routes to Market

Smart Motorway Alliance £4.5bn

- North - Costain
- Midland – BAM Nuttall/Morgan Sindall JV
- South – Balfour Beatty

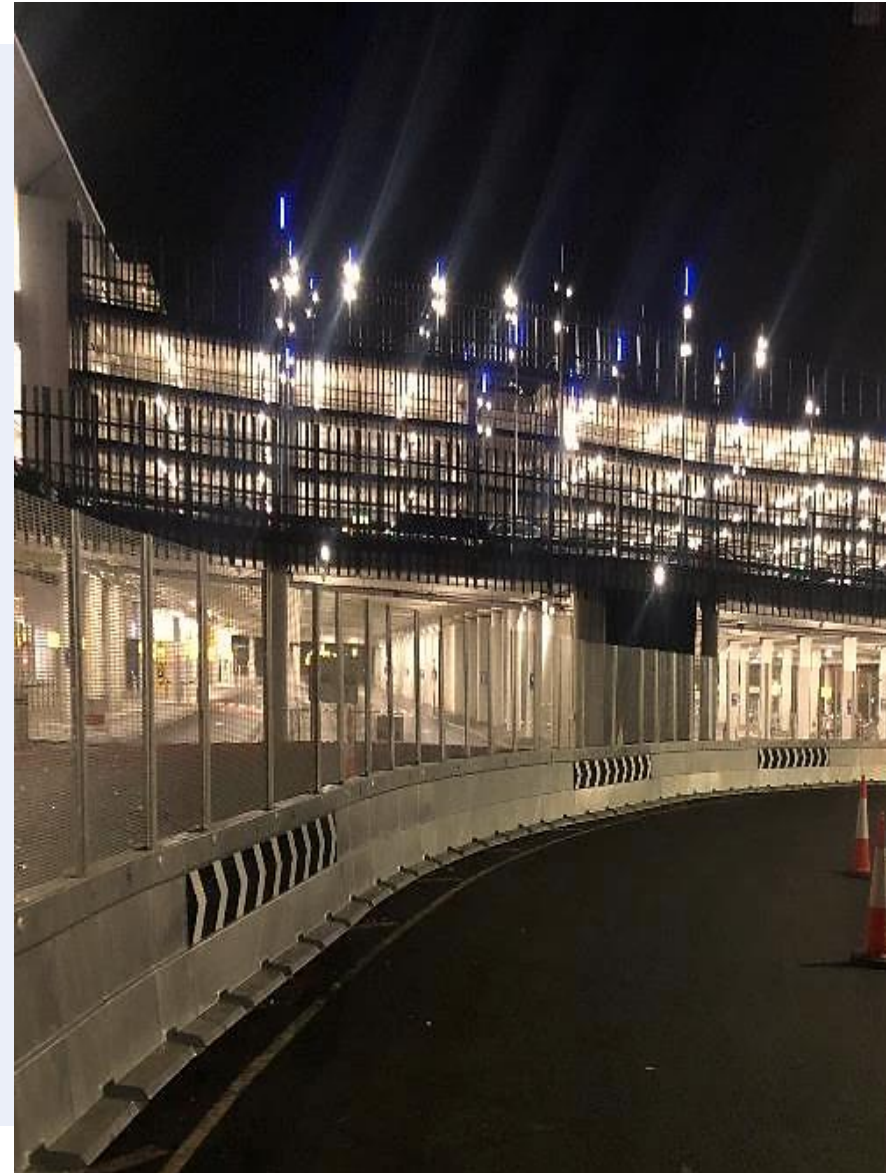
Scheme Delivery Framework £3.6bn

- Contract awarded - commencing Dec 2021

Regional Delivery Partnership £8.7bn*

Lot	Regions	Total value	Individual packages	Winners
1	South-west Midlands	£200m	Up to £100m	Alun Griffiths-Farrans JV Osborne
2	South-east East of England	£350m	Up to £100m	John Graham Construction VolfkerFitzpatrick
3	North-west North-east Yorkshire	£200m	Up to £100m	Amey-Sir Robert McAlpine JV North Midlands Construction
4	South-west	£800m	Over £100m	Galliford Try Taylor Woodrow
5	Midlands	£1.25bn	Over £100m	Bam Nuttall Skanska UK
6	South-east	£1.1bn	Over £100m	Balfour Beatty Civil Engineering Bam Nuttall
7	East of England	£2.8bn	Over £100m	Costain Galliford Try Skanska UK
8	North-west North-east and Yorkshire	£2bn	Over £100m	Balfour Beatty Civil Engineering Costain Kier Highways

- **Our purpose naturally aligns everything we do with our sustainability goals**
- **Our products and services help transport become safer and infrastructure become more sustainable**
- **Joseph Ash Group and VRS Solutions Group are both market leaders in attractive niche markets**
- **Increasing focus on medium to long term organic growth, alongside active portfolio management, to drive stakeholder value**



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