Hill & Smith Holdings PLC

Delivering intelligent protection solutions

2018

Half year results
Six months ended 30 June 2018

Stock code HILS

Images:

Front Cover - Top: WAPCO's Smart Cushion® crash attenuator.

Middle: Composite Bridge installed at Little Buffalo State Park, Pennsylvania, USA.

Bottom: Galvanized lighting columns.

Below: Varioguard workzone protection barrier installed on the M6 motorway, J2-4, West Midlands, UK.

Our mission is to deliver sustainable profitable growth through the supply of Infrastructure Products and Galvanizing Services.

Hill & Smith Holdings PLC

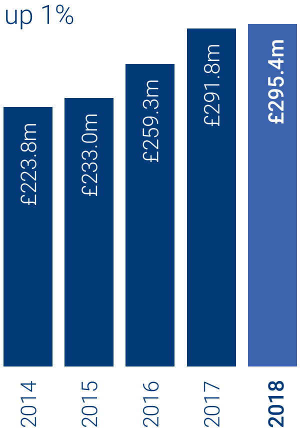
Contents

To find out more about Hill & Smith Holdings visit our website hsholdings.com

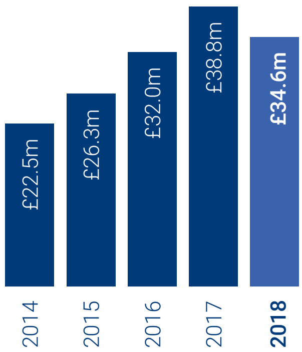
Group Highlights

- First half year performance impacted by short-term project delays in UK's roads programme and utilities market
- International businesses continue to trade well, with a strong performance in the USA
- Four acquisitions completed at a cost of £32.1m and additional capital investment committed in key growth markets
- Interim dividend increased by 6% to 10.0p

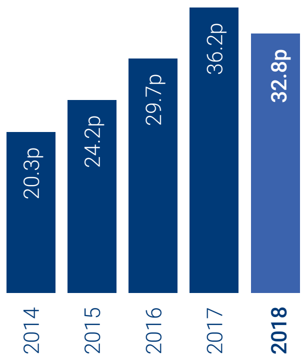
Revenue
£295.4m
up 1%



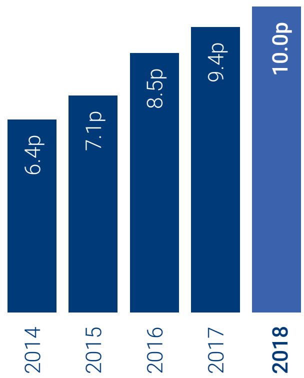
Underlying
operating profit
£34.6m
down 11%



Underlying
earnings per share
32.8p
down 9%



Dividend per share
10.0p
up 6%



			Change	
	30 June 2018	30 June 2017	Reported %	Constant** Currency %
Revenue	**£295.4m**	£291.8m	+1	+4
Underlying*:				
Operating profit	**£34.6m**	£38.8m	-11	-7
Operating margin	**11.7%**	13.3%	-160bps	-140bps
Profit before taxation	**£33.0m**	£37.4m	-12	
Earnings per share	**32.8p**	36.2p	-9	
Reported:				
Operating profit	**£31.0m**	£35.4m	-12	
Profit before taxation	**£28.9m**	£33.5m	-14	
Basic earnings per share	**28.2p**	32.3p	-13	
Dividend per share	**10.0p**	9.4p	+6	
Net debt	**£141.2m**	£109.1m		

* All underlying measures exclude certain non-underlying items, which are as defined in note 6 on page 24 to the Financial Statements and described in the Financial Review. References to an underlying profit measure throughout this report are made on this basis and, in the opinion of the Directors, aid the understanding of the underlying business performance as they exclude items that are either unlikely to recur in future periods or represent non-cash items that distort the underlying performance of the business. Underlying measures are presented on a consistent basis over time to assist in comparison of performance.

** Where we make reference to constant currency amounts, these are prepared using exchange rates which prevailed in the current year rather than the actual exchange rates that applied in the prior year. Where we make reference to organic measures we exclude the impact of currency translation movements, acquisitions, disposals and closures of subsidiary businesses. In respect of acquisitions, the amounts referred to represent the amounts for the period in the current year that the business was not held in the prior year. In respect of disposals and closures of subsidiary businesses, the amounts referred to represent the amounts for the period in the prior year that the business was not held in the current year.

Group at a Glance

We are an international group with leading positions in the supply of Infrastructure Products and Galvanizing Services to global markets. Through a focus on strong positions in niche markets we aim to consistently deliver strong returns and shareholder value.

Infrastructure Products – Roads

Our Roads segment designs, manufactures and installs temporary and permanent safety products for the roads market together with intelligent transport systems which provide information to road users. We principally serve the UK market, with an international presence in selected geographies.

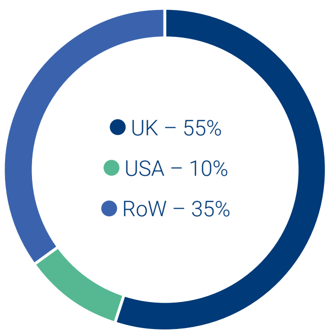
For more information see page 7

Revenue: £87.2m

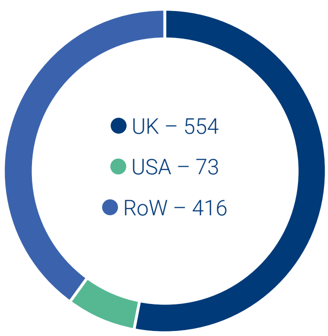
Underlying Operating Profit: £8.5m

No. of Employees: 1,043

Revenue by end market geography



Employees by geographical location



Infrastructure Products – Utilities

Our Utilities segment provides industrial flooring, plastic drainage pipes, security fencing, steel and composite products for a wide range of infrastructure markets including energy creation and distribution, rail, water and house building.

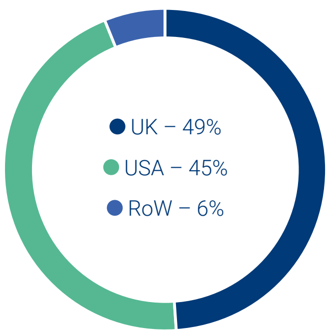
For more information see page 8

Revenue: £113.0m

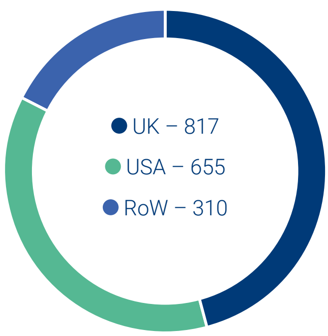
Underlying Operating Profit: £7.3m

No. of Employees: 1,782

Revenue by end market geography



Employees by geographical location



Galvanizing Services

The Galvanizing Services division offers corrosion protection services to the steel fabrication industry with multi-plant facilities in the UK, France and the USA.

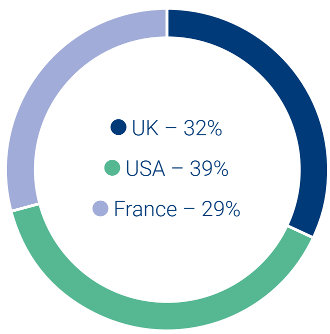
For more information see page 9

Revenue: £95.2m

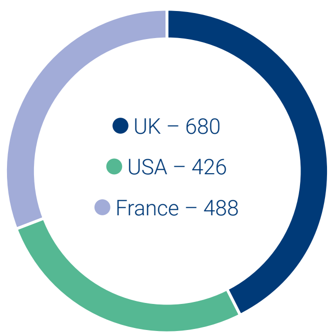
Underlying Operating Profit: £18.8m

No. of Employees: 1,594

Revenue by end market geography



Employees by geographical location



Who we are and where we operate

Supplying to and located in global markets, the Group serves customers from facilities in Australia, France, India, Scandinavia, the UK and the USA, building an increasing presence in international markets, where countries are upgrading or improving their infrastructure as economies grow. A key feature of the Group's chosen markets is the influence of heightened levels of regulation and health and safety considerations on development and growth. All our products are designed to strict specifications and tested according to applicable standards.

1. USA

Our V&S galvanizing and utilities plants are situated on the east coast along with the Bergen and Carpenter & Paterson pipe supports businesses, the glass reinforced composite profiles businesses, Creative Pultrusions, Kenway and Tower Tech and the US roads businesses of Hill & Smith Inc. and Work Area Protection Corp.

2. UK

Head office and various locations covering our main infrastructure products businesses and a network of UK galvanizing plants.

3. France

The base of France Galva and Conimast where we have ten galvanizing plants and a lighting column business.

4. Norway

A division of ATA, the road safety barrier and signage business.

5. Sweden

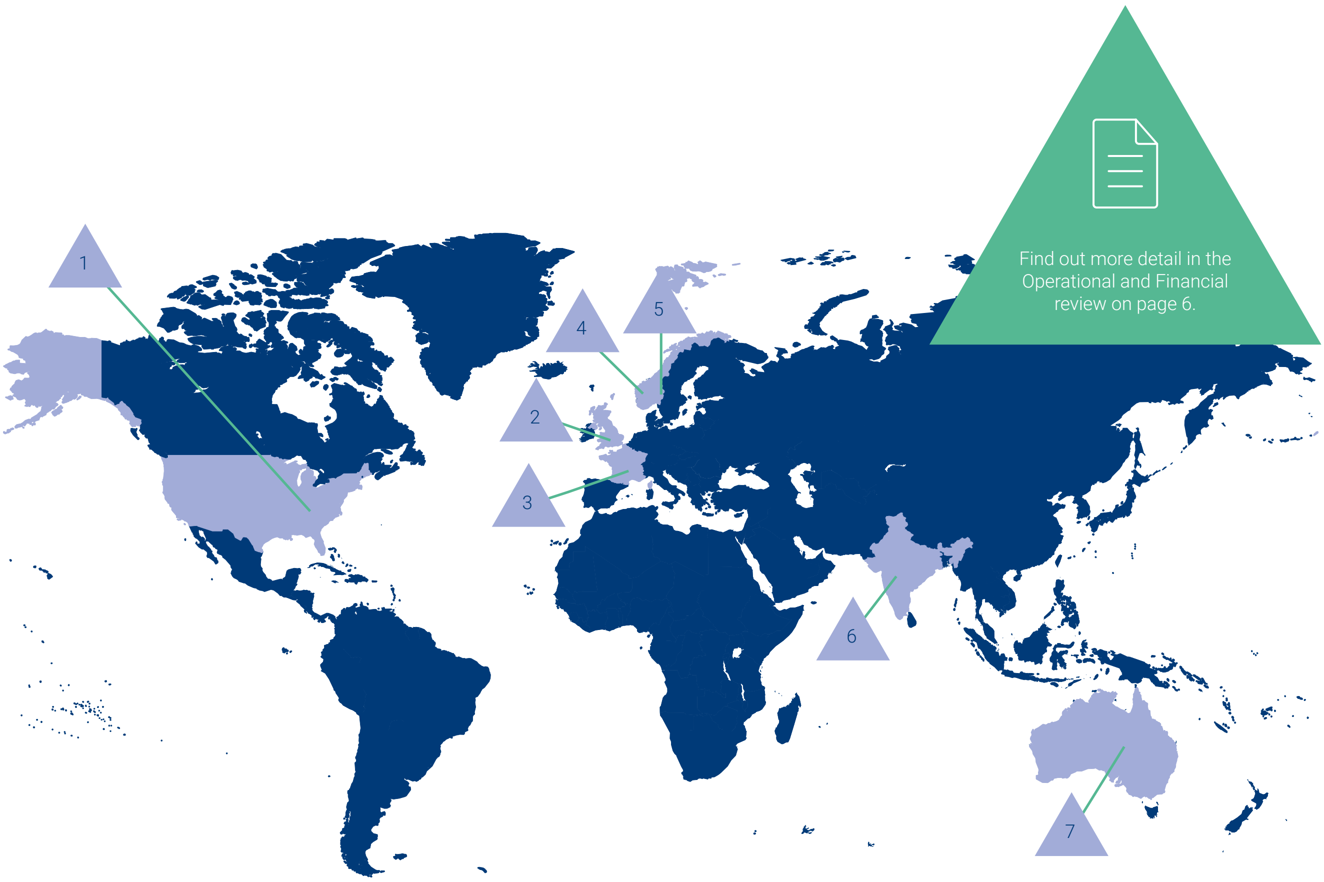
Location of ATA and FMK, the road safety barrier and signage business.

6. India

Manufacturing facilities for pipe supports.

7. Australia

Office in Queensland for the development of our wire rope and safety barrier products.



Case Study

Steel memorial to former boxing champion

Galvanized and powder coated memorial piece to remember Maurice Cullen, a British Lightweight Boxing Champion, who won the Lonsdale Belt in 1966.

A local councillor representing constituents of Shotton and South Hetton on Durham County Council, commissioned Royal artist Graeme Hopper, who lives in the county to create a 6ft steel sculpture of a pair of boxing gloves to recognise the achievements of Maurice Cullen, five-times British Lightweight Boxing Champion, who died in November 2001. Maurice's career took him all over the world, including to Brazil and to Madison Square Gardens in New York. He lost only eight of his 55 bouts in a career which spanned 1959 to 1970.

Birtley Group has a long-standing relationship with the artist and he regularly uses our galvanizing facilities to weatherproof his work.

Birtley Group worked with Graeme from the beginning of the project to advise him on the required suspension points, drainage and ventilation of the piece to ensure that the galvanizing process was seamless and an even coat of zinc was distributed across the large and unusual sculpture.

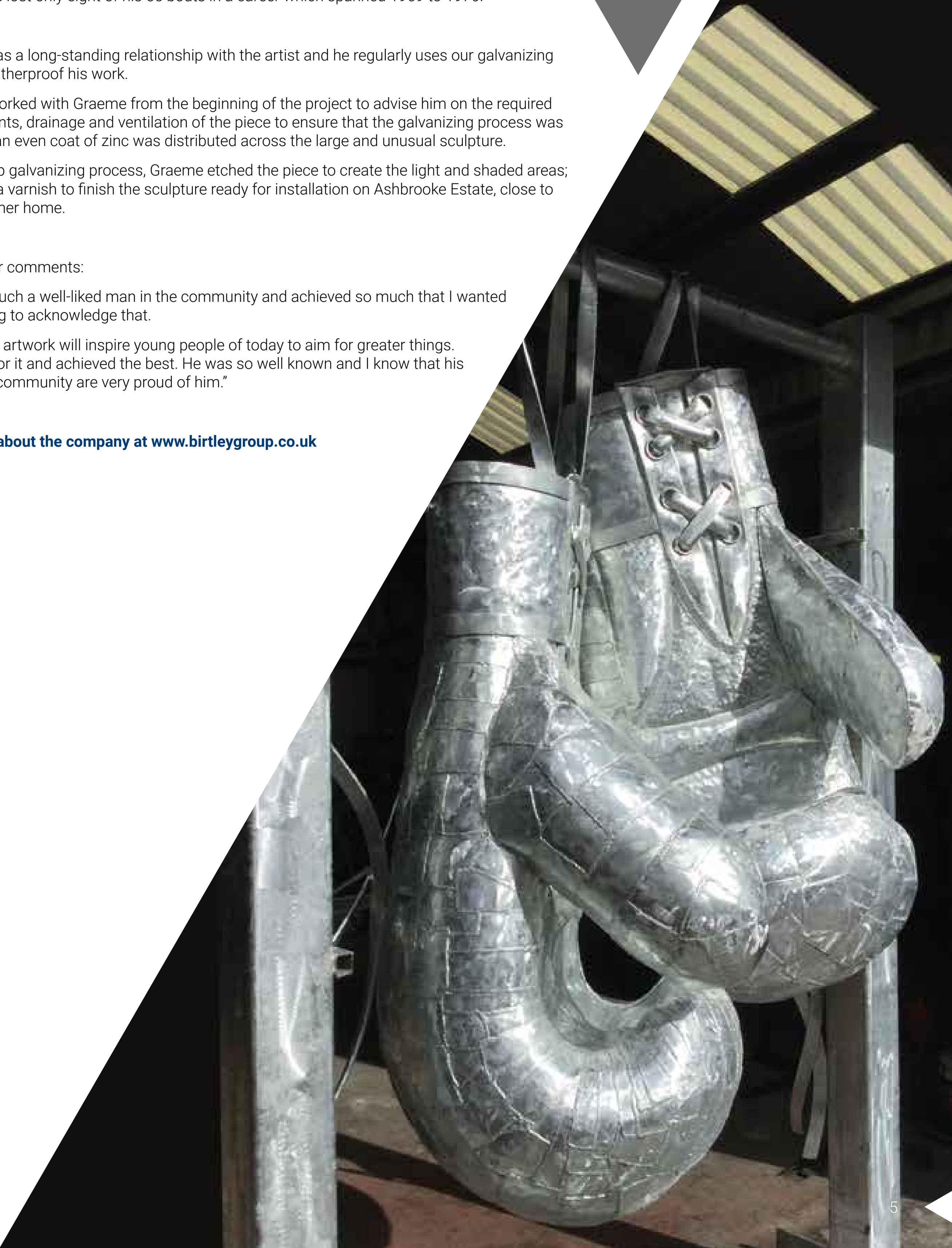
After the hot-dip galvanizing process, Graeme etched the piece to create the light and shaded areas; he then added a varnish to finish the sculpture ready for installation on Ashbrooke Estate, close to Mr Cullen's former home.

Graeme Hopper comments:

"Maurice was such a well-liked man in the community and achieved so much that I wanted to do something to acknowledge that.

"I also hope the artwork will inspire young people of today to aim for greater things. Maurice went for it and achieved the best. He was so well known and I know that his family and the community are very proud of him."

Find out more about the company at www.birtleygroup.co.uk



Business Review

Jock Lennox
Chairman

Derek Muir
Group Chief Executive

Mark Pegler
Group Finance Director

Business Review

Introduction

Hill & Smith experienced a difficult first half and results were below our expectations. Our US and other international businesses performed strongly, driven by the significant investment going into the replacement of ageing infrastructure and new infrastructure projects. As previously reported however, our UK business experienced certain headwinds – specifically adverse weather in Q1, short-term delays to some road projects, and a more cautious UK investment environment. Raw material input costs in both the UK and USA, particularly zinc commodity prices, have been volatile and impacted operating margins.

Order books remain strong and as a result we expect a good second half of the year.

The UK and US operations generate 79% of revenue and 86% of underlying operating profit principally operating in niche infrastructure markets where the overall outlook remains positive. The Group benefits from the industrial and geographical spread of markets and businesses, which not only provide a resilient base, but also opportunities for growth. Overall, we believe that our focused strategy of developing and investing in businesses with market leading positions in growth infrastructure markets, combined with our active and decisive approach to portfolio management, will provide continued growth and drive returns.

In furtherance of our strategy of investing capital to drive higher returns, during the period we:

- completed four acquisitions for total cash consideration in the period of £32.1m, with further consideration of up to £1.4m dependent on future financial performance;
- committed to a new-build greenfield galvanizing facility in northern USA, expected to be operational in mid-2019;
- commenced the investment in an additional 37km of steel temporary safety barrier in the UK and Australia, and a further 28km of concrete temporary safety barrier in the UK, a combined investment of c.£11.4m.

Results

Revenue increased by 1% to £295.4m (2017: £291.8m), despite a translational currency headwind of £6.7m or 2%. After adjusting for net additional revenue of £10.3m from acquisitions/disposals, organic revenues were similar to the same period prior year. Underlying operating profit declined by 11% to £34.6m (2017: £38.8m), including a headwind from currency translation of £1.5m. Acquisitions/disposals contributed £0.8m. Organically, the decline in underlying operating profit was 9%. Underlying operating margin reduced by 160bps to 11.7% (2017: 13.3%), while underlying profit before taxation was 12% lower at £33.0m (2017: £37.4m). Reported operating profit was £31.0m (2017: £35.4m), a decrease of 12% on the prior year. Reported profit before tax was £28.9m (2017: £33.5m).

Dividend

The Board has declared an interim dividend of 10.0p per share (2017: 9.4p), a 6% increase on the corresponding period last year. The interim dividend will be paid on 3 January 2019 to shareholders on the register on 30 November 2018.

Brexit

Given that negotiations between the British Government and the European Union remain ongoing, it remains too early to assess with any certainty the impact of the decision by the United Kingdom to leave the European Union. Although in the period since the referendum result in June 2016 we have not experienced any material positive or negative impact, we do believe that the heightened uncertainty as we approach the leave date is resulting in a more cautious investment environment with evident delays in decision-making across a number of sectors. We are confident that our strategy of international diversification along with market leading positions in key infrastructure investment markets will help limit any potential negative impact on the Group. However, we remain vigilant and will react with our customary speed as necessary.

Outlook

While order books support a good second half, we now expect the performance for the remainder of the year to be more in line with our original expectations as set out in our 2017 preliminary results announcement. As a result, we do not expect to recover the shortfall experienced in the first half.

Despite this disappointing first half performance, notwithstanding the more cautious investment environment in the UK, the fundamentals of our niche infrastructure markets remain encouraging. In Utilities, our UK and US activities are well placed to continue to benefit from the significant investment going into the replacement of ageing infrastructure and new infrastructure projects. In Galvanizing, with wider market conditions remaining favourable, overall we expect our businesses to consolidate their strong market positions and to take advantage of opportunities as they present themselves.

In the UK, the implementation of the Department of Transport's Road Investment Strategy ('RIS') is in the fourth year of the initial five year plan, which provides certainty of funding through to 2020/21. Recent announcements by Highways England indicate that further investment plans through to 2025 ('RIS2') are under discussion.

We therefore have confidence that the Group's road product portfolio will continue to benefit from the increased investment in the UK road infrastructure.

Operational Review

Infrastructure Products

	£m		+/- %	Constant Currency %
	2018	2017		
Revenue	**200.2**	200.9	-	+2
Underlying operating profit	**15.8**	17.8	-11	-9
Underlying operating margin %	**7.9**	8.9		
Reported operating profit	**12.8**	15.0		

The division supplies engineered products to the roads and utilities markets in geographies where there is sustained long term investment in infrastructure. Revenues remained flat at £200.2m (2017: £200.9m) after a currency headwind of £4.4m. Acquisitions and disposals contributed a net £10.3m. Organic revenue declined by £6.6m, or 3%. Underlying operating profit was £15.8m (2017: £17.8m), a decrease of £2.0m, including £0.5m from currency translation headwinds. Acquisitions and disposals contributed a net £0.8m. Underlying operating margin reduced to 7.9% (2017: 8.9%). Reported operating profit was £12.8m (2017: £15.0m) and included costs of £1.2m relating to acquisitions made during the period.

Roads

	£m		+/- %	Constant Currency %
	2018	2017		
Revenue	**87.2**	93.8	-7	-6
Underlying operating profit	**8.5**	10.2	-17	-16
Underlying operating margin %	**9.7**	10.9		
Reported operating profit	**6.5**	8.5		

Our Roads segment designs, manufactures and installs temporary and permanent safety products for the roads market. We principally serve the UK market, with an international presence in selected geographies that have a growing demand for innovative tested safety products. Revenues decreased by 7% to £87.2m (2017: £93.8m), an organic decline of 11% after a currency headwind of £0.8m and net contribution from acquisitions/disposals of £4.7m. Underlying operating profit of £8.5m was £1.7m lower than the prior year (2017: £10.2m) including £0.1m from currency translation headwinds.

Mallatite Ltd's passive aluminium lighting columns installed on A898 near the Erskine Bridge, Scotland.

Find out more about the company at www.mallatite.co.uk.

Business Review continued

	£m	
	2018	2017
Reported operating profit	6.5	8.5
Restructuring actions	-	1.6
Profit on disposal of subsidiary	-	(0.6)
Acquisition costs and amortisation	2.0	0.9
Other items	-	(0.2)
Underlying operating profit	8.5	10.2

UK

In its fourth year of an initial five year plan, the Government's Road Investment Strategy ('RIS') has continued to experience some delays in the commencement of new projects, principally 'Smart' motorways as Highways England complete detailed planning to ensure efficient execution. Demand for our rental temporary safety barrier in the first half has therefore been below our expectations, although completion delays on existing projects have helped to mitigate the impact. New Smart motorway projects have progressively been commissioned throughout the first half and we have seen increasingly higher utilisation rates. As the significant investment programme ramps up we expect to see much higher demand for both our steel and concrete temporary safety barriers. In anticipation of the programme ahead, we have commissioned an additional 34km of steel and 28km of concrete barrier, an investment of £10.6m, to add to our existing fleet. The outlook for the remainder of RIS1 and for RIS2, the details of which are due to be published in 2019, remains strong.

Demand for our range of hostile vehicle mitigation products, including temporary and permanent, steel and concrete applications, remains strong. We continue to develop new products and applications to protect key locations across the country, including the US ambassador's residence in London on the visit of the US President.

The adverse UK weather conditions in the first quarter impacted permanent safety barrier, bridge parapet and lighting column demand with limited end of financial year spend by local councils as funds were diverted elsewhere. Conditions were much improved in the second quarter and order books and the outlook are positive. On 1 January 2018, we acquired D Gibson Road & Quarry Services Limited for a cash consideration of £0.3m. Supplying road signs and ancillary products into UK contractors, the business has been absorbed into our existing lighting column business.

The delays in the commencement of new Smart motorway projects have adversely impacted our Variable Message Signs ('VMS') business and volumes and profitability have been materially below the same period prior year. The impact of the lower volumes has been partly mitigated as we completed the previously announced restructuring involving the closure of two UK sites and consolidation into our existing facility in the north east of England. Our Remotely Operated Temporary Traffic Management ('ROTTM') signs, which are safety-led permanent applications on motorways where no hard shoulder exists, continue to be deployed across the network. As the Smart motorway projects are awarded during the second half of the year then we expect the performance at VMS to improve.

Non-UK

Both the Scandinavian and French businesses performed well. On 28 March 2018, we acquired Signalvakter Syd for an initial cash consideration of £0.4m. A further £0.5m consideration is potentially due dependent on financial performance over the next five years. A traffic management business, Signalvakter has been integrated into our existing Scandinavian operations and will serve to extend our product offering.

Employing both a rental and a direct sales approach, exciting progress continues to be made in promoting our temporary safety barrier in both the USA and Australia. In the USA, acceptance of our temporary steel barrier, Zoneguard, as an alternative to concrete is now well established in a number of States and continues to gain recognition elsewhere, including Canada. Volumes of safety barriers sold were lower than the same period in the prior year as management focussed on negotiating and signing a major new distribution agreement with a nationwide US roads product distributor. The agreement, signed in May, is a major step forward for the business expanding the number of States which the product can reach. Providing exclusivity if quantity thresholds are reached, orders have since been received and a stronger second half will follow. In Australia, road infrastructure investment remains buoyant. Delivering a 12km Zoneguard project into New Zealand along with a significant project in Queensland, the business performed at new highs.

On 9 May, the Group announced the acquisition of the trade and assets of Work Area Protection Corp. ("WAPCO") for a total cash consideration of $42.0m on a debt free, cash free basis. Based in the USA, WAPCO specialises in the development, manufacture and distribution of a wide range of road workzone safety products, including crash attenuators, temporary variable message signs, smart work zone systems and traffic control products such as drums, channelizers and cones. The combination of WAPCO's business with our existing US and international roads businesses will increase the scale and range of road safety products into key geographies where the infrastructure investment outlook is strong.

Utilities

	£m		+/-	Constant Currency
	2018	2017	%	%
Revenue	113.0	107.1	+6	+9
Underlying operating profit	7.3	7.6	-4	+1
Underlying operating margin %	6.5	7.1		
Reported operating profit	6.3	6.5		

Our Utilities segment provides industrial flooring, plastic drainage pipes, security fencing, steel and composite products for a wide range of infrastructure markets including energy creation and distribution, rail, water and house building. The requirements for new power generation in emerging economies and replacement of ageing infrastructure in developed countries provide excellent opportunities for the Group's utilities businesses. Revenues increased by 6% to £113.0m (2017: £107.1m) including a headwind from currency translation of £3.6m and a £5.6m contribution from recent acquisitions. Organically, revenue growth was 4%. Underlying operating profit was £7.3m (2017: £7.6m) including a negative currency impact of £0.4m, and a first time contribution from acquisitions of £0.3m.

	£m	
	2018	2017
Reported operating profit	6.3	6.5
Restructuring actions	0.4	0.4
Acquisition costs and amortisation	0.6	0.7
Underlying operating profit	7.3	7.6

In the US, our power transmission substation business performed well and grew strongly. Significant steel and zinc price increases are being managed through the supply chain and profitability was ahead of the same period prior year. Investment plans across key US utilities markets remain positive and, with a record order book entering the second half, we expect further progress.

Our composite material group delivered an excellent first half performance, growing both revenue and profitability with projects for fender piles, seawall, rail protective cover boards and harbour camels. The acquisitions of Kenway and TowerTech, completed in 2017, have been seamlessly integrated into the Group and the benefits of a wider product offering are evident.

In the UK, results from our utilities businesses have been below our expectations. Impacted by the poor weather in the first quarter, trading improved in the second but not enough to recover the shortfall. Our plastic pipe and industrial flooring businesses have seen increased spend from Asset Management Period 6 ('AMP6') but the security access covers business has experienced sporadic demand. Encouragingly, order books are stronger entering the second half and an improved performance is expected across all three businesses. On 27 April, we acquired the business and certain assets of The Grating Company Limited and Pro Composites Limited for an initial cash consideration of £0.5m. A further £0.9m consideration is potentially due dependant on financial performance over the next five years. The businesses specialise in the supply and installation of glass reinforced plastic composite products into the construction and rail markets in the south-east of the UK and have been integrated into our existing composites operation.

Our security fencing operation continues to develop its range of tested options for the protection of critical infrastructure sites which has included large data centres in both Ireland and Continental Europe for the first time. The introduction of more specialist products has helped to offset the decline in spend from electrification projects on the UK rail network. Exciting opportunities exist in export markets that require high security protection and these are being pursued.

Our building products business, supplying composite residential doors, steel lintels and builders' metalwork, was impacted by the poor weather in the first quarter. A determined effort by housebuilders in the second quarter has resulted in strong volumes and, overall, performance was similar to the same period prior year. The fundamentals for our key customers appear robust and we expect steady progress.

In our US pipe supports business the requirement for engineered pipe supports in the power sector has continued with the focus around combined cycle gas power, chemical and waste water plants. Our industrial hangers business delivered a stronger performance benefitting from a growing commercial construction market in the north east of the country. Rising input prices are being managed through the supply chain.

In India, both the local and the international power market for our engineered pipe supports remains encouraging and we have supplied coal and gas projects in India, Japan and Indonesia in addition to our first cryogenics project in the Middle East. The introduction of new products developed by our Indian team will expand the customer base and our market reach.

Galvanizing Services

	£m		+/-	Constant Currency
	2018	2017	%	%
Revenue	**95.2**	90.9	+5	+7
Underlying operating profit	**18.8**	21.0	-10	-6
Underlying operating margin %	**19.7**	23.1		
Reported operating profit	**18.2**	20.4		

The Galvanizing Services division offers corrosion protection services to the steel fabrication industry with multi-plant facilities in the UK, France and the USA. Revenue increased by 5% to £95.2m (2017: £90.9m) after absorbing negative currency translation of £2.3m. Organic revenue growth was 7%. Underlying operating profit of £18.8m (2017: £21.0m) included a £1.0m currency headwind. The organic decline in profitability was £1.2m. Underlying operating margin was 19.7% (2017: 23.1%).

	£m	
	2018	2017
Reported operating profit	**18.2**	20.4
Acquisition amortisation	**0.6**	0.6
Underlying operating profit	**18.8**	21.0

USA

Located in the north east of the country, Voigt & Schweitzer is the market leader with seven plants offering local services and extensive support to fabricators and product manufacturers involved in highways, construction, utilities and transportation.

Infrastructure investment remains strong with growth across a wide range of market sectors, particularly OEM and Bridge & Highway with new and replacement bridges, overhead sign structures, sound walls and highway fencing all ahead of expectations. Overall, volumes were 12% ahead of the same period in 2017 and consequently profitability was higher year on year. Higher zinc input costs have been managed through the supply chain albeit naturally resulting in a lower operating margin than prior year.

During the period, the Group committed the capital to invest in the greenfield development of a new plant which is expected to be operational mid-2019.

France

France Galva has ten strategically located galvanizing plants each serving a local market. We act as a key part of the manufacturing supply chain in those markets and have delivered a high level of service and quality to maintain our position as market leaders.

Volumes were 1% above the prior year. Despite a mildly improving economic backdrop, competition remains strong and thus the pass through of higher zinc costs remains more difficult. Growth in the smaller jobbing market continues and will help to alleviate price pressures. Overall, profitability and operating margin were marginally below the same period prior year.

UK

Our galvanizing businesses are located on ten sites, four of which are strategically adjacent to our infrastructure products manufacturing facilities.

Overall, volumes were down 7% compared to the same period prior year with the first quarter particularly weak due to the weather impact before recovering in the second quarter. The volume reduction was, in part, a function of our strategic decision to focus on lower volume but higher margin work from smaller jobbing customers as opposed to lower priced structural steel work. Zinc price increases were successfully managed through the supply chain albeit resulting in a lower operating margin than prior year.

Business Review continued

Financial Review

Cash generation and financing

Operating cash flow before movement in working capital was £42.0m (2017: £47.5m), the reduction reflecting lower profitability in the first half year on year. The working capital outflow in the period was £22.3m (2017: £16.6m), which arose from a combination of normal seasonal trading patterns, inventory build ahead of anticipated projects in the second half of the year, and the impact of commodity price increases, predominantly steel and zinc, on raw material inventories. As a result, working capital as a percentage of annualised sales increased to 20.4% (31 December 2017: 17.4%), however debtor days were steady at 61 days (31 December 2017: 61 days).

Capital expenditure of £10.6m (2017: £9.3m) represents a multiple of depreciation and amortisation of 1.1 times (2017: 1.0 times). Significant purchases during the period included £2.6m of temporary road safety barrier rental products to support growth in both our UK and International roads markets.

Group net debt at 30 June 2018 was £141.2m, an increase of £42.2m since 31 December 2017 (£99.0m) predominantly due to spend on acquisitions of £32.1m in the first half of the year.

Change in net debt

	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Change in net debt			
Operating profit	**31.0**	35.4	74.1
Non-cash items	**11.0**	12.1	24.7
Operating cash flow before movement in working capital	**42.0**	47.5	98.8
Net movement in working capital	**(22.3)**	(16.6)	(19.1)
Change in provisions and employee benefits	**(1.8)**	(1.6)	(3.2)
Operating cash flow	**17.9**	29.3	76.5
Tax paid	**(7.9)**	(9.0)	(16.7)
Net financing costs paid	**(1.6)**	(1.3)	(2.8)
Capital expenditure	**(10.6)**	(9.3)	(20.7)
Proceeds on disposal of non-current assets	**2.1**	1.9	2.3
Free cash flow	**(0.1)**	11.6	38.6
Dividends paid	**(7.4)**	(6.7)	(20.7)
Acquisitions	**(32.1)**	(5.3)	(8.3)
Disposals	**-**	2.6	2.5
Issue of new shares	**0.8**	0.1	0.6
Amortisation of costs associated with revolving credit facilities	**(0.2)**	(0.2)	(0.4)
Satisfaction of long term incentive payments	**(1.3)**	(1.5)	(2.6)
Net debt (increase)/decrease	**(40.3)**	0.6	9.7
Effect of exchange rate fluctuations	**(1.9)**	2.3	3.3
Net debt at the beginning of the period	**(99.0)**	(112.0)	(112.0)
Net debt at the end of the period	**(141.2)**	(109.1)	(99.0)

The net debt to EBITDA ratio under the Group's principal banking facility was 1.4 times at 30 June 2018 (31 December 2017: 1.0 times), the increase reflecting the acquisition spend during the period. Interest cover was 34.5 times (31 December 2017: 37.1 times).

Tax

The underlying effective tax rate for the period was 22.0% (year ended 31 December 2017: 24.0%) and is the estimated effective rate for the full year. The reduction in the rate follows the introduction of the US Tax Cuts and Jobs Act in December 2017, which amongst other things contained a reduction in US corporate income tax rates from 35% to 21% from 1 January 2018.

The tax charge for the period was £6.7m (2017: £8.1m) including a £0.5m credit in respect of non-underlying charges, principally relating to amortisation of acquisition intangibles. Cash tax paid in the period was £7.9m (2017: £9.0m), broadly in line with the underlying income statement tax charge of £7.2m (2017: £9.0m).

Finance costs

Net financing costs for the period were £2.1m (2017: £1.9m) with an underlying element of £1.6m (2017: £1.4m), the increase reflecting US interest rate rises and higher average net debt in the first half of the year. Underlying operating profit covered net underlying finance costs 21.6 times (2017: 27.7 times). The non-underlying element of finance costs of £0.5m (2017: £0.5m) represents the net cost of pension fund financing of £0.3m and £0.2m amortisation of refinancing fees capitalised in prior years.

Non-underlying items

The total non-underlying items charged to operating profit in the Consolidated Income Statement amounted to £3.6m (2017: £3.4m) and comprise the following:

	Income Statement Charge £m	Cash in the period £m	Future cash £m	Non-cash £m
Business reorganisation costs	0.3	0.3	-	-
Acquisition costs	1.2	0.7	0.5	-
Amortisation of acquisition intangibles	2.0	-	-	2.0
Impairment of property held for sale	0.1	-	-	0.1
	3.6	1.0	0.5	2.1

- Business reorganisation costs of £0.3m relate to the restructuring of the Group's UK Industrial Flooring business, part of the Infrastructure Products – Utilities segment, a decision taken in light of weaker market conditions in the first half of the year. The restructuring will improve the efficiency and productivity of the business.
- Acquisition costs of £1.2m relate to the acquisitions completed during the period, further details of which are set out below.
- Amortisation of acquisition intangibles was £2.0m.
- The Group has one property held for sale, whose value was impaired by £0.1m during the period to align with purchase offers received.

Further details are set out in note 6 to the Financial Statements on page 24.

Agricultural holding pens, galvanized by Joseph Ash Ltd. **Find out more about the company at www.josephash.co.uk**

Business Review continued

Acquisitions

In May 2018 we acquired the business and assets of WAPCO for a consideration of £29.9m, net of an expected refund of £1.0m on agreement of acquired working capital. Intangible assets arising on the acquisition amounted to £19.2m, comprising customer relationships of £4.1m, patents of £4.1m, brands of £0.7m and residual goodwill of £10.3m.

The Group completed three smaller acquisitions during the period:

- In January we acquired D Gibson Road & Quarry Services Limited for a cash consideration of £0.3m;
- In March we acquired Signalvakter Syd AB for an initial cash consideration of £0.4m, with future deferred consideration of up to £0.5m contingent on financial performance over the next five years;
- In May we acquired the business and assets of The Grating Company Limited for initial cash consideration of £0.5m and deferred consideration of up to £0.9m dependent on performance over the next three years.

Intangible assets arising on these smaller acquisitions comprised customer relationships of £0.5m and residual goodwill of £0.4m.

Pensions

The Group operates defined benefit pension plans in the UK, France and the USA. The IAS19 deficit of these plans at 30 June 2018 was £23.2m, a reduction of £2.4m from 31 December 2017 (£25.6m). The reduced deficit relates to the UK scheme and was driven by a reduction of 20 basis points in the discount rate during the period, in line with changes in corporate bond yields, and deficit recovery payments of £1.2m made in the first half of the year.

Following the formal actuarial valuation of the Group's UK defined benefit pension arrangements as at April 2016 that was finalised last year, the Group has agreed deficit reduction plans in place that require annual cash contributions amounting to £2.5m for the period to September 2027. The Group continues to be actively engaged in dialogue with the schemes' Trustees with regard to management, funding and investment strategies.

New International Financial Reporting Standards

IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' are applicable to reporting periods beginning on or after 1 January 2018, and have therefore been adopted by the Group.

IFRS 15 provides a single, principles-based approach to the recognition of revenue from contracts with customers, focussing on the identification of performance obligations in a contract and requiring revenue to be recognised when or as those performance obligations are satisfied. The impact on the Group's results for the period is an increase in revenue of £0.5m, relating to certain revenue streams in the Utilities segment where revenue that was previously recognised at the point of delivery of products to customers is now required to be recognised over the period of manufacture of those products.

The adoption of IFRS 9 'Financial Instruments' has not had any material impact on the Group.

Principal Risks and Uncertainties

The Group has a process for identifying, evaluating and managing the principal risks and uncertainties that it faces, and the Directors have reconsidered these principal risks and uncertainties during the period. It is the Directors' opinion that the principal risks set out on pages 28 to 30 of the Group's Annual Report and Accounts for the year ended 31 December 2017, remain applicable to the current financial year.

Going Concern

The Group continues to meet its day to day working capital and other funding requirements through a combination of long term funding and short term overdraft borrowings. The Group's principal financing facility is a headline £210m multi-currency revolving credit agreement which expires in April 2021.

The Group actively manages its strategic, commercial and day to day operational risks and through its Treasury function operates Board approved financial policies, including hedging policies that are designed to ensure that the Group maintains an adequate level of funding headroom and effectively mitigates foreign exchange and other financial risks.

After making due enquiry, the Directors have reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and therefore adopt the going concern principle.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of Financial Statements has been prepared in accordance with IAS 34: Interim Financial Reporting as adopted by the EU;
- The interim management report includes a fair review of the information required by:
  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period including any changes in the related party transactions described in the last Annual Report that could do so.

This report was approved by the Board of Directors on 8 August 2018 and is available on the Company's website at www.hsholdings.com.

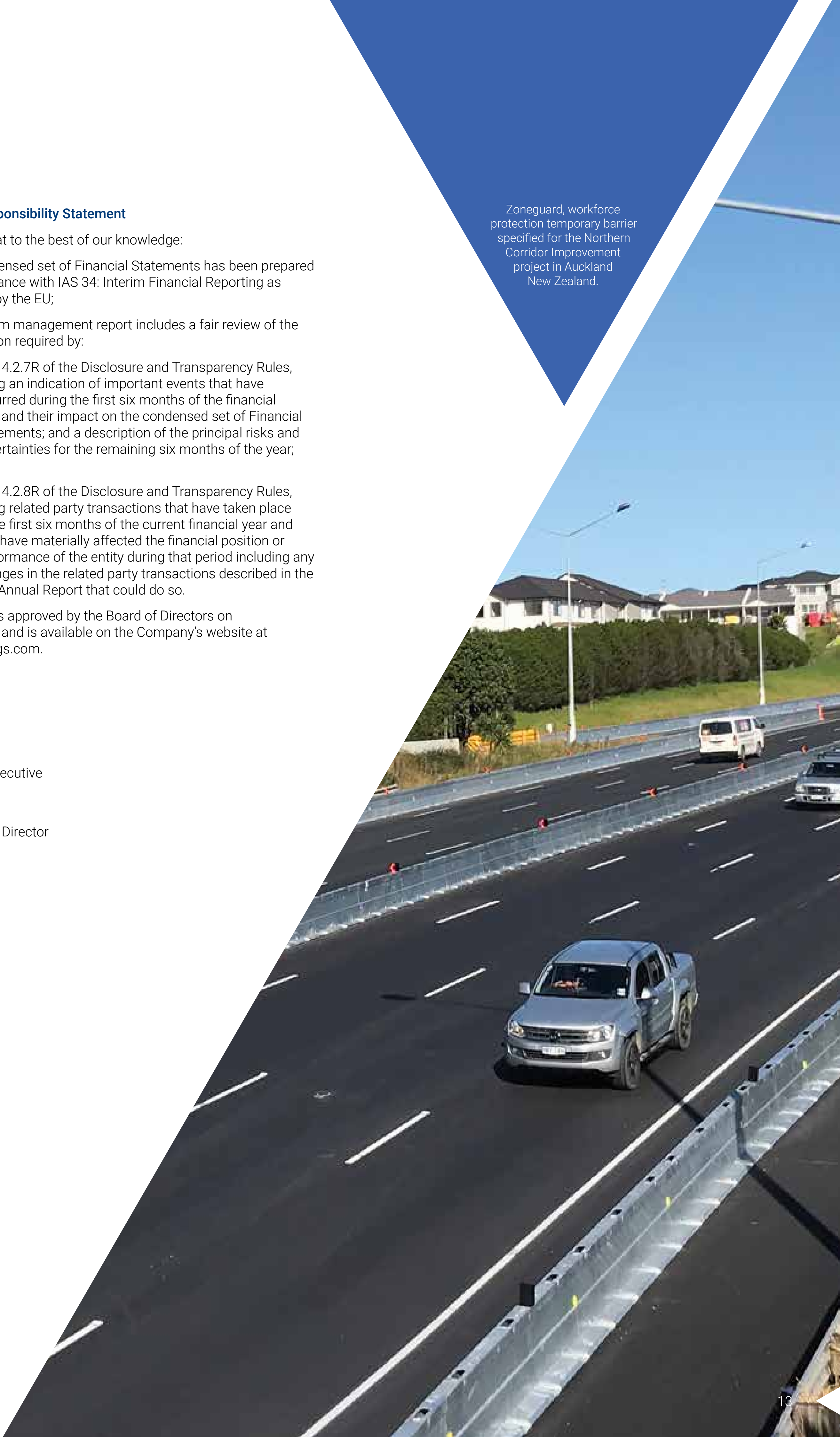
J F Lennox
Chairman

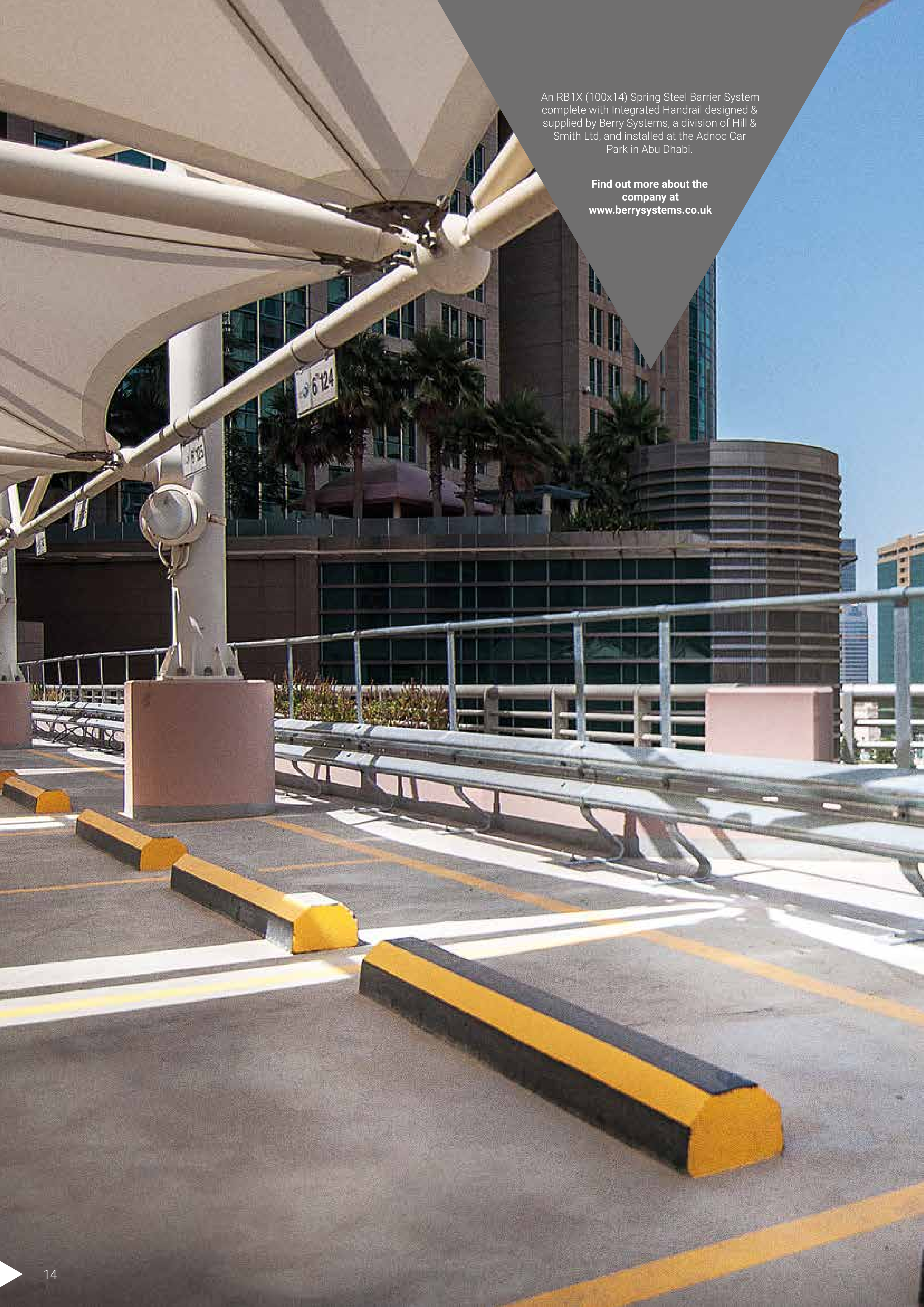
D W Muir
Group Chief Executive

M Pegler
Group Finance Director

8 August 2018

Zoneguard, workforce protection temporary barrier specified for the Northern Corridor Improvement project in Auckland New Zealand.

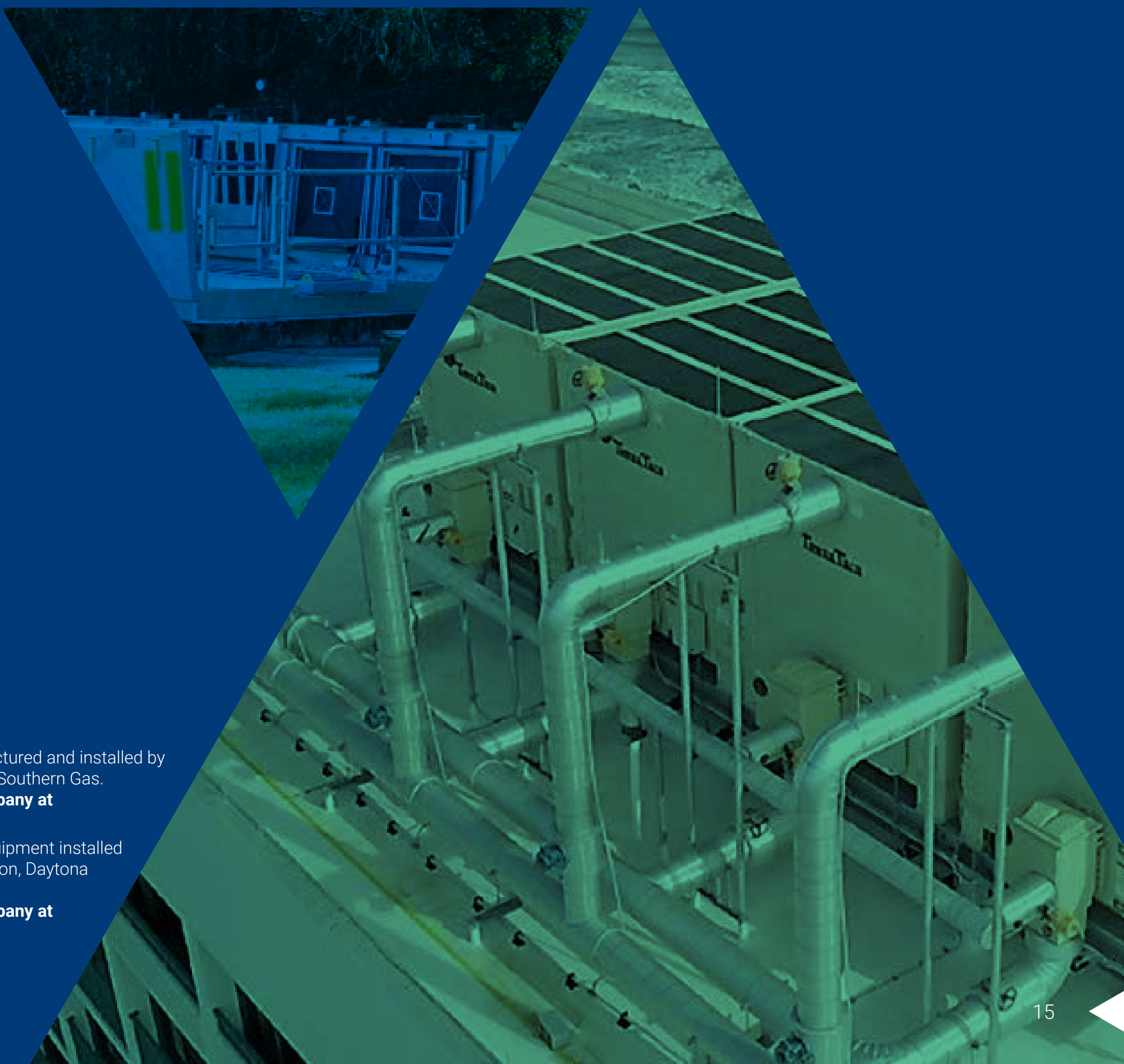




An RB1X (100x14) Spring Steel Barrier System complete with Integrated Handrail designed & supplied by Berry Systems, a division of Hill & Smith Ltd, and installed at the Adnoc Car Park in Abu Dhabi.

Find out more about the company at www.berrysystems.co.uk

Financial Statements



Top: Upstand covers, manufactured and installed by Technocover Ltd on behalf of Southern Gas.
Find out more about the company at www.technocover.co.uk.

Right: Tower Tech cooling equipment installed on the roof of the Daytona Hilton, Daytona Beach, USA.
Find out more about the company at www.towertechinc.com.

Six months ended 30 June 2018

Condensed Consolidated Income Statement

	Notes	6 months ended 30 June 2018 Underlying £m	6 months ended 30 June 2018 Non-underlying* £m	6 months ended 30 June 2018 Total £m	6 months ended 30 June 2017 Underlying £m	6 months ended 30 June 2017 Non-underlying* £m	6 months ended 30 June 2017 Total £m	Year ended 31 December 2017 Underlying £m	Year ended 31 December 2017 Non-underlying* £m	Year ended 31 December 2017 Total £m
Revenue	4	**295.4**	**-**	**295.4**	291.8	-	291.8	585.1	-	585.1
Trading profit	4	**34.6**	**-**	**34.6**	38.8	-	38.8	81.3	-	81.3
Amortisation of acquisition intangibles	6	**-**	**(2.0)**	**(2.0)**	-	(2.0)	(2.0)	-	(4.0)	(4.0)
Business reorganisation costs	6	**-**	**(0.3)**	**(0.3)**	-	(2.0)	(2.0)	-	(2.8)	(2.8)
Pension settlement gains	6	**-**	**-**	**-**	-	0.2	0.2	-	-	-
Impairment of assets	6	**-**	**(0.1)**	**(0.1)**	-	-	-	-	(0.4)	(0.4)
Acquisition costs	6	**-**	**(1.2)**	**(1.2)**	-	(0.2)	(0.2)	-	(0.6)	(0.6)
Gain on disposal of subsidiary	6	**-**	**-**	**-**	-	0.6	0.6	-	0.6	0.6
Operating profit	4, 6	**34.6**	**(3.6)**	**31.0**	38.8	(3.4)	35.4	81.3	(7.2)	74.1
Financial income	7	**0.3**	**-**	**0.3**	0.3	-	0.3	0.6	-	0.6
Financial expense	7	**(1.9)**	**(0.5)**	**(2.4)**	(1.7)	(0.5)	(2.2)	(3.4)	(1.1)	(4.5)
Profit before taxation		**33.0**	**(4.1)**	**28.9**	37.4	(3.9)	33.5	78.5	(8.3)	70.2
Taxation		**(7.2)**	**0.5**	**(6.7)**	(9.0)	0.9	(8.1)	(18.9)	2.6	(16.3)
Profit for the period attributable to owners of the parent		**25.8**	**(3.6)**	**22.2**	28.4	(3.0)	25.4	59.6	(5.7)	53.9
Basic earnings per share	9	**32.8p**		**28.2p**	36.2p		32.3p	75.9p		68.6p
Diluted earnings per share	9	**32.5p**		**27.9p**	35.7p		31.9p	74.8p		67.7p
Dividend per share – Interim	10			**10.0p**			9.4p			9.4p

* The Group's definition of non-underlying items is included in note 6 on page 24.

Six months ended 30 June 2018

Condensed Consolidated Statement of Comprehensive Income

	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Profit for the period	**22.2**	25.4	53.9
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of overseas operations	**(0.3)**	(5.8)	(11.3)
Exchange differences on foreign currency borrowings denominated as net investment hedges	**1.9**	2.8	4.9
Transfers to the Income Statement on cash flow hedges	**-**	-	-
Taxation on items that may be reclassified to profit or loss	**-**	-	-
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on defined benefit pension schemes	**1.4**	1.8	-
Taxation on items that will not be reclassified to profit or loss	**(0.2)**	(0.3)	(0.2)
Other comprehensive income/(expense) for the period	**2.8**	(1.5)	(6.6)
Total comprehensive income for the period attributable to owners of the parent	**25.0**	23.9	47.3

Six months ended 30 June 2018

Condensed Consolidated Statement of Financial Position

	Notes	30 June 2018 £m	30 June 2017 £m	31 December 2017 £m
Non-current assets				
Intangible assets		**183.4**	167.1	163.9
Property, plant and equipment		**150.3**	144.6	145.1
		333.7	311.7	309.0
Current assets				
Assets held for sale		**0.6**	1.1	0.7
Inventories		**97.4**	77.5	84.6
Trade and other receivables		**149.1**	128.1	116.5
Cash and cash equivalents	11	**27.4**	25.7	16.4
		274.5	232.4	218.2
Total assets		**608.2**	544.1	527.2
Current liabilities				
Trade and other liabilities		**(115.4)**	(111.6)	(104.8)
Current tax liabilities		**(10.0)**	(9.3)	(11.7)
Provisions for liabilities and charges		**(1.5)**	(1.6)	(2.1)
Interest bearing borrowings	11	**(0.4)**	(0.3)	(0.3)
		(127.3)	(122.8)	(118.9)
Net current assets		**147.2**	109.6	99.3
Non-current liabilities				
Other liabilities		**(0.8)**	(0.6)	(0.5)
Provisions for liabilities and charges		**(2.9)**	(3.8)	(2.9)
Deferred tax liability		**(8.4)**	(8.8)	(5.6)
Retirement benefit obligation		**(23.2)**	(24.6)	(25.6)
Interest bearing borrowings	11	**(168.2)**	(134.5)	(115.1)
		(203.5)	(172.3)	(149.7)
Total liabilities		**(330.8)**	(295.1)	(268.6)
Net assets		**277.4**	249.0	258.6
Equity				
Share capital		**19.8**	19.7	19.7
Share premium		**34.8**	33.6	34.1
Other reserves		**4.9**	4.8	4.9
Translation reserve		**24.5**	26.3	22.9
Retained earnings		**193.4**	164.6	177.0
Total equity		**277.4**	249.0	258.6

Six months ended 30 June 2018

Condensed Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Other reserves† £m	Translation reserves £m	Hedge reserves £m	Retained earnings £m	Total equity £m
At 1 January 2018	**19.7**	**34.1**	**4.9**	**22.9**	**-**	**177.0**	**258.6**
Adoption of new accounting standards (note 1)	**-**	**-**	**-**	**-**	**-**	**0.9**	**0.9**
At 1 January 2018 – restated	**19.7**	**34.1**	**4.9**	**22.9**	**-**	**177.9**	**259.5**
Comprehensive income							
Profit for the period	**-**	**-**	**-**	**-**	**-**	**22.2**	**22.2**
Other comprehensive income for the period	**-**	**-**	**-**	**1.6**	**-**	**1.2**	**2.8**
Transactions with owners recognised directly in equity							
Dividends	**-**	**-**	**-**	**-**	**-**	**(7.4)**	**(7.4)**
Credit to equity of share-based payments	**-**	**-**	**-**	**-**	**-**	**0.8**	**0.8**
Satisfaction of long term incentive payments	**-**	**-**	**-**	**-**	**-**	**(2.5)**	**(2.5)**
Own shares held by employee benefit trust	**-**	**-**	**-**	**-**	**-**	**1.2**	**1.2**
Shares issued	**0.1**	**0.7**	**-**	**-**	**-**	**-**	**0.8**
At 30 June 2018	**19.8**	**34.8**	**4.9**	**24.5**	**-**	**193.4**	**277.4**

Six months ended 30 June 2017

	Share capital £m	Share premium £m	Other reserves† £m	Translation reserves £m	Hedge reserves £m	Retained earnings £m	Total equity £m
At 1 January 2017	19.7	33.5	4.8	29.3	-	144.9	232.2
Comprehensive income							
Profit for the period	-	-	-	-	-	25.4	25.4
Other comprehensive income for the period	-	-	-	(3.0)	-	1.5	(1.5)
Transactions with owners recognised directly in equity							
Dividends	-	-	-	-	-	(6.7)	(6.7)
Credit to equity of share-based payments	-	-	-	-	-	1.0	1.0
Satisfaction of long term incentive payments	-	-	-	-	-	(2.5)	(2.5)
Own shares held by employee benefit trust	-	-	-	-	-	1.0	1.0
Shares issued	-	0.1	-	-	-	-	0.1
At 30 June 2017	19.7	33.6	4.8	26.3	-	164.6	249.0

† Other reserves represents the premium on shares issued in exchange for shares of subsidiaries acquired and £0.2m capital redemption reserve.

Condensed Consolidated Statement of Changes in Equity
continued

Year ended 31 December 2017

	Share capital £m	Share premium £m	Other reserves† £m	Translation reserves £m	Hedge reserves £m	Retained earnings £m	Total equity £m
At 1 January 2017	19.7	33.5	4.8	29.3	-	144.9	232.2
Comprehensive income							
Profit for the year	-	-	-	-	-	53.9	53.9
Other comprehensive income for the period	-	-	-	(6.4)	-	(0.2)	(6.6)
Transactions with owners recognised directly in equity							
Dividends	-	-	-	-	-	(20.7)	(20.7)
Credit to equity of share-based payments	-	-	-	-	-	1.3	1.3
Satisfaction of long term incentive payments	-	-	-	-	-	(2.5)	(2.5)
Own shares held by employee benefit trust	-	-	-	-	-	(0.1)	(0.1)
Transfers between reserves	-	-	0.1	-	-	(0.1)	-
Tax taken directly to the Consolidated Statement of Changes in Equity	-	-	-	-	-	0.5	0.5
Shares issued	-	0.6	-	-	-	-	0.6
At 31 December 2017	19.7	34.1	4.9	22.9	-	177.0	258.6

† Other reserves represents the premium on shares issued in exchange for shares of subsidiaries acquired and £0.2m capital redemption reserve.

Six months ended 30 June 2018

Condensed Consolidated Statement of Cash Flows

	Notes	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Profit before tax		**28.9**	33.5	70.2
Add back net financing costs		**2.1**	1.9	3.9
Operating profit		**31.0**	35.4	74.1
Adjusted for non-cash items:				
Share-based payments		**0.8**	1.0	1.8
(Gain)/loss on disposal of non-current assets		**(1.8)**	0.1	(0.1)
Gain on disposal of subsidiary		**-**	(0.6)	(0.6)
Depreciation		**9.4**	9.1	18.2
Amortisation of intangible assets		**2.5**	2.5	5.0
Impairment of assets held for sale		**0.1**	-	0.4
		11.0	12.1	24.7
Operating cash flow before movement in working capital		**42.0**	47.5	98.8
Increase in inventories		**(7.2)**	(7.4)	(13.8)
Increase in receivables		**(20.2)**	(16.7)	(5.3)
Increase in payables		**5.1**	7.5	-
Decrease in provisions and employee benefits		**(1.8)**	(1.6)	(3.2)
Net movement in working capital and provisions		**(24.1)**	(18.2)	(22.3)
Cash generated by operations		**17.9**	29.3	76.5
Income taxes paid		**(7.9)**	(9.0)	(16.7)
Interest paid		**(1.9)**	(1.6)	(3.4)
Net cash from operating activities		**8.1**	18.7	56.4
Interest received		**0.3**	0.3	0.6
Proceeds on disposal of non-current assets		**2.1**	1.9	2.3
Purchase of property, plant and equipment		**(10.3)**	(8.6)	(19.4)
Purchase of intangible assets		**(0.3)**	(0.7)	(1.3)
Acquisitions of businesses		**(32.1)**	(5.7)	(7.9)
Disposal of subsidiary		**-**	2.6	2.5
Deferred consideration in respect of prior year acquisitions		**-**	0.4	(0.4)
Net cash used in investing activities		**(40.3)**	(9.8)	(23.6)
Issue of new shares		**0.8**	0.1	0.6
Satisfaction of long term incentive payments		**(1.3)**	(1.5)	(2.6)
Dividends paid	10	**(7.4)**	(6.7)	(20.7)
New loans and borrowings		**65.0**	18.7	32.9
Repayment of loans and borrowings		**(14.1)**	(9.0)	(41.3)
Net cash raised from/(used in) financing activities		**43.0**	1.6	(31.1)
Net increase in cash		**10.8**	10.5	1.7
Cash at the beginning of the period		**16.4**	15.6	15.6
Effect of exchange rate fluctuations		**0.2**	(0.4)	(0.9)
Cash at the end of the period	11	**27.4**	25.7	16.4

Notes to the Condensed Consolidated Interim Financial Statements

1. Basis of preparation

Hill & Smith Holdings PLC is incorporated in the UK. The Condensed Consolidated Interim Financial Statements of the Company have been prepared on the basis of International Financial Reporting Standards, as adopted by the EU ('Adopted IFRSs') that are effective at 8 August 2018 and in accordance with IAS 34: Interim Financial Reporting, comprising the Company, its subsidiaries and its interests in jointly controlled entities (together referred to as the 'Group').

As required by the Disclosure and Transparency Rules of the Financial Services Authority, the Condensed Consolidated Interim Financial Statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published Consolidated Financial Statements for the year ended 31 December 2017 (these statements do not include all of the information required for full Annual Financial Statements and should be read in conjunction with the full Annual Report for the year ended 31 December 2017) except for the adoption of new standards effective as of 1 January 2018.

In 2018 the following standards and amendments had been endorsed by the EU, became effective and therefore were adopted by the Group:

- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 9 'Financial Instruments'
- IFRS 2 'Share Based Payments (amendments to)'.

IFRS 15 'Revenue from Contracts with Customers'

On 1 January 2018 the Group adopted IFRS 15, applying the modified retrospective approach. IFRS 15 provides a single, principles-based approach to the recognition of revenue from contracts with customers, focussing on the identification of performance obligations in a contract and requiring revenue to be recognised when or as those performance obligations are satisfied. The impacts on the Group's results for the period are a cumulative adjustment to increase equity at 1 January 2018 by £0.9m, and an increase in revenue of £0.5m for the six months ended 30 June 2018. This reflects certain revenue streams in the Infrastructure Products - Utilities segment where revenue that was previously recognised at the point of delivery of products to customers is now required to be recognised over the period of manufacture of those products.

A numerical disaggregation of revenue has been presented in note 4, in addition to the segmental revenue analyses previously provided.

IFRS 9 'Financial instruments'

IFRS 9 replaces the majority of IAS 39 and covers the classification, measurement and de-recognition of financial assets and financial liabilities, introduces a new impairment model for financial assets based on expected losses rather than incurred losses, and provides a new hedge accounting model. The adoption of IFRS 9 has not had a material impact on the Group.

The adoption of IFRS 2 'Share Based Payments (amendments to)' has not had a material impact on the Group.

The following standards and interpretations, which were endorsed but not effective as at 30 June 2018 and have not been early adopted by the Group, will be adopted in future accounting periods:

- IFRS 16 'Leases' (effective 1 January 2019)

IFRS 16 replaces IAS 17 'Leases' and requires lessees to recognise a lease liability reflecting the future lease payments and a right-of-use asset for all lease contracts. Upon adoption of IFRS 16, the most significant impact will be the present value of the operating lease commitments (£36.6m at 31 December 2017, as detailed in note 22 to the Group's 2017 Annual Report) being shown as a liability in the statement of financial position together with a right-of-use asset, which are unwound and amortised to the income statement over the life of the lease. There will be no impact on cash flows although the presentation of the cash flow statement will change. The Group is currently finalising its assessment of the impact of the new standard.

The comparative figures for the financial year ended 31 December 2017 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

These Condensed Consolidated Interim Financial Statements have not been audited or reviewed by an auditor pursuant to the Auditing Practices Board's Guidance on Financial Information.

The Financial Statements are prepared on the going concern basis. This is considered appropriate given that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future.

2. Financial risks, estimates, assumptions and judgements

The preparation of the Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2017.

3. Exchange rates

The principal exchange rates used were as follows:

	6 months ended 30 June 2018		6 months ended 30 June 2017		Year ended 31 December 2017	
	Average	**Closing**	Average	Closing	Average	Closing
Sterling to Euro (£1 = EUR)	**1.14**	**1.13**	1.16	1.14	1.14	1.13
Sterling to US Dollar (£1 = USD)	**1.38**	**1.32**	1.27	1.30	1.29	1.35
Sterling to Swedish Krona (£1 = SEK)	**11.54**	**11.81**	11.17	10.96	11.00	11.08
Sterling to Indian Rupee (£1 = INR)	**90.36**	**90.45**	83.24	83.95	83.90	86.30
Sterling to Australian Dollar (£1 = AUD)	**1.78**	**1.79**	1.68	1.69	1.68	1.73

4. Segmental information

The Group has three reportable segments which are Infrastructure Products – Roads, Infrastructure Products – Utilities and Galvanizing Services. Several operating segments that have similar economic characteristics have been aggregated into these reporting segments.

Income Statement

	6 months ended 30 June 2018			6 months ended 30 June 2017		
	Revenue £m	**Result £m**	**Underlying result* £m**	Revenue £m	Result £m	Underlying result* £m
Infrastructure Products - Utilities	**113.0**	**6.3**	**7.3**	107.1	6.5	7.6
Infrastructure Products - Roads	**87.2**	**6.5**	**8.5**	93.8	8.5	10.2
Infrastructure Products - Total	**200.2**	**12.8**	**15.8**	200.9	15.0	17.8
Galvanizing Services	**95.2**	**18.2**	**18.8**	90.9	20.4	21.0
Total Group	**295.4**	**31.0**	**34.6**	291.8	35.4	38.8
Net financing costs		**(2.1)**	**(1.6)**		(1.9)	(1.4)
Profit before taxation		**28.9**	**33.0**		33.5	37.4
Taxation		**(6.7)**	**(7.2)**		(8.1)	(9.0)
Profit after taxation		**22.2**	**25.8**		25.4	28.4

	Year ended 31 December 2017		
	Revenue £m	Result £m	Underlying result* £m
Infrastructure Products - Utilities	215.7	13.5	16.8
Infrastructure Products - Roads	187.1	20.9	23.6
Infrastructure Products - Total	402.8	34.4	40.4
Galvanizing Services	182.3	39.7	40.9
Total Group	585.1	74.1	81.3
Net financing costs		(3.9)	(2.8)
Profit before taxation		70.2	78.5
Taxation		(16.3)	(18.9)
Profit after taxation		53.9	59.6

* Underlying result is stated before Non-underlying items as defined in note 6 on page 24, and is the measure of segment profit used by the Chief Operating Decision Maker, who is the Chief Executive. The Result columns are included as additional information.

Galvanizing Services provided £3.3m revenues to Infrastructure Products – Roads (six months ended 30 June 2017: £3.3m, the year ended 31 December 2017: £6.6m) and £0.8m revenues to Infrastructure Products – Utilities (six months ended 30 June 2017: £1.0m, the year ended 31 December 2017: £1.9m). Infrastructure Products – Utilities provided £2.5m revenues to Infrastructure Products – Roads (six months ended 30 June 2017: £3.4m, the year ended 31 December 2017: £5.6m). These internal revenues, along within revenues generated within each segment, have been eliminated on consolidation.

Notes to the Condensed Consolidated Interim Financial Statements continued

4. Segmental information continued

The Group presents the analysis of revenue by geographical market, irrespective of origin:

	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
UK	**133.0**	149.5	288.6
Rest of Europe	**55.7**	51.3	99.9
North America	**96.8**	81.1	168.0
Asia and the Middle East	**5.3**	6.1	14.5
Rest of World	**4.6**	3.8	14.1
Total reported revenue	**295.4**	291.8	585.1

The Group presents the analysis of revenue by the timing of the transfer of goods or services to the customer:

	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Products and services transferred at a point in time	**230.9**	227.2	458.6
Products and services transferred over time	**64.5**	64.6	126.5
Total reported revenue	**295.4**	291.8	585.1

Products and services transferred at a point in time are standard products and services on which revenue is generally recognised at the point of delivery to customers. Products and services transferred over time include products requiring a substantial degree of customisation, where revenue is recognised over the period of manufacture, installation of products and rental of temporary safety barrier and other road safety products.

5. Operating profit

	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Revenue	**295.4**	291.8	585.1
Cost of sales	**(189.4)**	(185.4)	(365.8)
Gross profit	**106.0**	106.4	219.3
Distribution costs	**(16.6)**	(14.9)	(32.1)
Administrative expenses	**(59.1)**	(56.6)	(114.6)
Other operating income	**0.7**	0.5	1.5
Operating profit	**31.0**	35.4	74.1

6. Non-underlying items

Non-underlying items are disclosed separately in the Consolidated Income Statement where the quantum, nature or volatility of such items would otherwise distort the underlying trading performance of the Group. The following are included by the Group in its assessment of non-underlying items:

- Gains or losses arising on disposal, closure, restructuring or reorganisation of businesses that do not meet the definition of discontinued operations.
- Amortisation of intangible fixed assets arising on acquisitions.
- Expenses associated with acquisitions, comprising professional fees incurred and any consideration which, under IFRS 3 (Revised) is required to be treated as a post-acquisition employment expense.
- Impairment charges in respect of tangible or intangible fixed assets.
- Changes in the fair value of derivative financial instruments.
- Significant past service items or curtailments and settlements relating to defined benefit pension obligations resulting from material changes in the terms of the schemes.
- Net financing costs or returns on defined benefit pension obligations.
- Costs incurred as part of significant refinancing activities.

The tax effect of the above is also included.

6. Non-underlying items continued

Details in respect of the non-underlying items recognised in the current period and prior year are set out below.

Six months ended 30 June 2018

Non-underlying items included in operating profit comprise the following:

- Business reorganisation costs of £0.3m relate to the restructuring of the Group's UK Industrial Flooring business, part of the Infrastructure Products - Utilities segment, a decision taken in light of weaker market conditions in the first half of the year. The restructuring will improve the efficiency and productivity of the business.
- Amortisation of acquired intangible fixed assets of £2.0m.
- Acquisition expenses of £1.2m relating to the acquisitions completed during the period.
- An impairment charge of £0.1m in respect of a property held for sale, reflecting a reduction in the expected realisable value of that property.

Non-underlying items included in financial expense represent the net financing cost on pension obligations of £0.3m and a £0.2m charge in respect of amortisation of costs associated with refinancing.

Year ended 31 December 2017

Non-underlying items included in operating profit comprised the following:

- Business reorganisation costs of £2.8m relating to various restructuring actions taken by the Group:
  - In June 2017, the Group initiated a rationalisation of the Variable Message Signs business that resulted in the closure of two of its operating sites and the consolidation of activities into the remaining site in Hebburn, UK. The business had been operating across three sites since the acquisitions of VMS and Tegrel in 2014/15 and expects to take advantage of cost savings and efficiencies as a result of the rationalisation. The anticipated cost of the exercise is £1.4m.
  - Following a strategic review of the US Pipe Supports business, in March 2017 the Group completed a rationalisation of its branch structure resulting in the closure of three of the seven existing branches and the consolidation of their operations into one strategically located service centre between New York and Philadelphia, serving the eastern region. The cost of this programme was £0.4m.
  - Following the acquisition of Tower Tech in August 2017, the Group commenced a programme to close Tower Tech's existing facility in Oklahoma City and relocate the business to the existing Creative Pultrusions site in Pennsylvania. The cost of this programme, which is expected to be completed by the end of 2018, was £0.4m.
  - In December 2016 the Group announced the closure of its roads business in India having reassessed the prospects in that market. The results for the year-ended 31 December 2016 included a charge of £1.9m in respect of the closure. A further charge of £0.4m was recognised in 2017 representing additional closure costs that were incurred.
  - In March 2016 the Group announced the closure of its non-US Pipe Supports operations. Whilst substantially completed during 2016, additional costs of £0.2m were incurred in 2017 on completion of the closure.
- Amortisation of acquired intangible fixed assets of £4.0m.
- Acquisition expenses of £0.6m related to the two acquisitions completed during 2017.
- An impairment charge of £0.4m in respect of assets held for sale, reflecting a reduction in the expected realisable value of that property.
- In April 2017 the Group sold its traffic data collection business, CA Traffic Limited, to TagMaster AB for net consideration of £2.6m. Net assets disposed were £2.1m resulting in a profit on disposal of £0.6m. The detail of the disposal is set out overleaf:

Notes to the Condensed Consolidated Interim Financial Statements continued

6. Non-underlying items continued

	Total £m
Capitalised development costs	**0.6**
Inventories	**1.4**
Current assets	**0.8**
Cash and cash equivalents	**0.1**
Current liabilities	**(0.8)**
Deferred tax	**(0.1)**
Net assets	**2.0**
Consideration	**2.8**
Less costs of disposal	**(0.2)**
Gain on disposal	**0.6**
Cash flow effect	
Consideration less costs of disposal	**2.6**
Cash and cash equivalents disposed of	**(0.1)**
Net cash consideration shown in the Consolidated Statement of Cash Flows	**2.5**

Non-underlying items included in financial expense represent the net financing cost on pension obligations of £0.7m and a £0.4m charge in respect of amortisation of costs associated with refinancing.

7. Net financing costs

	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Interest on bank deposits	**0.3**	0.3	0.6
Financial income	**0.3**	0.3	0.6
Interest on bank loans and overdrafts	**1.9**	1.7	3.4
Interest on finance leases and hire purchase contracts	**-**	-	-
Total interest expense	**1.9**	1.7	3.4
Financial expenses related to refinancing	**0.2**	0.2	0.4
Interest cost on net pension scheme deficit	**0.3**	0.3	0.7
Financial expense	**2.4**	2.2	4.5
Net financing costs	**2.1**	1.9	3.9

8. Taxation

Tax has been provided on the underlying profit at the estimated effective rate of 22% (2017: 24.0%) for existing operations for the full year.

9. Earnings per share

The weighted average number of ordinary shares in issue during the period was 78.7m, diluted for the effect of outstanding share options 79.6m (six months ended 30 June 2017: 78.6m and 79.5m diluted, the year ended 31 December 2017: 78.6m and 79.6m diluted).

Underlying earnings per share are shown below as the Directors consider that this measurement of earnings gives valuable information on the underlying performance of the Group:

	6 months ended 30 June 2018		6 months ended 30 June 2017		Year ended 31 December 2017	
	Pence per share	**£m**	Pence per share	£m	Pence per share	£m
Basic earnings	**28.2**	**22.2**	32.3	25.4	68.6	53.9
Non-underlying items*	**4.6**	**3.6**	3.9	3.0	7.3	5.7
Underlying earnings	**32.8**	**25.8**	36.2	28.4	75.9	59.6
Diluted earnings	**27.9**	**22.2**	31.9	25.4	67.7	53.9
Non-underlying items*	**4.6**	**3.6**	3.8	3.0	7.1	5.7
Underlying diluted earnings	**32.5**	**25.8**	35.7	28.4	74.8	59.6

* Non-underlying items as detailed in note 6 on page 24.

10. Dividends

Dividends paid in the period were the prior year's interim dividend of £7.4m (2016: £6.7m). The final dividend for 2017 of £16.2m (2017: £14.1m) was paid on 2 July 2018. Dividends declared after the Balance Sheet date are not recognised as a liability, in accordance with IAS10. The Directors have proposed an interim dividend for the current year of £7.9m, 10.0p per share (2017: £7.4m, 9.4p per share), which will be paid on 3 January 2019 to shareholders on the register on 30 November 2018.

11. Analysis of net debt

	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Cash and cash equivalents	**27.4**	25.7	16.4
Interest bearing loans and borrowings due within one year	**(0.4)**	(0.3)	(0.3)
Interest bearing loans and borrowings due after more than one year	**(168.2)**	(134.5)	(115.1)
Net debt	**(141.2)**	(109.1)	(99.0)

Notes to the Condensed Consolidated Interim Financial Statements continued

11. Analysis of net debt continued

	6 months ended 30 June 2018 £m	6 months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Change in net debt			
Operating profit	**31.0**	35.4	74.1
Non-cash items	**11.0**	12.1	24.7
Operating cash flow before movement in working capital	**42.0**	47.5	98.8
Net movement in working capital	**(22.3)**	(16.6)	(19.1)
Change in provisions and employee benefits	**(1.8)**	(1.6)	(3.2)
Operating cash flow	**17.9**	29.3	76.5
Tax paid	**(7.9)**	(9.0)	(16.7)
Net financing costs paid	**(1.6)**	(1.3)	(2.8)
Capital expenditure	**(10.6)**	(9.3)	(20.7)
Proceeds on disposal of non-current assets	**2.1**	1.9	2.3
Free cash flow	**(0.1)**	11.6	38.6
Dividends paid (note 10)	**(7.4)**	(6.7)	(20.7)
Acquisitions	**(32.1)**	(5.3)	(8.3)
Disposals	**-**	2.6	2.5
Amortisation of costs associated with refinancing revolving credit facilities	**(0.2)**	(0.2)	(0.4)
Issue of new shares	**0.8**	0.1	0.6
Satisfaction of long term incentive payments	**(1.3)**	(1.5)	(2.6)
Net debt (increase)/decrease	**(40.3)**	0.6	9.7
Effect of exchange rate fluctuations	**(1.9)**	2.3	3.3
Net debt at the beginning of the period	**(99.0)**	(112.0)	(112.0)
Net debt at the end of the period	**(141.2)**	(109.1)	(99.0)

12. Financial instruments

The table below sets out the Group's accounting classification of its financial assets and liabilities and their fair values as at 30 June. The fair values of all financial assets and liabilities are not materially different to the carrying values.

	Designated at fair value £m	Amortised cost £m	Total carrying value £m	Fair value £m
Cash and cash equivalents	-	**27.4**	**27.4**	**27.4**
Interest bearing loans due within one year	-	**(0.4)**	**(0.4)**	**(0.4)**
Interest bearing loans due after more than one year	-	**(168.2)**	**(168.2)**	**(168.2)**
Derivative assets	**0.1**	-	**0.1**	**0.1**
Derivative liabilities	-	-	-	-
Other assets	-	**139.1**	**139.1**	**139.1**
Other liabilities	-	**(103.2)**	**(103.2)**	**(103.2)**
Total at 30 June 2018	**0.1**	**(105.3)**	**(105.2)**	**(105.2)**

12. Financial instruments continued

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either as a direct price or indirectly derived from prices.
- Level 3 : inputs for the asset or liability that are not based on observable market data.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Derivative financial assets	-	0.1	-	0.1
Derivative financial liabilities	-	-	-	-
At 30 June 2018	-	0.1	-	0.1

At 30 June 2018 the Group did not have any liabilities classified at Level 1 or Level 3 in the fair value hierarchy. There have been no transfers in any direction in the period.

The Group determines Level 2 fair values for its financial instruments based on broker quotes, tested for reasonableness by discounting expected future cash flows using market interest rates for a similar instrument at the measurement date.

13. Acquisitions

On 9 May 2018 the Group acquired the trade and assets of Work Area Protection Corp ("WAPCO") to expand the Group's presence in the US road safety market. WAPCO specialises in the development, manufacture and distribution of a range of road work safety zone products. Details of the acquisition are set out below:

Work Area Protection Corp	Pre acquisition carrying amount £m	Policy alignment and fair value adjustments £m	Total £m
Intangible assets			
Brands	-	0.7	0.7
Customer lists	-	4.1	4.1
Contracts, licenses and other assets	-	4.1	4.1
Property, plant and equipment	3.3	(0.1)	3.2
Inventories	7.2	(0.4)	6.8
Current assets	7.1	-	7.1
Total assets	**17.6**	**8.4**	**26.0**
Current liabilities	(4.2)	(0.1)	(4.3)
Deferred tax	-	(2.1)	(2.1)
Total liabilities	**(4.2)**	**(2.2)**	**(6.4)**
Net assets	**13.4**	**6.2**	**19.6**
Consideration			
Consideration in the period			**29.9**
Goodwill			**10.3**
Cash flow effect			
Consideration			**29.9**
Refund of consideration due			**1.0**
Net cash consideration shown in the Consolidated Statement of Cash Flows			**30.9**

The refund of consideration due is currently based on management's best estimate of the working capital adjustor as the amount has not yet been finalised.

Brands, contractual and customer relationships have been recognised as specific intangible assets as a result of the acquisition. The residual goodwill arising primarily represents the assembled workforce, market share and geographical advantages afforded to the Group. Fair value adjustments have been made to better align the accounting policies of the acquired businesses with the Group's accounting policies and to reflect the fair value of assets and liabilities acquired. There is no difference between the gross value and fair value of acquired receivables.

Notes to the Condensed Consolidated Interim Financial Statements continued

13. Acquisitions continued

The Group also made three other smaller acquisitions during the period:

- The trade and certain assets of D Gibson Road & Quarry Services Limited ('Gibson'), acquired in January 2018;
- The trade and certain assets of Signalvakter Syd AB ('Signalvakter'), acquired in March 2018; and
- The trade and certain assets of The Grating Company Limited ('TGC'), acquired in April 2018.

Details of these acquisitions are set out below:

	TGC Pre acquisition carrying amount £m	Signalvakter Pre acquisition carrying amount £m	Gibson Pre acquisition carrying amount £m	Policy alignment and provisional fair value adjustments £m	Total £m
Intangible assets					
Customer list	-	-	-	0.5	0.5
Property, plant and equipment	-	0.2	-	-	0.2
Inventories	-	-	0.2	(0.1)	0.1
Current assets	0.5	-	-	-	0.5
Cash and cash equivalents	-	-	-	-	-
Total assets	**0.5**	**0.2**	**0.2**	**0.4**	**1.3**
Current liabilities	(0.2)	(0.2)	-	-	(0.4)
Deferred tax	-	-	-	(0.1)	(0.1)
Total liabilities	**(0.2)**	**(0.2)**	**-**	**(0.1)**	**(0.5)**
Net assets	**0.3**	**-**	**0.2**	**0.3**	**0.8**
Consideration					**1.2**
Goodwill					**0.4**
Cash flow effect					
Cash consideration					1.2
Net cash consideration shown in the Consolidated Statement of Cash Flows					**1.2**

Customer relationships have been recognised as specific intangible assets as a result of the acquisitions. The residual goodwill arising primarily represents the assembled workforce and know-how afforded to the Group. Fair value adjustments have been made to better align the accounting policies of the acquired businesses with the Group's accounting policies and to reflect the fair value of assets and liabilities acquired. There is no difference between the gross value and fair value of acquired receivables.

Post acquisition the acquired businesses have contributed £8.5m revenue and £0.9m underlying operating profit, which are included in the Group's Consolidated Income Statement. If the acquisitions had been made on 1 January 2018, the Group's results for the period would have shown revenue of £309.6m and underlying operating profit of £36.4m.

Financial Calendar

Ex-dividend date	29 November 2018
Record date	30 November 2018
Payment of interim dividend for 2018	3 January 2019
Preliminary results announcement for 2018	6 March 2019
Annual General Meeting 2019	16 May 2019

Dividend Reinvestment Plan

Hill & Smith offers a Dividend Reinvestment Plan ('Plan'). The Plan, administered by the Company's Registrars, Computershare Investor Services, allows shareholders to reinvest their cash dividends in Hill & Smith ordinary shares. Shareholders who have not already joined the Plan, and who wish to participate in the Plan in respect of the interim dividend to be paid on 3 January 2019 need to elect to do so by 10 December 2018. In order to make an election, shareholders should contact Computershare Investor Services either by telephoning 0370 707 1058 or by visiting its website www.computershare.com/investor/UK.

Principal Group Businesses

Infrastructure Products - Roads

United Kingdom

Hill & Smith Ltd
Highway and off-highway safety barriers

Springvale Business and Industrial Park,
Bilston, Wolverhampton, WV14 0QL
Tel: +44 (0) 1902 499400
Fax: +44 (0) 1902 499419
info@hill-smith.co.uk
www.hill-smith.co.uk

Asset International Ltd. (D)
Manufacturer of structural solutions including corrugated steel Multiplate, Stren-Cor, Precast arches & VSoL retained earth systems for Highway & Rail construction sectors
www.assetint.co.uk

Asset VRS (D)
Permanent and temporary solutions for vehicle restraints
www.asset-vrs.co.uk

Berry Safety Systems Ltd. (D)
Car park and industrial barriers, spring steel barriers, protection bollards, speed ramps and handrail panels
www.berrysystems.co.uk

Brifen (D)
Wire rope safety fence vehicle restraints and hostile vehicle mitigation products.
www.hill-smith.co.uk

Tegrel (D)
Design and manufacture of bespoke metal fabrications and enclosures
www.tegrel.co.uk

Variable Message Signs (D)
Design, manufacture and installation of LED based light technology solutions
www.vmstech.co.uk

Hardstaff Barriers Ltd*
Temporary and permanent road safety barriers

Hillside, Gotham Road, Kingston-on-Soar,
Nottingham, NG11 0DF
Tel: +44 (0) 115 983 2304
enquiries@hardstaffbarriers.com
www.hardstaffbarriers.com

Mallatite Ltd
Manufacture of lighting columns, bespoke support structures, traffic sign columns, posts and associated lighting products

Holmewood Industrial Estate, Hardwick View Road, Holmewood, Chesterfield,
Derbyshire, S42 5SA
Tel: +44 (0) 1246 593280
Fax: +44 (0) 1246 593281
sales@mallatite.co.uk
www.mallatite.co.uk

Varley & Gulliver Ltd
Vehicle and pedestrian parapets, and passive sign supports

57-70 Alfred Street, Sparkbrook,
Birmingham, B12 8JR
Tel: +44 (0) 121 773 2441
Fax: +44 (0) 121 766 6875
sales@v-and-g.co.uk
www.v-and-g.co.uk

Rest of the World

ATA Hill & Smith AB*
Road safety barriers, road signage and traffic safety solutions
Incorporated in Sweden

Staffans väg 7, 192 78,
Sollentuna, Sweden
Tel: +46 (0) 8 98 80 70
Fax: +46 (0) 8 29 25 15
info@ata.se
www.ata.se

ATA Hill & Smith AS*
Road safety barriers, road signage and traffic safety solutions
Incorporated in Norway

Jacob Borchs Gate 6
3012 Drammen
Tel: +47 (0) 32 26 93 00
post@ata.co
www.ata.no

Conimast International SAS*
Specialist steel lighting columns, galvanizing and steel powder coating
Incorporated in France

Z.I. La Sauniere BP70, 89600,
Saint Florentin, France
Tel: +33 (0) 3 86 43 82 00
Fax: +33 (0) 3 86 43 41 08
contact@conimast.fr
www.conimast.fr

Hill & Smith, Inc.*
Temporary road barrier solutions for workzone protection
Incorporated in the USA

987 Buckeye Park Road, Columbus,
Ohio, 43207, USA
Tel: +1 (614) 340 6294
Fax: +1 (614) 340 6296
info@hillandsmith.com
www.hillandsmith.com

Work Area Protection Corp (D)
Provides smart, safe, innovative solutions for the traffic safety and highway infrastructure businesses
www.workareaprotection.com

Hill & Smith Pty Ltd*
Wire rope and temporary safety barriers
Incorporated in Australia

Unit 1, 242 New Cleveland Road,
Tingalpa, QLD 4173, Australia
Tel: +61 (0) 7 3162 6078
hsroads.com.au

Notes:
The above lists the Company's subsidiary undertakings, except for some intermediate holding companies and certain other undertakings of minor importance. Except where indicated, the undertakings are subsidiaries incorporated in Great Britain and the share capital consists of ordinary shares only.
***** The Company's effective interest is held indirectly for these undertakings.
(D) Operating division only, not a limited company.

Infrastructure Products - Utilities

United Kingdom

Asset International Ltd
Weholite HDPE structured wall, large diameter pipes, for use in the water and construction sectors

Stephenson Street, Newport,
South Wales, NP19 4XH
Tel: +44 (0) 1633 273081
Fax: +44 (0) 1633 290519
sales@weholite.co.uk
www.weholite.co.uk

Barkers Engineering Ltd*
Perimeter security solutions and fasteners

Duke Street, Fenton, Stoke-on-Trent,
Staffordshire, ST4 3NS
Tel: +44 (0) 1782 319264
Fax: +44 (0) 1782 599724
sales@barkersengineering.com
www.barkersengineering.com

Birtley Group Ltd*
Galvanized lintels, construction fittings, composite doors, Expamet builders metalwork & plasterers accessories

Mary Avenue, Birtley, County Durham,
DH3 1JF
Tel: +44 (0) 191 410 6631
Fax: +44 (0) 191 410 0650
info@birtleygroup.co.uk
www.birtleygroup.co.uk

Lionweld Kennedy Flooring Ltd
Open steel flooring, handrailing and ancillary products

Marsh Road, Middlesbrough, TS1 5JS
Tel: +44 (0) 1642 245151
Fax: +44 (0) 1642 224710
sales@lk-uk.com
www.lk-uk.com

Technocover Ltd*
Steel security solutions

Henfaes Lane, Welshpool, Powys, SY21 7BE
Tel: +44 (0) 1938 555511
Fax: +44 (0) 1938 555527
techweb@technocover.co.uk
www.technocover.co.uk

United States of America

Creative Pultrusions, Inc.*
Manufacture of fibre reinforced polymer (FRP) composite profiles

214 Industrial Lane, Alum Bank,
Pennsylvania, 15521, USA
Tel: +1 (814) 839 4186
Toll-free: # 888-CPI-PULL (274-7855)
Fax: +1 (814) 839 4276
crpul@pultrude.com
www.creativepultrusions.com

E.T. Techtonics (D)
Design and construction of fiberglass bridge and boardwalk systems
www.ettechtonics.com

Kenway Composites (D)
Advanced custom composite manufacturing and professional field services for various industries
www.kenway.com

Tower Tech (D)
Manufactures cooling tower products that effectively bridge the gap between sustainability and energy efficiency
www.towertechinc.com

V&S Utilities**
Fabrication of electrical transmission and substation structures and supplier of substation packaging services

987 Buckeye Park Road, Columbus,
Ohio, 43207, USA
Tel: +1 (614) 449 8281
Fax: +1 (614) 449 8851
info@vsschuler.com
www.vsschuler.com

Bergen Pipe Supports, Inc.*
Manufacture and supply of pipe supports solutions, including constant and variable effort supports

484 Galiffa Drive, Donora,
Pennsylvania, 15033, USA
Tel: +1 (724) 379 5212
Fax: +1 (724) 379 9363
www.pipesupports.com

Carpenter & Paterson, Inc.*
Industrial pipe hangers, metal framing channel and fasteners

225 Merrimac Street, Woburn,
Massachusetts, 01801, USA
Tel: +1 (781) 935 2950
Fax: +1 (781) 935 7664
www.pipehangers.com

Novia Associates (D)
Vibration and seismic control manufacturer
www.cp-novia.com

Pipe Supports

Bergen Pipe Supports (India) Private Ltd*
Incorporated in India

Plot No.12, Ground Floor,
"RADHA", Mangala Nagar Main Road,
Porur, Chennai, 600116
Tel: +91 8576 305 666
bpsi@pipesupports.com
www.pipesupports.com

Notes:
The above lists the Company's subsidiary undertakings, except for some intermediate holding companies and certain other undertakings of minor importance. Except where indicated, the undertakings are subsidiaries incorporated in Great Britain and the share capital consists of ordinary shares only.
* The Company's effective interest is held indirectly for these undertakings.
** Trading name for V&S Schuler Engineering Inc and V&S Schuler Tubular Products LLC, both are indirectly held, wholly owned and incorporated in the USA.

Principal Group Businesses continued

Galvanizing Services

United Kingdom

Joseph Ash Ltd*
Galvanizing services

Alcora Building 2, Mucklow Hill
Halesowen, West Midlands, B62 8DG
Tel: +44 (0) 121 504 2560
Fax: +44 (0) 121 504 2599
sales@josephash.co.uk
www.josephash.co.uk

Medway Galvanising Company Ltd*
Galvanizing, shotblasting and powder coating services together with monohinge gates

Castle Road, Eurolink Industrial Centre,
Sittingbourne, Kent, ME10 3RN
Tel: +44 (0) 1795 479489
Fax: +44 (0) 1795 477598
info@medgalv.co.uk
www.medgalv.co.uk

Premier Galvanizing Ltd*
Galvanizing and powder coating services

Unit 25, Stoneferry Business Park
Foster Street, East Riding of Yorkshire,
HU8 8BT
Tel: +44 (0) 1482 587587
Fax: +44 (0) 1482 588599
info@premiergalv.co.uk
www.premiergalv.co.uk

Barkers Engineering Ltd*
Galvanizing and powder coating services

Duke Street, Fenton, Stoke-on-Trent,
Staffordshire, ST4 3NS
Tel: +44 (0) 1782 343811
Fax: +44 (0) 1782 344974
sales@barkersgalvanizing.com
www.barkersgalvanizing.com

Birtley Group Ltd*
Galvanizing services

Mary Avenue, Birtley, County Durham,
DH3 1JF
Tel: +44 (0) 191 410 4421
Fax: +44 (0) 191 492 1817
info@birtleygalvanizing.co.uk
www.birtleygalvanizing.co.uk

United States of America

Voigt & Schweitzer LLC*
Galvanizing Services

987 Buckeye Park Road, Columbus
Ohio, 43207, USA
Tel: +1 (614) 449 8281
Fax: +1 (614) 449 8851
info@hotdipgalvanizing.com
www.hotdipgalvanizing.com

France

France Galva SA*
Galvanizing and powder coaters of steel

Z.I. La Saunière BP70, 89600
Saint Florentin, France
Tel: +33 (0) 3 86 43 82 30
Fax: +33 (0) 3 86 43 82 29
contact@francegalva.fr
www.francegalva.fr

Notes:
The above lists the Company's subsidiary undertakings, except for some intermediate holding companies and certain other undertakings of minor importance. Except where indicated, the undertakings are subsidiaries incorporated in Great Britain and the share capital consists of ordinary shares only.
* The Company's effective interest is held indirectly for these undertakings.

Directors, Contacts & Advisors

Directors

J F Lennox LLB, CA
(Chairman and Non-executive)

D W Muir BSc, CEng, MICE
(Group Chief Executive)

M Pegler BCom, FCA
(Group Finance Director)

A C B Giddins FCA
(Senior Independent Non-executive)

A M Kelleher MSc, BA
(Non-executive)

M J Reckitt BCom, CA
(Non-executive)

Contacts

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Shirley, Solihull
West Midlands
B90 4LH

Tel: +44 (0) 121 704 7430
Fax: +44 (0) 121 704 7439

Registration Details
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Company Number: 671474

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www.hsholdings.com

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C A Henderson FCIS

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Auditor
KPMG LLP
1 Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Brokers and Financial Advisors
Investec Investment Banking
30 Gresham Street
London
EC2V 7QP

Principal Bankers
Barclays Bank Plc
Midlands Corporate Banking Centre
PO Box 3333
1 Snowhill
Snow Hill Queensway
Birmingham
B3 2WN

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Gowling WLG
Two Snowhill
Birmingham
B4 6WR

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Birmingham Street
Oldbury
B69 4EZ

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6 Agar Street
London
WC2N 4HN

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