2022

3 August 2022

Interim Results
Six months ended 30 June 2022

HIGHLIGHTS

Good constant currency revenue and operating profit growth

- +9% revenue and +10% profit vs 2021
- Highlights resilience of our chosen long-term end markets
- Pricing actions taken to recover input cost inflation

Progress on portfolio management

- Proposed disposal of French galvanizing and lighting column operations
- Completed exit of Swedish rental business and low margin road traffic control product portfolio in US

Strong balance sheet supports future growth

- Net debt/EBITDA 1.1 times

Board expectations for 2022 unchanged

- FX provides potential outperformance

Interim dividend 13p per share

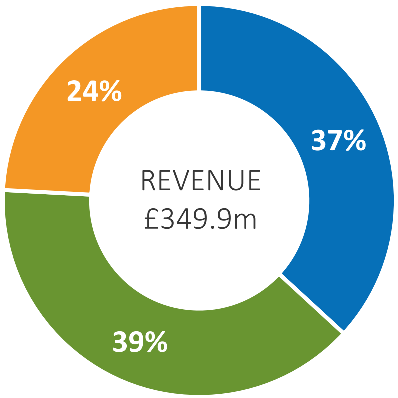
- +8% vs 2021

H1 RESULTS
SUMMARY

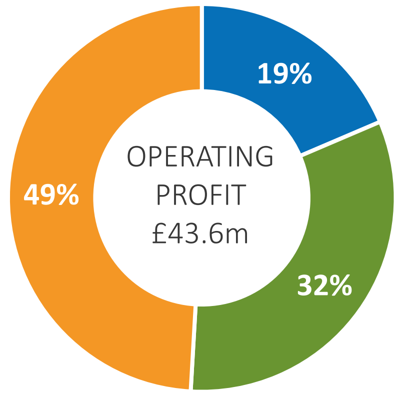
	30 June 2022	30 June 2021	Reported +/-	Constant Currency +/-	Organic Constant Currency +/-
CONTINUING OPERATIONS					
Revenue	**£349.9m**	£313.6m	***+12%***	***+9%***	***+12%***
Operating profit	**£43.6m**	£37.7m	***+16%***	***+10%***	***+8%***
Operating margin	**12.5%**	12.0%	***+50 bps***		
Profit before tax	**£40.2m**	£34.4m	***+17%***		
Earnings per share	**38.7p**	34.2p	***+13%***		
TOTAL GROUP					
Earnings per share	**43.2p**	38.5p	***+12%***		
Dividend per share	**13.0p**	12.0p	**+8%**		

GROUP OVERVIEW
CONTINUING OPERATIONS

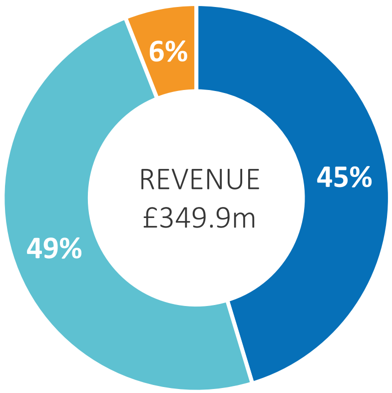
By division



- Galvanizing
- Engineered Solutions
- Roads & Security

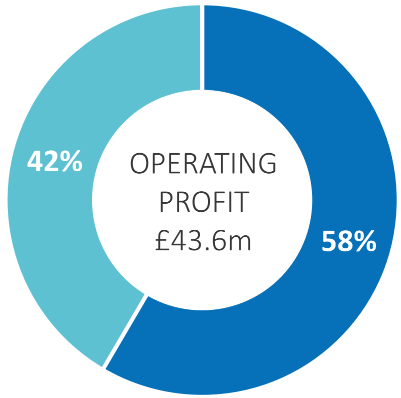


By end market geography



- US
- UK
- Rest of World

By plant location



GALVANIZING

CONTINUING OPERATIONS	H1 2022	H1 2021	Constant Currency +/-	OCC +/-
Revenue (£m)	**84.5**	70.2	+17%	+17%
Operating profit (£m)	**21.4**	17.1	+20%	+20%
Operating margin	**25.3%**	24.4%		

£m	Revenue	Operating Profit
H1 2021	**70.2**	**17.1**
F/X	2.2	0.8
Organic	12.1	3.5
H1 2022	**84.5**	**21.4**

H1 2022 Revenue	£m	OCC +/-
UK	41.4	+17%
US	43.1	+16%
Total	**84.5**	**+17%**

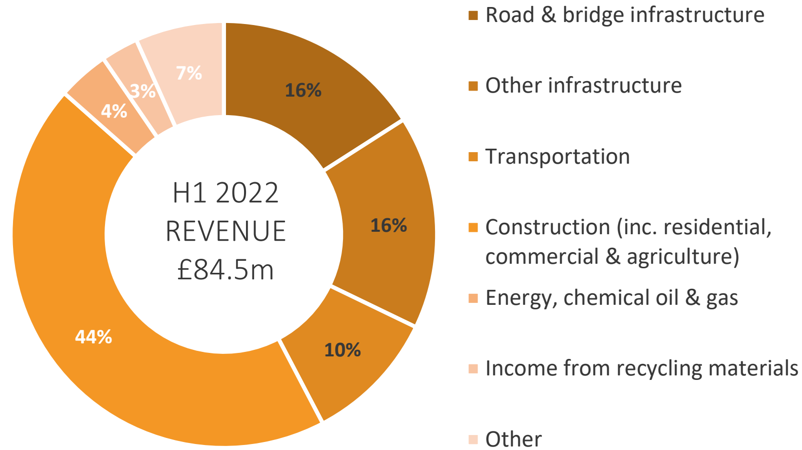
Headlines

- Standout performance: operating profit +20% OCC
- Superior operating margins maintained at 25.3%
- Pricing actions taken to offset input cost inflation
- Record operating profit performance in both geographies:
  - US growth supported by volume increases and pricing actions
  - continued focus on pricing and higher margin work in UK
- Proposed disposal of France Galva treated as discontinued operation

MACRO DRIVERS
- Increasing population
- Urbanisation
- Climate change

MARKET DRIVERS
- Sustainable materials
- Decarbonisation

WIDE SECTORAL SPREAD OF CUSTOMERS IN RESILIENT END MARKETS



Source: Company compiled analysis of H1 2022 revenue end markets

ENGINEERED SOLUTIONS

CONTINUING OPERATIONS	H1 2022	H1 2021	Constant Currency +/-	OCC +/-
Revenue (£m)	**136.5**	107.7	+21%	+21%
Operating profit (£m)	**14.1**	11.8	+14%	+14%
Operating margin	**10.3%**	11.0%		

£m	Revenue	Operating Profit
H1 2021	**107.7**	**11.8**
F/X	4.8	0.6
Organic	24.0	1.7
H1 2022	**136.5**	**14.1**

H1 2022 Revenue	£m	OCC +/-
UK	47.8	+30%
US	85.0	+19%
ROW	3.7	-12%
Total	**136.5**	**+21%**

Headlines

- Strong performance: operating profit +14% OCC
- Operating margins impacted by less favourable product mix in US composites
- Good growth in US, supported by:
  - continued demand for composite solutions
  - buoyant commercial construction market
  - increase in electricity infrastructure upgrade activity
- Record operating profit in UK, underpinned by:
  - strong market demand in housebuilding
  - data and distribution centre market demand for industrial flooring

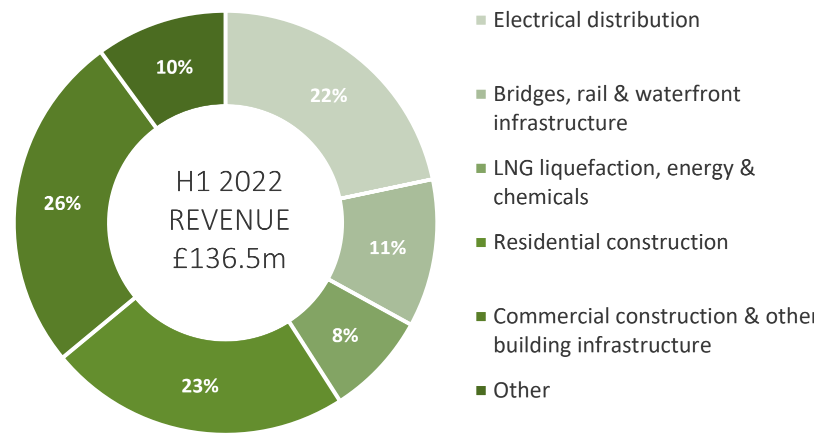
MACRO DRIVERS

- Increasing population
- Urbanisation
- Climate change

MARKET DRIVERS

- Sustainable materials
- Decarbonisation

OPPORTUNITY TO GROW MARKET SHARE IN GROWTH MARKETS



Source: Company compiled analysis of H1 2022 revenue end markets

ROADS & SECURITY

CONTINUING OPERATIONS	H1 2022	H1 2021	Constant currency +/-	OCC +/-
Revenue (£m)	**128.9**	135.7	-6%	+2%
Operating profit (£m)	**8.1**	8.8	-12%	-21%
Operating margin	**6.3%**	6.5%		

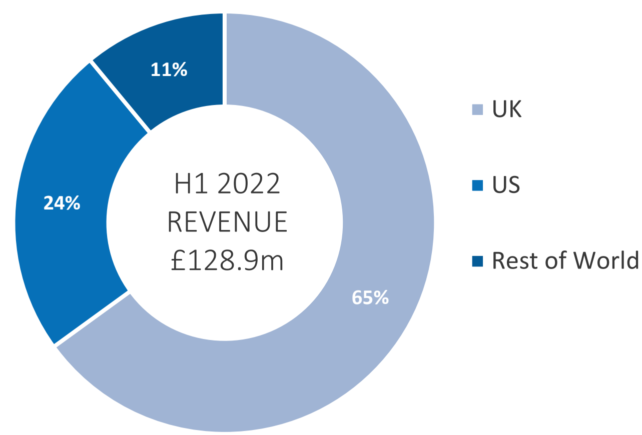
£m	Revenue	Operating Profit
H1 2021	**135.7**	**8.8**
F/X	1.7	0.4
M&A	(11.1)	0.8
Organic	2.6	(1.9)
H1 2022	**128.9**	**8.1**

H1 2022 Revenue	£m	OCC +/-
UK	64.3	+8%
US	30.0	-9%
International	7.4	-14%
Security	27.2	+7%
Total	**128.9**	**+2%**

Headlines

- Lower reported revenue and profit vs H1 2021
- Increase in revenue in UK Roads:
  - lower temporary barrier fleet utilisation
  - offset by strong performance in wider UK portfolio
- US Roads revenue and profit below last year:
  - due to timing of barrier sales
  - margins impacted by manufacturing facility transition
  - strong demand for tested roadside safety products
- Encouraging recovery in certain Security end markets
- Completed exit of Swedish rental business and low margin US plastic cones business

H1 2022 REVENUE BY END GEOGRAPHY



MACRO DRIVERS

- Increasing population
- Urbanisation
- Increasing health & safety regulations

MARKET DRIVERS

- Infrastructure safety
- Vision Zero
- Enabling technology

CASH GENERATION
AND FINANCIAL POSITION

Headlines

- Lower cash conversion due to working capital outflow
  - typical seasonal trends with working capital absorption to support growth
  - raw material cost inflation increasing inventory valuations
- Capital investment to support growth
  - £17m net capex including £13m for growth investments
- Significant liquidity headroom and leverage capacity
  - covenant net debt to EBITDA: 1.1 times
  - £223.7m headroom against borrowing facilities
  - refinancing of revolving credit facility to be completed by end 2022
  - positive discussions with lenders
- Improved Return on Invested Capital
  - 17.5% for continuing operations (2021: 16.7%)

£m	H1 2022	H1 2021
Proforma Group* operating profit	**48.4**	42.5
Depreciation and amortisation	**15.7**	16.4
Underlying EBITDA	**64.1**	58.9
Working capital	**(41.5)**	(15.3)
Capital expenditure (net)	**(17.0)**	(10.0)
Repayments of lease liabilities	**(4.9)**	(5.0)
Movements in provisions / other	**0.4**	(2.7)
Underlying operating cash flow	**1.1**	25.9
Underlying cash conversion ratio (%)	***2%***	*61%*
Restructuring spend (net)	**(0.9)**	(0.6)
Pension deficit payments	**(1.9)**	(1.9)
Interest paid (inc. IFRS 16)	**(2.6)**	(2.5)
Tax paid	**(8.1)**	(9.2)
Free cash flow	**(12.4)**	11.7
Dividends	**(9.6)**	(7.3)
Acquisitions/disposals	**1.5**	(12.3)
Lease movements under IFRS 16	**4.7**	(2.2)
Share issues/other (net)	**0.9**	-
Net cash flow	**(14.9)**	(10.1)
FX impact	**(5.9)**	1.7
Net debt	**165.5**	154.6

*Proforma Group includes both continuing operations and France Galva – see slide 16 for details

OUR ESG FOCUS AREAS

PROGRESS UPDATE

The growth of our business is naturally aligned to the ESG agenda

- Continued focus on ESG across the Group
  - Head of Sustainability joined in February 2022
  - Sustainability Forum established
  - First Group-wide ESG week (June 2022)
- Our commitment to Net Zero
  - Scope 3 baseline activity progressing
  - Local energy saving initiatives
  - Refinement of carbon reduction plans
- Sustainable Products
  - Rollout of Value2Society methodology
- Health & Safety
  - Local safety improvement plans and lifesaving rules established
  - On track to deliver 2022 LTIR target
- Talent & Engagement
  - Senior Leadership Development Programme
  - Head of Talent joined in May 2022

PROTECTING THE WORLD

ESG FOCUS AREAS:

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

UN SDGs

9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action

SAVING AND ENHANCING LIVES

ESG FOCUS AREAS:

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

UN SDGs

5 Gender equality; 8 Decent work and economic growth; 11 Sustainable cities and communities

SUSTAINABLE GOVERNANCE

ESG FOCUS AREAS:

6. Climate risks (TCFD)
7. Ethical conduct

UN SDGs

13 Climate action; 16 Peace, justice and strong institutions

OUR LONG TERM GROWTH DRIVERS
REMAIN RESILIENT

Galvanizing
- Long term need for infrastructure investment, supported by current government commitments: IIJA (US)
- Increasing recognition of sustainability benefits
- Lifetime maintenance cost benefits of galvanizing as a steel corrosion protection system

Engineered Solutions
- Increasing demand for sustainable construction materials
- Energy security and critical need to upgrade ageing US electricity infrastructure, supported by current government commitments (IIJA)
- Climate change creating demand for solutions to protect against extreme weather

Roads & Security
- Long term need to invest in roads and highways to support increased road usage, supported by current government commitments: UK RIS2, US IIJA
- Increasing focus on worker safety
- Vision Zero and other global road safety campaigns

OUR PURPOSE AND STRATEGY

WHY?

Creating sustainable infrastructure and safe transport through innovation

WHERE?

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

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

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

HOW?

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

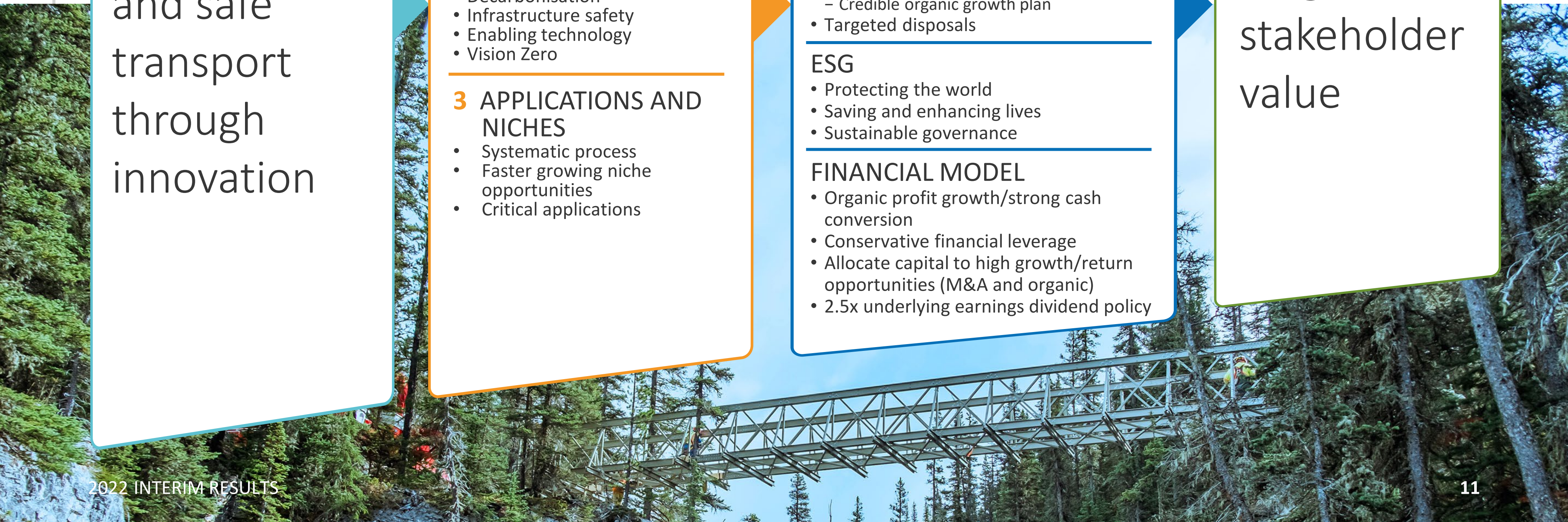
PORTFOLIO MANAGEMENT
- Disciplined M&A
  - Fit with purpose and market drivers
  - Strategic rationale
  - Fast growing niche markets
  - Credible organic growth plan
- Targeted disposals

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

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

WHAT?

Superior long-term stakeholder value



PORTFOLIO MANAGEMENT

PROPOSED DISPOSAL OF FRANCE GALVA SA

Transaction overview

- Proposed disposal of our French galvanizing and lighting column operations: France Galva SA
- Net equity purchase price of c.£61.5m
- Joint purchasers: ZINQ France SAS and Sofigalva (related party)
- Subject to French Works Council consultation and H&S shareholder approval
- Q4 2022 disposal expected, subject to satisfactory notifications and approvals

Rationale

- Forecast growth rates do not meet the Group's long term growth ambitions
- Operating margins below Group average
- No impact on US or UK galvanizing operations
- Opportunity to refocus capital into higher growth markets
- Expected to be dilutive to EPS, but accretive to operating margin and ROIC

OUTLOOK

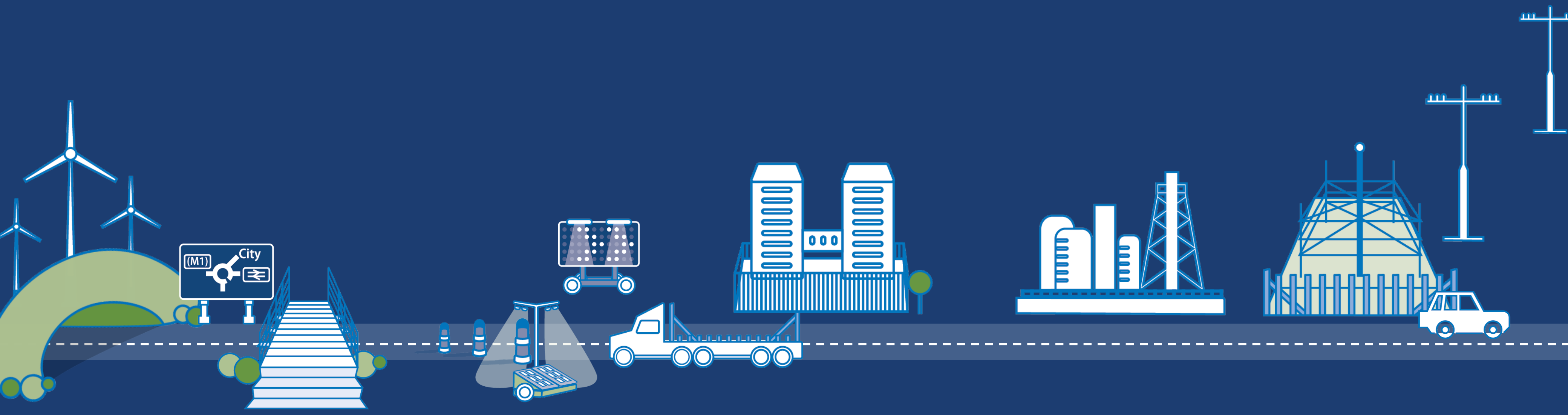
Short term

- Expectations for FY22 remain unchanged, with current foreign exchange rates providing potential outperformance
- Group operates in a range of resilient industrial and infrastructure end markets
- Teams continue to actively manage the ongoing inflationary and supply chain headwinds

Medium to long term

- Supported by strong market growth drivers for sustainable infrastructure and safe transport
- US businesses well placed to benefit from the increased spend approved under the IIJA
- UK Government remains committed to Road Investment Strategy (RIS) funding

APPENDICES



2022
MODELLING GUIDANCE

Working capital
Maintained at c.18% annualised sales

Interest[1]
c.£7.5m

Capex
Total c.£40-45m
- Maintenance c.£15m
- Growth investments c.£28m

H1/H2 weighting
Profit for continuing operations modestly H2 weighted

Effective tax rate[2]
c.23%

Translation impact of FX rate movements

+/- 1 cent move in:	FY Revenue	FY Operating profit
US$	+/- £2.5m	+/- £0.5m

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

PROPOSED DISPOSAL OF FRANCE GALVA

FINANCIAL IMPACT

	30 June 2022			30 June 2021			Proforma Total Group Change		
	Continuing Operations	France Galva	Proforma Total Group	Continuing Operations	France Galva	Proforma Total Group	Reported	Constant Currency	OCC
Revenue	£349.9m	£47.3m	**£397.2m**	£313.6m	£40.6m	**£354.2m**	***+12%***	***+10%***	***+13%***
Operating profit	£43.6m	£4.8m	**£48.4m**	£37.7m	£4.8m	**£42.5m**	***+14%***	***+10%***	***+8%***
Operating margin	12.5%	10.1%	**12.2%**	12.0%	11.8%	**12.0%**	***+20 bps***		
ROIC	17.5%	14.5%	**17.1%**	16.7%	13.6%	**16.3%**	***+80bps***		

H1 2022 accounting treatment

- France Galva SA presented as an asset held for sale and classified as discontinued under IFRS 5
- The French results have been excluded from Continuing Operations and the prior year comparatives have been restated accordingly
- Further details can be found in note 9 to the interim financial statements

PORTFOLIO MANAGEMENT
ACQUISTION HEAT MAP

Strategic considerations

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

Target financials

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

Target characteristics

Ownership	Private	Trade	PE
Business type	Product		Service
Digitisation	High		Low

Capital allocation

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

SCALE

Likely	Possible	Unlikely

CAPITAL ALLOCATION
AND DIVIDENDS

Effective deployment of capital to support growth ambitions

H1 2022 ROIC: 17.5% (continuing operations)

Organic Growth

- Focus on higher return, higher growth markets
- Working capital investment reflective of growth rates

Acquisitions

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

Progressive Dividend

- Focus on maintaining sustainable and progressive dividend policy
- Dividend cover c.2.5 times underlying earnings
- 2022 interim dividend 13p per share

Group ROIC target: >17% through the cycle

DIVISIONAL ANALYSIS
CONTINUING OPERATIONS

£m	H1 2022	Organic	M&A	FX	H1 2021
Galvanizing					
Revenue	**84.5**	12.1	-	2.2	70.2
Underlying operating profit	**21.4**	3.5	-	0.8	17.1
Margin	***25.3%***				*24.4%*
Engineered Solutions					
Revenue	**136.5**	24.0	-	4.8	107.7
Underlying operating profit	**14.1**	1.7	-	0.6	11.8
Margin	***10.3%***				*11.0%*
Roads & Security					
Revenue	**128.9**	2.6	(11.1)	1.7	135.7
Underlying operating profit	**8.1**	(1.9)	0.8	0.4	8.8
Margin	***6.3%***				*6.5%*
Group					
Revenue	**349.9**	38.7	(11.1)	8.7	313.6
Underlying operating profit	**43.6**	3.3	0.8	1.8	37.7
Margin	***12.5%***				*12.0%*

RETURN ON INVESTED CAPITAL
CONTINUING OPERATIONS

Group	H1 2022	H1 2021
Operating profit (£m)	**83.1**	76.4
Average invested capital (£m)	**475.8**	457.6
ROIC %	**17.5**	16.7

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

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

NON-UNDERLYING ITEMS
CONTINUING OPERATIONS

£m	H1 2022	H1 2021
Business reorganisation costs	**(1.6)**	(2.9)
Costs relating to acquisitions and disposals	**(1.1)**	(0.5)
Amortisation of acquisition intangibles	**(2.9)**	(2.9)
Impairment of goodwill/other assets	**(2.5)**	(11.2)
Loss on disposal of subsidiaries	**(0.7)**	(0.8)
	(8.8)	(18.3)

Cash in year (net)	**1.8**	0.7
Future cash	**(2.6)**	(2.8)
Non-cash	**(8.0)**	(16.2)
	(8.8)	(18.3)

DEBT FACILITIES

AVAILABILITY AND USAGE

Principal debt facilities

- Revolving credit facility in place until December 2023; expect to refinance in H2 2022
- Senior notes: $70m unsecured notes mature 2026/29
- Average cost of debt c.2.6%

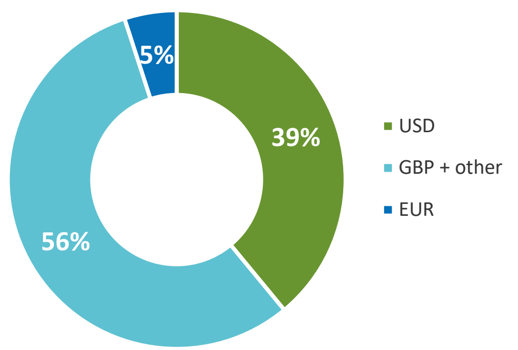
Facilities provide significant headroom of £223.7m

- Net debt: EBITDA 1.1 times (covenant 3 times)
- Interest cover 26.3 times (covenant 4 times)
- Target net debt: EBITDA range between 1.5 and 2.0 times

£m	Net debt	Facility
Committed	**148.1**	343.2
On demand	**-**	11.6
Cash	**(17.0)**	-
Net borrowings	**131.1**	354.8
IFRS 16	**36.6**	
IFRS 9	**(2.2)**	
Reported net debt	**165.5**	

Maturity			
On demand	2022/2023	Dec 2023	2026/2029
11.6	1.3	284.1	57.8

NET DEBT BY CURRENCY (exc. IFRS 16)



£223.7m total headroom

OUR COMMITMENT
TO NET ZERO

Background

- Committed to SBTi in 2021
- Scope 1 & 2 CO_2 emissions
  >50% gas for galvanizing
  >20% electricity (Scope 2)
  >15% HGVs, forklift trucks etc.
  >5% domestic heating

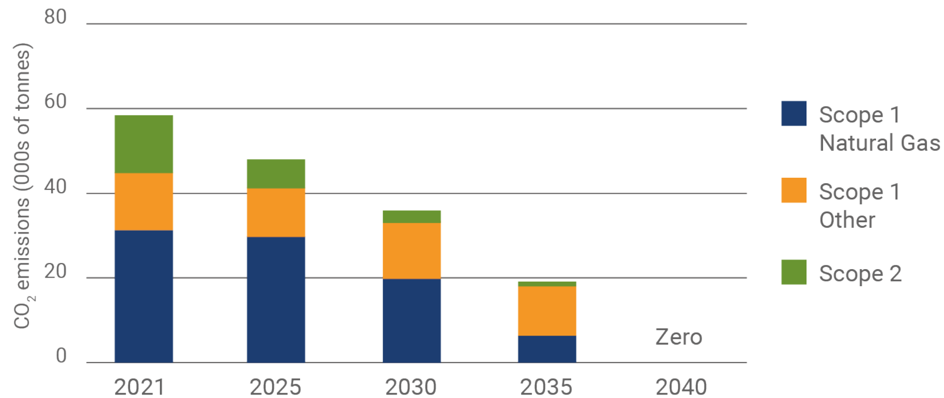
Costed plan

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

Our commitment

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

Net Zero Scope 1 and 2 emissions by 2040



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

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

DISCLAIMER

Cautionary statement

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

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