



Severfield

Interim Results

30 September 2018





Alan Dunsmore
Chief Executive Officer





Highlights

- **Revenue up 9% at £149.1m**
- Underlying profit before tax up 2% at £13.1m
- **Continued cash generation with net funds of £25.3m**
- UK order book at £230m
- **Developing profitability of Indian business – Group share £0.4m**
- Improved India order book of £124m reflecting improved market position, expansion now underway
- **Underlying basic EPS increased to 3.54p**
- Proposed interim dividend of 1.0p per share
- **Revolving credit facility of £25m refinanced until October 2023**



Adam Semple
Group Finance Director



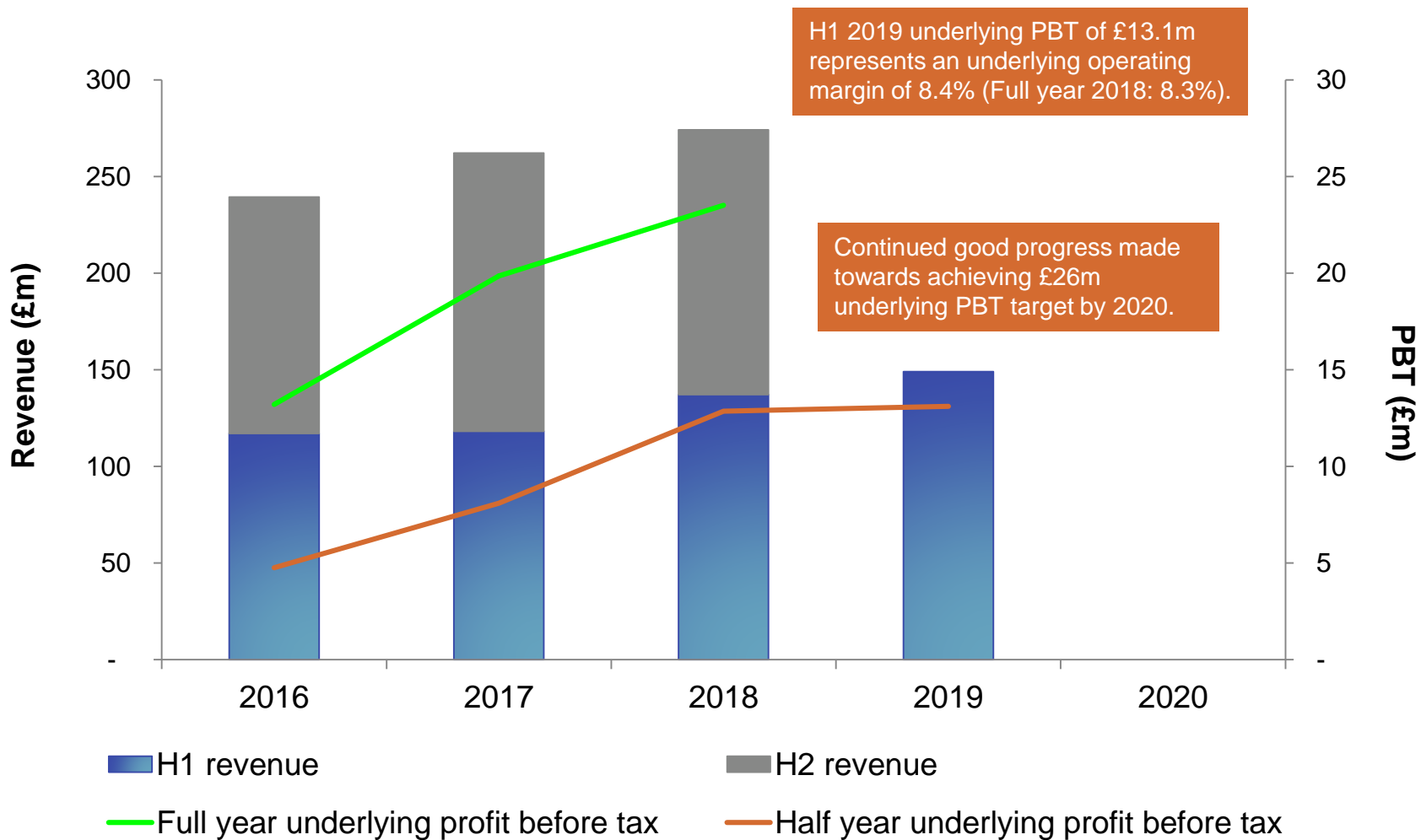
Group income statement



£m	6 months to 30 Sept 2018	6 months to 30 Sept 2017
Revenue	149.1	137.1
Underlying operating profit (before JVs and associates)	12.5 8.4%	12.7 9.3%
Results of JVs and associates	0.7	0.3
Net finance expense	(0.1)	(0.1)
Underlying profit before tax	13.1	12.9
Tax	(2.3)	(2.4)
Underlying profit after tax	10.8	10.5



Revenue and profit



India income statement



£m	6 months to 30 Sept 2018	6 months to 30 Sept 2017	12 months to 31 Mar 2018
Revenue	31.8	21.8	48.6
Operating profit	2.2 7.0%	2.0 9.3%	4.5 9.2%
Finance expense	(1.1)	(1.8)	(3.1)
Profit before tax	1.1	0.2	1.4
Tax	(0.3)	-	(0.4)
Profit after tax	0.8	0.2	1.0
Group share after tax (50%)	0.4	0.1	0.5

- Order book of £124m (June 2018: £106m)
- Expansion now underway to increase capacity by 30,000 tonnes to 90,000 tonnes

Balance sheet

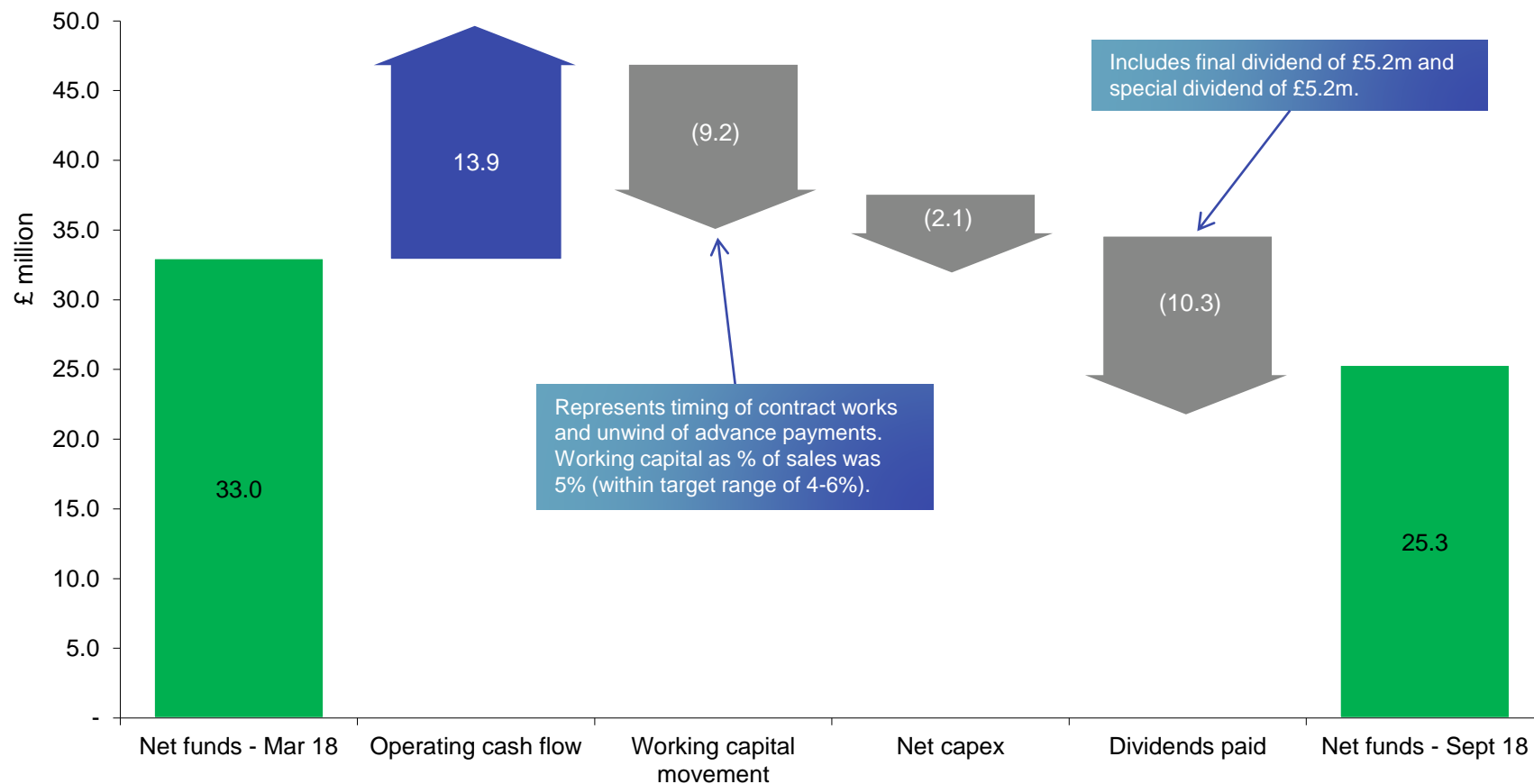


£m	30 Sept 2018	31 Mar 2018
Non-current assets	155.5	154.5
Current assets:		
Inventories	8.1	9.6
Trade and other receivables	64.4	56.5
Cash and cash equivalents	25.4	33.1
	97.9	99.2
Total assets	253.4	253.7
Less:		
Current liabilities	(64.1)	(65.9)
Borrowings	(0.1)	(0.2)
Retirement benefit obligations	(16.7)	(17.2)
Deferred tax liabilities	(1.4)	(1.4)
Total liabilities	(82.3)	(84.7)
Net assets	171.1	169.0

Cash flow



Net funds bridge - period ended 30 September 2018





Alan Dunsmore
Chief Executive Officer



Market sectors



Power and energy



Stadia and leisure



Health and education



Industrial and distribution



Retail



Commercial offices



Transport

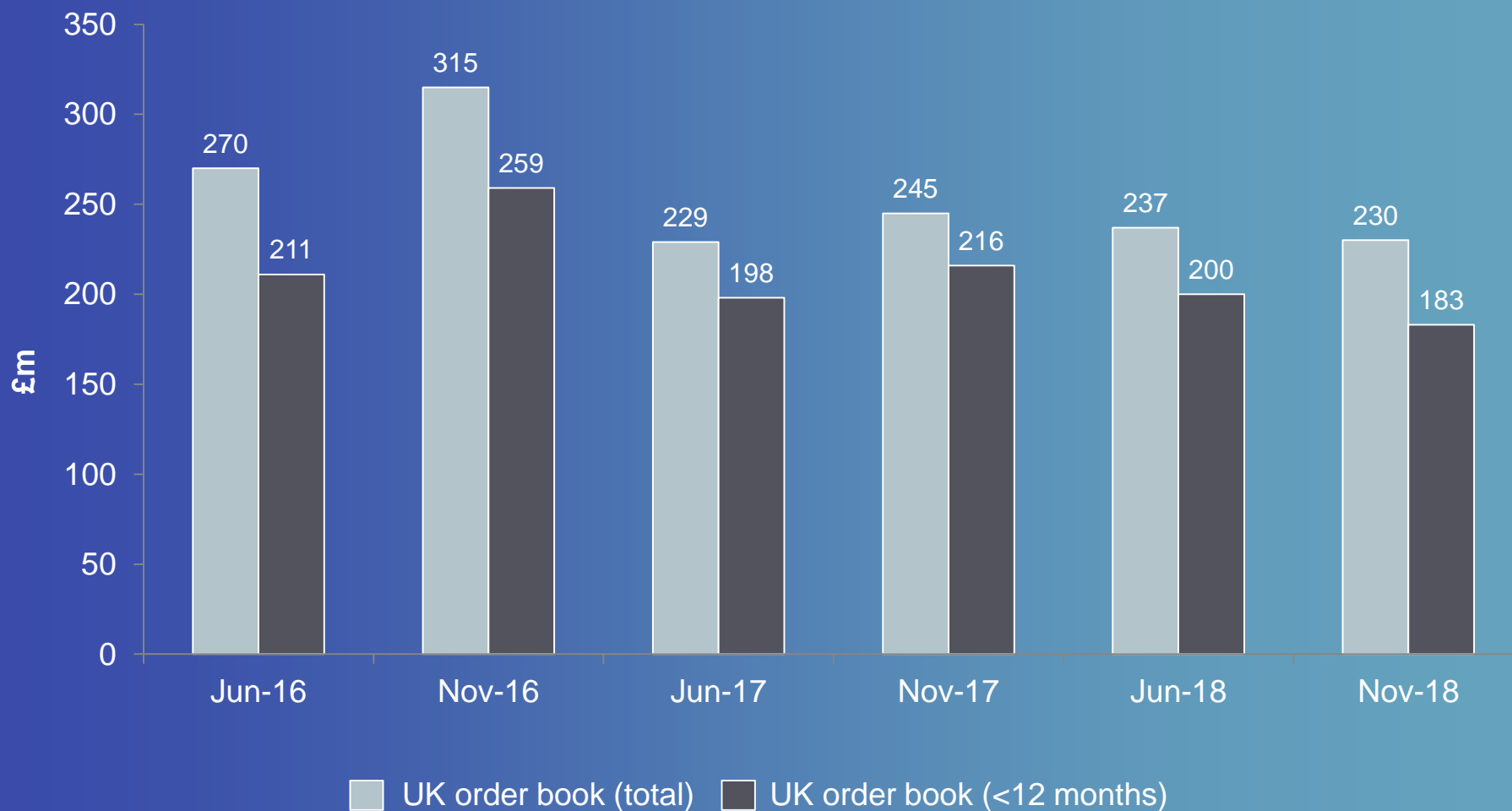


Data centres and other





High quality UK order book

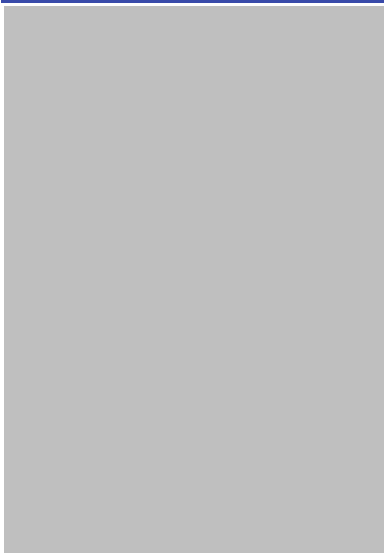




Current major projects

Endorsing Severfield's leading market position

One Braham, London



22 Bishopsgate, London



Three Snowhill, Birmingham



Ardleigh Green Highway Bridges



Coal Drops Yard, London Kings Cross



Tottenham Hotspur FC Stadium



Current major projects

Endorsing Severfield's leading market position



KGX1, London



Project Cavendish, Sheffield



Wimbledon No.1 Court











North Wharf Road, London



UK order book



Sector	Nov 2018 £230m	Jun 2018 £237m	Future Trend
Commercial offices	60%	56%	
Transport	15%	2%	
Industrial and distribution	14%	22%	
Health and education	5%	5%	
Stadia and leisure	3%	2%	
Retail	2%	4%	
Data centres and other	1%	8%	
Power and energy	0%	1%	

Prospects



Unity Square, Nottingham



Stansted Arrivals Terminal, Stansted Airport



Bothwell Street, Glasgow



Leicester City's Training Ground



Prospects



103 Colmore Row, Birmingham



Waterbeach EfW



150 Holborn



WuXi Biologics, Ireland





India - overview

- Economy still strong with GDP growth around 7%.
- Minister for Commerce and Industry suggesting the Indian economy will increase from approximately \$3 trillion to \$5 trillion in the next 7 to 8 years and to \$10 trillion by 2035. Business friendly policies of the Government saw India climb from 147th to 77th on the 'Ease of Doing Business' scale.
- Continued recognition by the construction design and supply chain of the advantages of steel. Most sectors looking positive for growth and embracing more modern methods.
- Strong order book and positive forward outlook supported by next phase of expansion at Bellary, which is underway and will be completed in FY20.

Current major projects - India



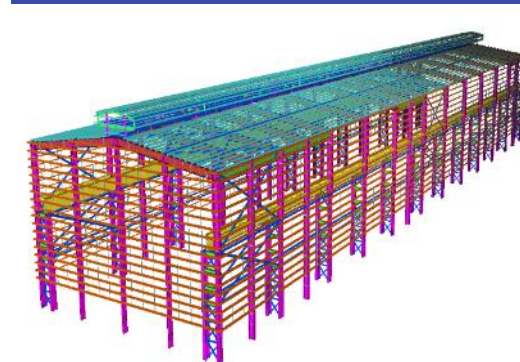
Phoenix - Aquila



Sattva Knowledge Park, Hyderabad



JSW – Pellet Plant, Dolvi



TATA Cancer Hospital



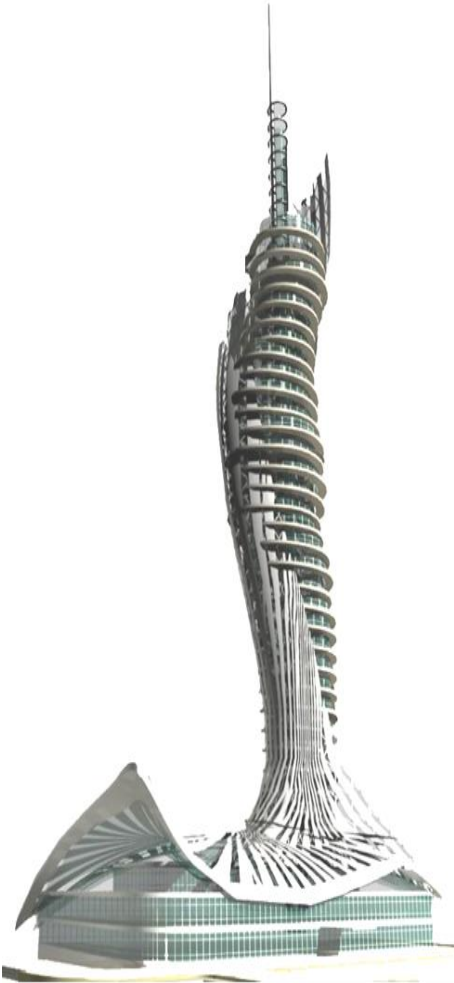
National Cancer Institute



Prospects - India



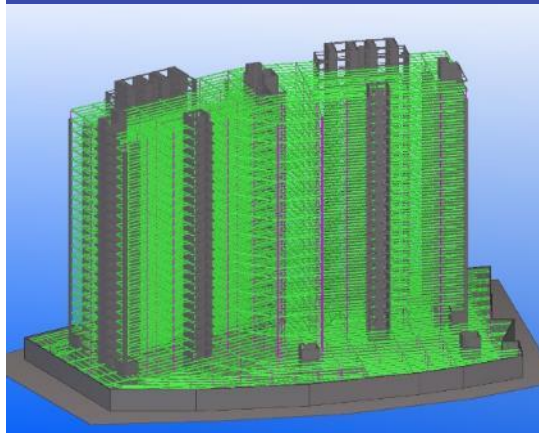
Iconic Tower, Amravati



State Secretariat's Office, Amravati



Hiranandani - TCS



Phoenix – Centaurus





Driving future growth

New revenue streams

- European projects
 - Over 20 live tenders now submitted
 - Growing high-quality pipeline
 - Assisting UK business
- Severfield (Products & Processing)
 - Developing in line with expectations
 - Growing order book
 - Improving market intelligence
- Residential solution
 - Good pipeline of potential opportunities
 - High level of client engagement
- CMF – more cold-rolled products

Smarter, safer, more sustainable

- Innovation
- Systems
- People
- Risk management, control and safety
- Dedicated 'SSS' team
- Optimised steel footprint in North Yorkshire now running at scale





Summary and outlook

- Strong interim results with:
 - Increased revenue
 - Profit growth
 - Continued cash generation
- High quality order book of £230m, of which £183m is for delivery over next 12 months
- Stable UK pipeline of opportunities
- Joint venture in India with £124m order book and reduced debt provides platform for future growth
- 2019 full year results expected to be in line with expectations



Q&A

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