







* -* -* -

Exciting growth prospects

- Aligned to sectors with strong growth potential in UK and Europe
- Well positioned to win projects in support of low carbon economy
- Significant opportunity to grow profits and build value in India

Built on a platform of operational excellence

- Continued momentum from operational improvement initiatives and launch of Project Horizon
- Well invested business with >£60m
 CAPEX over last 10 years

All underpinned by a strong focus on sustainability

- Internal roadmap to Net Zero by 2040
- Named in FT climate change listing for third year running





- Sector, geographical and client diversity
- Good earnings visibility from high-quality order book and strong pipeline





- Five-year average ROCE >15%
- Typically convert >85% of profits into cash



Headlines

- Revenue up 22% to £492m
- Underlying profit before tax up 20% to £32.5m, ahead of expectations
- Net funds of £2.7m reflects improved working capital position
- High-quality diversified UK and Europe order book of £510m (Nov 22: £464m) – good earnings visibility through 2024
- Value is building in India share of profit from JSSL of £1.3m reflects record EBITDA of £11m and output of 108,000 tonnes
- India order book of £139m (Nov 22: £143m)
- Underlying basic EPS up 18% at 8.5p per share
- Total dividend up 10% to 3.4p per share



Group income statement

£m		12 months to 26 Mar 2022	Change
Revenue	491.8	403.6	+22%
Underlying operating profit (before JVs and associates)	33.1 6.7%	26.9 6.7%	+23%
Results of JVs and associates	1.9	1.3	+46%
Net finance expense	(2.5)	(1.1)	-£1.4m
Underlying profit before tax	32.5	27.1	+20%
Tax	(6.3)	(4.8)	-£1.5m
Underlying profit after tax	26.2	22.3	+18%



SHAMM!

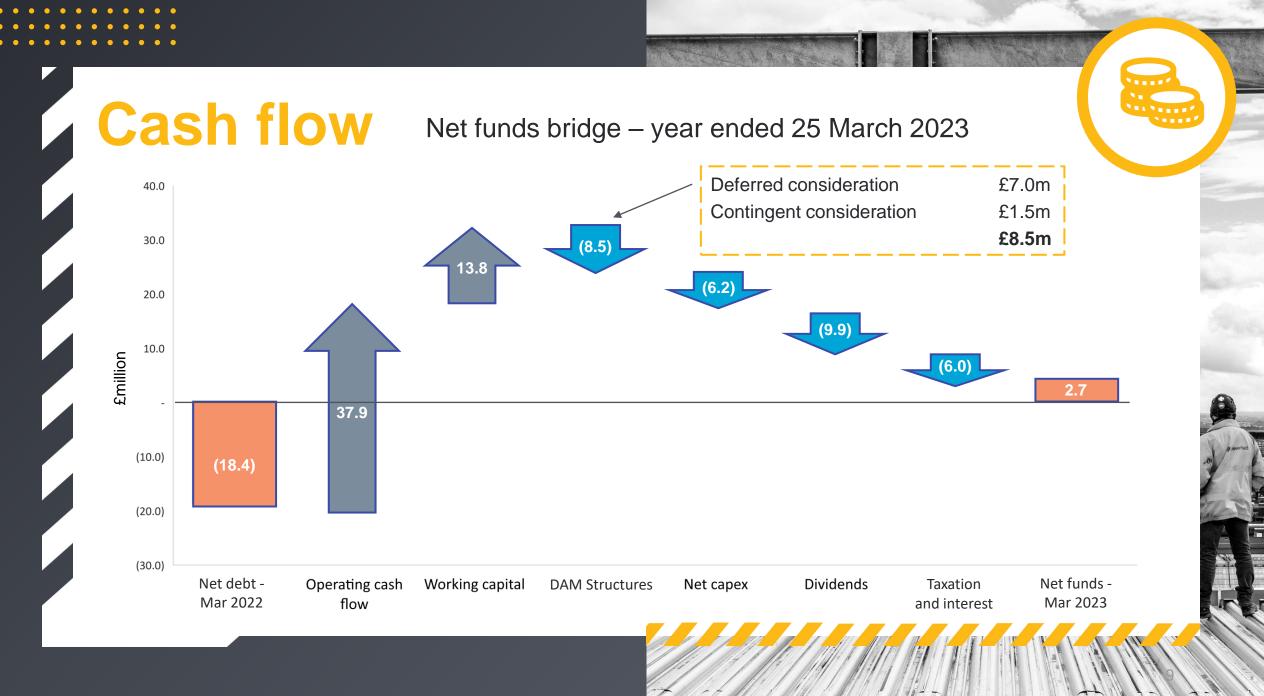
£m	12 months to 25 Mar 2023	12 months to 26 Mar 2022	Change
Revenue	137.7	100.3	+37%
EBITDA Depreciation	11.0 (2.3)	6.8 (1.6)	+62% +£0.7m
Operating profit Operating margin	8.7 6.3%	5.2 5.2%	+67%
Finance expense	(5.1)	(3.3)	-£1.8m
Profit before tax	3.6	1.9	+89%
Tax	(1.0)	(0.4)	-£0.6m
Profit after tax	2.6	1.5	+73%
Group share after tax (50%)	1.3	0.8	+73%

[•] Record output of 108,000 tonnes (2022: 58,000 tonnes)



	£m	25 Mar 2023	26 Mar 2022
	Non-current assets	228.4	230.0
٠, ب	Inventories	13.2	18.0
Surrent assets	Trade and other receivables	109.8	118.5
Sur	Cash and cash equivalents	11.3	-
	Current tax asset	2.3	4.2
		136.6	140.7
	Total assets	365.0	370.7
S	Trade and other payables	(105.1)	(114.7)
iabilities.	Borrowings (includes IFRS 16 leases)	(22.3)	(30.4)
abi	Retirement benefit obligations	(12.9)	(14.4)
	Deferred tax liabilities	(7.0)	(7.2)
7	Total liabilities	(147.3)	(166.7)
	Net assets	217.7	204.0

• RCF increased from £50m to £60m in March 2023



Summary of investment

Capital investment	£m
Site improvements and new production machinery	4.6
Construction site equipment	0.9
Office improvements	0.8
Total	6.3

- Return on capital employed ('ROCE') was 15.8% in 2023 (13.5% in 2022)
- Average ROCE over the last five years has exceeded 15%







Our strategic priorities are unchanged



Drive growth

- Improved market position in Europe acquisition of VSCH, aligned to markets with strong growth potential
- New frameworks and contracts in Nuclear and Infrastructure green infrastructure and transport
- Development of modular solutions expansion of CMF and new product ranges
- Selective acquisitions



Improve operational efficiency

- Delivering manufacturing efficiency and throughput
- Digital transformation through Project Horizon system development and automation
- Innovation including engineering solutions



Grow Indian presence

- Benefitting from strong economic growth and the structural shift from concrete to steel in India
- Plans well advanced to secure new site in India for expansion
- Building value in JSSL



A leadership position on ESG

- Environmentally conscious approach to business and operations a key consideration for clients
- Supporting the Group's workforce to help retention and continually improve skills
- Focus on risk management and health and safety

Project Horizon

PROJECT ON

Aims to maximise the automation of estimating, design, production and contract delivery processes

A long-term project to ensure we remain at the forefront of technology and innovation as market leaders in the industry

Efficiency, service and capacity benefits

Involves a series of projects/initiatives designed to further standardise and

automate systems and processes

Sits alongside other ongoing operational improvement programmes

ESG leadership

IRACE TO ZERO

Environmental

- FT climate leaders listing included for third year running
- CDP score of 'B' for leadership on climate change, 'A-' score in CDP supplier engagement rating
- Maintained carbon neutral accreditation for manufacturing and construction operations
- Net Zero target (scope 1 and 2) established for 2040
- Carbon emission targets on track to be verified by science-based target initiative in 2024

Social

- Gold membership of 'The 5% Club' record number of UK apprentices recruited
- Supported with cost of living in 2023 with salary increases, one-off payments and enhanced benefits
- Delivering social value helps us to win work
- Safety statistics remain industry leading

°CLIMATE GROUP STEELZERO



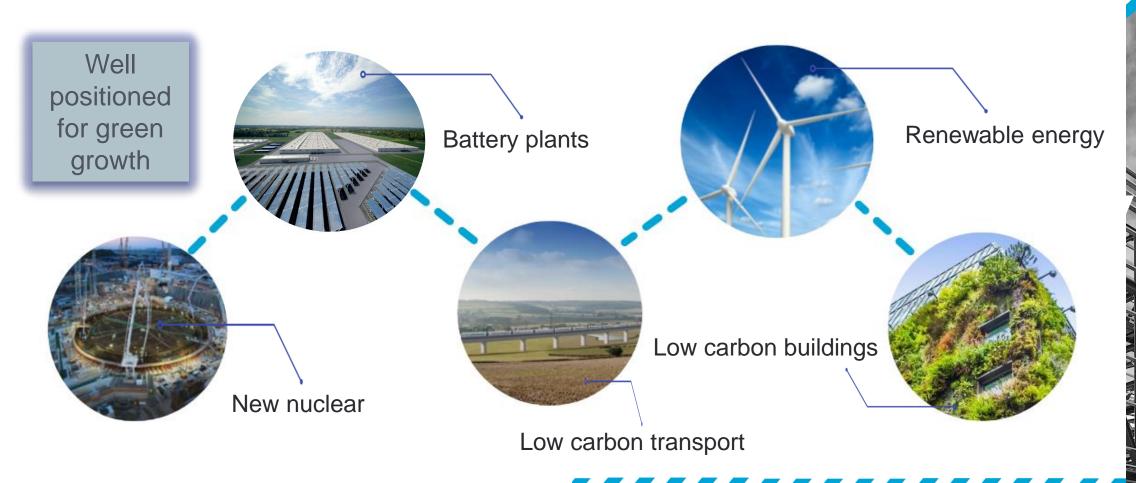
Carbon Zero Certified





Strong proactive approach is increasingly important to competitive advantage

Green investment





Divisional structure



Market sectors

- Industrial and distribution
- Commercial offices
- Stadia and leisure
- Data centres
- Retail
- Health and education



Nuclear and Infrastructure

Market sectors

- Nuclear
- Transport infrastructure
- Power and energy
- Process industries







Group manufacturingDalton, Bolton, Enniskillen, Carnaby



Modular Solutions

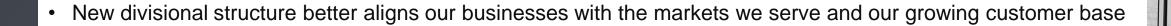
Market sectors

- Severstor
- Supply chain solutions
- Bulk handling solutions



Manufacturing
Sherburn

7**%**7





General market conditions

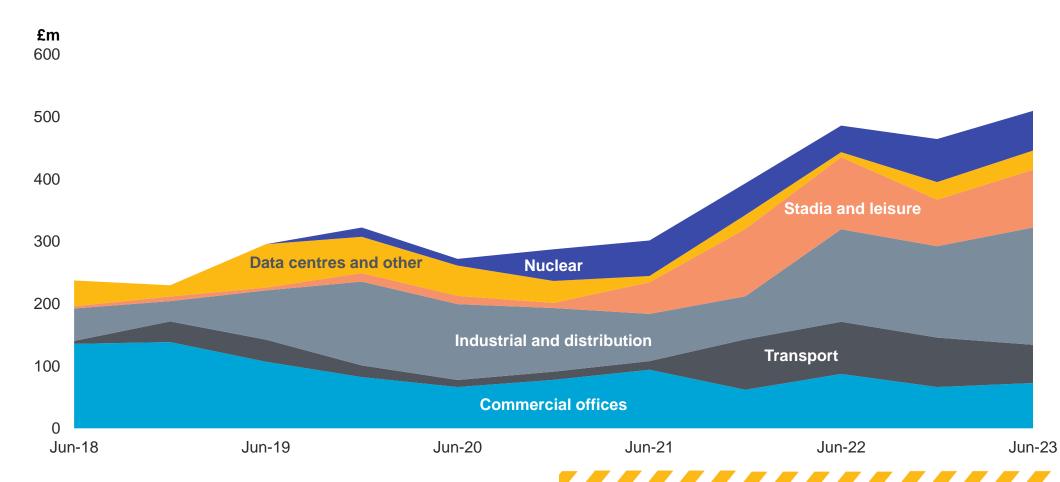
- Favourable outlook in many market sectors
- Prominent position in sectors with strong growth potential including those in support of low-carbon economy
- Some ongoing softness in distribution sector and delays in client decision-making
- Early signs that inflation is starting to stabilise
- Steel supply has remained stable

High-quality UK and Europe order book

Divisional mix (£m)	Jun-23	Nov-22
Group	510	464
Commercial and Industrial	372	308
Nuclear and Infrastructure	133	151
Modular Solutions	5	5
UK	90%	95%
Europe and Ireland	10%	5%



Diversified UK and Europe order book



Commercial and Industrial

Order book	

	Jun-23 £372m	Nov-22 £308m	Future trend for Severfield
Industrial and distribution	51%	48%	
Stadia and leisure	25%	24%	_
Commercial offices	19%	22%	
Data centres and other	5%	5%	
Health and education	_	1%	
Retail	_	_	
TOTAL	100%	100%	
UK	89%	94%	
Europe and Ireland	11%	6%	



- Demand remains strong in many sectors
- Clients and supply chain value balance sheet strength
- Strong pipeline in UK and continental Europe for battery plants, factories, film studios, data centres, stadia, and commercial offices
- Large, complex projects in pipeline play to Group's core competencies
- High-quality order book gives confidence over earnings for 2024 and beyond

Nuclear and Infrastructure

Order	book

	Jun-23 £133m	Nov-22 £151m	Future trend for Severfield
Transport infrastructure	47%	52%	
Nuclear	47%	46%	
Power and energy	6%	2%	
Process industries	_	_	
TOTAL	100%	100%	



- Political support for infrastructure investment
- Selected as 'Key Delivery Partner' on long term Programme and Project Partners (PPP) framework at Sellafield
- Other frameworks including for ancillary steelwork at Hinkley
- Group capability aligned to strong infrastructure growth
- Strong order book and pipeline of opportunities in nuclear (new build, decommissioning, and defence), rail, (CP6,7), HS2, roads, and green energy transition



- Acquisition of Voortman Steel Construction Holding B.V. (VSCH) completed on 3rd April 2023, post year-end
- VSCH is an innovative, market-leading Dutch steel fabrication company, focusing on the industrial, commercial, and residential sectors
- Net cash consideration of €24m on a cash and debt-free basis, funded by a term loan of €21m and cash reserves of €3m
- Acquisition strengthens our market position in Europe and provides us with a tangible manufacturing base in the Netherlands
- VSCH provides us with access to a growing European market, new clients, and a platform to offer a wider range of services to existing clients
- The acquisition will enable future collaboration on robot technology, proprietary fabrication software, and manufacturing of bespoke equipment



1

Across VSCH's three business units:



- Opportunities for further growth in the Netherlands and into neighbouring EU countries
- Further market diversification and access to European customers with international footprints for Severfield to leverage its scale



- Opportunity to grow this turnkey offering serving SMEs and smaller projects in the Netherlands and other EU countries
- Adds new capabilities to Severfield's offering, also providing opportunities for growth in the UK



- Macro-energy and transition trend is driving demand for upgrading and expanding the electricity network – high growth expected over the next 5-10 years
- Credentials and experience in this sector could be used in other new markets where similar trends apply

A stronger position in Europe



Growing the Severfield brand and building a varied client base in Europe, and leveraging our UK scale and experience



Acquisition of VSCH provides us with a tangible manufacturing footprint in Europe



Developing our capabilities that align with European markets that have strong growth potential (battery plants, data centres, residential, power and energy)



New service offerings to access new markets and continued quality manufacturing and consistent project delivery



Strong pipeline and building momentum – clear potential for further market consolidation and future growth in Europe



Severfield Modular Solutions

Consists of Severfield Products and Processing (SPP) and Construction Metal Forming (CMF) JV. Severfield Modular comprises three business areas:

Severstor

Specialist higher margin equipment housings for critical electrical equipment and switchgear.

Critical electrical equipment housing

Specialist buildings

Supply chain

Raw material fabrication and systems for the modular industry including steel cassettes and frames (hot and cold rolled steel capabilities).

Steel components for modular homes and buildings

Bulk handling solutions

Repeatable higher margin products including silo discharging systems.

Rotoflo

Medium term target to grow revenues to £75m - £100m and margins to 10%+



Severstor

- Accessible market increasing >£100m driven by Net Zero targets
- Repeat orders with blue chip clients in power, rail, oil and gas sectors
- Growing pipeline in renewables and data storage
- Few competitors of scale

Supply chain

- Market growth in supply of modular buildings for education, healthcare, and modular homes
- Supply opportunities for steel sub-assemblies, systems for temporary accommodation and other buildings and factory-built houses
- Competition is sub-scale and struggling to adapt to demands and growth of the modular market

Rotoflo

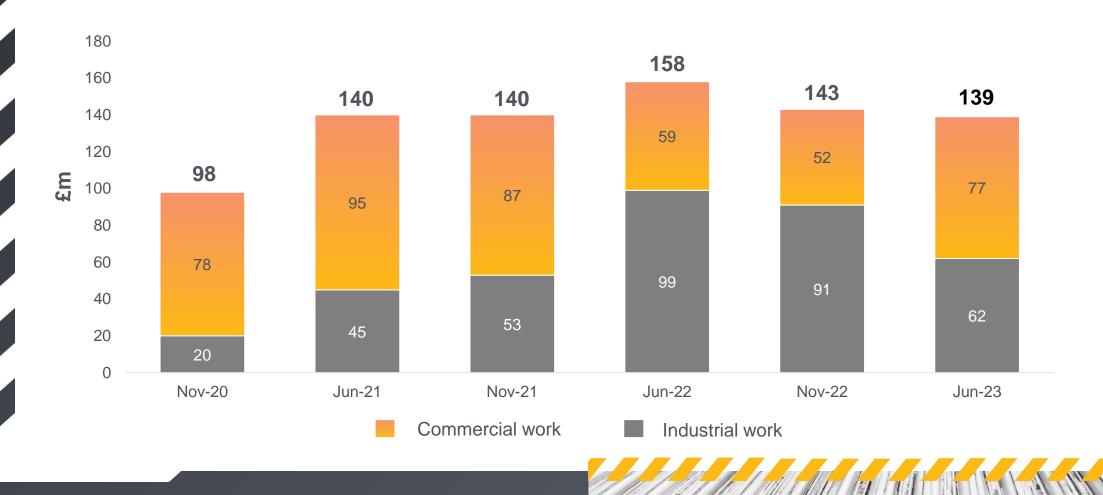
- Established foothold in UK water treatment sector and Indian paint manufacturing sector
- Growth opportunities in chemical processing, food processing and wastewater treatment
- Global potential UK, India, US, Australia and beyond





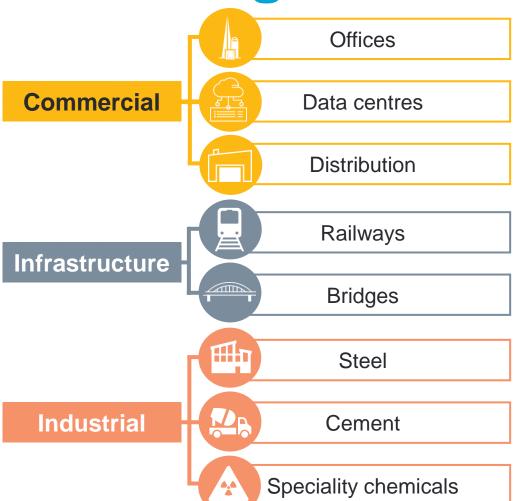
- 37% increase in revenue to £138m and 67% increase in operating profit to £8.7m
- Record output of 108,000 tonnes and EBITDA of £11m
- Strong order book of £139m and high-quality projects in the pipeline
- Business plan revalidated reaffirming growth opportunities in new and existing markets and value creation potential of JSSL
- Steel in construction expected to grow from 5m tonnes in 2023 to 16-18m tonnes in 2028 with increasing bias towards factory-made steel
- Plans to secure additional land in India are well advanced

India order book









Growth is expected to remain strong in the medium term with developments in steel construction continuing to improve

Data growth continues to be strong due to increased adoption of cloud and digital data consumption – expected to continue in medium term and improve beyond

Increased demand for warehouse storage facilities – expected to continue in medium term with demand exceeding supply

Increased demand – significant government investment planned to develop multi-modal railway hubs – steel is material of choice

Increased demand – infrastructure development and replacement of old bridges is needed – significant development planned under the dedicated freight corridor

Increased demand – most large players are continuing with ambitious expansion plans and have more planned in the future

Demand is good as market grows – factory made steel continues to grow but only for selected applications

Strong demand and positive outlook – large investments are planned





Summary

- 2023 was a very successful year:
 - Revenue and profits up 20%
 - Increased final dividend
 - Strong cash generation
- Launch of Project Horizon and continued progress with operational improvements and ESG initiatives
- Post year-end acquisition of VSCH strengthens our market position in Europe





Outlook

- Strategy is unchanged
- Strong, high-quality order books provide good profit visibility through 2024
- Many of our chosen markets continue to have a favourable outlook
- Significant pipeline opportunities in UK and Europe
- Reaffirmed growth opportunities and value creation potential in India
- Expect 2024 results to be in line with expectations

