

TClarke

Investor Pack

Interim results for the 6 months ending 30th June 2019



130 years of progress

Introduction to your presenters



Mark Lawrence
Group Chief Executive Officer
Appointed to Board, 2nd May 2003

Mark has had 31 years with the company and started his career here by completing an electrical apprenticeship in 1987. He progressed through the company, becoming Technical Director in 1997, Executive Director in 2003 and Managing Director, London Operations in 2007. As Group Chief Executive Officer since January 2010, Mark has led strategic changes across the group and remains a hands-on leader, taking personal accountability and pride in Clarke's performance and, ultimately our shareholders' and clients' satisfaction. He regularly walks project sites and gets involved personally with many of our clients, contractors and our supply chain.



Trevor Mitchell
Group Finance Director
Appointed to the Board on 1st February 2018

Trevor is a Chartered Accountant and accomplished finance professional with extensive experience across many sectors, including financial services, construction and maintenance, education and retail, working with organisations such as Balfour Beatty plc, Kier Group plc, Rok plc, Clerical Medical Group and Halifax plc. Prior to his appointment, Trevor had been working with TClarke since October 2016, assisting with simplifying the structure and improving the Group's financial controls and procedures.



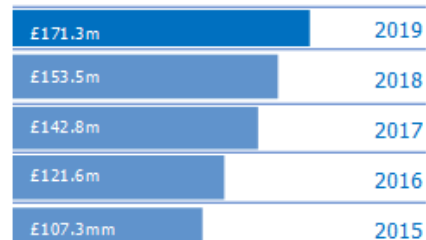
Financial Highlights

Financial Highlights

Six months to 30th June 2019

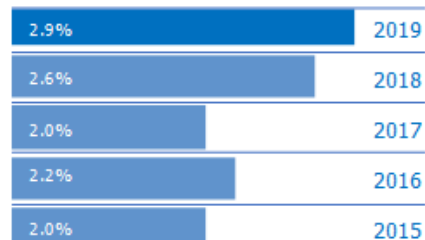
Group revenue

£171.3m



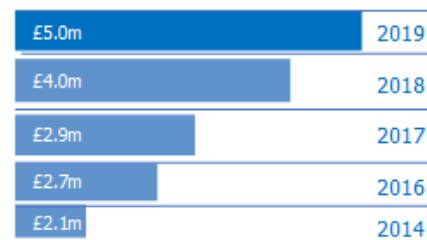
Underlying operating margin

2.9%



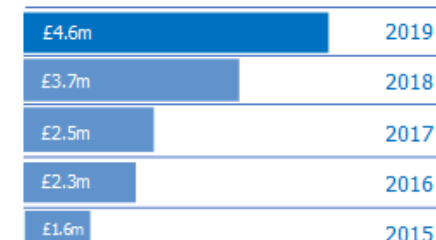
Underlying operating profit before tax and interest

£5.0m



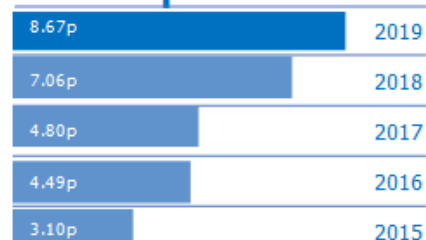
Underlying Profit before tax

£4.6m



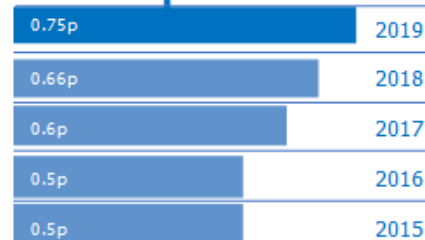
Underlying earnings per share

8.67p



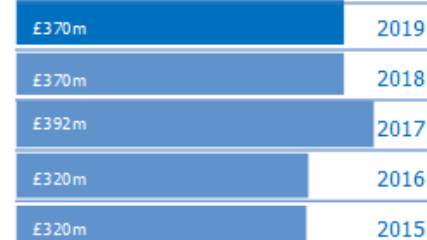
Dividend

0.75p



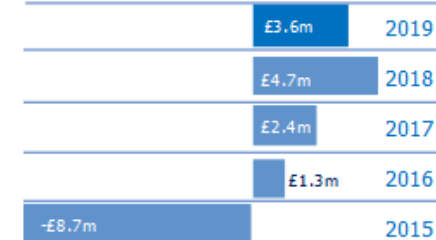
Forward order book

£370m



net Cash

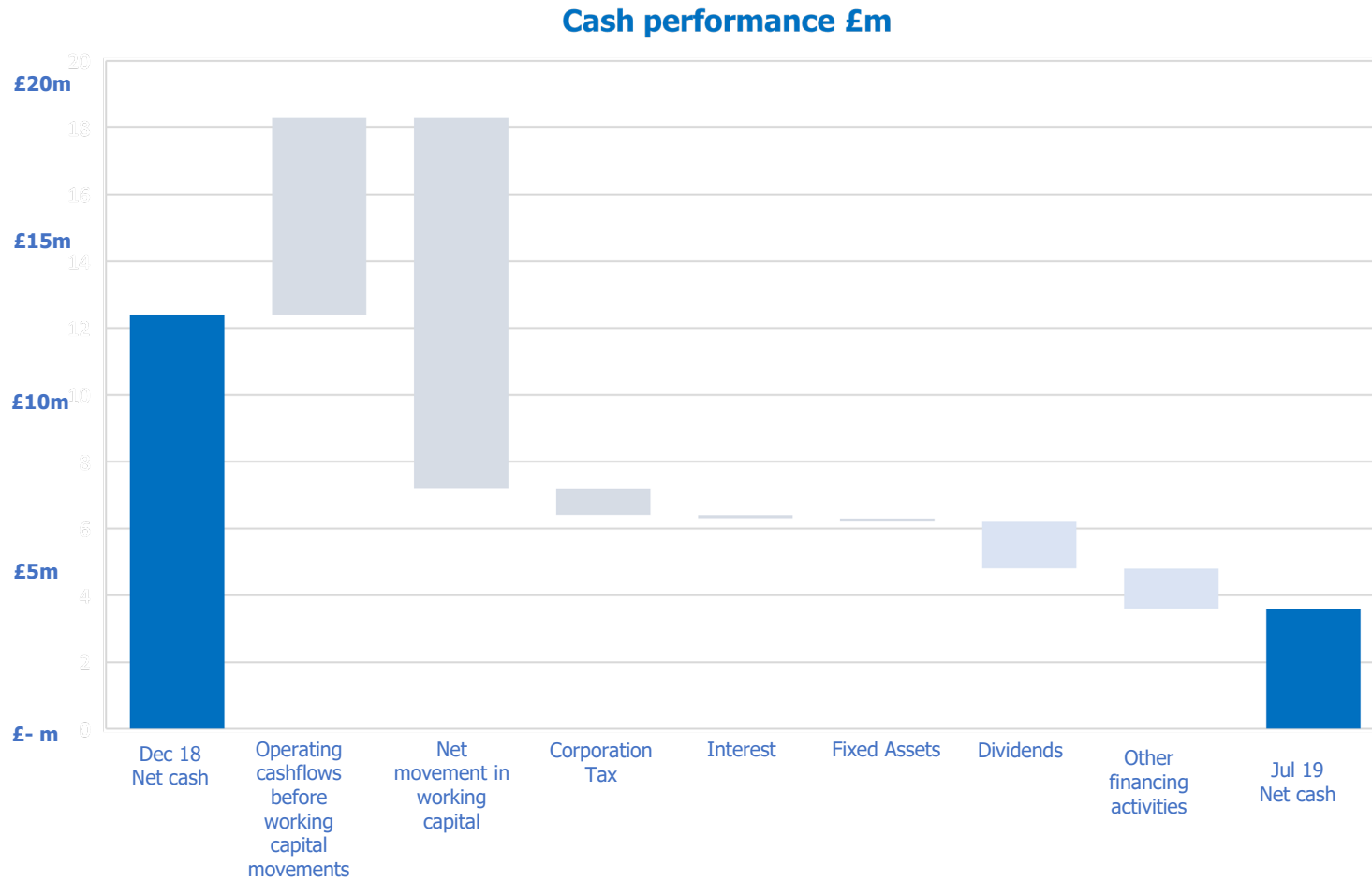
£3.6m



Financial Highlights

	Underlying items £m	Non- underlying items £m	Total £m	Underlying items £m	Non- underlying items £m	Total £m
Revenue	171.3	–	171.3	153.5	–	153.5
Cost of sales	(149.5)	–	(149.5)	(136.1)	–	(136.1)
Gross profit	21.8	–	21.8	17.4	–	17.4
Other operating income	–	–	–	–	–	–
Administrative expenses						
Amortisation of intangible assets	–	(0.1)	(0.1)	–	(0.1)	(0.1)
Non-underlying costs	–	–	–	–	0.5	0.5
Other administrative expenses	(16.8)	–	(16.8)	(13.4)	–	(13.4)
Total administrative expenses	(16.8)	(0.1)	(16.9)	(13.4)	0.4	(13.0)
Operating profit	5.0	(0.1)	4.9	4.0	0.4	4.4
Finance costs	(0.4)	–	(0.4)	(0.3)	–	(0.3)
Profit before taxation	4.6	(0.1)	4.5	3.7	0.4	4.1
Taxation	(0.9)	–	(0.9)	(0.8)	–	(0.8)
Profit for the financial year	3.7	(0.1)	3.6	2.9	0.4	3.3
Earnings per share						
Attributable to owners of TClarke plc						
Basic	8.67	(0.21)	8.46	7.06	0.77	7.83
Diluted	8.24	(0.21)	8.03	6.91	0.76	7.67

Cash Flow



Financial Highlights - Segmental

	London £m	UK South £m	UK North £m	Group Costs and Unallocated £m	HY 2019 Total £m	HY 2018 Total £m
Revenue from contracts with customers	101.1	36.4	33.8	–	171.3	153.5
Underlying profit from operations	4.3	1.4	0.8	(1.5)	5.0	4.0
Amortisation of intangibles	–	–	(0.1)	–	(0.1)	0.4
Non-recurring items	–	–	–	–	–	–
Profit from operations	4.3	1.4	0.7	(1.5)	4.9	4.4
Finance costs	–	–	–	(0.4)	(0.4)	(0.3)
Profit before tax	4.3	1.4	0.7	(1.9)	4.5	4.1
Taxation expense					(0.9)	(0.8)
Profit for the year from continuing operations					3.6	3.3

	London £m	UK South £m	UK North £m	HY 2019 Total £m	FY 2018 Total £m
Business Sector					
FM and Frameworks	1.7	4.6	7.1	13.4	9.7
Infrastructure	7.9	13.1	8.2	29.2	24.8
M & E Contracting	59.5	13.2	5.3	78.0	91.6
Residential/Accommodation	7.9	4.0	11.5	23.4	16.2
Technologies	24.1	1.5	1.7	27.3	11.2
Total	101.1	36.4	33.8	171.3	153.5

Balance Sheet

	HY 2019 £m	HY 2018 £m
Non-current assets		
Intangible assets	25.5	25.8
Property, plant and equipment	8.7	4.8
Deferred tax assets	4.5	3.1
Total non-current assets	38.7	33.7
Current assets		
Inventories	0.3	-
Amounts due from customers under construction contracts	39.2	22.5
Trade and other receivables	67.2	59.0
Cash and cash equivalents	3.6	9.7
Total current assets	110.3	91.2
Total assets	149.0	124.9
Current liabilities		
Amounts due to customers under construction contracts	(7.9)	(2.7)
Trade and other payables	(88.4)	(75.1)
Current tax liabilities	(1.0)	(0.8)
Obligations under finance leases	(4.1)	(0.1)
Total current liabilities	(101.4)	(78.7)
Net current assets	8.9	12.5
Non-current liabilities		
Bank loans	-	(5.0)
Retirement benefit obligations	(26.1)	(18.9)
Total non-current liabilities	(26.1)	(23.9)
Total liabilities	(127.5)	(102.6)
Total net assets	21.5	22.3

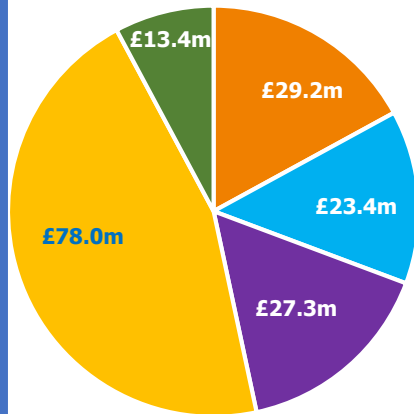


Strategic Markets

Our five target markets

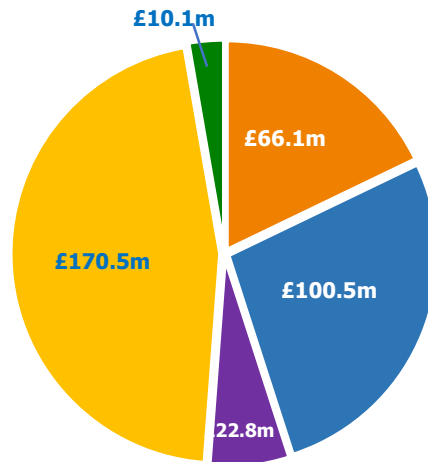
2019 Half Year Revenue

£171.3m

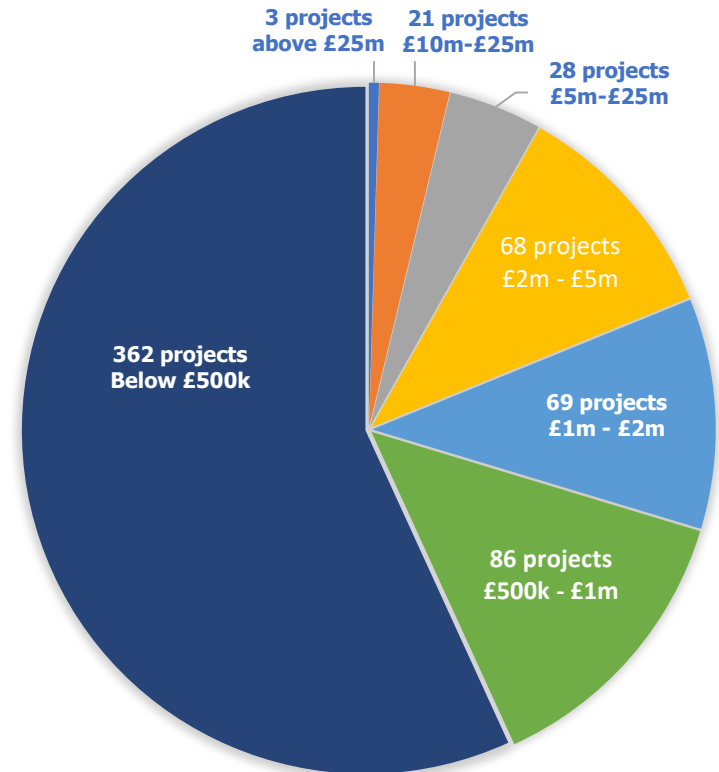


Half Year Forward order book as at 30th June 2019

£370.0m



Projects by value



Infrastructure



Residential & Accommodation



Facilities Management & Frameworks



M&E Contracting



Technologies

Factors Driving Data Centre Growth



Background

TClarke has been involved in various UK Data Centre projects and is actively pursuing opportunities in the European market.

European Data Centre projects are typically £30-40m and potentially up to £100m.

We have identified several key markets and potential partners.

Key points

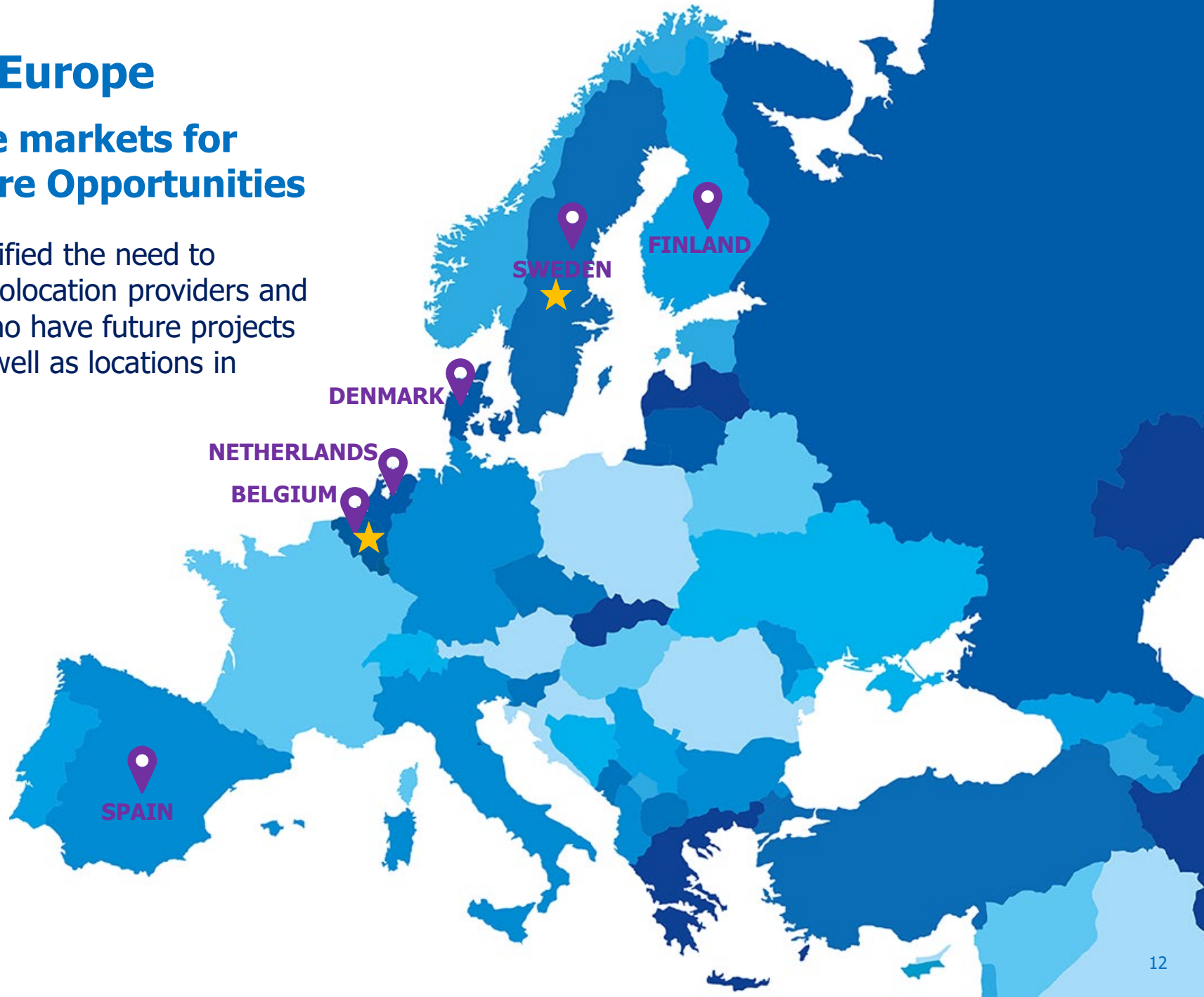
- We know clients are looking to add more M&E companies into the supply chain – timing is therefore right.
- It must add value.
- Recognise that there will be some investment needed.
- The right team is important.
- Ability to deliver is crucial, we must not over expose the business.
- Good visibility for the next 5 – 10 years.
- We do not want to be a general M&E contactor in Europe.



TClarke Europe

Key future markets for Data Centre Opportunities

We have identified the need to engage with Colocation providers and Enterprises who have future projects in the UK, as well as locations in Europe.



Infrastructure – current projects



London

City of London Academy,
Shoreditch Park



London

Royal Free Hospital,
Pears Building



Plymouth

Derriford Hybrid Theatres Project



Cambridge

Northstowe Education Campus



Sussex

Uckfield Community
Technology College



Lancashire

HM Prison Wymott A & B Wing
HM Prison Wymott & Garth



Richmond

Turing House Secondary School



Newcastle

Claremont Complex,
Newcastle University

Residential & Accommodation – current projects



London

The Peninsula Hotel



London

One Bishopsgate Plaza



London

The Minories Hotel



Hendon

Beaufort Park
Blocks F1, 2, 8 & 9
384 residential units



Scotland

Letham Views, Haddington,
Edinburgh



Scotland

Merlin Gardens, East Kilbride



Scotland

Hunter's Meadow
Phase 2 & 3a Auchterarder



Sheffield

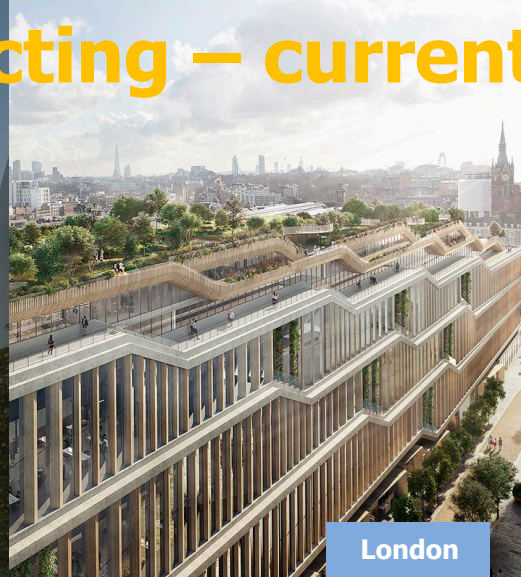
Ecclesall Student Accommodation

M&E Contracting – current projects



London

One Nine Elms



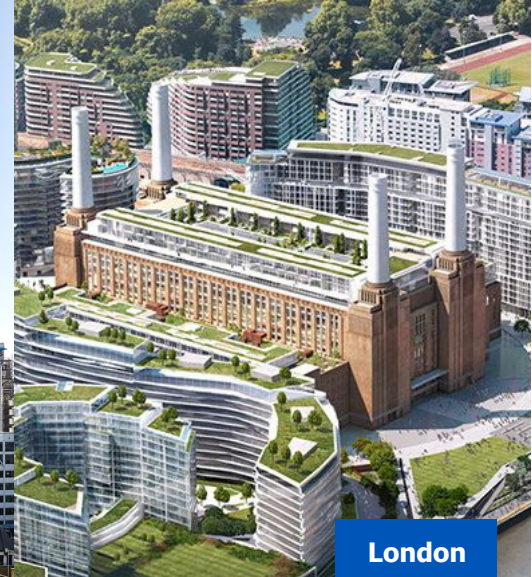
London

KGX1 for Tech Client



London

22 Bishopsgate



London

Battersea Power Station



London

One Crown Place



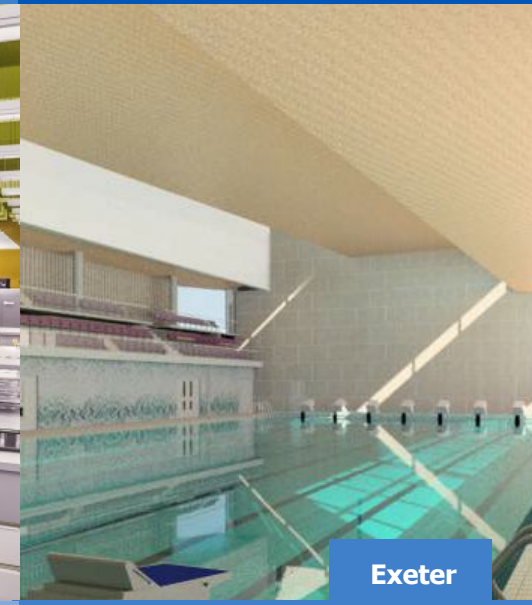
Bristol

Colston Hall



Exeter

Middlemoor Southside Development
Operational Hub and Custody Centre



Exeter

St. Sidwell's Point
Leisure Centre

Technologies – current projects



London

22 Bishopgate
IT/FA/BMS/Security



London

Levels 7, 8 & 9 Canada Square
Canary Wharf Tower



London

1 Bank Street
BMS



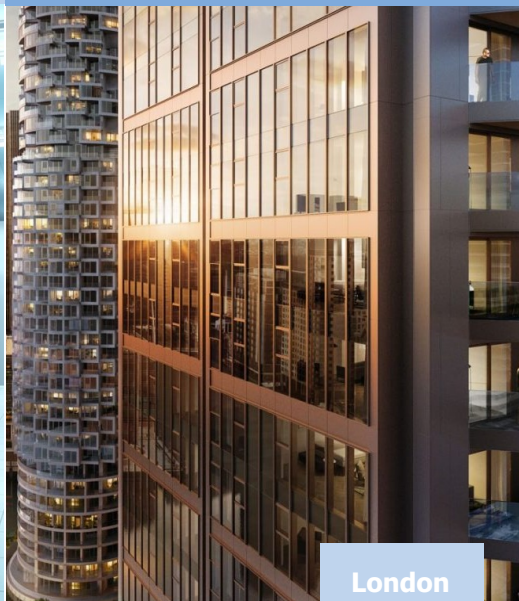
London

Battersea Power Station Phase 2
BMS Installation



London

3 UK Data Centres



London

Wood Wharf Buildings E1 & E2
BMS



London

Modules for
Triton Square



London

Utility Cupboard
1 Bishopgate Plaza

Facilities Management and Frameworks

- current clients

AGFA



BAE SYSTEMS



Dräger



**LUMINOUS
ELECTRICAL**



Ministry
of Defence



IMERYS



Westinghouse

Springfields Fuels Ltd



Interserve
Ingenuity at work

ATALIAN
GLOBAL SERVICES



Department for Environment
Food and Rural Affairs



Keele
University



Diocese
of Derby
THE CHURCH
OF ENGLAND

CBRE



cavendish
nuclear



UNIVERSITY OF
BIRMINGHAM



Cefas



Derbyshire
Fire & Rescue Service



UnitedHealthcare®

millerhomes



Vertu
Motors plc

ScarsdaleVets
Pets. Farm. Equine.





Summary

Summary

TClarke's strength is our market reputation for operational excellence and focus on delivery across a broad range of target markets.

- Order book has been maintained at £370 million.
- London market, is frustrated by the ongoing political uncertainty – we are seeing some future opportunities delayed
- Investing in new geographical regions in the UK – Manchester and Liverpool.
- Entering European Data Centre markets.

2019 results expected to be in line with the Board's expectations.



Opportunities

Scotland Opportunities



Glasgow

Glasgow University
Technologies Package - contract value £10m



NDA has been signed/no image available

Glasgow

Project Grant
M&E Package - contract value £30m



Glasgow

Keepmoat, Sighthill Regeneration Programme
Social Housing – contract value £4m



Edinburgh

CALA Homes, Boroughmuir High School Conversion
Luxury apartments – contract value £2m



Edinburgh

Barratt Homes
New build homes – contract value £2.5m

Newcastle Opportunities



Gateshead

Quayside Arena/Area development

We are currently working in the area (Gateshead Spec Office) and are aware of future plans to develop the Tyne Quayside



Gateshead

Gateshead Spec Office Plot 2

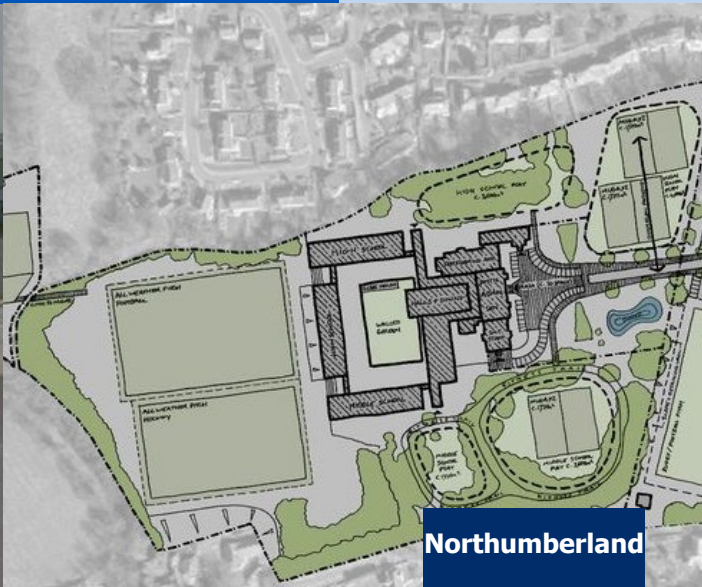
Gateshead Spec Office plot 2, this should form part of a follow on from the current Gateshead Spec Office development which we are currently on site with Willmott Dixon.



Northumberland

Northumberland School Rebuild

Northumberland Council are due to release this project to design proposal tender submission.



Northumberland

Hexham School

A brand new middle and high school complex incorporating an exiting listed building. Bidding partner Galliford Try. (circa £3m electrical)



Sunderland

Vaux Building 2

Sunderland Council – This is a new build development on the former Vaux Brewery. Mixed use offices circa £8m M&E

Leeds Opportunities



York

York University

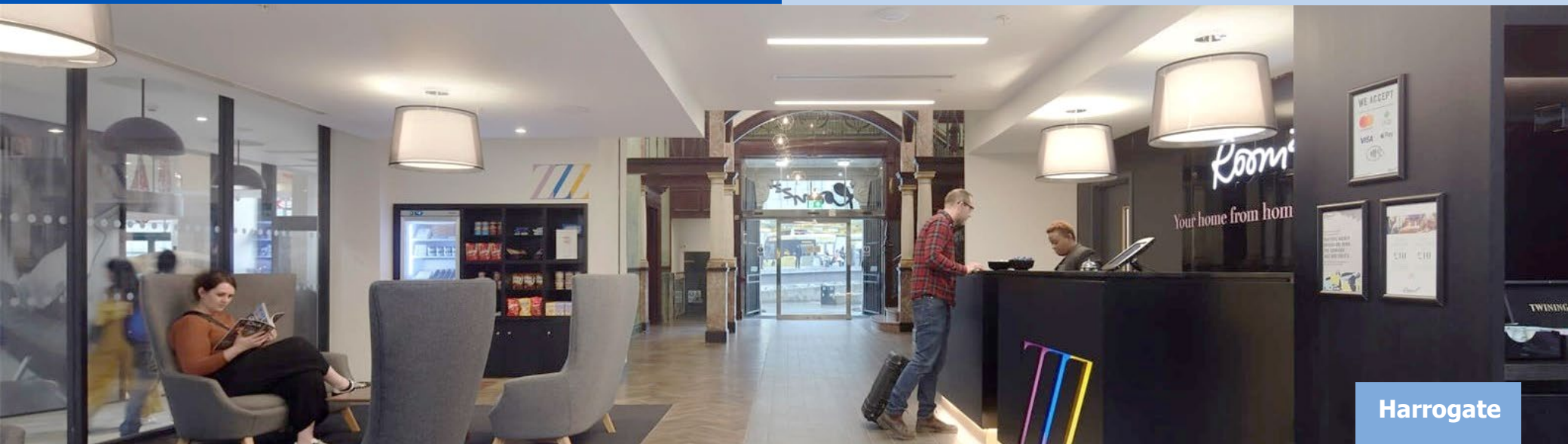
Management School refurb. The project involves the reconfiguration of the former Smith and Nephew Building to accommodate The York Management School and other users.



Nottingham

Custody Suite

The new 50 cell suite will replace the current facility at Bridewell.

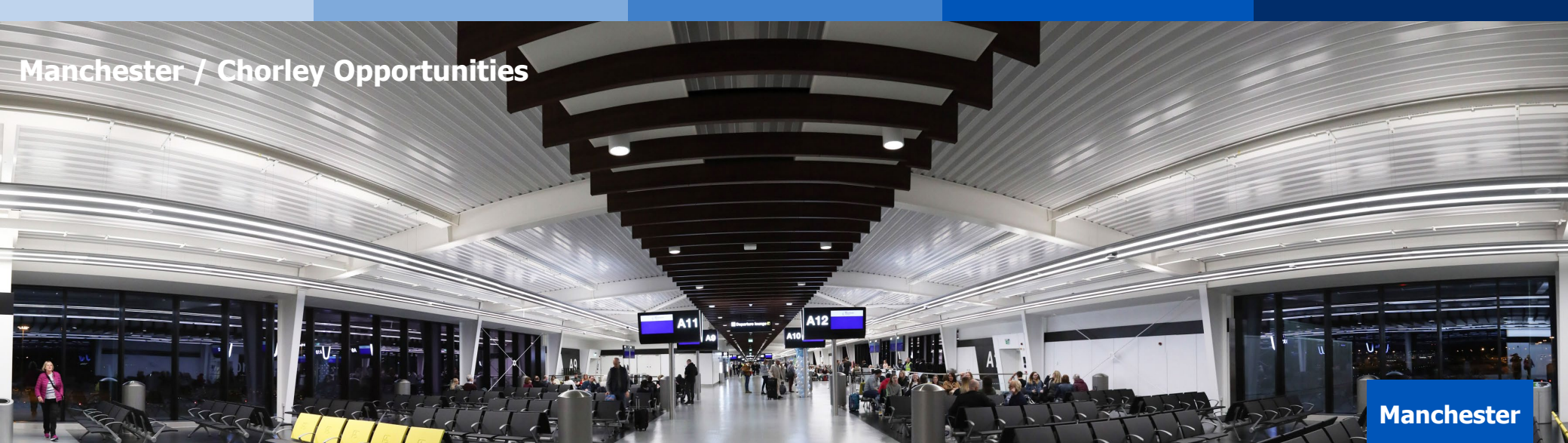


Harrogate

New Roomzzz Aparthotel, Harrogate

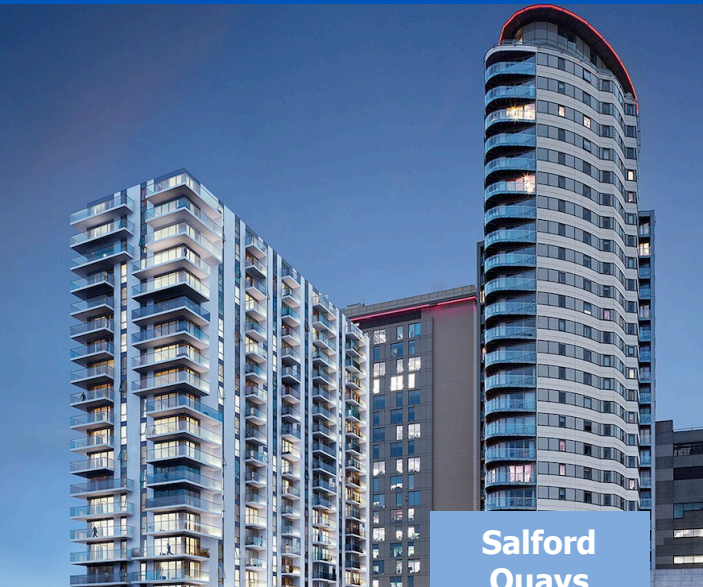
This 100 bed new facility will consist serviced apartments, a deli and co-working spaces

Manchester / Chorley Opportunities



Manchester

Manchester Airport



Salford Quays

Apartment Block
Comprising 238 apartments, 19 storeys. Offering stunning views over Salford Quays, Coronation Street and the Manchester skyline. Circa £10m



Chorley

Botany Bay Shopping Village
Circa £5m



Trafford

Sale Town Centre, Manchester
Cinema, leisure space, multi-storey car park, and 202 homes. Circa £10m

Central Opportunities



Derby

Derby Police Station

The development would see the new station built next to the existing fire station in Ascot Drive. M&E value £3.5m



Milton Keynes

Santander Project Iodine

The new Milton Keynes campus will act as the bank’s UK technology hub. Predicted M&E value £20m



Leicester

Forterra Productions Facility, Desford

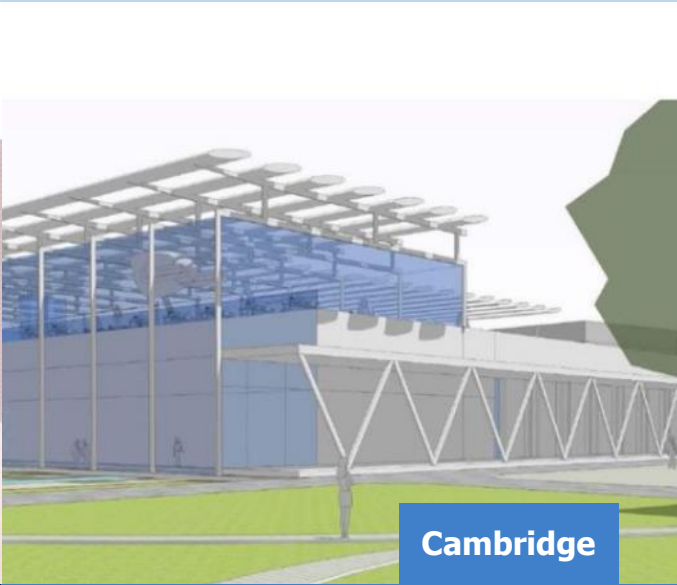
£95m investment set to double Desford brick production. Predicted M&E value £5m.



Birmingham

University of Birmingham

Nuclear Material Research Building Extension – predicted M&E value £350k



Cambridge

Cambridge University, Whittle Laboratory

Jet Turbine Testing Facility – predicted M&E value £3m

London Opportunities



London

The Sphere

Entertainment giant Madison Square Garden Company's first venue outside its US home in Stratford, London.
Sir Robert McAlpine



London

One Leadenhall Building

Multiplex/Brookfield



London

Bankside Yard West

Ludgate House Limited



London

8 Bishopsgate

Tender submitted 19th July 2019
Lendlease



London

1 Nine Elms, City Tower

MEP, Residential Apartment Fitout
Multiplex



London

Camden Town Hall Refurbishment

Lendlease



London

Blossom Street
Tender Submitted 26th July 2019



London

Richmond House
Lendlease



London

1 – 2 Broadgate Tower
Sir Robert McAlpine / British Land



London

40 Leadenhall
MACE



London

Eastwick & Sweetwater (Stratford)
Balfour Beatty



London

IQL S4
Lendlease

London Opportunities



London

British Library
Stanhope



**London
D&B**

Dolphin Square Redevelopment
Residential, retail and leisure – M&E £25m



**London
D&B**

Mulberry Academy Wapping
New Passivhaus Design School – M&E £4m



**London
D&B**

Kings College St. Thomas Campus Project
New research and teaching blocks M&E £15m



**London
D&B**

Youth Hostel Association Stratford
New hotel and accommodation – M&E £5m



**London
D&B**

WeWork Office Development
London and Home Counties – M&E £10m

London Opportunities



London
ETON

Shoreditch Academy
BMS – contract value £540k



London
ETON

Whiteleys Shopping Centre
BMS - contract value £1.9m



London
ETON

Sumner Street
BMS – contract value £935k



London
ETON

London Southbank University
BMS – contract value £1m



London
ETON

Project Orange
BMS – contract value £842k



London
ETON

St John's Wood
BMS – contract value £1.4m
Lendlease

South West Opportunities



Plymouth

Sugar Quay

Plans for a 20-storey tower. The site, overlooking Sutton Harbour, is earmarked for a mixed-use scheme which would see 170 one- to three-bedroom flats created in seven to 19 stories of residential floors. East side with retail and restaurants.



Plymouth

Plymouth Railway Station

The huge redevelopment will see the existing multi storey car park demolished, a new public space outside the station, better parking, bus and taxi facilities, education, office and leisure space.



Bristol

Dove Lane, St Paul Pauls

Impressive £55m development to become city centre gateway and transform part of St. Pauls. It will have more than 200 new homes, 900 sqm of shops and office space.



Bristol

Halo Development

A landmark, new 'smart' office building. Grade A 116,000 sq ft office building. Expected completion date mid-2021.

South West Opportunities



Bristol

Millwrights Place

Proposed 300 new homes, including 20 per cent affordable, together with new offices.



Bristol

Bristol University, Temple Meads Campus

Plans for three high-rise student accommodation blocks as part of a new £300m campus for the University of Bristol have been revealed. The university secured outline planning permission for land alongside Temple Meads railway station



Exeter

Sandy Park Hotel

The new £25m hotel will include a rooftop restaurant, basement with sauna, steam room and gym.



Exeter

Exeter University, Project North Park

Project North Park is one of the largest investments made by the University over the past ten years.