

14 November 2023

Hill & Smith PLC
Trading update

Hill & Smith PLC ("Hill & Smith" or "the Group"), the international provider of sustainable infrastructure products and services, provides a trading update for the four-month period to 31 October 2023 ("the period").

Trading Performance and Outlook

The Group has traded well during the period, reflecting continued strong momentum in our US businesses and a resilient performance in our UK businesses. Revenue for the period was up 15% on a constant currency basis (up 7% on an organic constant currency basis) and we have also seen positive operating margin progression over the same period last year. The Group has continued to be cash generative with healthy cash conversion and reduced leverage.

Given the good trading performance, we now expect FY23 operating profit to be slightly ahead of the top end of current analyst consensus[†] and to start FY24 with positive momentum.

Trading by Division

The Engineered Solutions division has continued to perform strongly, supported by buoyant demand across all our US businesses, particularly for composite solutions and structural steel components for the electricity transmission market. Enduro Composites which was acquired in February 2023 continues to trade well. Our engineered pipe supports business in India also delivered good growth in the period with high demand for products to support international liquified natural gas projects.

The Galvanizing division has delivered a robust performance in the period. Our US galvanizing business benefited from organic volume growth and a good trading performance at Korns Galvanizing, acquired in March 2023. In the UK, anticipated lower production volumes were offset through pricing and cost control actions.

The Roads & Security division has delivered good constant currency revenue growth in the period, with strong trading in our US off-grid solar lighting solutions business, albeit operating profit was slightly lower than the same period last year reflecting the ongoing transformation of our US Roads business.

Investor Seminar and Financial Calendar

We will be holding an investor seminar focused on our composites business in London on 30 November 2023. For further details, please contact hillandsmith@mhpgroup.com.

The Group's preliminary results for the year ending 31 December 2023 are scheduled to be announced on 14 March 2024.

[†] The current company compiled analyst consensus expectation for FY23 is for underlying operating profit of £117.2m with a range of £116.0m-£118.6m.

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Notes to Editors

Hill & Smith PLC is a leading provider of sustainable infrastructure products and services. The Group employs c.4,250 people worldwide

with the majority employed by its autonomous, agile, customer focussed operating businesses based in the US, UK, Australia and India. The Group head office is in the UK and Hill & Smith PLC is quoted on the London Stock Exchange (LSE: HILS.L).

The Group's operating businesses are organised into three main business divisions:

Galvanizing Services: increasing the sustainability and maintenance free life of steel products including structural steel work, lighting, bridges and other products for industrial and infrastructure markets.

Engineered Solutions: supplying engineered steel and composite solutions for a wide range of infrastructure markets including power generation and distribution, marine, rail and housing. The division also supplies engineered pipe supports for the water, power and liquid natural gas markets and seismic protection solutions.

Roads & Security: supplying products and services to support road and highway infrastructure including temporary and permanent road safety barriers, intelligent traffic solutions, street lighting columns and bridge parapets. In addition, the division includes two businesses which are market leaders in the provision of off-grid solar lighting and power solutions. The security portfolio includes hostile vehicle mitigation solutions, high security fencing and automated gate solutions.

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