

# TClarke

Investor Pack  
2023 Half Year Results

ENGINEERING SERVICES

TECHNOLOGIES

INFRASTRUCTURE

RESIDENTIAL & HOTELS

FACILITIES MANAGEMENT



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# Introduction to your presenters



**Mark Lawrence**  
**Group Chief Executive Officer**  
**Appointed to the Board on 2nd May 2003**

Mark has been with the Company for 38 years and started at TClarke as an electrical apprentice in 1985. As Group Chief Executive Officer since January 2010, Mark has led strategic change across the Group.



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

Trevor is a Chartered Accountant with extensive experience across many sectors. 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.



Established 1889

Onsite Resource



Technology Leadership



Engineering Expertise



What makes TClarke Unique



Client Retention



Nationwide Capability



Brand and Heritage



### Who we are

TClarke remains at the forefront of Building Services. Our innovation and expertise are employed in the design, installation, integration and maintenance of the mechanical and electrical systems and technologies that a 21<sup>st</sup> century building needs for control, performance and sustainability.

Our first class teams have the knowledge, skills and reputation to continue to be regarded as one of the best contractors in the sector.

Strong operating performance

Financial strength and shareholder returns

£426m  
Group Revenue  
2021: £327m

£7.5m  
Net Cash  
2021: £5.3m

£11.5m  
Operating Profit  
2021: £8.8m

£2.6m  
Average month end  
Net cash  
2021: £2.9m

2.7%  
Operating Margin  
2021: 2.7%

19.60p  
Earnings per share  
2021: 14.99p

£555m  
Forward Order Book  
2021: £534m

5.35p  
Dividends per share  
2021: 4.85p

\*figures as at 31 Dec 2022

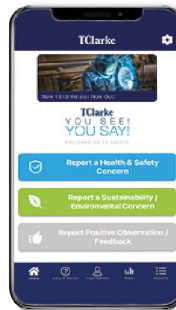


**People**  
Directly employed,  
High quality  
Engineering  
Services personnel.

**Where we operate**  
TClarke provides a complete UK coverage from nineteen locations nationwide to allow us maximum agility in tendering and delivering the projects we target.

We are a proud employer of local people in the communities we serve.

## Protecting Our People

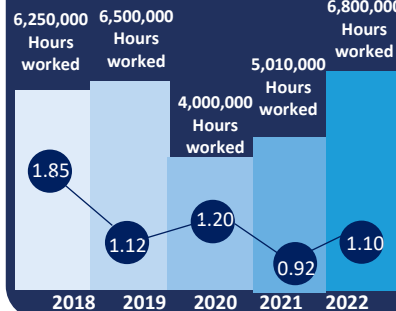


### You See, You Say! Reports

2022	7,382
2021	6,632
2020	3,304
2019	6,124
2018	5,316

### Continual focus on Accidents and incidents

AFR frequency rate (number of accidents divided by number of hours multiplied by 100,000)



## Being a Responsible Business



Social and Environmental value

210  
Apprentices  
Record intake 50 apprentices in 2022 2021: 195

43  
Future Leaders enrolled  
On our training programme  
2021: 40

21,206  
Training days completed in 2022  
2021: 19,645

58  
Average supplier payment days  
2022: 60

4.8  
Emissions (tCO<sub>2</sub>e)  
Per £m revenue  
2021: 5.8

16%  
of workforce Apprentices

25%  
Five Year Target for women in Apprenticeships and Training



Engineering Services

Technologies

Infrastructure

Residential & Hotels

Facilities Management

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FOLLOW US ON TOMMYCLARKE

# Purpose, Strategy and Values

Our purpose is inspiring talent to deliver excellence in our chosen markets

Our strategy is to pursue organic growth by focusing on our five core market sectors; Engineering Services, Technology, Infrastructure, Residential and Hotels and Facilities Management

Our core values drive our culture

## We believe we can make a difference

- Recruiting people with diverse perspectives, who are passionate about what they do
- Delivering projects of exceptional quality
- Pursuing our strategy to reach net zero carbon emissions by 2026
- Adding value to the communities where we work by procuring locally, providing job and training opportunities, and supporting local charities
- Being guided by our Core Values in everything we do
- 25% five year target for women in apprenticeships and training

## Our strategic priorities

The following priorities are essential to achieving Our purpose and strategy:



### Increase our quality of earnings

Through project selectivity, operational efficiency and investment



Maintain a strong balance sheet and significant levels of available funds at all times



### Secure long-term workstreams

Through client and partner relationships, Generating repeat business



### Being a responsible business

- Protecting people
- Developing people
- Improving the environment
- Working together with our supply chain
- Enhancing communities



Excel in project delivery for our customers



The customer comes first



Talented people are key to our success



We must adopt new technology and drive change



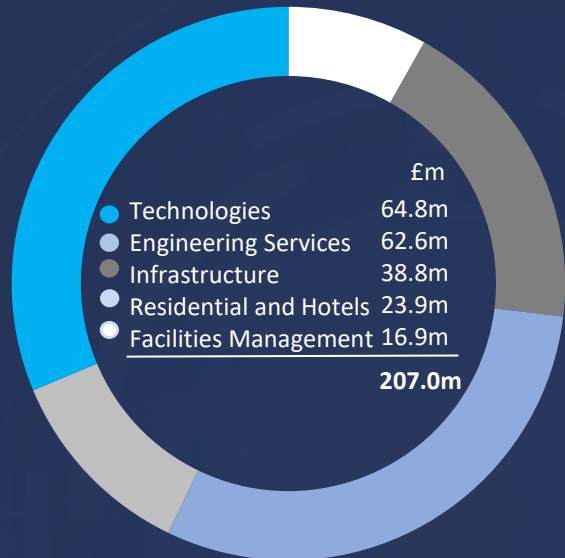
Consistent achievement is key to our future

# Headlines

- Trading in line with expectations; significant growth forecast for second half of the year; Group is on track to achieve its strategic target of £500m annual revenue
- Revenue is targeted to grow to £600m in 2024 and £650m in 2025
- High quality and growing forward order book of £781m, up 33% on June 2022 position
- Strong balance sheet, to be strengthened further through proceeds of conditional share placing
- Oversubscribed placing to raise gross proceeds £10.7m subject to shareholder approval on 24<sup>th</sup> July 2023
- Progressive dividend policy with interim dividend up 10%

# Financial Highlights

6 months to 30<sup>th</sup> June 2023  
Revenue by Business Sector



Strong  
Operating  
performance

**£207m**  
Group Revenue

2022: £206.2m

**£5.7m**  
Operating Profit

2022: £6.0m

**2.8%**  
Operating Margin

2022: 2.9%

**£781m**  
Forward Order Book

2022: £586m

Financial  
Strength and  
Shareholder  
returns

**£4.5m**  
Net Cash

2022: £7.2m

**£41.8m**  
Net Assets

2022: £35.1m

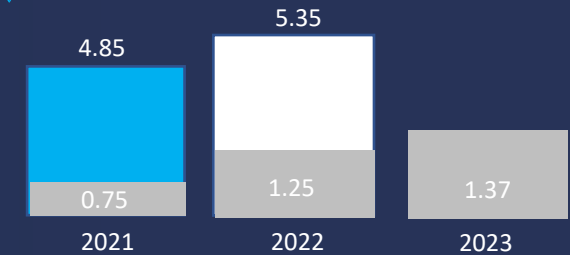
**8.68p**  
Earnings per share (basic)

2022: 10.24p

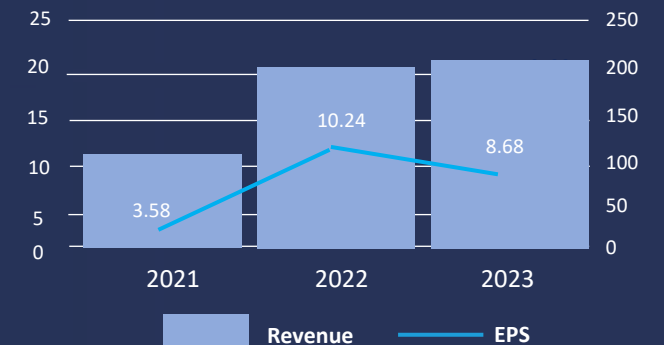
**1.375p**  
Interim dividend per share

2022: 1.25p

Interim Dividend and Total Dividend  
2021-2023 (pence per share)



Earnings per share  
2021 – 2023 (pence per share)



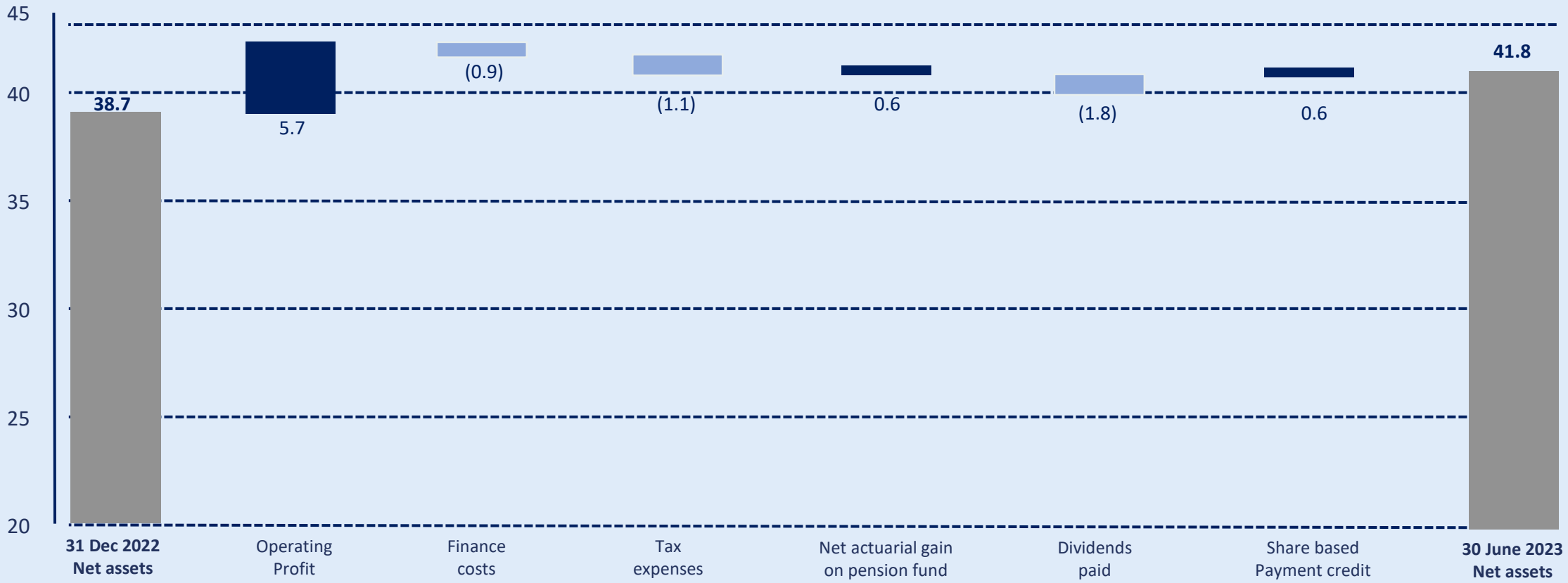
# Strong Balance Sheet

- Increase in net assets of £6.7m
- Reduction in pension deficit mainly due to increase in discount rate
- Increase in working capital to support the growth

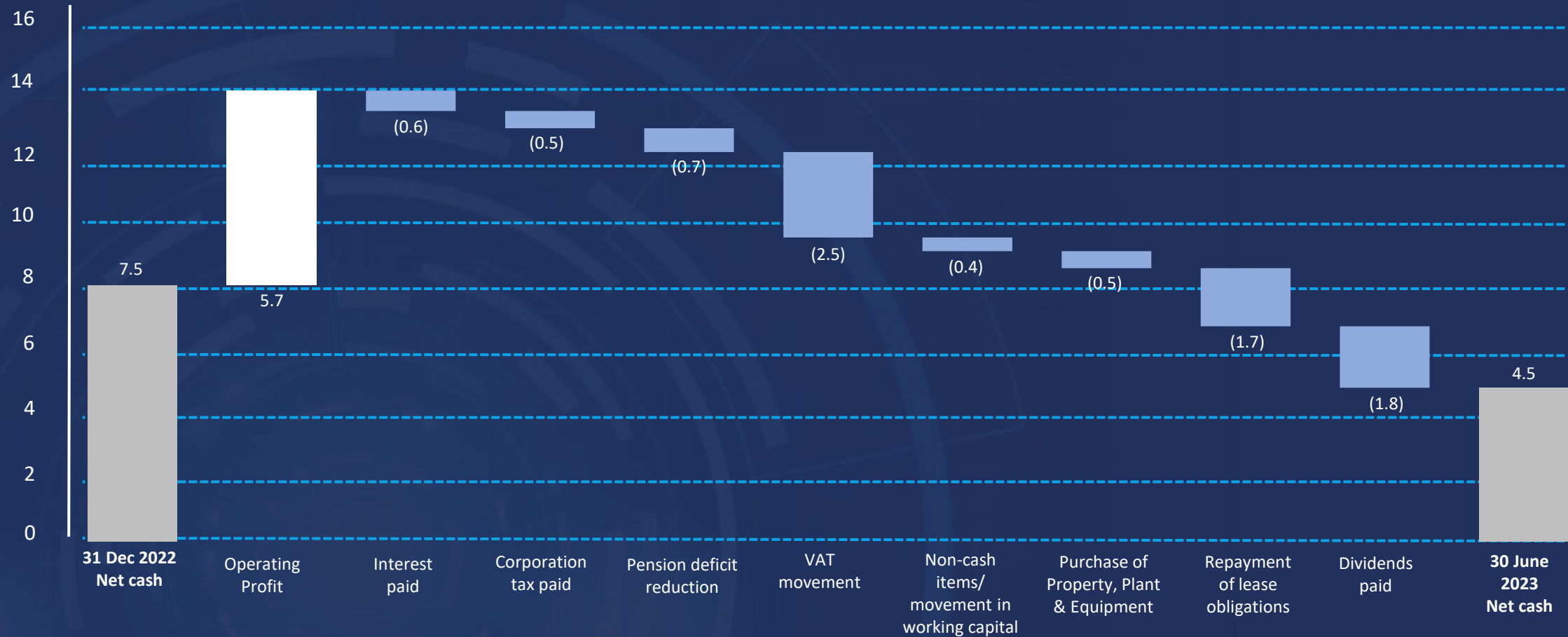
<b>Balance sheet £m</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
Intangible assets & goodwill	25.3	25.3
Property Plant & Equipment	12.6	12.5
Other non-current assets	9.6	9.3
Working capital	8.2	4.1
Net cash	4.5	7.2
Pension deficit	(11.4)	(15.9)
Other non-current liabilities	(7.0)	(7.4)
<b>Total net assets</b>	<b>41.8</b>	<b>35.1</b>



# Increase In Net Assets (£m)



# Cash Performance (£m)



# Relative Shareholder Return



5 year relative performance  
Index at 31<sup>st</sup> December 2017 equals 100

# The TClarke Way



## Contractor of Choice:

- Remaining contractor of choice for our clients with 90% of turnover from repeat clients



## Our Approach:

- Disciplined and selective bidding approach to opportunities pursuing projects that can return an acceptable margin



## Target Five Core Markets From Our 19 Locations:

- Engineering Services
- Technologies
- Infrastructure
- Residential & Hotels
- Facilities Management

## Project Management:

- We delegate responsibility to our local teams to deliver enabling them to make the right decisions quickly
- All projects follow groupwide policies and procedures for project delivery and commercial management

## De-risk Projects:

- The TClarke brand is very strong, built on our reputation for high quality engineering, reliability and on time delivery
- Once a project is secured designs are scrutinised and finalised, procurement takes place to de risk the project as quickly as possible locking in tender prices



## Target Future Growth Revenues:

- Data Centres
- UK Healthcare
- Larger projects across the UK
- Smart building and sustainability projects



# Forward Order Book

£781m

Forward order book

2022: £586m



## Engineering Services

June 2023: £272m  
June 2022: £151m

+80%

	No. of 2022 Projects	Projects in Order Book
Commercial Offices	44	38
Leisure	14	10
Retail	6	7
Other	22	13
<b>Totals</b>	<b>86</b>	<b>50</b>



## Technologies

June 2023: £248m  
June 2022: £184m

+35%

	No. of 2022 Projects	Projects in Order Book
Manufacturing & Prefabrication	6	2
Data Centres	6	6
Smart Buildings	23	16
Other	14	09
<b>Totals</b>	<b>49</b>	<b>33</b>



## Infrastructure

June 2023: £180m  
June 2022: £141m

+28%

	No. of 2022 Projects	Projects in Order Book
Defence	11	10
Education	61	42
Healthcare	62	37
Prisons	8	6
Other Government	6	5
<b>Totals</b>	<b>148</b>	<b>100</b>



## Residential & Hotels

June 2023: £63m  
June 2022: £96m

-34%

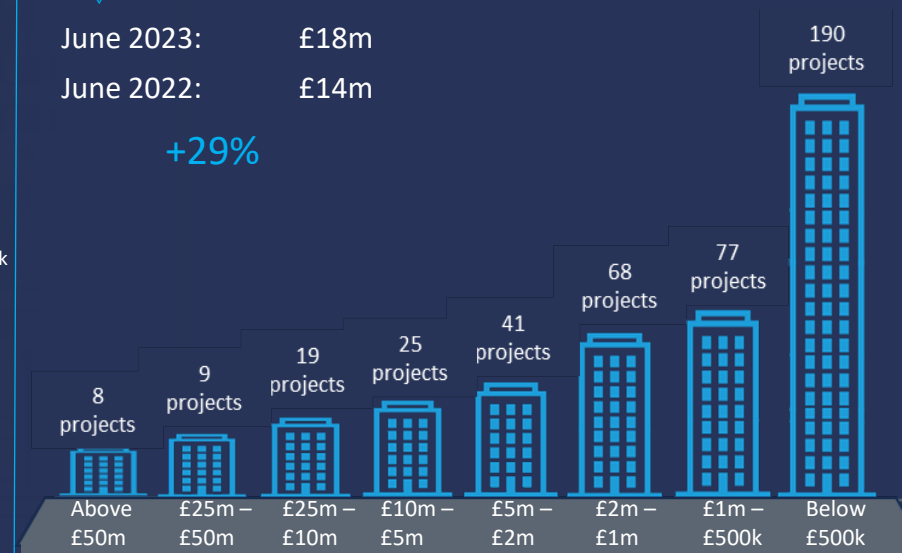
	No. of 2022 Projects	Projects in Order Book
Hotels	7	4
New Build	102	62
Refurbishment	7	4
<b>Totals</b>	<b>116</b>	<b>70</b>



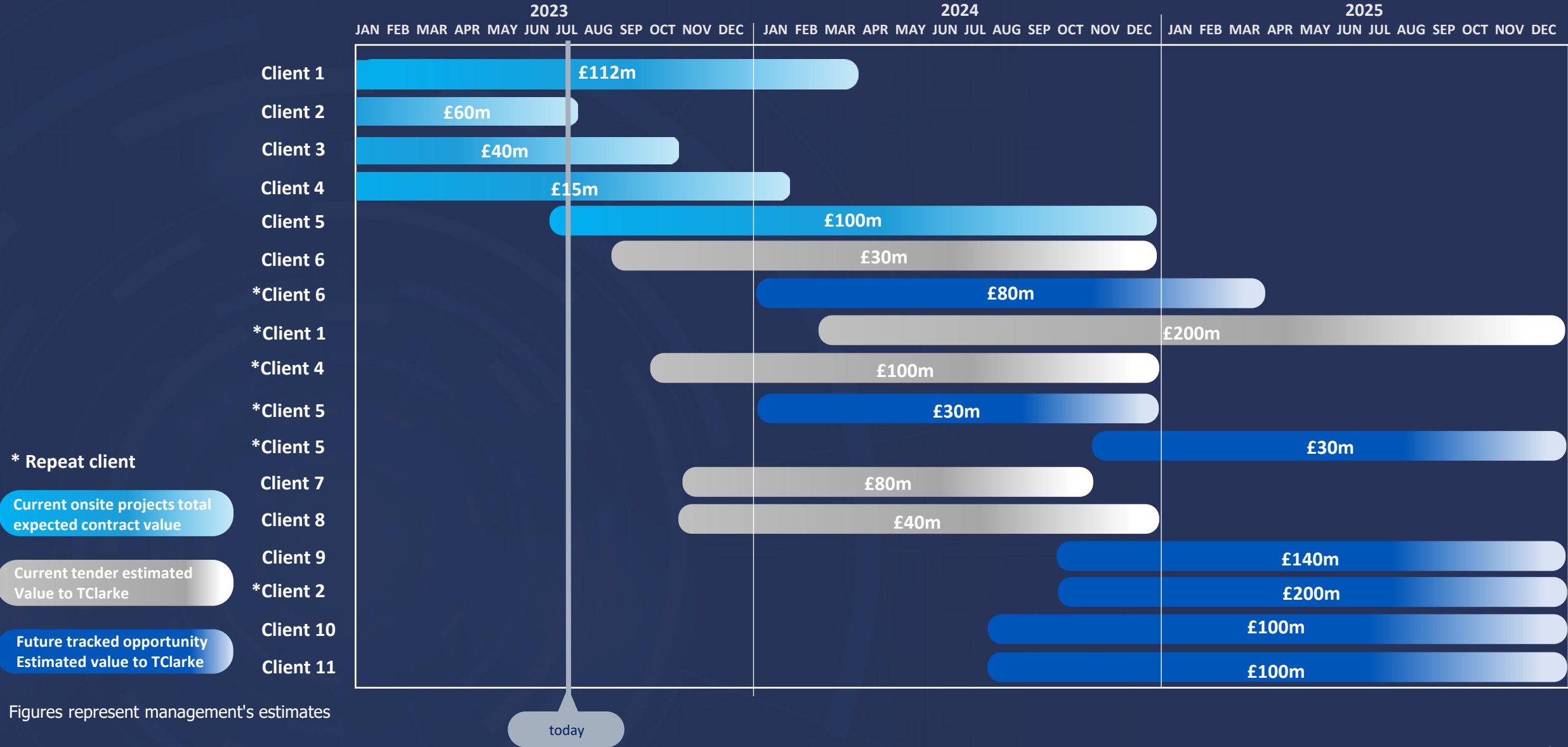
## Facilities Management

June 2023: £18m  
June 2022: £14m

+29%



# Data Centre Projects and Potential Growth



Figures represent management's estimates

# TClarke Healthcare Projects

NHS



Scarborough Hospital  
Status: On Site  
Project Value: £11m



National Rehabilitation Centre, Nottingham  
Status: \*PCSA until July 2023  
Project Value: £16.5m



Derriford Emergency Care Centre  
Status: \*PCSA until July 2024  
Project Value Currently: £1.0m Expected Value: £35m



Queen Alexandra Hospital Portsmouth Emergency Room  
Status: \*PCSA £300k  
Project Value: £11m



The Royal Bournemouth Hospital  
Status: On Site  
Current project Value: £17m  
Phase 2 opportunity: £8.5m



Royal Cornwall Women and Children's Hospital  
Status: \*PCSA until Aug 2023  
Project value: £68m



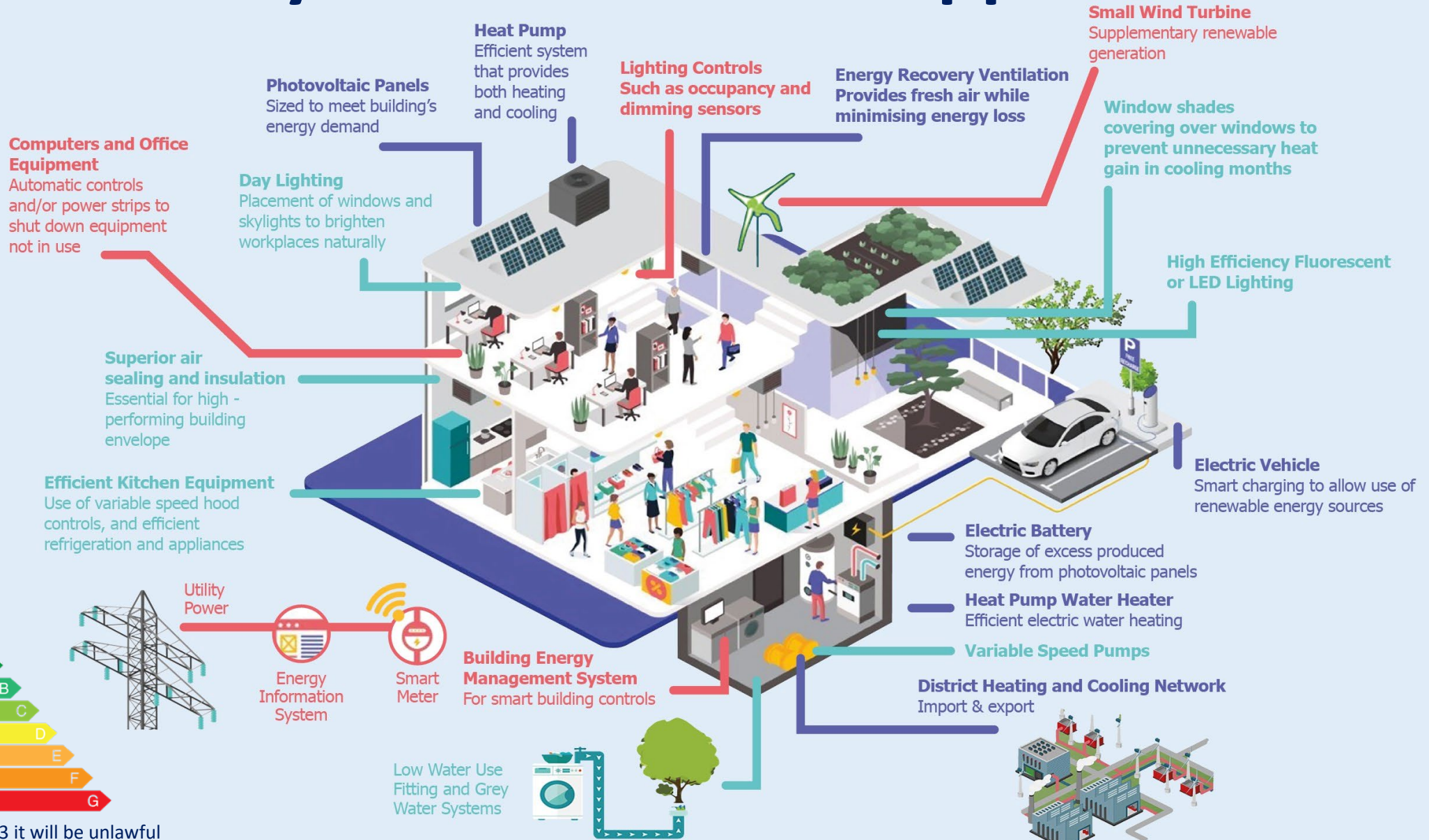
Great Western Infirmary, Swindon  
Status: On Site summer 2023  
Project Value: £6m



Queen Alexandra Hospital, Portsmouth  
HV Infrastructure upgrade  
Status: \*PCSA £23k  
Project Value: £6m

\* A Pre-Construction Services Agreement (PCSA) is designed for appointing a contractor to carry out pre-construction services under a two-stage tender process. The Pre-Construction Services Agreement enables the contractor to collaborate with the employer or their team of consultants to develop detailed designs, to develop the main contract works, or to compile specialist tender documents. The contractor's involvement at the pre-construction stage is valuable and often essential in the final design process of a project, as well as making preparations for the construction phase, such as the programme, cost plans, buildability and any specialist procurement. The agreement covers the period from the submission of first stage tenders up to the submission of a definitive second stage tender and entry into a main contract for the construction phase. - Source - <https://www.jctltd.co.uk/>

# Sustainability – New Revenue Opportunities



From 1 April 2023 it will be unlawful to **continue to let** a commercial property with an F or G EPC rating





**Our Partners**

- Data Centres
- Residential
- Healthcare
- Commercial
- Retail

**Our Capabilities**

- Smart Building specialists with full ELVS knowledge
- User journey definition –Smart Ready
- New build or retrofit
- MSI/ Systems Integration
- Smart Building Design & Consultancy
- Sensor layout design and implementation
- Smart Ready services
- IP device onboarding
- Occupancy & Energy monitoring
- Smartscore
- Wirescore

**Benefits**

- Improved landlord and tenant wellbeing & efficiency
- Optimise data and improve decision making / ROI
- Reporting maintenance & repairs
- Realtime dashboards & static reports
- Enhance resilience, sustainability, adaptability
- Make buildings intelligent/smart ready
- Individual asset control & analytics
- Save energy, reduce carbon, improve health & wellness

**In-house Capabilities**

- Smart Building Integration Consultants
- Multi-disciplined Project Managers
- Research & Development Hub at TClarke HQ for trial of new products & innovations
- Specialist in-house BMS Department
- MSI – in-house technical and delivery team
- In-house Design Department
- Expansive Infrastructure & Fitout Portfolio
- In-house delivery of combined packages
- Extensive & valuable partnerships
- Expertise in BMS data exposure for Smart ready and platform delivery

- Smart Buildings Integration
- Building Management Systems
- Integrated Security
- ICT Data Cabling, Telephony & BMS Network Infrastructure
- Cellular & Radio Boosting
- Audio Visual
- Life Safety

# Modern Methods of Construction (MMC)



# Social Value to the Local Community



Social value is defined as the contribution you make to society and in particular to the local community where you operate. We create social value by keeping everyone safe, developing our people, building long term relationships and enhancing local communities by providing training and work opportunities and supporting local community projects.

MAGGIE'S  
Everyone's home of cancer care

Prince's Trust

CONSTRUCTION  
YOUTH TRUST

St Mungo's  
Ending homelessness  
Rebuilding lives

mencap

MAYOR'S  
FUND FOR  
LONDON

# Summary

TClarke is in excellent shape, focused on delivering our growth strategy.

- Board expects £500m revenue to be delivered in 2023 and growth to continue in 2024 & 2025.
- Forward order book now stands at a record £781m.
- Growth coming from maintaining our core markets whilst growing data centres, healthcare, large projects outside London and smart buildings.
- TClarke has raised gross proceeds of £10.7m via share placing subject to shareholder approval. The placing provides additional working capital to support our growth plans.
- Going forward - No acquisitions expected or needed.
- Strong balance sheet; Net Assets £41.8m before placing; £51.9m after. (30 June 2022 £35.1m).
- Progressive dividend policy: 10% increase in interim dividend.

# London Current Live Projects



One Nine Elms



Peninsula Hotel



Tower Bridge Court



KGX1



Regent Quarter



Battersea Power Station 3B



London Stadium - Stratford



Canada Water



Millennium Building, Wimbledon

# London Current Live Projects



International Quarter London S4 (IQL)



The Westbury Hotel



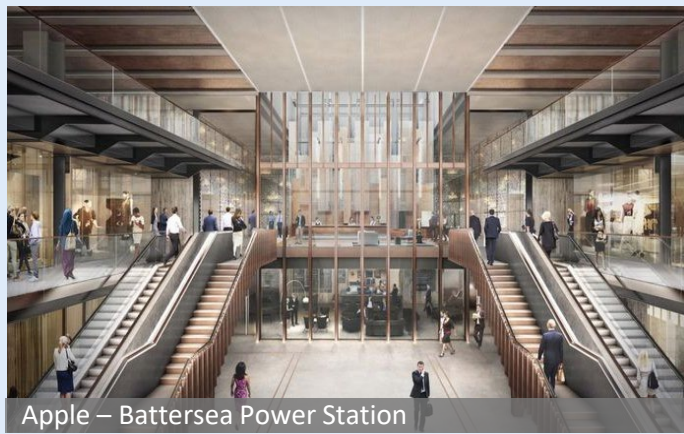
Citibank, Canary Wharf



2 Aldermanbury Square



30 Fenchurch Street



Apple – Battersea Power Station



76 Upper Ground

# UK North Current Live Projects



Keepmoat Northbridge Regeneration Project, Glasgow



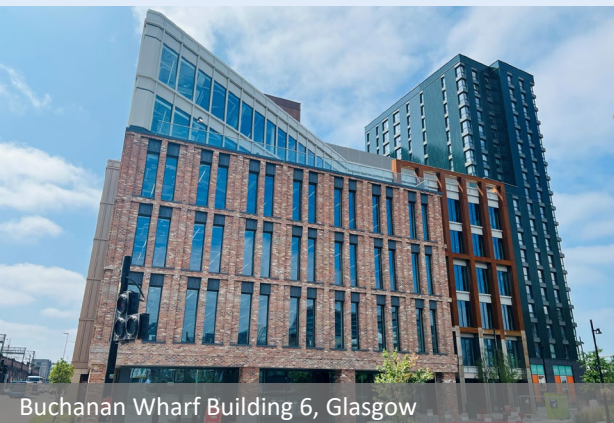
Neilston Learning and Leisure Campus, Glasgow



Scarborough Hospital New UEC Building



Durham Custody and Investigations Suit



Buchanan Wharf Building 6, Glasgow



Barratt Homes, Heron Bank, Edinburgh



One City Gate, Newcastle



RAF Leeming

# UK South Current Projects



Bristol Beacon



Clive Booth Student Village



Royal Cornwall Hospital MRI & Oncology



Royal Cornwall Women's & Children's Hospital



Milton Keynes University Hospital Radiotherapy



Tempo Maidenhead



National Rehabilitation Centre



Osney Power Station



Sawston Unity Campus, Cambridgeshire



# London Opportunities



1 Undershaft



Museum of London



Lansdowne House, Berkeley Square

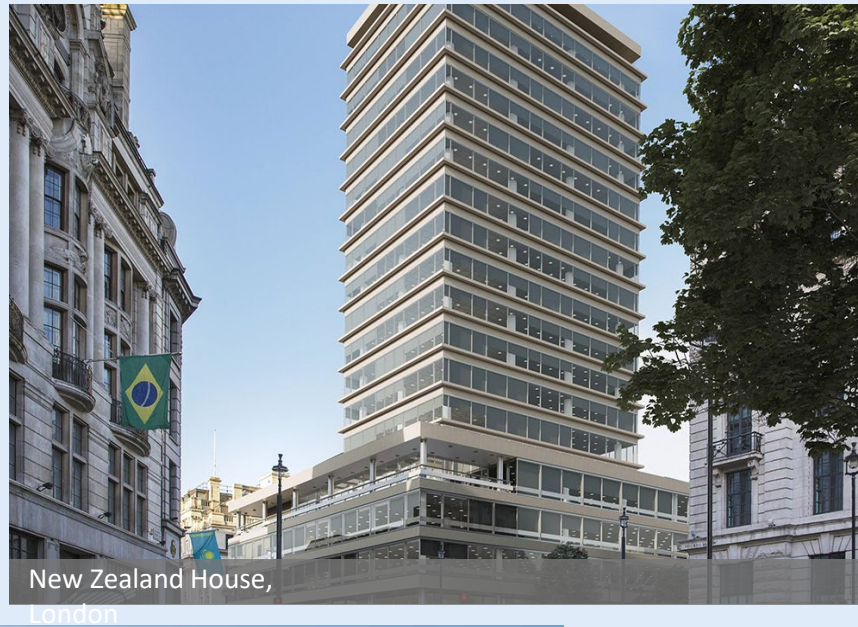


Gateway East, White City



130 Fenchurch Street

# London Opportunities



# UK North Opportunities



Atlantic Quay, Glasgow (500 apartments)



Love Loan Studio Apartments, Glasgow



Booth Street University, Manchester



Leeds opportunity



Gateshead Quays – CoEx The Sage ICC



Supercity Aparthotel, Edinburgh



Eurostampa, Printing Facility, Edinburgh

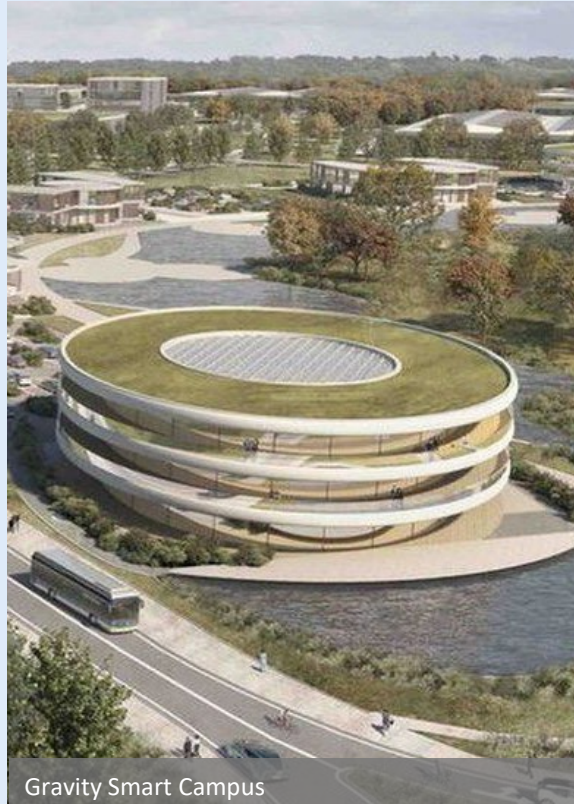


Gateshead Quays, Novatel/Ibis Hotel

# UK South Opportunities



Shrewsbury & Telford Hospital



Gravity Smart Campus



Cambourne Village College



University Hospital Plymouth



HMP Fosse Way Cell Block H



Molecular Sciences Plot 2 – Birmingham University



Velindre Cancer Centre