



Hercules Site Services PLC

A LEADING TECHNOLOGY ENABLED LABOUR SUPPLY COMPANY
FOR THE UK INFRASTRUCTURE SECTOR



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Board



Brusk Korkmaz
Chief Executive Officer

- Over 20 years in the construction industry, founded Hercules in 2008
- Previously held positions with MJ Gleeson, Black and Veatch and Hochtief UK, gaining experience across a range of civil engineering sectors including highways, rail, water industry and utilities
- Member of the Institute of Civil Engineers and holds a B.Eng. in civil engineering from University College London



Paul Wheatcroft
Chief Financial Officer

- 25 years as a Finance Director working in a number of sectors including construction, building materials, energy, wholesale and manufacturing
- Joined Hercules in February 2020 and brings significant business experience in M&A, capital raising and financial management
- Previously, Finance Director in three subsidiaries of Hanson plc for over 13 years and Group Finance Director of Ecotricity Group
- Fellow of the Chartered Institute of Management Accountants



Henry Pitman

Non-Executive Chairman

- 30 years' experience of building businesses in the UK and Africa
- Previously Founder and CEO at AIM-listed Tribal Group plc and a Non-Executive Director at Grainger plc
- Took Tribal from start-up to become a business with over £200m of revenues and 2,000 staff. During this period, the business made 40 acquisitions



Ahmet Iplikci

Non-Executive Director

- A strategic board member at Banco Finantia and partner at Noctua Partner Europe Limited
- Sits on the advisory boards of British Chamber of Commerce in Turkey, Fuel Ventures, an early-stage VC in the UK, and Privorp Private Equity that invests in Emerging and Frontier markets



Richard Kilner

Independent Non-Executive Director

- A chartered civil engineer and member of the Institute of Civil Engineers with a B.Sc. degree in civil engineering
- Held a number of senior positions in construction, previously a partner at 3i Group plc and has experience of property development, BPO and healthcare
- Non-Executive Chairman at AIM-listed Nexus Infrastructure plc



Robin Stevens

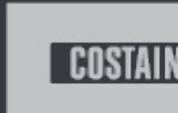
Independent Non-Executive Director

- Chartered Accountant and former corporate finance partner and Head of Capital Markets at Crowe UK LLP, having held senior corporate finance and audit partner positions with Mazars LLP and MRI Moores Rowland LLP
- Extensive career in corporate finance and specialises in working with growth companies
- Non-Executive Chairman of AIM-listed Vector Capital plc

Business Overview



SKANSKA



STRABAG



Balfour Beatty



VolkerWesselsUK


Mobile Health
Screening &
Wellbeing



Labour Supply



Hercules Digital & Analytics Platform

Recruitment App

One Team App

Management Portal

SEE Everything Portal



Construction Services



Civil Projects

Suction
Excavator
Services

Strong History of Growth



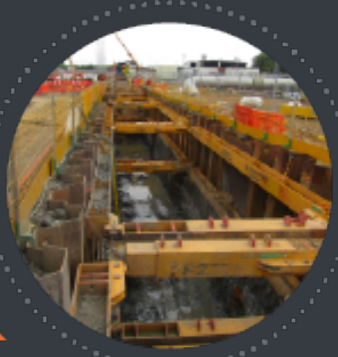
2008
Established

BLACK & VEATCH



2009
Black & Veatch

2012
Civils Projects



2014
Plant Investment



2013
Costain



2015
Balfour Beatty
M3



AMP6



2015
Water AMP6

2016
Self Built HQ



2017
A14 Integrated
Labour Team

2018
Costain
Peterborough



2018
BBV M4



2019
Hercules Digital



2020
Specialist Plant Hire

2021
HS2



Feb 2022
IPO AIM Listing

Feb 2022
Accredited
Training Provider



Aug 2022
Fawley FAST



Aug 2022
Site selected for
Training Academy



Nov 2022
Hercules
White Collar
Recruitment



Nov 2022
Hercules Site
Security

Achievements since IPO

- Successful listing on AIM in Feb 2022 raising £4m (gross)
- 51% revenue growth to £49.5m in FY22 (second year in a row)
- Record activity and revenue delivered in the year
- Strong growth across all divisions
 - Labour Supply – £33m turnover, increased activity across all sites including HS2
 - Civil Projects – £12.5m turnover, up from £8m in 20/21
 - Suction Excavators – £3.6m turnover, fleet has increased from 9 to 30 vehicles. Now one of the largest fleets in the UK
 - Other revenue – digital product offering ‘SEE Everything Portal’ via HS2 innovation funding
- Dividends paid to shareholders
- Training Academy – next to HS2 Northern Section in Nuneaton, Birmingham



Group Statement

	2022 £m	2021 £m
Revenue	49.5	32.7
Gross Profit	9.8	6.7
Overheads	(7.5)	(4.3)
EBITDA (Adjusted)	2.3	2.4
Depreciation	(1.0)	(0.7)
Operating profit / (loss)	1.3	1.7
Finance costs	(0.5)	(0.3)
Exceptional items	(0.6)	(0.9)
Profit / (loss) before tax	0.2	0.5
Profit/ (loss) after tax	0.3	(0.1)
	2022	2021
	p	p
EPS	0.58	(0.27)

- Turnover increased 51%
- Market forecast exceeded
- Ongoing overhead investment ready for growth continuing
- New revenue stream established for digital products
- Added 7 new suction excavators into service with a current total of 30



ES
ICES

Balance Sheet

	2022 £m	2021 £m
Fixed assets	14.6	9.2
Current assets	19.3	10.1
Total Assets	33.9	19.3
Equity	6.8	3.4
Non-current Liabilities	11.2	7.2
Current Liabilities	15.9	8.7
Total Liabilities	27.1	15.9
Total Equity & Liabilities	33.9	19.3

- 7 new suction excavators purchased
- 90% Asset funding utilised for all
- IPO raised £2.7m net



Benefitting from Huge Investment

Committed Investment in UK Infrastructure

- 2021 National Infrastructure and Construction Pipeline sets out nearly £650bn of public and private investment over the next 10 years, of which £200bn is to be invested by 2024/25 supporting an average of 425,000 jobs annually
- Estimated 217,000 new skilled labour required in UK construction industry to 2025
- Huge investment in core Hercules markets in 5 years - £22bn for HS2, £17.5bn to renew and upgrade railway, £27bn in strategic roads and £525m to bring forward developments in nuclear power
- Labour supply is high on the industry's agenda - demand is close to its 20 year high, compounded by demographic change and Britain's exit from the EU. Companies expected to employ a local workforce and evidence the expected improvements as part of the delivery of large construction projects

Hercules Strategically Positioned to Benefit

- The Directors believe that the competition is fragmented with long established privately owned companies taking a more traditional approach and do not offer the range of complementary services
- The Directors believe Hercules' agile, innovative, digital first approach and complete service offering fills the gap in the market and has helped attract the company's blue-chip clients

Marketing
Budget 2020:
£600bn in Infrastructure
investment unveiled

**FT FINANCIAL
TIMES**

Construction 'supercycle'
predicted on wave of
government spending

Labour shortage
pushes
construction
vacancies
to 20-year high

Building

**Construct
Enquirer**

Infrastructure
record spend to supp
425,000 jobs a year

Growth Strategy

- **Organic growth** – across all divisions through strong pipeline of projects into FY23
- **Training & Training Academy** – new revenue stream from upskilling and cross-skilling workforce
- **White Collar and Security** – managers appointed to driving these new areas forward
- **Digital** – likely to increase monetisation of SEE Portal
- **Suction Excavators** – fleet has now expanded to 30 vehicles with strong growth potential
- **Subsidiaries (partnerships) approach** – new model to help accelerate labour supply growth
- **M&A Activity** – identification of acquisition opportunities continues



Investment Case

- Sustained track record of revenue growth
- Positive performance across all divisions
- Strong momentum has continued into 2023
- Significant cross-selling capabilities
- Huge market opportunity – well placed to gain market share
- Defined strategy with multiple growth opportunities
- Progressive dividend policy

HS2

Balfour Beatty VINCI Working in partnership with HS2

SKANSKA COSTAIN STRABAG Working in partnership with HS2

Balfour Beatty



DYER & BUTLER

A part of MGroup Services

VolkerWessels UK

highways
england

Questions & Answers

