

Lakehouse plc



Interim results

to 31 March 2015

Group overview

Key highlights

Group revenue	↑ 28%	Adjusted EBITA*	↑ 237%	Operating cash performance	157% conversion
2015	£161.3m	2015	£8.9m	2015	£11.3m
2014	£125.8m	2014	£2.6m	2014	£7.7m
Group order book	£563m	Group pipeline	£2.7bn	Adjusted earnings per share	7.4p

- Group revenue increased to £161.3m
- Adjusted EBITA* increased to £8.9m
- Improved EBITA margin of 5.5%
- Order book of £563m and sales pipeline of £2.7bn
- Contract wins of £248m in the period
- Acquisitions of H2O Nationwide and Provider – extending service and geographic capabilities

* Adjusted EBITA is stated prior to deductions for exceptional items and amortisation of acquisition intangibles

Group overview

Lakehouse is an asset and energy support services group, focused on customers and their communities. We make a difference to people’s lives by constructing, improving, maintaining and providing services to homes, schools and public buildings.



SERVICES	Planned maintenance Responsive repair / maintenance Estate regeneration	Gas / Fire & Electric / Water & Air Servicing Maintenance Installations	Energy efficient measures Renewable technologies Funding	Construction Refurbishment
MARKETS	Social housing	Social housing Public buildings	Private and social housing Public and commercial property	Education Public buildings

EXTENSIVE AND INTEGRATED SERVICES

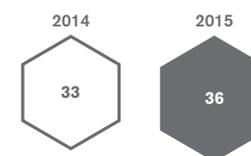
1350 Number of employees

22 Number of offices

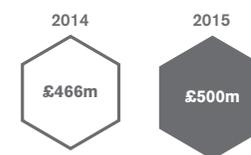
Divisional highlights Regeneration

- Divisional revenue of £79.3m
- Adjusted EBITA* of £4.4m
- Margin of 5.6%
- Implemented Impact Response
- Regeneration North in Scotland - already winning work
- Self-employed direct labour increasing in Regeneration South
- Secured five responsive maintenance contracts
- Six key planned maintenance contract wins in the period

Number of frameworks **↑ 3**



Value of frameworks **↑ 7%**



Regeneration revenue **£79.3m**

2015 £79.3m

2014 £85.5m

Regeneration EBITA* **£4.4m**

2015 £4.4m

2014 £5.4m

Regeneration margin **5.6%**

2015 5.6%

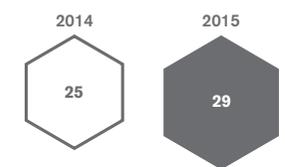
2014 6.4%

* Adjusted EBITA is stated prior to deductions for exceptional items and amortisation of acquisition intangibles

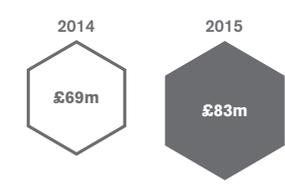
Divisional highlights
Compliance

- Divisional revenue of £19.3m
- Adjusted EBITA* of £2.8m
- Margin of 14.2%
- Acquisition of H2O (air and water) completed and integration started
- H2O already achieved first cross-selling win
- Rolled out Impact Response at Allied (fire and electric)
- Four key contract wins in the period

Number of frameworks **↑ 4**



Value of frameworks **↑ 20%**



Compliance revenue **£19.3m**

2015	£19.3m
2014	£16.7m

Compliance EBITA* **£2.8m**

2015	£2.8m
2014	£1.5m

Compliance margin **14.2%**

2015	14.2%
2014	9.1%

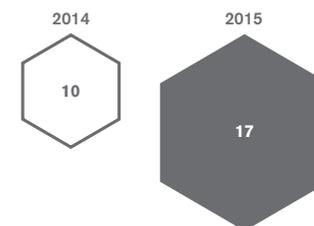
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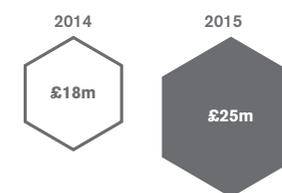
Divisional highlights Energy Services

- Divisional revenue of £27.2m
- Adjusted EBITA* of £3.4m
- Margin of 12.6%
- Success in winning business through cross-selling in London and South East
- Acquisition of Providor – leading smart-metering specialist
- HEEPS contract won as part of Warmworks joint venture
- Four key contract wins in the period

Number of frameworks **↑ 7**



Value of frameworks **↑ 39%**



Energy Services revenue **£27.2m**

2015 **£27.2m**

2014 **£0.3m**

Energy Services EBITA* **£3.4m**

2015 **£3.4m**

2014 **(£0.7m)**

Energy Services margin **12.6%**

2015 **12.6%**

2014 **(252%)**

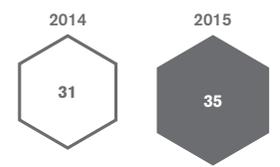
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Divisional highlights
Construction

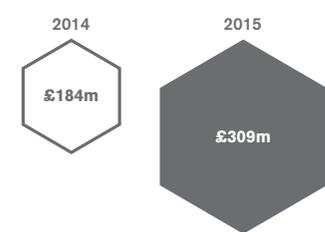


- Divisional revenue of £36.7m
- Adjusted EBITA* of £1.9m
- Margin of 5.1%
- Exit from social housing development
- Continue to be very selective and to focus on primary school places
- Three key contract wins in the period

Number of frameworks ↑ **4**



Value of frameworks ↑ **68%**



Construction revenue **£36.7m**

2015 **£36.7m**

2014 **£25.7m**

Construction EBITA* **£1.9m**

2015 **£1.9m**

2014 **(£1.3m)**

Construction margin **5.1%**

2015 **5.1%**

2014 **(4.9%)**

* Adjusted EBITA is stated prior to deductions for exceptional items and amortisation of acquisition intangibles

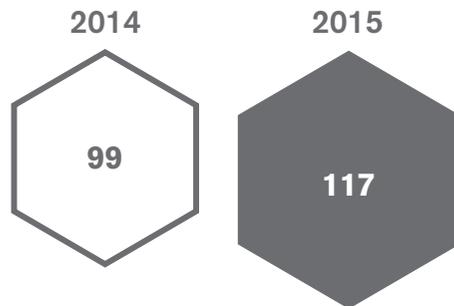
Order book and pipeline

Group order book **£563m**

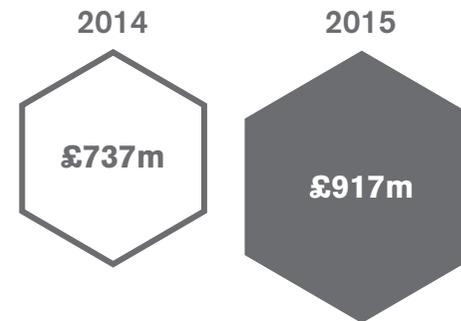
Visibility of FY2015 revenue **97%**

Group pipeline **£2.7bn**

Number of frameworks **↑ 18**



Value of frameworks **↑ 25%**



All four divisions have increased both 'Number of frameworks' and 'Value of frameworks' in the period

Results summary

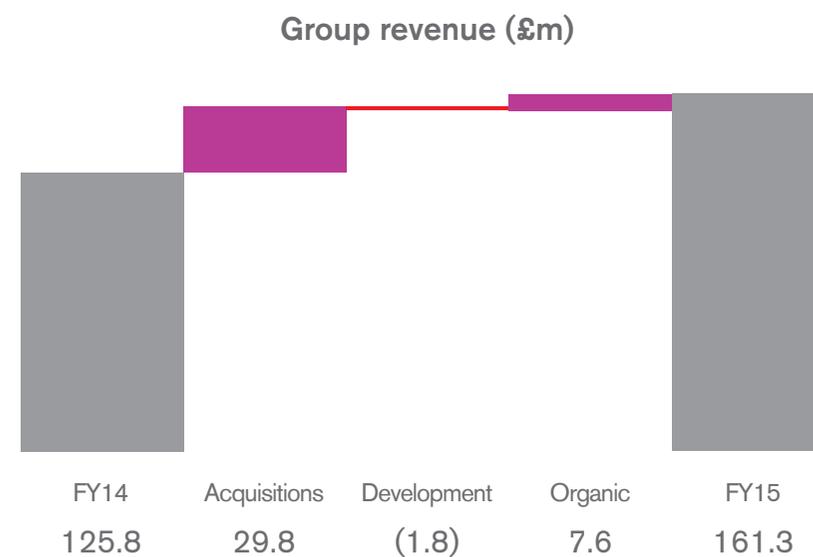
Six months to 31 March	2015 £m	2014 £m	% change
Revenue	161.3	125.8	28%
Adjusted EBITA*	8.9	2.6	237%
Exceptional items	(3.9)	(0.1)	
Amortisation of acquisition intangibles	(2.9)	(1.5)	
Operating profit	2.1	1.0	118%
Net interest payable	(0.9)	(0.6)	
Profit on ordinary activities before tax	1.2	0.4	211%
Tax on profit on ordinary activities	(0.5)	(0.3)	
Profit on ordinary activities after tax	0.7	0.1	
Adjusted profit after tax	7.3	2.0	
Adjusted earnings per share			
Basic	7.4p	3.1p	
Diluted	5.9p	2.2p	

* Adjusted EBITA is stated prior to deductions for exceptional items and amortisation of acquisition intangibles

Divisional analysis

Revenues

Six months to 31 March	2015	2014
Revenue	£m	£m
Regeneration	79.3	85.5
Compliance	19.3	16.7
Energy Services	27.2	0.3
Construction	36.7	25.7
Total divisional revenue	162.5	128.2
Interdivisional elimination	(1.2)	(2.4)
Group revenue from external customers	161.3	125.8



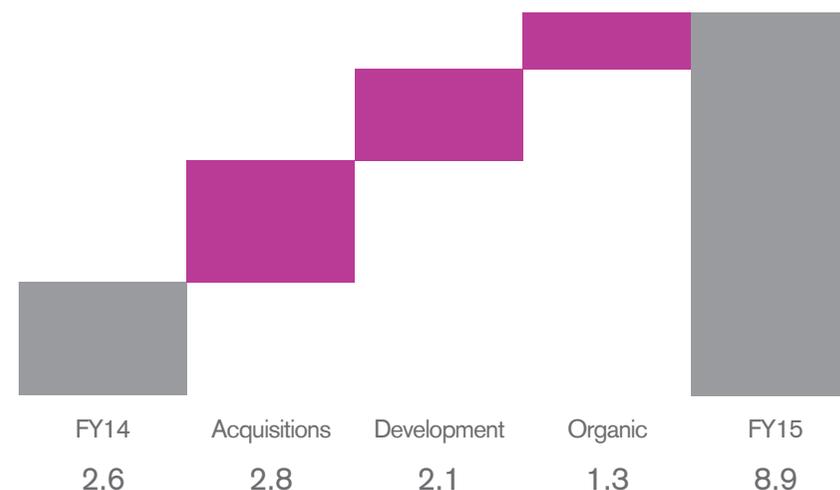
Divisional analysis

Adjusted EBITA*

Six months to 31 March	2015	2014
Adjusted EBITA*	£m	£m
Regeneration	4.4	5.4
Compliance	2.8	1.5
Energy Services	3.4	(0.7)
Construction	1.9	(1.3)
Central	(3.6)	(2.3)
Group adjusted EBITA*	8.9	2.6

Adjusted EBITA* margin	2015	2014
Regeneration	5.6%	6.4%
Compliance	14.2%	9.1%
Energy Services	12.6%	(252.0)%
Construction	5.1%	(4.9)%
Central	(2.2)%	(1.9)%
Group adjusted EBITA* margin	5.5%	2.1%

Group adjusted EBITA* (£m)



* Adjusted EBITA is stated prior to deductions for exceptional items and amortisation of acquisition intangibles

Cash flow

Six months to 31 March	2015	2014
	£m	£m
EBIT	2.1	1.0
Depreciation and non-cash items	3.7	1.9
Working capital	5.5	4.8
Cash generated from operations	11.3	7.7
Interest paid (net)	(0.3)	(0.3)
Taxation	(1.6)	(1.7)
Net cash generated from operating activities	9.4	5.7
Purchase of operations	(9.3)	(10.2)
Purchase of operating assets	(1.0)	(0.4)
Net cash used from investing activities	(10.3)	(10.6)
Proceeds from issue of new shares	29.6	–
Proceeds from / (repayment of) bank borrowings	(12.2)	9.6
Net cash generated from financing activities	17.4	9.6
Net increase/(decrease) in cash	16.5	4.7
Adjusted operating cash conversion*	157%	291%

* Operating cash conversion is operating cash flow, plus exceptional IPO cash expenses, as a percentage of adjusted EBITA

Statement of financial position

Six months to 31 March	2015	2014
	£m	£m
Goodwill and intangibles	62.6	36.9
Tangible and other	5.0	2.9
Fixed assets	67.6	39.8
Current assets	79.3	57.8
Cash	20.7	13.5
Current liabilities	(76.0)	(76.2)
Net current assets/(liabilities)	24.0	(4.9)
Non-current liabilities	(8.1)	(19.1)
Net assets	83.5	15.8
Net cash / (debt)	21.1	(1.8)

The future

Opportunities for growth



ORGANIC GROWTH	Market share growth Geographic spread: Scotland and Midlands Self-delivery	Cross-selling to existing customers Market share growth Geographic spread: Scotland and Midlands Air and water	Cross-selling to existing customers Geographic spread: England Building services engineering Smart metering	Education frameworks 'Pupil Places' Geographic spread: East
CORPORATE DEVELOPMENT	Responsive maintenance	Lifts Gas servicing Commercial gas	Energy procurement / advisory Building management systems	

EXTENSIVE AND INTEGRATED SERVICES

Summary and outlook

- Good trading results for the period
- £248m of new contract wins in the period
- Strong visibility of earnings: £563m order book, 97% cover of FY2015 revenues
- Excellent cash performance
- Robust balance sheet: resources for future acquisition strategy
- H2O Nationwide and Providor acquired and integration started
- Final FY2015 dividend expected at the year end results
- Board remains confident of delivering its expectations for the year

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