

Bilby Plc
(“Bilby” or the “Company”)
Final Results

Bilby Plc (AIM: BILB.L), the holding company for P&R Installation Company Limited (P&R), a leading gas heating and building services provider, which was admitted to AIM in March 2015, has today issued its maiden annual results in respect of the 14 months to 31 March 2015.

Financial Highlights

	14 months to 31 March 2015 (audited)	12 months to 31 January 2014 (audited)
Revenue	£14.91m	£9.73m
Gross profit	£3.81m	£2.52m
<i>Gross margin</i>	25.6%	25.9%
Operating Profit	£2.00m	£0.86m
<i>Operating profit margin</i>	13.4%	8.8%
Profit before tax	£1.98m	£0.83m
Basic EPS	6.1p	2.4p
Dividend per share	2.32p	-

Operational Highlights

- Admission to trading on AIM raising Gross £2.5 million
- New client wins including Hexagon Housing Association, Central and Cecil Housing Trust and Borough of Haringey
- New major contracts won with long term clients The Guinness Partnership and Royal Borough of Greenwich
- Successfully developed service offering to include a wider range of building services
- Current order book of £95m

Phil Copolo, P&R Founder and Executive Deputy Chairman of Bilby plc, said:

“I am delighted to announce our maiden full year results as an AIM company. Over the period we have grown our service offering whilst extending our existing relationships and winning new customers. This has been achieved whilst maintaining high margin profitability as a result of our disciplined operational focus. We continue to see significant opportunity for further growth as regulatory requirements for maintenance of local authority social housing continue to drive increasing demand and we look to the future with confidence.

At the same time we are pursuing a number of potential acquisition opportunities which would broaden the Company's range of services and widen our areas of activity across London and the South East."

-Continued-

Enquiries

Bilby Plc

020 8269 3777

Phil Copolo, Deputy Executive Chairman

David Ellingham, Finance Director

Charles Stanley Securities

020 7149 6000

(Nominated Adviser and Broker)

Russell Cook

James Greenwood

Hudson Sandler

020 7796 4133

(Financial PR)

Charlie Jack

Emily Dillon

Note for Editors

Bilby Plc, the holding company for P&R Installation Company Limited ("P&R"), was established to provide a platform for strategic acquisitions in the gas heating and building services industries. Bilby's first acquisition was P&R, an established and award winning provider of gas heating appliance installation and maintenance services.

P&R provides services predominately to local authorities and housing associations across London and South East England and is responsible for over 100,000 properties. The experienced management team places emphasis on the provision of a high level of service through which P&R has developed long standing relationships with its customers who include the Guinness Partnership, London & Quadrant, Gallions and the Royal Borough of Greenwich. Headquartered in Sidcup, Kent, P&R employs approximately 80 staff. Bilby plc (AIM: BILB.L), is traded on the AIM Market of the London Stock Exchange. For further information, visit www.bilbyplc.com.

Chairman's Review

It is my pleasure to announce our inaugural set of results as an AIM-quoted company. 2015 has been a transformational year for Bilby Plc, with the successful admission of our shares to trading on AIM in March. The IPO raised gross proceeds of £2.5m through a placing of new ordinary shares at 58p per share. The shares were placed with a number of institutional and other new investors. The proceeds facilitated the acquisition of P&R Installation Company Limited (P&R) which became the first operating subsidiary of Bilby.

Bilby's strategy is to use the proceeds and the listed platform to capitalise on the significant market opportunity within the gas heating and building services industries, especially in London and the South East.

P&R has continued to maintain a tight strategic focus on providing services predominately to local authorities and housing associations within the region, with a disciplined emphasis on delivering high service levels and customer satisfaction. During 2015 the success of this focused approach has enabled P&R to continue to both win new customers and, through its reputation for high service levels, to extend the services that it provides to existing customers.

Bilby has achieved significant improvement in operating margins over the 14 months to March 2015 up from through increased operational efficiencies P&R's selective approach to tendering for new contracts. Allied to our growth aspirations, we are also committed to a progressive dividend policy and are pleased to announce that the Board is recommending a maiden final dividend of 2.32p in respect to the financial period ending 31 March 2015.

We remain confident that Bilby's ongoing growth will be underpinned through buoyant opportunities in a growing market that continues to be legislatively driven by the Decent Homes Standard, the Right to Repair Scheme and applicable gas safety regulations. These government-driven measures ensure that much of the work that Bilby carries out for its customers remains mandatory. Our operations will remain focused on London and the South East, the UK's largest social housing market.

We continue to seek opportunities to expand the Group's operations through further strategic acquisitions of businesses operating in markets similar to P&R. The combination of strong organic growth and corporate acquisition will enable Bilby to increase its scale of operations and thereby qualify to tender for larger contracts which have minimum revenue pre-tender conditions. The Board will ensure that the Bilby business model is maintained, taking a highly selective approach to acquisitions opportunities to ensure that margin growth, strong cash flow and profitability is maintained. Indeed, we are continuing to review a number of opportunities in London and the South East and hope to be able to announce shortly further progress in this direction.

On behalf of the Board, I would like to thank all our employees for their tremendous dedication and contribution to the business during what has been an important year of growth and development. I am confident that we will continue to build on this and remain optimistic and excited about the future.

Sangita Shah, Non-Executive Chair

Operational review

Financial performance

The Group has achieved a strong result during the 14 month year period to 31 March 2015 in line with market expectations. Turnover was £14.91m (12 months to 31 July 2014: £9.73m) generating an operating profit of £2.00m (12 months to 31 January 2014 £0.86m). When compared to the 12 months to January 2014, gross margins for the period were broadly unchanged at 25.6% (2014: 25.9%), while operating margins increased from 8.8% to 13.4% reflecting not only increased contract activity but also targeted savings on overheads across the business.

Progress in the period has continued to demonstrate the fundamental strengths of Bilby's scalable business model which, supported by P&R's strong reputation and increasing demand in its core London and South East markets, has delivered higher than market margin profitability.

Customers and services

P&R performed strongly during the period with a number of new contract wins both with existing and new clients.

P&R won significant ongoing maintenance contracts with new clients Hexagon Housing, a housing association with more than 4,000 homes, and Central and Cecil, a sheltered and care housing trust. Based on our strong working relationships with long-term Gallions Housing Association, which manages and owns 7,000 homes in South East London, P&R won a significant further contract for a boiler and systems upgrade programmes in 2014-15, (a key requirement of the Decent Homes Standard).

Following successful completion of a central water tank replacement contract for the London Borough of Lewisham in early 2014, P&R was awarded a further and larger tank replacement contract with the same borough later in 2014.

P&R prides itself on its long-term client relationships, the success of which is evidenced through a number of our clients continuing to extend both the scale of our contracts and the range of our work within them. This is a testament to the growing recognition of our focus on high standards and quality service.

Extending service offering

We have continued to extend our service offering to firmly establish the Group's building services division alongside the market-leading gas, plumbing and drainage services on which the business was founded. By bringing the strict operational disciplines required within the gas maintenance divisions into our other building service practice we are successfully achieving strong margins, whilst providing our clients with a wider range of service and in doing so accessing broader contract opportunities.

Evidence of this was winning two major new building services contracts with existing client The Guinness Partnership, a 60,000 home housing association, for whom we have provided gas heating services for a number of years. The new contracts cover kitchen and bathroom replacement and internal and external decorating at properties in Chelsea and Kennington. The contract in Kennington was completed during the period, with the contract in Chelsea still

ongoing and expected to be completed by autumn 2015. Additionally we were delighted to win a contract with Kew Gardens, to convert a laboratory into staff restroom facilities and The Royal Borough of Greenwich, where we have started a major contract to work through an urgent programme to rectify wide-ranging damp issues across a number of the borough's housing stock.

Marketplace

With a new Government, we are confident that existing initiatives, such as the Decent Homes Standard and the Right to Repair scheme, will remain a core focus with committed investment maintained.

Notably, even after the Mayor of London secured £821m in the 2011-2015 spending round period for London to improve c. 45,000 homes, London will still have 11 of the 12 UK local authorities where 10% of the housing still does not meet the Decent Homes Standard. This continues to provide Bilby with significant opportunities.

Operational investment

Over the reporting period Bilby's total headcount increased by approximately 11%, primarily with the hiring of additional inspectors, managers, surveyors and sub-contractors to control standards across our services. This investment will support the continued focus on high quality service set by P&R.

We are committed to constantly investing in the training and development of our employees, ensuring they have the necessary technical skills and are inducted on the latest appliances in the market. Over the period a number of our employees and contractors were put through Gas Accreditation Certification, (ACS) training courses by the Group.

Buy and build strategy

We maintain the strategy set out following our admission to AIM to expand Bilby's businesses via both organic and acquisitive growth to gain the critical mass required to tender for larger contracts.

We see a number of opportunities for strategic acquisitions in our target geography of London and the South East. All potential acquisition targets continue to be carefully considered and must meet focused acquisition criteria based around: service synergies, revenue, geographic focus, management strength, margins, cash flows and forward order book. We continue to review a number of opportunities and expect to be able to announce progress shortly.

Outlook

In addition to the existing order book of £95m, the Group continues to tender for a number of significant new local authority and social housing contract opportunities. This, combined with our focus on operational excellence and customer satisfaction and a marketplace with significant opportunity, underpins our confidence for the future.

Phil Copolo, Deputy Executive Chairman

Income statement

	Notes	14 months ended 31 March 2015	12 months ended January 2014
		£,000	£,000
Revenue	1	14,907	9,733
Cost of sales		(11,093)	(7,214)
GROSS PROFIT		3,814	2,519
Administrative expenses		(1,814)	(1,661)
OPERATING PROFIT		2,000	858
Finance costs		(20)	(27)
PROFIT BEFORE TAX		1,980	831
Income tax expense		(428)	(228)
PROFIT FOR THE PERIOD/YEAR attributable to the equity holders of the parent company		1,552	603
Other comprehensive income		-	-
Total comprehensive income for the period / year attributable to the equity holders of the parent company		1,552	603
Basic earnings per share (pence)	2	6.1p	2.4p
Diluted earnings per share (pence)	2	6.1p	2.4p

Balance sheet

	2015	2014
	£,000	£,000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	524	908
CURRENT ASSETS		
Inventories	347	320
Trade and other receivables	4,033	1,644
Cash and cash equivalents	1,770	97
TOTAL CURRENT ASSETS	6,150	2,061
TOTAL ASSETS	6,674	2,969
EQUITY AND LIABILITIES ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
ISSUED CAPITAL AND RESERVES		
Share capital	2,931	2,500
Share premium	1,213	-
Merger reserve	(2,499)	(2,499)
Retained earnings	2,940	1,388
TOTAL EQUITY	4,585	1,389
NON CURRENT LIABILITIES		
Borrowings	-	178
Obligations under finance leases	57	28
Deferred tax liabilities	20	19

	77	<i>225</i>
CURRENT LIABILITIES		
Borrowings	31	<i>120</i>
Obligations under finance leases	50	<i>105</i>
Current income tax liabilities	448	<i>209</i>
Trade and other payables	1,483	<i>921</i>
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	2,012	<i>1,355</i>
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	6,674	<i>2,969</i>
	<hr/> <hr/>	<hr/> <hr/>

Cash flow

	Notes	14 months ended 31 March 2015	<i>12 months ended 31 January 2014</i>
		£,000	<i>£,000</i>
Net cash generated from operating activities	3	95	64
Cash flow from investing activities			
Interest paid		(20)	(27)
Purchases of property, plant and equipment		(22)	(26)
Proceeds on disposal of property, plant and equipment		376	6
Net cash generated from / (used in) investing activities		334	(47)
Cash flow from financing activities			
Repayment of bank loans		(262)	(89)
New bank loans		-	154
Repayment of Director loans		(4)	(30)
Capital element of finance lease payments		(134)	(173)
Issue of ordinary share capital		2,500	-
Issue costs		(856)	-
Net cash generated from / (used in) financing activities		1,244	(138)
Net increase / (decrease) in cash and cash equivalents		1,673	(121)
Cash and cash equivalents at beginning of period		97	218
Cash and cash equivalents at end of period		1,770	97

Notes

1. REVENUE

Revenue can be broken down as follows:

	2015	<i>2014</i>
	£,000	<i>£,000</i>
Gas Maintenance	6,522	<i>6,986</i>
Building Services	8,137	<i>2,682</i>
Trade Counter	248	<i>65</i>
	<hr/> 14,907 <hr/>	<hr/> <i>9,733</i> <hr/>

All results in the current and prior period derive from continuing operations and all revenues are derived from the UK.

There are four customers who individually contribute 19%, 17%, 11% and 11% respectively towards the revenue. (31 January 2014: four contributing 23%, 20%, 16% and 13%)

2. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the result attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share amounts are calculated by dividing net profit for the year or period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The Group has 1,612,067 potentially issuable shares all of which relates to potential dilution from the Group's share options issued to a Director and employees in the period.

Basic and diluted profit per share from continuing operations is calculated as follows:

	2015	<i>2014</i>
	£,000	<i>£,000</i>
Profit used in calculating basic and diluted earnings per share	1,552	<i>603</i>
	<hr/> 1,552 <hr/>	<hr/> <i>603</i> <hr/>

Number of shares

Weighted average number of shares for the purpose of basic earnings per share

25,359,195**25,000,000**

Weighted average number of shares for the purpose of diluted earnings per share

25,493,534**25,000,000**

Basic earnings per share (pence)

6.1**2.4**

Diluted earnings per share

6.1**2.4****3. NOTES TO THE CASH FLOW STATEMENT**

	2015	2014
	£,000	£,000
Cash flow from Operating Activities		
Profit before income tax	1,980	831
Adjustments for:		
Finance cost	20	27
Loss on disposal of tangible assets	16	47
Depreciation	126	132
Impairment	-	25
Movement in receivables	(2,389)	(163)
Movement in payables	557	(471)
Movement in inventories	(27)	(241)
Tax paid	(188)	(123)
Net cash from operating activities	95	64

Financial information

The financial information set out above does not constitute the Company's statutory accounts for the period ended 31 March 2015 or for the year ended 31 January 2014, but is derived from those accounts. Statutory accounts for the period ended 31 March 2014 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under either Section 498(2) or (3) of the Companies Act 2006.

Report and Accounts

Copies of the 2015 Annual Report and Accounts will be posted to shareholders shortly. Further copies may be obtained by contacting the Company Secretary at the registered office. Alternatively, the 2015 Annual Report and Accounts will be available to download from the investor relations section on the Company's website www.bilbyplc.com

Key dates

The Annual General Meeting of the Company is scheduled to take place at 9.30am on Thursday 23 July 2015 at the offices of Hudson Sandler Limited, 29 Cloth Fair, London EC1A 7NN.