

AUGUST 2021

# 2021 H1 RESULTS

6 MONTHS TO  
30 JUNE 2021

Peter Fowler, CEO & Mark Hughes, CFO



**WESTMINSTER**  
GROUP PLC

# Today's Agenda

Highlights

H1 Financial Results

Operational Review

Major New Contract Awards Update

- Tower of London
- West Africa Port
- DRC

Outlook

# Highlights

H1 2021

*Covid-19 continued to have an impact during 2021 with ongoing travel restrictions and businesses closed or cautious about spending – despite this we have delivered significant steps forward that underpins confidence in our business model and growth trajectory.*

## Operational

- Secured two new large-scale, long-term managed services contract.
- Post-period, secured high profile contract to provide security services to the Tower of London.
- 5-year security contract for the Palace of Westminster (UK Parliament) underway.
- Ghana port operations continue to perform well.
- West African Airport operations recovering ahead of expectations.
- Developed new Covid-19 testing programme initiative in partnership with Certific.
- Aviation training business graded as 'Outstanding in all Areas' by UK Civil Aviation Authority.
- Awarded Queen's Award for Enterprise in recognition of outstanding contribution to International Trade.

## Financial

- Group revenues up 16% from H2 2020 to £3.5 million (H1 2020: £7.0 million, H2 2020: £3.0 million).
- Gross margin increased to 45% (H1 & H2 2020: 40%).
- Group debt free, excluding £0.05 million of imputed lease debt (30 June 2020: £3.37 million debt, 31 December 2020: £0.07 million lease debt).
- Cash balance as at 30 June 2021: £3.1 million (30 June 2020: £1.6 million, 31 December 2020: £2.1 million).

# H1 Financial Results

# Income Statement

## Continued Recovery

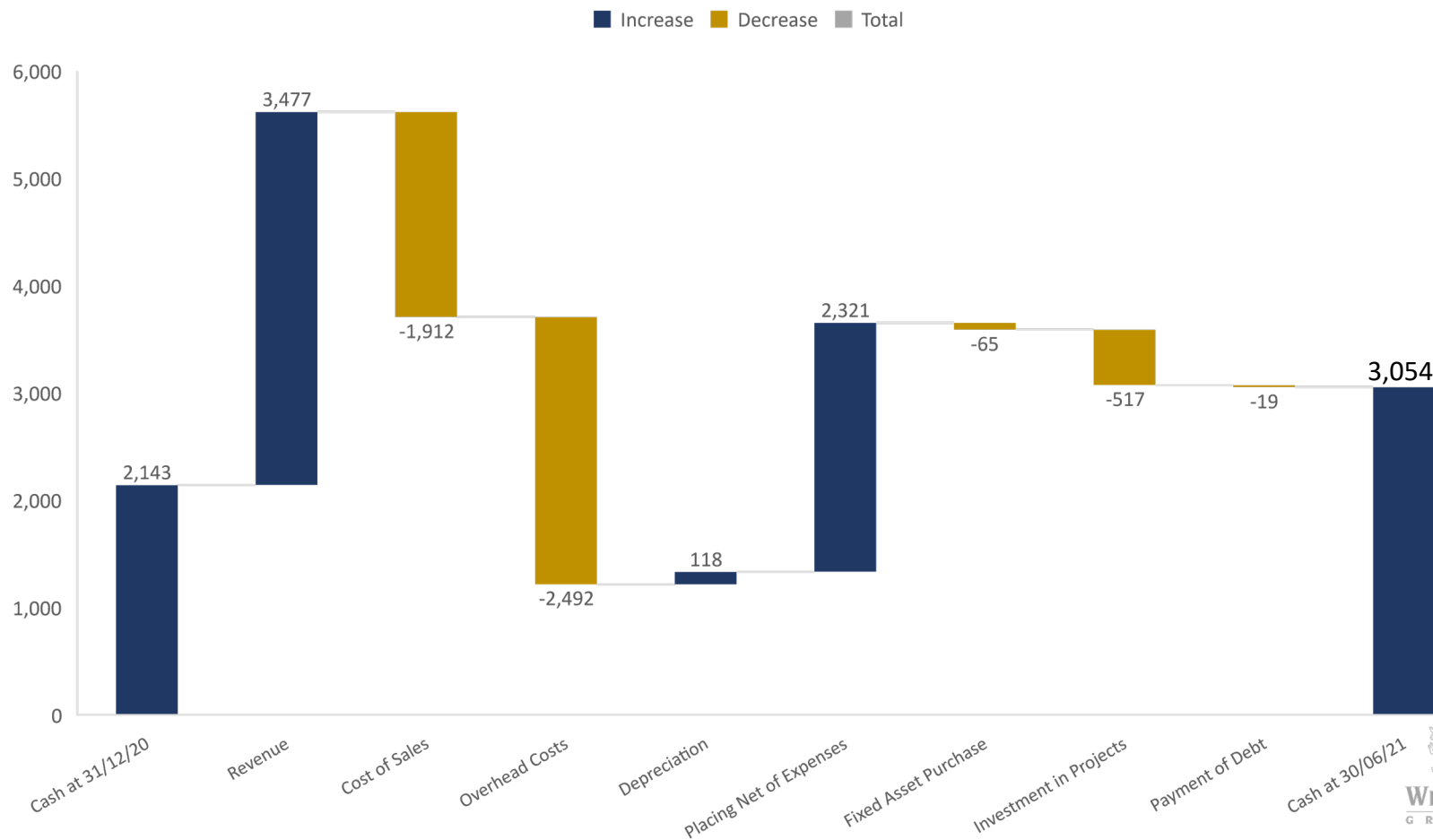
	2021 H1	2020 H2	2020 H1
	£k	£k	£k
Turnover	3,477	2,986	6,959
Gross Margin	1,565	1,198	2,773
	45%	40%	40%
Overhead Costs	(2,492)	(2,418)	(2,297)
Operating (Loss) / Profit	(927)	(1,220)	476
EPS	(0.32p)	(0.59p)	0.16p
Equity	8,451	7,059	3,796



# Cash Flow Bridge

H1 2021

## Funded for new projects



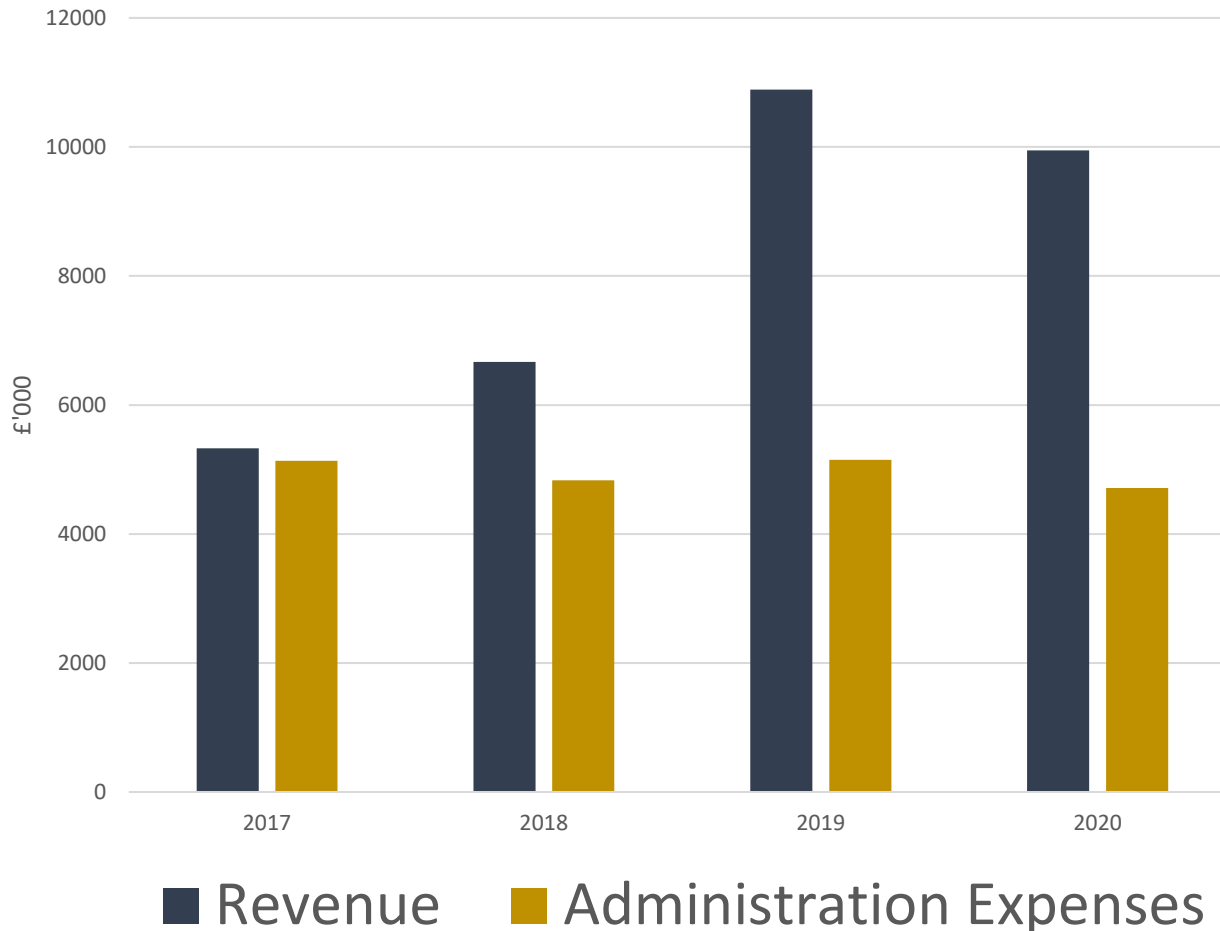
# Overhead Costs

H1 2021

	2021 H1 £k	2020 H1 £k
Sales & Marketing Staff Costs	332	188
Other Indirect Staff & Travel Costs	1,582	1,543
AIM & Professional Costs	495	484
Depreciation	83	82
	2,492	2,297

# Financial Performance

## Operationally Geared



- Scalable business.
- Operationally geared with relatively fixed overhead costs.
- Profits from incremental revenue growth will outpace costs.



# Headcount

Current Staff

214 47

Operations

Central

Projected by Year End

650 50

Operations

Central



# Operational Review

Recovery - Growth - Excellence

# Operational Review

**“In our 2020 Annual Report we stated the outlook for 2021 was looking positive and this remains the case.”**

***Peter Fowler CEO***

## **Services Division:**

- Signed 20-year managed services contract 5 airports in DRC
- Signed 10-year managed service contract Port in West Africa
- Signed prestigious security services contract -Tower of London
- West Africa Airport Operations recovering – now 70% of pre-Covid traffic levels
- Ghana Port operations performing well
- Guarding recovering and winning new contracts
- Training recovering ahead of expectations
- Covid testing programme growing
- Signed MoU for long term airport security in Burkina Faso, West Africa, gap analysis now completed and report issued.

## **Technology Division:**

- Technology products and solutions sales impacted by Covid restrictions but recovering, expecting busy H2
- Secured orders for products and services from over 40 countries
- Palace of Westminster project successfully underway
- KSA – in-country manager due to return late August and licensing etc. expected to be completed in Q4 – various large-scale project opportunities both under the Kingdoms 2030 vision and with organisations such as Saudi Aramco.

# Our Confidence Bridge

## Key

- Existing Business
- New Major Contracts
- Expected New Business



# AWARDS & RECOGNITION

**Queen's Award for Enterprise, International Trade:**  
“To have been selected for this distinguished award is an honour, not just for the Company but for all our employees around the world who have contributed to this success” Peter Fowler, CEO

May 2020 & April 2021



#085  
CAA - Registered  
Aviation Security  
Training Provider

Professionalising UK aviation security training

Westminster's aviation security training operations graded as 'Outstanding' in all areas audited by UK Civil Aviation Authority (CAA).

November 2020



**1000**  
COMPANIES TO INSPIRE  
**BRITAIN 2020**

Recognised by the London Stock Exchange as one of the select 1000 Companies to Inspire Britain

April 2021



Granted Queen's Award for Enterprise in recognition of an outstanding achievement in international trade



# New Contracts Update



We operate in three core sectors

# LAND

Governmental Facilities  
Transport Hubs  
Banks & Financial Institutions  
Perimeters & Borders  
Critical Infrastructure  
Petrochemical Plants

The Global Homeland Security Market is expected to be around

US **\$44.0**  
billion By  
**2024**

and will grow at a  
CAGR of more than  
**5%**  
in the period.

Source: Homeland Security Market 2020-2025  
Report

# SEA

Ports & Harbours  
Ferry & Cruise Terminals  
Costal Defence  
Offshore Platforms  
Costal Resorts

Container  
trade forecast

**4.6%**  
annual growth  
to **2024**

The average annual growth rate during the past five years has been 3.6%. Over the next five years, growth is forecast to be higher at 4.6% annually.

Source: Lloyds List Intelligence

# AIR

Airports  
Airlines  
Cargo Hubs  
Flight Operations  
Humanitarian Flights

**8.0**  
billion

passengers travelling  
by air in  
**2039**

**more than**  
**double**  
the 4.0 billion  
passengers in 2017

Source: IATA 20 Year Air Passenger Forecast

# LAND

## The Tower of London

**New**  
High Profile  
contract to protect  
the  
Tower of  
London



### The Location

- The Tower of London is the world-renowned iconic castle and World Heritage Site, built by William the Conqueror in 1078, and has served as a Royal Palace, fortress and prison over the centuries and is the home of the Crown Jewels of England.

### The Contract

- Westminster has been contracted to provide professional security services to the pedestrian and vehicular entrances.
- Further information on the scope of the contract is restricted.

### Current Position

- Contract signed and operations have commenced.

### Significance

- High profile and prestigious contract award.
- Additional services and expansion of scope under discussion.
- Expected to be a long term deployment.
- Demonstrates we have the reputation, skills and resources to secure and deliver high profile contracts around the world.
- Interesting growth potential.



# SEA Container Port West Africa New 10 year managed services contract providing Port Security West Africa



## The Location

- The project relates to the main commercial port facility in the West African country. The facility contains four piers and one main wharf with four berths.

## The Contract

- A Build-Operate-Transfer contract to provide container screening and secondary search services at the port.
- We provide the all equipment and expertise to build and operate the container screening operation for the duration of the contract.
- We also undertake the manual inspection of chosen containers
- We get paid in USD based on all import containers passing through the port, whether screened or not – safe and secure.

## Current Position

- Contract signed, initial set up team being deployed, local subsidiary formed, advisors appointed, logistics being organised.
- Land for screening area being gifted by Government, design and planning underway – the construction phase will take approx 1 year but revenues will commence once we have everything in place ready to start manual inspections.

## Significance

- expected to generate around \$1.1m in revenues in the first 12 months of operation.
- Yet another port managed services project in a new country



# AIR Democratic Republic of Congo

**New  
20**  
year managed  
services contract  
for **5**  
airports in the  
DRC.



## The Location

- DRC has a surface area equivalent to that of Western Europe, it is the largest country in sub-Saharan Africa, the second largest in all Africa, the most-populous Francophone country and the 11th-largest country in the world. Air travel is therefore both important and a necessity.

## The Contract

- A Build-Operate-Transfer contract to provide aviation security (AVSEC) at 4 international and 1 national airports.
- We provide the all equipment and expertise to build and operate the AVSEC operation for the duration of the contract.
- We get paid in USD via a security fee on embarking passenger tickets which we collect directly from the airlines or through the IATA collection system – safe and secure.

## Current Position

- Contract signed, initial set up team deployed to country, DRC subsidiary formed, advisors appointed, logistics being organised.
- Formalities to enable operations to commence are underway.

## Significance

- Even with traffic at 50% of normal levels revenues in excess of \$6m in the first twelve months of operations.
- Significant growth potential over 20 years.
- Yet another airport managed services project in a new country

# Outlook



# Outlook

Whilst acknowledging that there is still global uncertainty and delays may still impact the delivery of certain projects in the short term, providing the expected easing of restrictions and delays and the resultant recovery continues we are on track to meet full year expectations.

Confident in our 2022 and future forecasts.

**“In our 2020 Annual Report we stated the outlook for 2021 was looking positive and this remains the case.”**

***Peter Fowler CEO***





# Queen's Award Presentation & Open Day



## You're invited to the Westminster Group's Queen's Award Ceremony and Open Day – Westminster House on Friday 3 September 2021

Dear Shareholder,

On 29 April 2021 it was announced that Her Majesty The Queen had approved the Prime Minister's recommendation that the Westminster Group Plc. be awarded the prestigious Queen's Award for Enterprise in recognition of its outstanding contribution to International Trade.

The award will be officially presented by the Lord Lieutenant of Oxfordshire, Sir Tim Stevenson CVO OBE, on behalf of Her Majesty the Queen, at a ceremony to be held at Westminster House. We would be most honoured if you could join us for the event.

As part of the celebrations, we will be holding an open day for clients, investors and other stakeholders showcasing some examples of the multitude of security technologies and solutions we deploy around the world. There will also be opportunities to meet with the board and employees and to discover more about the group and our worldwide operations.

We expect a large turnout and so numbers may have to be restricted – you may register your interest here

[www.wg-plc.com/queens-award-2021](http://www.wg-plc.com/queens-award-2021)

Rt. Hon. Sir Tony Baldry  
Westminster Group Plc - Executive Chairman

## IMPORTANT NOTICE

The contents of this presentation and the information which you are given at the time of the presentation have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (the "Act"). Reliance on this presentation for the purpose of engaging in investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. This presentation does not constitute or form part of any offer for sale or subscription or solicitation of any offer to buy or subscribe for any securities in **Westminster Group plc** (the "Company") nor shall it form the basis of or be relied on in connection with any contract or commitment whatsoever. No reliance may be placed for any purpose whatsoever on the information contained in this presentation and/or opinions therein. This presentation is exempt from the general restriction (in section 21 of the Act) on the communication of invitations or inducements to engage in investment activity on the grounds that it is made to: (a) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (b) high net worth entities and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any person (whether a relevant person or otherwise) is recommended to seek their own independent financial advice from a person authorised for the purposes of the Act before engaging in any investment activity involving the Company's securities. Any recipient who is not a relevant person should return this presentation to the Company's registered office and should not act upon it. By accepting this presentation and not immediately returning it, each recipient warrants, represents, acknowledges and agrees that it is a relevant person.

This presentation does not constitute or form part of any offer or invitation or inducement to sell, issue, purchase or subscribe for (or any solicitation of any offer to purchase or subscribe for) the Company's securities in the UK, US or any other jurisdiction and its distribution does not form the basis of, and should not be relied on in connection with, any contract or investment decision in relation thereto nor does it constitute a recommendation regarding the Company's securities by the Company or its advisers and agents. Nothing in the presentation shall form the basis of any contract or commitment whatsoever. The distribution of this presentation outside the UK may be restricted by law and therefore persons outside the UK into whose possession this presentation comes should inform themselves about and observe any such restrictions as to the distribution of this presentation. The Company has not registered, and does not intend to register, any securities under the US Securities Act of 1933, as amended or to conduct a public offering of any securities in the US.

This presentation contains "forward-looking" statements, beliefs, estimates, forecasts and opinions, including statements with respect to the business, financial condition, results of operations and plans of the Company and its group ("Group"). These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the current beliefs and expectations of the directors about future events. Recipients should note that past performance is not necessarily an indication of future performance and no assurance can be given that they will be attained. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements may and often do differ materially from actual results.

The significant risks related to the Company's business which could cause the Company's actual results and developments to differ materially from those forward-looking statements are discussed in the Company's Annual Report and other filings. They appear in a number of places throughout this presentation and include statements regarding the intentions, beliefs or current expectations of the directors of the Company with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, concerning, amongst other things, the results of operations, financial condition, prospects, growth and strategies of the Group and the industry in which it operates. No one will publicly update or revise any forward-looking statements or any other information contained herein, either as a result of new information, future events or otherwise.

In considering the performance information contained herein, recipients should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance unrealised return projections will be met. Certain of the past performance information presented herein may not be representative of all transactions of a given type. Actual events could differ materially from those projected herein and depend on a number of factors.

The Company reports under IFRS. Where foreign currency equivalents have been provided for convenience in this presentation, the exchange rates applied are those used in the relevant financial statements from which the figures have been extracted. This presentation is confidential and is being supplied to each recipient of it solely for its information. While this presentation has been prepared in good faith, no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by the Company or by its officers, employees or agents in relation to the adequacy, accuracy, completeness or reasonableness of this presentation, or of any other information (whether written or oral), notice or document supplied or otherwise made available to any recipient. This presentation has been prepared to assist a recipient make its own evaluations and does not purport to be all-inclusive or contain all of the information a recipient may desire.



# WESTMINSTER

GROUP PLC

[wsg-corporate.com](http://wsg-corporate.com)