



**WESTMINSTER**  
GROUP PLC

# International Safety & Security Specialists

## 2021 Annual Results

Presented by:

CEO Peter Fowler & CFO Mark Hughes

Worldwide world class protection



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# Agenda:

## Brief Company Overview

- Who We Are
- Our Revenue Streams

## Trading Performance & Outlook

- Current Trading
- Period Overview - Challenges
- Period Overview – the Highs & Lows
- 2021 Financial Highlights
- 2021 Financial Results
- Strategy For Growth
- 2022 Revenue Growth Opportunities
- Awards & Accreditations



# Who we are:

The Westminster Group is a global integrated security services company delivering niche security products, solutions and long-term managed services to high growth and emerging markets around the world, with a particular focus on building long term recurring revenue.

- Airports;
- Ports & Harbours;
- Borders;
- Critical Infrastructure;
- Transport Sector;
- Public Venues (malls, stadiums etc.);
- Governmental Buildings;
- Military Facilities;
- Financial Institutions;
- High Security & High Value Assets.



## Land



## Sea



## Air

- Not a Manufacturer
- Extensive manufacturer relationships
- Solutions Provider – Product Agnostic

- Building resilience from multiple and complimentary, revenue streams, from multiple customers in diverse areas of the world

# Our Revenue Streams:

*Building Resilience*

## • Technology Division

Product Sales	Solution Sales	Maintenance
Extensive range of security and safety equipment	Design and implementation of total systems to protect infrastructure, borders & buildings	Recurring revenue streams from maintenance contracts and installed equipment
Regular Revenue Stream	Large-scale Project Revenue Stream	Recurring Revenue Stream

## • Services Division

Managed Services	Guarding	Special Services	Training
Long-term (typically 10-20 years) recurring revenue projects in Ports, Airports and Infrastructure with a focus on emerging markets	Manned security services, mobile patrols and concierge services	Air operations & dispatch, humanitarian logistics and ground handling	Wide range of accredited training services in aviation security and other areas
Large-scale Recurring Revenue Stream	Recurring Revenue Stream	Regular & Lump Revenue Stream	Regular Revenue Stream

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**worldwide world class protection**

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# Trading Performance & Outlook

# Current Trading & Outlook:

*The outlook for 2022 is looking positive, although we remain mindful that global outlook remains uncertain.*

- West African airport ahead of expectations and nearing pre-pandemic revenue levels, with March 2022 being the highest ever March figure (2022 60% pre-covid).
- Ghana Port performing to expectations and with the fourth berth opened late 2021, further growth is expected.
- Continue to work on DRC ratification process, (20 year contract) expected to be completed by Q4 2022
- The logistics, licencing and planning phase of our new 10 year West African port project secured in 2021 is nearing completion and the operational phase is expected to begin in H2 2022.
- Training & Guarding businesses recovering well and winning new business.
- Product and solution sales showing signs of significant improvement, with several delayed projects once again back in discussion.
- Successfully completed Palace of Westminster project (now in 5-year maintenance programme).
- Westminster Arabia finally established we fully expect to see KSA provide a welcome contribution to our 2022 and future revenues.
- \$1.7m airport security contract secured December 2021 underway and expected to be completed in the year.
- Closely monitoring US Iran talks regarding JCPOA

# 2021 Period Overview – The Challenges:

*“2021 was a year of great challenges, but also of great success.”*

*Sir Tony Baldry TD, DL , Chairman*

## ❖ Covid-19 challenges

- In Jan the UK entered a third national lockdown, creating numerous challenges;
- Lockdowns and travel restrictions elsewhere in the world persisted throughout the year;
- Expected easing and a return of confidence in H2 never materialised, materially impacting parts of the business, although we did see an ongoing recovery as the year progressed.

## ❖ Navigating the Challenges

- Agile management, navigated business through the challenges;
- Maintained all our operations around the world;
- Identified new opportunities (e.g. covid testing);
- Secured important new business; and
- Kept all our people safe and fully employed, utilising the furlough scheme where appropriate.



# 2021 Period Overview – The Highs & Lows:

## ❖ The Highs:

- Services Division - 17% increase on 2020 to £5.1m
- West African Airport recovery underway, overall 2021 revenues 60% of pre-covid levels but ended year at 89%.
- Tema port made steady progress.
- Secured new managed services contracts, which will benefit 2022 and beyond.
- Training and Guarding recovering.
- Secured important new contracts including prestigious Tower of London project and \$1.7m airport contract.
- Despite challenges, supplied goods and services to 60 countries across 6 continents.
- Queen's Award for Enterprise in International Trade - successful open day at Westminster House, attended by many VIPs, Ambassadors, customers and shareholders.

## ❖ The Lows:

- Product & Solution sales disappointing - impacted by lockdowns, travel restrictions and business confidence delaying signing and delivery of some contracts and right shifting of opportunities.
- Challenging environment with additional costs in doing business.
- Delays in the ratification of the DRC contract.

## Queen's Award for Enterprise 2021



Westminster Open Day 7 September 2021

*“The Queen's Award for Enterprise is not an easy award to achieve, and Westminster's performance has been extraordinarily impressive demonstrating impressive sales growth”*

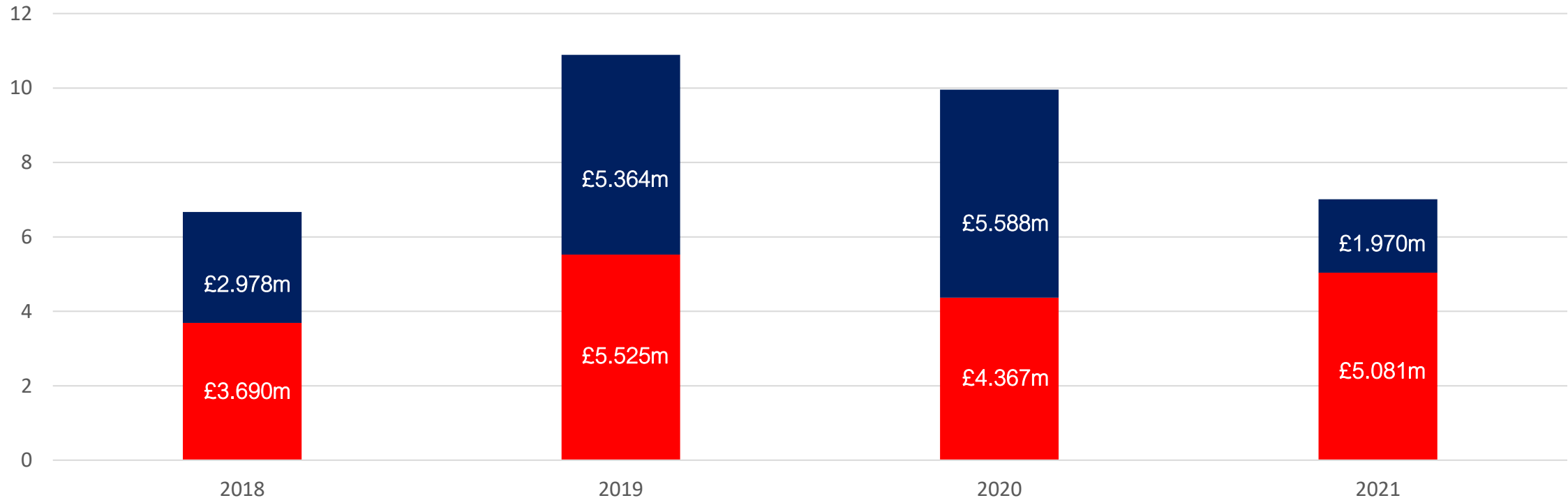
*Sir Tim Stevenson CVO OBE Lord Lieutenant of Oxfordshire on presentation of Queen's Award to Westminster – 3 September 2021*

## 2021 Financial Highlights:

- Despite continuing material impact from Covid-19 achieved revenues of £7.1m (2020: £9.9m).
- Recurring revenue growth to £5.4m (2020:£4.5m) – despite airport revenues only being 60% of pre-Covid levels
- Gross margin improved to 46% (2020:40%)
- Loss after tax £1.9m (2020: loss of £0.7m).
- Total Equity / Net Assets increased to £7.5m (2020: £7.1m).
- Commenced year debt free and remained so (other than operating lease debt under IFRS 16).
- Reduction in capital approved and implemented.

# 2021 Financial Results - Divisional Sales Performance:

£millions



- **Service Revenue – recovering and growing**
- Dip in 2020, mainly due to air travel restrictions
- Ghana Revenues increasing
- West African Airport rebounding in 2021 (60% pre-covid)
- Recovery to beyond pre-pandemic levels expected in 2022

- **Technology Revenue COVID affected (travel restrictions etc.)**
- Drop in Technology sales in 2020 offset by fever screening etc
- Little fever screening demand to offset reductions in 2021
- No major solutions sales in 2021 (lack of business confidence)
- Recovery to beyond pre-pandemic levels expected in 2022

## 2021 Financial Results:

- Revenue reduction largely due to drop in Technology sales.
- Services recovering and growing despite airports only running at 60%.
- Gross Margin % improving mainly due to higher margin sales (Services).
- Overheads fairly consistent but in 2020 partly cushioned by Furlough & reduction in travel.
- As can be seen from the steady overheads, the business is operationally geared and beyond revenue inflection point (circa £12m) profits will grow quickly.

	2019 £m (pre-pandemic)	2020 £m	2021 £m
<b>Technology Revenue</b>	5.4	5.5	2.0
<b>Services Revenue</b>	5.5	4.4	5.1
<b>Total Revenue</b>	10.9	9.9	7.1
<b>Gross Profit</b>	4.4	4.0	3.3
<b>Gross Margin</b>	39.2%	39.9%	46.3%
<b>Total Overhead Costs</b>	(5.1)	(4.7)	(5.2)
<b>EBITDA</b>	0.0	(0.5)	(1.7)
<b>EPS</b>	(0.96)	(0.45)	(0.62)
<b>Equity</b>	1.9	7.1	7.5



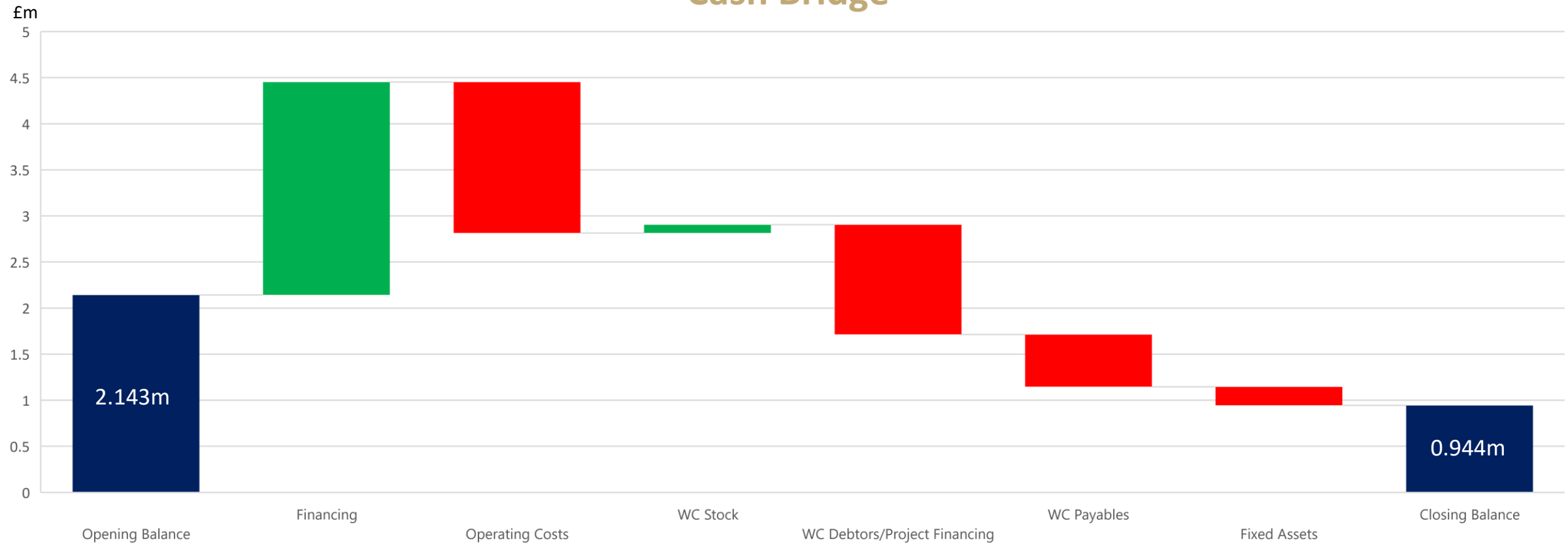
## 2021 Overheads:

- 2020 reduces due to COVID & cost savings
- 2021 Continued investment in Business Development
- 2021 Administration, PLC & Management reduction in Job retention support and similar savings
- Total before foreign exchange below 2019

Overhead Costs	2019 (Pre-covid) £m	2020 £m	2021 £m
Business Development	0.8	0.5	<b>0.7</b>
PLC & Management	1.0	0.7	<b>0.8</b>
Administration	3.0	2.9	<b>3.0</b>
Equipment & Premises	0.5	0.5	<b>0.5</b>
<b>Total before FX</b>	<b>5.3</b>	<b>4.6</b>	<b>5.0</b>
FX	-0.2	0.1	<b>0.2</b>
<b>Total</b>	<b>5.1</b>	<b>4.7</b>	<b>5.2</b>

# 2021 Financial Results:

## Cash Bridge



- Remained essentially debt free
- Cash funded losses and an increase in working capital

## 2021 Financial Results – Key Performance Indicators:

Managed Services	2021	2020
Passengers Served ('000)	77	51
Vehicles/Containers Served ('000)	1,090	1,003
Hours Training Delivered	1,136	1,520
Guarding Days Delivered	29,677	38,962
Technology Division	2021	2020
Average Enquiries Per Month	293	356
Average Number of Orders Per Month	37	54
Number of Countries Supplied	60	78
Number of Return Customers	242	70

## Strategy for Growth:

The challenges of the last two years have impacted our performance against our stated goals and accordingly, the Board have reset a number of its key goals for 2022 including:

1. Continue to expand product portfolio and global reach;
2. Increase sales in the UK and other first world countries – e.g. Protect Duty opportunities;
3. Secure at least one more long-term managed services contract;
4. Deliver a year of significant recurring revenue growth;
5. Deliver a move to profitability;
6. Deliver a sustained and material improvement in our share price;



# 2022 Incremental Revenue Growth Opportunities:

- Building on 2021's Covid impacted revenues (£7.1m), we are targeting the following 2022 incremental revenue growth opportunities:
  - **Product Sales** - £2.5m - £3.5m increase - achievable from low starting point. (Typical GP 20%-25%)
  - **New Solution Sales** - £3.5m - £4.5m increase – achievable from low starting point and backlog of potential projects in pipeline (\$1.7m already secured). (Typical GP 20%-25%)
  - **New Services** - £5.5m - £6.5m increase – achievable from numerous project opportunities in pipeline. (Typical GP 50%-55%)
  - **Existing Services** - £3.5m - £4.5m increase – achievable with recovery and growth from West Africa Airport, Ghana, training and guarding and commencement of new contracts secured in 2021. Note DRC now forecast to commence in Q4. (Typical GP 50%-65%)

## Westminster

# Awards & Accreditations

Westminster have been recognised by multiple organisations and accreditations for our achievements and excellent working practices.



THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
INTERNATIONAL TRADE  
2021



Ebola Medal: A number of the Westminster team were awarded the Ebola Medal to recognise their achievements whilst helping to fight the disease outbreak in 2014

## Associations & Accreditations





**WESTMINSTER**  
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# Any Questions?

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