

CANDIDATE BRIEF

Brief for the position of
Non-Executive Director, Bilby plc
January 2020



Bilby_{PLC}

Bilby plc

Introduction

Bilby Plc is an award-winning provider of gas and electrical installation maintenance and building services to local authority and housing associations predominantly in London and the South East.

The Group was formed in 2015 with a strategy to acquire businesses in the gas, electrical and general building services sectors to meet the continued demand for high quality improvement and maintenance services in public sector housing.

Bilby's reputation for operational excellence and total customer service is underpinned by its disciplined focus on predominantly servicing customers in the London and South-East region.

Bilby's Companies

Bilby currently owns four companies which all benefit from service and operational synergies.

Bilby owns 100% of P & R Installation Co Limited ("P & R"), Purdy Contracts Limited ("Purdy"), DCB (Kent) Limited ("DCB") and Spokemead Maintenance Limited ("Spokemead"). These are established and award winning providers of gas maintenance, electrical services and general building series that work predominately with local authorities and housing associations across London and South East England.

P & R was founded in 1977 by Bilby's former Deputy Executive Chairman, Phil Copolo, as a gas installation and maintenance company. Since then P & R's services have grown to include general building services. The company was acquired by Bilby at the Group's IPO in March 2015.

Bilby's services include:

Gas Maintenance and installation - services are offered to both domestic and corporate clients include system upgrades, meter connections, boiler work and central heating. 60+ Gas Safe Register qualified engineers.

Electrical Services - include 24/7 emergency call out services for installations, maintenance, testing, upgrades and rewires.

Building services - offering maintenance, repair and newbuild servicing for a multiple of services including plumbing and general maintenance services. When appropriate, these services are carried out by sub-contractors.

Strategy

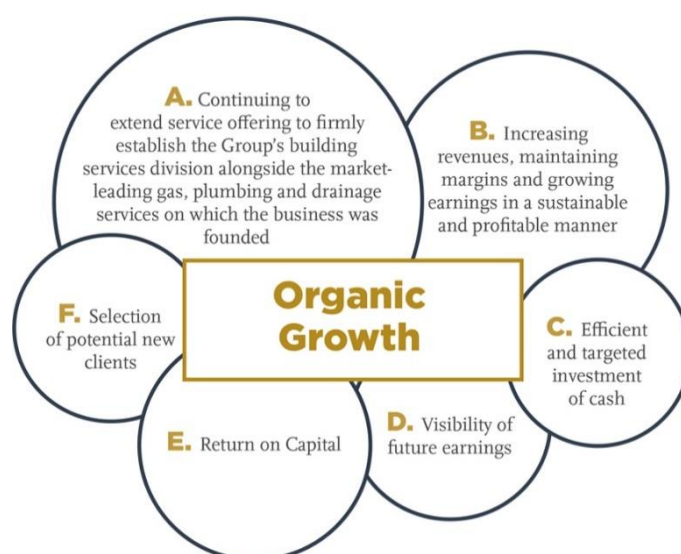
Bilby's strategy of operating predominantly in London and the South East gives it significant access to a highly concentrated area of large-scale customers that includes 1.32 million local authority and social housing association properties. With operational excellence underpinning all its activities, the Group is wholly focused on delivering first-class customer service to its target market of social housing that drives demand. This has enabled Bilby to achieve significant operational momentum by becoming a partner of choice.

Each Company within the Bilby Group continues to operate under long established brands in a defined market. Their strategy of operating within a limited geographic focus, delivering best in class service and maintaining a disciplined pricing model and cost base also ensures operational efficiencies that drive both revenues and sustainable margins.

Since IPO in 2015 Bilby have had a two-pronged approach to their strategy delivering a combination of organic and acquisitive growth with the Board looking to apply a dividend policy which closely tracks earnings growth. Bilby has delivered on its 'buy-and-build' strategy and in doing so has enabled the Group to tender for certain contract opportunities that it may otherwise have been precluded from due to pre-qualification revenue restrictions. The Group remains committed to its "buy-and-build" strategy and continues to review a range of opportunities. Bilby's disciplined acquisition policy ensures it only reviews possible acquisitions based on strict criteria to ensure any acquisition is value enhancing and delivers significant service synergies and operational efficiencies.

Due to Bilby's scale, focus and operational excellence, it is in a position to select the partners it wants to work with that drive margins through the business. When we work with our partners we work for the long-term and our method of assessment includes:

- Return on capital
- Geographical location
- Human resources
- Risk management
- Cash conversion
- Length of contract
- Additional workloads
- Timings



Markets

The gas heating, electrical and general building services within social housing are benefiting from strong market fundamentals. These are being driven by government standards and legislation such as the Decent Homes Standard and Right to Repair Scheme. The growing demand for high quality affordable homes is adding pressure to local government and housing associations to maintain and improve their current housing stock as well as building new homes.

Growing demand for Bilby's services is driven by:

- **1.33 million** - local authority and housing association properties across London and South East England
- **£2.6 billion** - spent on repair and maintenance for local authority and housing association homes in 2015/6 fiscal year
- **800,000 est.** - people in London on the waiting list for social sector homes
- **£26 billion to £32 billion** - the estimated growth of total revenue spending resources for social housing in England between 2013 and 2017
- **42,000 per year** - new affordable homes needed in London if severe shortfalls are to be met
- **£7bn** - additional spending on social housing between 2013-2017 in England and Wales, taking the total to £28bn

During the Autumn budget in November 2017, the government announced details of its social housing programme which includes £15.3bn of new investment and support in the form of capital funding, loans and guarantees. Its target is to deliver an additional 300,000 homes per year by the mid-2020's. This will mean that councils will be invited to bid for increases in their budgets to deliver for consumers in their regions.

Bilby's operations services address 14 out of a total of 33 Boroughs, comprising a housing stock of 205,420 dwellings, 51.1% of total.

It is estimated that there are up to 1.33m social housing properties located in London and the South East.

Customers

Bilby's commitment to operational excellence and customer service has enabled it to grow quickly with the group now accessing over 300,000 properties in London and the South East. These include 100,000 properties for a range of South East housing associations and large-scale organisations, Bilby also has a significant stronghold in the London area where the Group services 14 out of the 33 London Boroughs totally over 200,000 dwellings.

Board of Directors

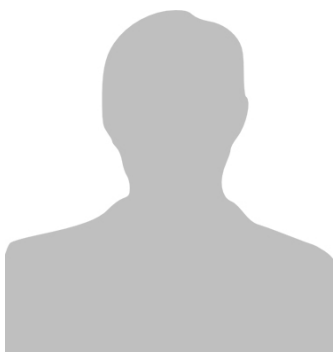
The Board is responsible for establishing and maintaining the Group's systems of internal financial controls and importance is placed on maintaining robust operational controls.



Non-Executive Chairman

Sangita Shah

Sangita Shah has extensive experience in corporate finance, journalism and senior consultancy. Outside the company, she is a non-executive Director of Swindon Town FC and a board advisor to Global Reach Technology Limited. She has held a number of senior roles within blue chip organisations, including Unilever, Mars, Ernst & Young and KPMG and is a past President of the Chartered Institute of Journalists. Sangita is also a regular consultant to HM Cabinet Office, HSBC, Rathbones and MGM Advantage. By training she is a qualified accountant and a frequent key note speaker in forums for the European Parliament and European School of Management.



Chief Executive Officer

David Bullen

David Bullen joined Bilby Plc in April 2019 from Boleyn International Ltd, a strategic management consultancy he founded in 2016. He brings an impressive track record of creating substantial shareholder value as CEO at Anpario plc. David joined Anpario in 2007, moving on to become COO in 2009. He was the CEO between 2011 and 2016 where he oversaw growth in revenue and profits. Prior to Anpario, David spent eight years at Novartis, where he held several senior positions both in the UK and abroad.



Chief Operating Officer

Lee Venables

Lee Venables was appointed to the Board as Executive Director in September 2018 having been Managing Director of the Group's largest subsidiary Purdy Contracts Limited ("Purdy"). As part of his new role, Lee will be responsible for the Management of the day to day operations of all Companies and Divisions within the Group.



Group Finance Director

Clive Lovett

Clive joined Bilby as Group Finance Director in November 2018. He was previously at St. Ives plc from 2010 to 2018, the international digital transformation group now called Kin and Carta plc, where he was Group Finance Director for its St. Ives Marketing Activation (SIMA) division, comprising print and marketing services businesses. At SIMA, he was part of the leadership team that undertook the successful restructuring of the businesses prior to their sale in early 2018. Clive qualified as a Chartered Accountant in 1989.



Executive Director

Chris Webster

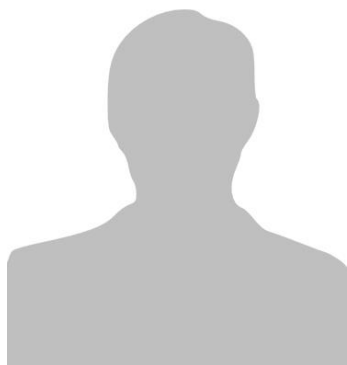
Chris Webster founded the Group's subsidiary DCB (Kent) Limited in 1998, before being bought by Bilby in March 2016. Chris has a comprehensive knowledge of all areas of the industry and has taken a very active role in the wider Bilby Group. As a Board Member, Chris is responsible for all building services work conducted by the Group.



Non-Executive Director

David Johnson

David Johnson has enjoyed a long and successful career in the investment sector. He has worked at a number of leading City investment houses, as both an investment analyst and more recently in equity sales and investment management. During his career he has worked for Sun Life Assurance, Henderson Crosthwaite and Investec Securities. He joined Panmure Gordon & Co in 2004 where he worked until 2013, including as Head of Sales from 2006 and then Head of Equities from 2009. He joined Chelverton Asset Management in 2014 where he has specific responsibility for the Group's private equity investments.



Non-Executive Director

David Guest

David was appointed to the Board as Non-Executive Director in December 2019, and brings significant audit and accountancy experience. Having qualified as an accountant over 28 years ago, David is a member of the Institute of Chartered Accountants in England and Wales and is currently the Senior Audit Partner at UHY Hacker Young in Brighton. He has extensive experience advising both UK and International companies on AIM and is Chair of the Company's Audit Committee.

For further information:

<https://www.bilbyplc.com/investors.html>