BILN AIMX Billington Holdings PLC

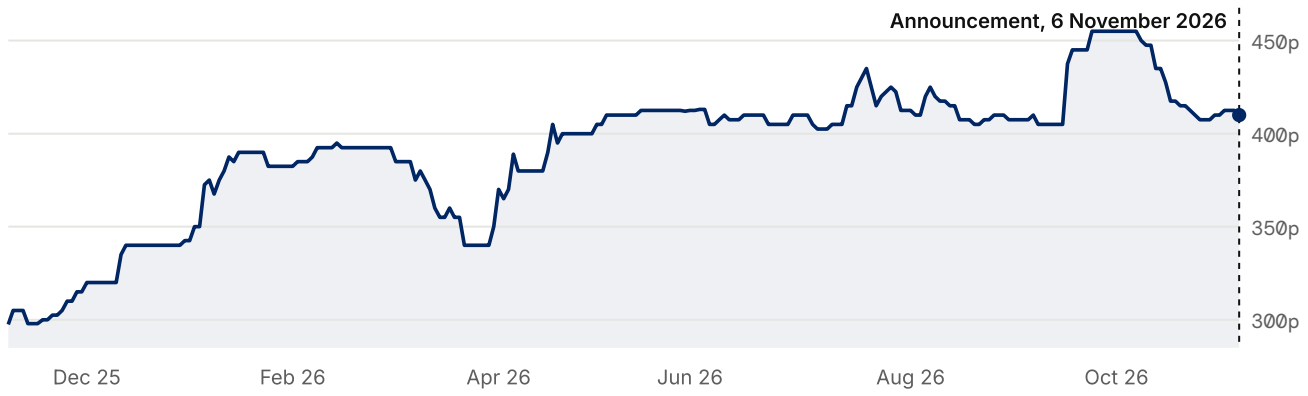
Trading Update · RNS 0455C · 6 November 2026

Billington cuts 2026 profit guidance to £4.0m–£5.5m, well below £8.3m consensus

Share price	407.5p
Market cap	£54.3m
52-week range	290.5p - 465p
Shares in issue	13.3m
12-month change	+37.8%

Ticker Data API, as at 5 Nov 2026, 16:23

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SUMMARY

Billington's trading update today cut expected 2026 underlying profit before tax to £4.0m–£5.5m, against consensus of £8.3m and roughly level with 2025's £4.1m. Lost margin on an industrial project in the north of England and client-led delays on a Tubecon bridge contract drove most of the cut, and the board also revised contributions across the wider portfolio. The bridge profit moves to 2027, but the industrial margin is gone. About £120m of 2026 awards has built a record order book, and net cash at December 2025 gives the group time. Against that, this is the third downgrade since April 2025, and it comes five weeks after first-half profit rose 70.1% and shortly before the chief executive retires on 1 January 2027.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Underlying profit before tax guidance	£4.0m to £5.5m	FY26 (year to 31 Dec 2026)	Below consensus of £8.3m
Consensus underlying profit before tax	£8.3m	FY26, as at 5 Nov 2026	
Underlying profit before tax	£4.1m	FY25	Prior year £10.8m
Statutory profit before tax	£1.3m	FY25	Prior year £10.8m
First-half profit before tax	£2.84m	Six months to 30 Jun 2026	Up 70.1%
Contract awards announced	approximately £120 million	2026	
Cash	£20.5m	31 Dec 2025	Prior year £21.7m
Borrowings	£1.20m	31 Dec 2025	£240k due within one year
Final dividend	11p	FY25	Prior year 25p

Sources: Trading Update RNS, 6 Nov 2026; Results for the year ended 31 December 2025, 21 Apr 2026; Interim Results and Board Change RNS, 29 Sept 2026; Accounts (primary statements), 2025-12-31; Annual report, debt and maturities, 2025-12-31

THE ANNOUNCEMENT

- Underlying profit before tax for the year to 31 December 2026 is now expected at £4.0m–£5.5m, below consensus of £8.3m as at 5 November and against £4.1m in 2025.
- A disappointing industrial project in the north of England has proved harder to deliver than expected, and after reassessing the cost to complete the group expects a material reduction in its margin contribution.
- Client-led delays to a significant Tubecon bridge contract mean its contribution is now expected to be recognised in 2027.
- The revision also reflects the latest assessment of expected contributions across the wider contract portfolio. Whether certain contract profits can be recognised in 2026 will be decided after the year end, and the board says the outturn may be at the higher end of the range.
- Contract awards announced in 2026 total about £120m across data centres, energy, infrastructure, education and defence, giving a record order book with visibility through 2027 and, for some projects, into 2028.
- The board says the wider steelwork and construction markets remain challenging with continued pricing pressure, but describes the balance sheet as strong and the setbacks as contract specific.

AGAINST GUIDANCE

The new range is 34% to 52% below the £8.3m consensus the company cites as at 5 November. In September 2025, when Billington warned that 2025 would miss expectations because of client-led delays, it indicated 2026 would be broadly in line, and in April 2026 it reiterated an expectation of improved financial performance. That improvement has not arrived: the guided range straddles 2025's £4.1m underlying profit. If the first-half £2.84m and the full-year underlying measure are comparable (the interim figure is statutory), the range implies £1.16m–£2.66m for the second half. The top of the range depends on a profit-recognition decision to be made after the year end.

BULL CASE

- Profit is guided roughly level with 2025 even after a loss of margin on one contract and a delayed bridge, and the bridge contribution has moved into 2027 without being lost. First-half revenue rose 29.1% and profit before tax 70.1%, and the board describes the wider group as performing positively.
- The £120m of 2026 awards sits in data centres, energy, defence and education, which Reuters on 5 November identified as stronger pockets while the UK construction PMI fell to 43.6. Two data-centre contracts worth about £42m start in the fourth quarter of 2026 and first quarter of 2027.
- At December 2025 the group held £20.5m of cash against £1.20m of borrowings, with only £240k due within a year, so it can fund the secured workload without obvious refinancing pressure.

BEAR CASE

- This is the third downgrade since April 2025, and client-led delay has been the explanation twice. The industrial contract shows costs can be misjudged on work already won, and the revision to the wider portfolio means two contracts do not explain the whole cut.
- The order book shows volume, not margin. Billington does not disclose margins on the new awards and cites continued pricing pressure, and a one-point margin shortfall across £120m of work is £1.2m against a full-year range of £4.0m–£5.5m.
- Cash conversion swings: 2024 operating cash flow of £3.71m covered less than half of £8.27m profit. A DirectorsTalk Interviews report put June 2026 cash at £12.62m, a £7.91m fall in six months attributed to working capital, a figure still to be checked against the interim accounts.
- Underlying profit ran about £2.8m above statutory profit in 2025, so the guided figure may overstate what reaches shareholders, and average daily trading of around £73,000 means the shares can move sharply on small volumes.

WHAT TO WATCH

- The FY26 results (last year's came on 21 April): where profit lands in the £4.0m–£5.5m range, the outcome of the year-end decision on contract profits, and the gap between underlying and statutory profit.
- Year-end cash against £20.5m at December 2025 and the reported £12.62m at June 2026, plus whether the 11p dividend is maintained.
- Whether the first data-centre contract starts on programme in the fourth quarter of 2026 and the second in the first quarter of 2027, and whether the Tubecon bridge contribution appears in 2027 profit and receipts.
- The 2027 outlook from Trevor Taylor, who succeeds Mark Smith as chief executive on 1 January 2027, and any further cost-to-complete revisions in the portfolio.

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