BILN Billington Holdings PLC

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

Following the Trading Update · 6 November 2026

FY26 UNDERLYING PBT GUIDANCE	FY26 CONSENSUS BEFORE UPDATE	CONTRACT AWARDS IN 2026	CASH AT DECEMBER 2025
£4.0m–£5.5m	£8.3m	c.£120m	£20.5m
▼ 2025: £4.1m	as at 5 November 2026, per the company	record order book, visibility through 2027	▼ against borrowings of £1.20m

Share price, past 12 months

Daily close; latest price as at 16:23 on 5 November 2026 · Ticker Data API



Billington's trading update today cut its expected underlying profit before tax for 2026 to £4.0m–£5.5m. By the company's own count, consensus on 5 November was £8.3m, which puts the new range 34% to 52% below forecasts and roughly level with 2025's £4.1m. Two contracts caused most of the cut. On an industrial project in the north of England, the company now expects a "material reduction" in margin after reassessing the cost to complete, and that profit is lost. Client-led delays on a bridge contract at Tubecon move its contribution into 2027, which is a matter of timing. The board also revised expected contributions across the wider portfolio. Whether some contract profits can be booked in 2026 will only be decided after the year end.

Against that, Billington won about £120m of contracts during 2026 in data centres, energy, defence, infrastructure and education, and reports a record order book that gives visibility through 2027. At December 2025 it held £20.5m of cash against £1.20m of borrowings. The trouble is the record. Profit expectations for 2025 were cut in April 2025 and again in September 2025, and this cut follows interim results only five weeks earlier that showed first-half profit up 70.1%. The chief executive retires on 1 January 2027. The order book shows how much work is coming. The case now turns on whether that work produces margin and cash, and the FY26 results will give the first answer.

> **“Whilst the Board is disappointed by the reduction in expected profitability for the current financial year, it believes that the matters giving rise to the revision are contract specific.”**
>
> **The Board of Billington Holdings**, Board · Trading Update, 6 November 2026

One contract lost its margin, another lost its timing

Billington expects 2026 underlying profit before tax of £4.0m–£5.5m, against a consensus of £8.3m as at 5 November. The bottom of the range is below 2025's £4.1m, and even the top is only modestly above it. The Barnsley group designs, fabricates and erects structural steelwork through Billington Structures and Tubecon. Through Peter Marshall Steel Stairs, Easi-Edge and Specialist Protective Coatings it sells stairs, edge protection and fall-prevention products. Most of its work is in the UK, with some in Europe.

The two named causes are different in kind, and the difference matters. On the industrial project in the north of England, the cost to complete has been reassessed and the company expects a material reduction in the contract's margin contribution. That margin is gone, and this contract will not be recovered in a later year. The Tubecon bridge contract has suffered client-led delays, so its contribution is now expected in 2027. In principle that profit has only moved.

Two further points in today's update widen the issue. The revision also reflects "the latest assessment of expected contributions across the Group's wider contract portfolio", so more than two contracts were involved. A final decision on whether certain contract profits can be recognised in 2026 will be made after the year end. The board says this could leave the outturn at the higher end of the range. That outcome depends on a judgement nobody has yet made.

A strong first half leaves little for the second

BEFORE		NOW · UNDERLYING RETURN ON CAPITAL EMPLOYED
~~36.9%~~	→	11.9%

The warning follows a good first half. Interim results on 29 September showed revenue of £53.95m, up 29.1%, and profit before tax of £2.84m, up 70.1%. If the interim figure and the full-year underlying measure are comparable, the new range implies only £1.16m–£2.66m of profit in the second half. The two measures may not match exactly, because the interim profit is statutory and the guidance is underlying. Even so, the arithmetic shows how much the second half has weakened.

The gap between underlying and statutory profit needs watching. Billington defines underlying profit as profit before non-underlying staff costs, other operating charges and impairment losses. In 2025, underlying profit before tax was £4.1m and statutory profit before tax £1.3m, a difference of about £2.8m in a year that included closing the Yate facility in Bristol and moving structural steel work to the Barnsley sites. Revenue fell to £95.7m from £113.1m, and underlying return on capital employed fell to 11.9% from 36.9%.

Forecasts have been missed before. In April 2025 the company cut its 2025 expectation to £7.25m of profit before tax. In September 2025 it warned that client-led delays would leave 2025 below market expectations, while indicating that 2026 was broadly in line. The 2025 outturn was £4.1m underlying. Today's cut repeats the same explanation of client-led delay, this time with lost margin added on top.

FY25 against the prior period

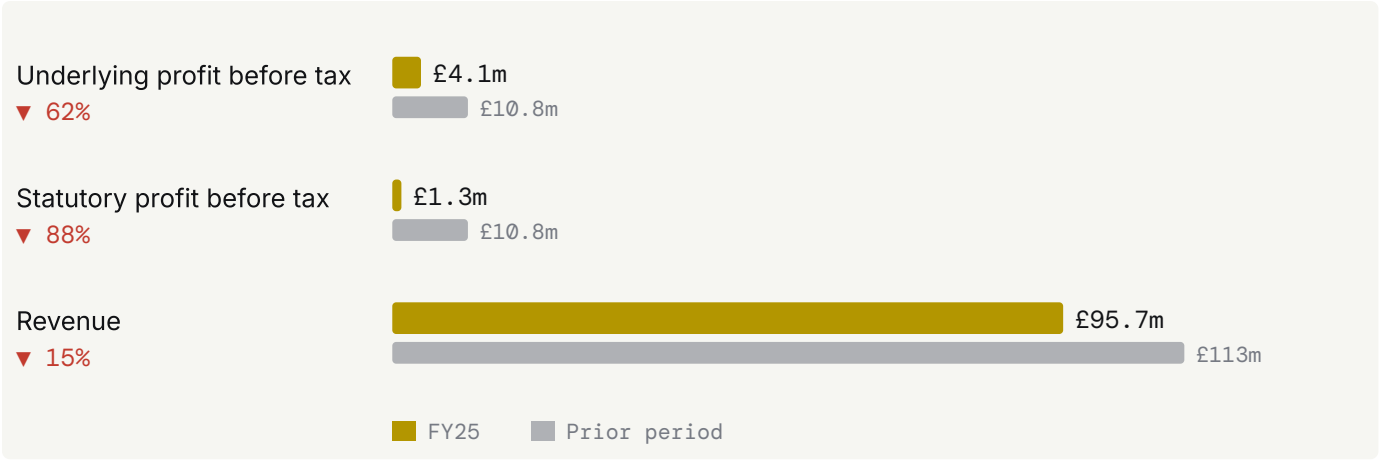


FIGURE	VALUE	CHANGE
Underlying profit before tax guidance FY26	£4.0m–£5.5m	−52% against £8.3m consensus
Revenue H1 2026	£53.95m	+29%
Profit before tax H1 2026	£2.84m	+70%
Underlying profit before tax FY25	£4.1m	−62% from £10.8m
Statutory profit before tax FY25	£1.3m	−88% from £10.8m
Revenue FY25	£95.7m	−15% from £113m
Pre-tax profit expectation set in April 2025 FY25	£7.25m	

Sources: Trading update RNS, 6 Nov 2026; Interim results RNS, 29 Sep 2026; FY25 results RNS, 21 Apr 2026; FY24 results RNS, 15 Apr 2025

Net cash buys time, but cash conversion swings

The balance sheet is the strongest part of the case. At 31 December 2025 Billington held £20.5m of cash against £1.20m of borrowings, of which only £240k fell due within a year. The accounts show net cash of £18.5m. The auditor's opinion was unqualified and the going-concern statement carried no material uncertainty. On those figures, little in the material points to a refinancing problem or a forced equity raise. The material gives no covenant terms either way.

Cash conversion has been uneven. In 2025, operating cash flow of £4.82m was well above after-tax profit of £1.33m. In 2024 the pattern reversed, with £3.71m of operating cash flow against £8.27m of profit. Contracting cash moves with retentions (sums clients hold back until work is signed off) and the timing of milestone payments. Billington lists non-payment and retentions among its principal risks.

The more recent position is less clear. A DirectorsTalk Interviews report on the interim results put June 2026 cash at £12.62m, a fall of £7.91m in six months that it attributed to working capital. That figure still needs checking against the interim accounts, and today's update gives no new cash balance. The board describes the balance sheet as strong. How much of the remaining cash is free, after funding a record

workload, is the question the year-end figures need to answer. The 2025 final dividend was 11p, against 25p for 2024, under a policy that ties payouts to underlying earnings.

31 Dec 2025 against the prior period

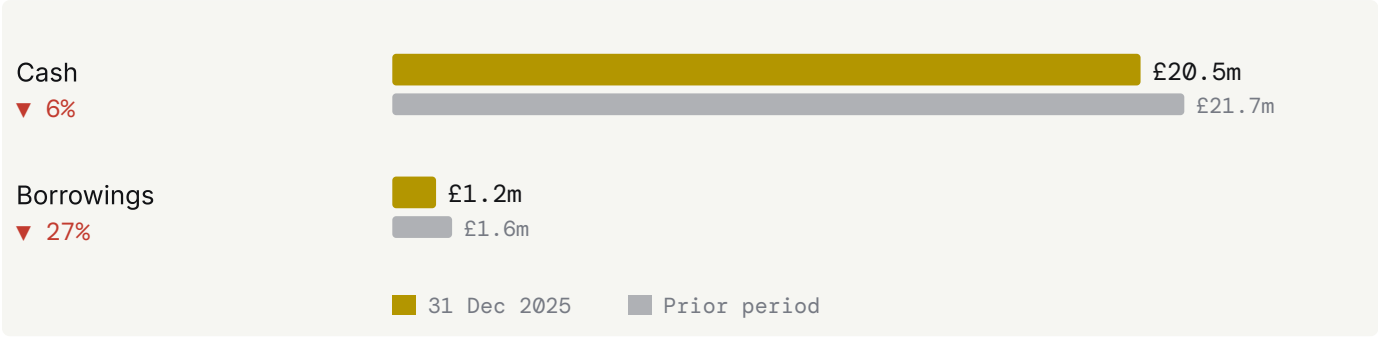


FIGURE	VALUE	CHANGE
Cash 31 Dec 2025	£20.5m	−5.5% from £21.7m
Borrowings 31 Dec 2025	£1.2m	−27% from £1.64m
Borrowings due within one year 31 Dec 2025	£0.24m	
Net cash 31 Dec 2025	£18.5m	
Operating cash flow FY25	£4.82m	+30% from £3.71m
Final dividend FY25	11p	−56% from 25p

Sources: Annual report and accounts, 2025-12-31; FY25 results RNS, 21 Apr 2026

> **“The wider structural steelwork and construction markets remain challenging and subject to continued pricing pressure.”**
>
> **The Board of Billington Holdings**, Board · Trading Update, 6 November 2026

£120m of awards fills 2027 but does not fix its margin

Contract awards announced, 2026
c.£120m

Data-centre contract wins, Announced 17 Sep 2026
c.£42m

Education, energy-from-waste and defence wins, Announced 21 Jul 2026
c.£28m

Billington says about £120m of contracts awarded during 2026 have produced a record order book, giving good visibility through 2027 and, for some projects, into 2028. The awards were announced in stages: about £50m on 1 April, about £28m on 21 July and about £42m on 17 September. The July awards were an education project in north-west London, an energy-from-waste project in eastern England and an initial £10m defence instruction in south-east England. The September awards were two data-centre contracts. The first starts in the fourth quarter of 2026 for delivery in the first half of 2027, and the second starts in the first quarter of 2027 and runs into 2028.

An order book tells you how much work is coming. It does not tell you the margin on that work, and Billington does not disclose margins on the new awards. The board itself refers to "continued pricing pressure". Scale shows why this matters. A one-percentage-point shortfall in margin across £120m of work is £1.2m, a large sum against a full-year profit range of £4.0m–£5.5m.

The backdrop is mixed. Reuters reported on 5 November that the UK construction PMI, a monthly survey of activity in which readings below 50 mean contraction, fell to 43.6 in October. The same report found stronger demand in data centres, energy and utilities, which is where much of Billington's new work sits. Bank Rate is 3.75%, but the two-year gilt yield has risen to 4.82% and CPIH inflation is 3.6%, which keeps client financing tight and puts timetables at risk. Eurometal reported on 30 October that UK steel prices may rise in 2027. That only helps a fabricator if its contracts let it pass the extra cost on.

Leadership changes on 1 January 2027, when Mark Smith retires as chief executive and Trevor Taylor, currently chief operating officer, takes over. Ticker's earnings surprise model, an estimate, had on 18 October put a below-expectations outcome as the least likely of the three possibilities.

FIGURE	VALUE	CHANGE
Contract wins Announced 1 Apr 2026	£50m	
Bank Rate 3 Nov 2026	3.75%	
Two-year gilt yield 2 Nov 2026	4.82%	+0.39 points over three months
CPIH inflation Sep 2026	3.60%	+0.80 points over three months

Sources: Contract wins RNS, 1 Apr 2026; UK economy and markets data, 2026-11-03; UK economy and markets data, 2026-11-02; UK economy and markets data, 2026-09-01; Trading update RNS, 6 Nov 2026; Contract wins RNS, 17 Sep 2026; Contract wins RNS, 21 Jul 2026

Ten to thirteen times profit in a flat year

At a market capitalisation of £54m, Billington is valued at 9.8 to 13.5 times its guided underlying profit before tax for 2026. Those multiples are before tax and before the adjustments that separate underlying from statutory profit, which came to about £2.8m in 2025. If net cash is reliable, it covers a large share of the market value, and that is the main support for the view that the shares are cheap.

The constructive view rests on 2027, when deferred bridge profit and the new data-centre, defence and energy work would arrive together. Any argument that values the group on profit near £10m needs a return to something close to 2024's £10.8m, the best year in the material. Today's update gives no evidence on margins to support that. Measured on a year roughly level with 2025, the current multiple looks full.

The register and the market for the shares both matter. Gutenga Stiftung Lichtenstein Foundation holds about 19.4% and has a representative, Olivier Aebi, on the board. In April the executive directors sold 64,759 shares at 390p, to cover tax on vested awards. Average daily trading in the shares is around £73,000, so prices can move sharply on small volumes after news like today's.

FIGURE	VALUE	CHANGE
Market capitalisation	£54m	
Shares in issue 2 Jun 2026	13,334,327	

FIGURE	VALUE	CHANGE
Gutenga Stiftung holding 27 Aug 2026	c.19.4%	
Director share sales to cover tax April 2026	64,759 shares at 390p	

Sources: Ticker company data; Result of AGM RNS, 2 Jun 2026; Directorate change RNS, 27 Aug 2026; Director/PDMR dealings RNS, 24 Apr 2026

Shares slid 12% from the interim high before the warning

The shares reached their 52-week high of 465p on 29 September, the day of the interim results. By the 410p close on 5 November, the session before today's update, they had fallen 11.8%. Going into the news they stood below their 20-, 50- and 100-day moving averages (418.5p, 425.7p and 419.0p). They were 1.4% above the 200-day average of 404.36p. The relative strength index, which measures recent momentum on a scale of 0 to 100, was at 30, close to the level usually read as oversold.

The nearest support is 398.34p, a level the shares have touched nine times, most recently on 28 October. It sits next to the 38.2% Fibonacci retracement of the 291p-to-465p rally, at 398.53p. Below it, the earlier lows give little support until 375p and then 350p. The five weeks of selling may have priced in part of the bad news, but a cut of a third to a half against consensus is larger than a 12% drift would normally reflect. With about £73,000 traded a day, the first prices after the update may not be ones at which sizeable trades can be done. A close held above 398p would suggest the market sees a survivable reset. A clear break on heavy volume would suggest it fears further slippage.

FIGURE	VALUE	CHANGE
52-week range	290.50p–465.00p	

Sources: Ticker price data

The case for and against

FOR

The case for starts with guidance that is weak but not collapsing. Even after a loss-making contract and a delayed bridge, Billington expects underlying profit roughly level with 2025, after a first half in which profit rose 70.1%. The bridge contribution has moved into 2027. It has not been lost. The new work sits in data centres, energy, defence and education, the parts of UK construction that Reuters found still growing while the construction PMI fell to 43.6. Net cash of £18.5m at December 2025, with almost no debt due, gives the group time to deliver. A new chief executive taking over from 1 January also has reason to reset expectations to a level he can beat.

AGAINST

The case against is about credibility and margin. This is the third downgrade in about 19 months, and client-led delay has been given as a cause twice. The industrial contract shows that Billington can misjudge costs on a project it has already won. The revision to expected contributions across the wider portfolio means two contracts do not explain the whole cut. Pricing pressure, possible steel-price rises in 2027 and the absence of disclosed margins on the £120m of awards all weaken the link from a bigger order book to higher profit. Cash conversion has varied widely, and the reported June cash of £12.62m, if confirmed, means a growing workload is already absorbing working capital. At 9.8 to 13.5 times guided pre-tax profit, the shares do not obviously price in that risk.

WHAT TO WATCH

The first test is the FY26 results. They will show where the outturn lands in the £4.0m–£5.5m range, how the year-end decision on contract profits went, and how big the gap between underlying and statutory profit is. They will also give year-end cash against December 2025's £20.5m. Last year's results came on 21 April. Through early 2027, the evidence to watch is whether the first data-centre contract, starting in the fourth quarter of 2026, and the second, due in the first quarter of 2027, begin on programme. The other test is whether the bridge contribution actually appears in 2027 profit and receipts. A further provision, a fall towards net debt or a cut to the 11p dividend would support the case against. A clean year-end and stable cash would support the case for.

Risks

- Further cost-to-complete revisions on the industrial contract or elsewhere in the portfolio, which today's update says was reassessed, could lead to another downgrade at the FY26 results or during 2027.
- The year-end decision on whether certain contract profits can be booked in 2026 could go against the company, leaving the outturn at the lower end of the £4.0m–£5.5m range.
- Further client-led delays could push the Tubecon bridge contribution, or profit from the new data-centre contracts, beyond 2027.
- Pricing pressure and possible steel-price rises in 2027 could cut margins on the c.£120m of 2026 awards if costs cannot be passed through, and a one-point shortfall on that value is £1.2m.
- Working capital could absorb more cash as large contracts ramp up and clients hold retentions; a reported fall in cash to £12.62m by June 2026 would, if confirmed, leave less headroom for dividends and investment.
- The gap between underlying and statutory profit, about £2.8m in 2025, could stay wide, so headline guidance would overstate the profit available to shareholders.
- The chief executive changes on 1 January 2027, and the new chief executive inherits the contracts behind this warning.
- The shares trade around £73,000 a day, so prices can move sharply on small volumes after news.

THE OTHER VIEW

The more constructive reading treats today's cut as a one-off reset, not a pattern. Strip out one industrial contract and the delayed bridge, and the rest of the group is trading well: first-half revenue rose 29.1% and profit 70.1%, and the board describes performance across the wider group as positive. The bridge profit has moved into 2027. The industrial loss is confined to a single job. Meanwhile, about £120m of awards in 2026 has gone into data centres, energy, defence and education, the parts of UK construction that are still growing while the wider sector contracts. The company holds net cash of £18.5m and almost no debt, so it can finance this work without asking shareholders for money. On this reading, 2026 is a low point that already includes the bad news. A new chief executive inherits a record order book and a reset baseline, and the board's statement that the top of the range is achievable after the year-end decision points to upside. If 2027 margins recover even part of the way towards 2024, when profit before tax was £10.8m, a valuation of 9.8 to 13.5 times this year's guided profit would prove to have been set on trough earnings.

This report was produced on 6 November 2026 by Ticker's research system, which uses AI models to analyse a company's announcements, filings and market data. It is not a recommendation to buy, sell or hold any security, and Ticker does not rate the companies it covers in published research. It is not personal advice. The value of investments can fall as well as rise and you may get back less than you invest. Past performance is not a reliable indicator of future results.

This research is produced by Ticker using automated analysis of company announcements, filings and market data. It is for information only, is not personal advice or a recommendation to buy or sell any security, and may contain errors. Past performance is not a reliable indicator of future results. The value of investments can fall as well as rise.