



**Avingtrans plc**  
engineering technology group

## Results for the 12 months ended 31 May 2015

**Steve McQuillan** – *Chief Executive Officer*  
**Stephen King** – *Chief Financial Officer*



## Aerospace



**Market buoyant -  
key customers  
stabilised in H2**

## Energy



**Oil & Gas deflated.  
Nuclear – win in  
decommissioning**

## Medical



**Steady market -  
slow ramp in China  
continues**

## Focused Market Position

**Aerospace**



**61%**

**Energy**



**12%**

**Medical**



**16%**

## Performance broadly in line with revised expectations

- Aerospace market remains buoyant, despite difficult H1 for Sigma:
  - New contract wins with Airbus/PFW (£25m/10y) and Sonaca (£5m/5y)
  - **Acquisition** of RMDG from Tricorn plc for £1.2m
- Nuclear decommissioning: exciting contract win with Sellafield (£47m/10y)
- Restructuring proceeded to plan in both divisions, to optimise cost base
  - Maloney Metalcraft – manufacturing site sold post year end - £1.1m net
  - Sigma – Derby site closed and consolidated into other sites
  - Substantial investments: Epicor IT systems; site upgrades
  - Over £2.4m invested in the period (plus £1.2m on RMDG acquisition)
- **Balance sheet remains strong**

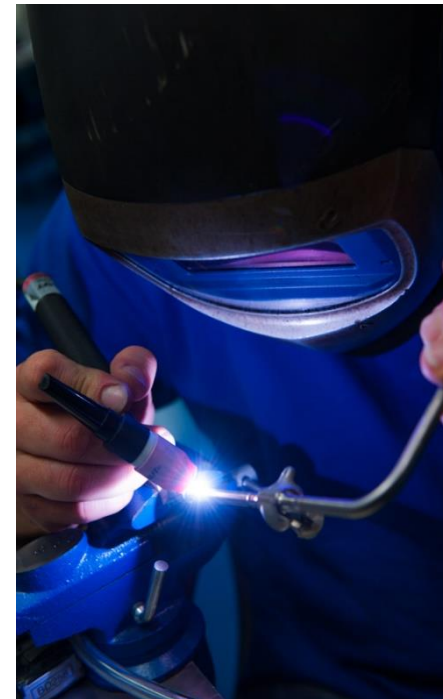


	FY15	FY14	Change
	£m	£m	
Turnover	35.8	38.5	-7%
EBIT	2.8	4.4	-36%
EBIT Margin	8%	12%	

\*NB: FY15 includes revenue and losses from **RMDG**

### Sigma: broad site rationalisation program:

- Hinckley output stabilised in H2, after poor H1
  - Acquisition of RMDG assets for £1.2m boosted share
  - Derby site closed and output consolidated elsewhere
- Farnborough making good progress
- **Contract wins with PFW/Airbus and Sonaca**
- Composites - “Compipe” prototype pipes produced
- Sigma C&H – solid progress in the year
- China - pipe production growing steadily
- Epicor IT system roll-out progressed to plan



# Metalcraft

## Metalcraft – Oil price drove divisional restructuring

- Modest divisional profit in H2, after loss in H1
- Chatteris to manufacture all output in the UK
  - ▶ Transfer of Aldridge manufacturing to Chatteris
  - ▶ Aldridge building sold for £1.1m net, post year-end
- **Nuclear: exciting £47m/10y Sellafield contract win**
- **Medical:** China production - rebalancing with UK
  - ▶ Updated long term contract signed with Alltech



**Crown – market still recovering steadily:**

- Contract wins worth over £2m

	FY15	FY14	Change
	£m	£m	
Turnover	22.0	21.7	1%
EBIT	-0.2	-1.2	N/A
EBIT Margin	-1%	-6%	



**Metalcraft** designs and manufactures safety critical equipment for the energy, medical and science sectors, including oil and gas extraction and nuclear process plant, pressure and vacuum vessels and components.

- 5 acquisitions in last 3 years
- Strategic disposal of non-core assets, to drive focus
- Developing two core business brands:



- Building a global presence: UK, China and USA



**Avingtrans plc**  
engineering technology group

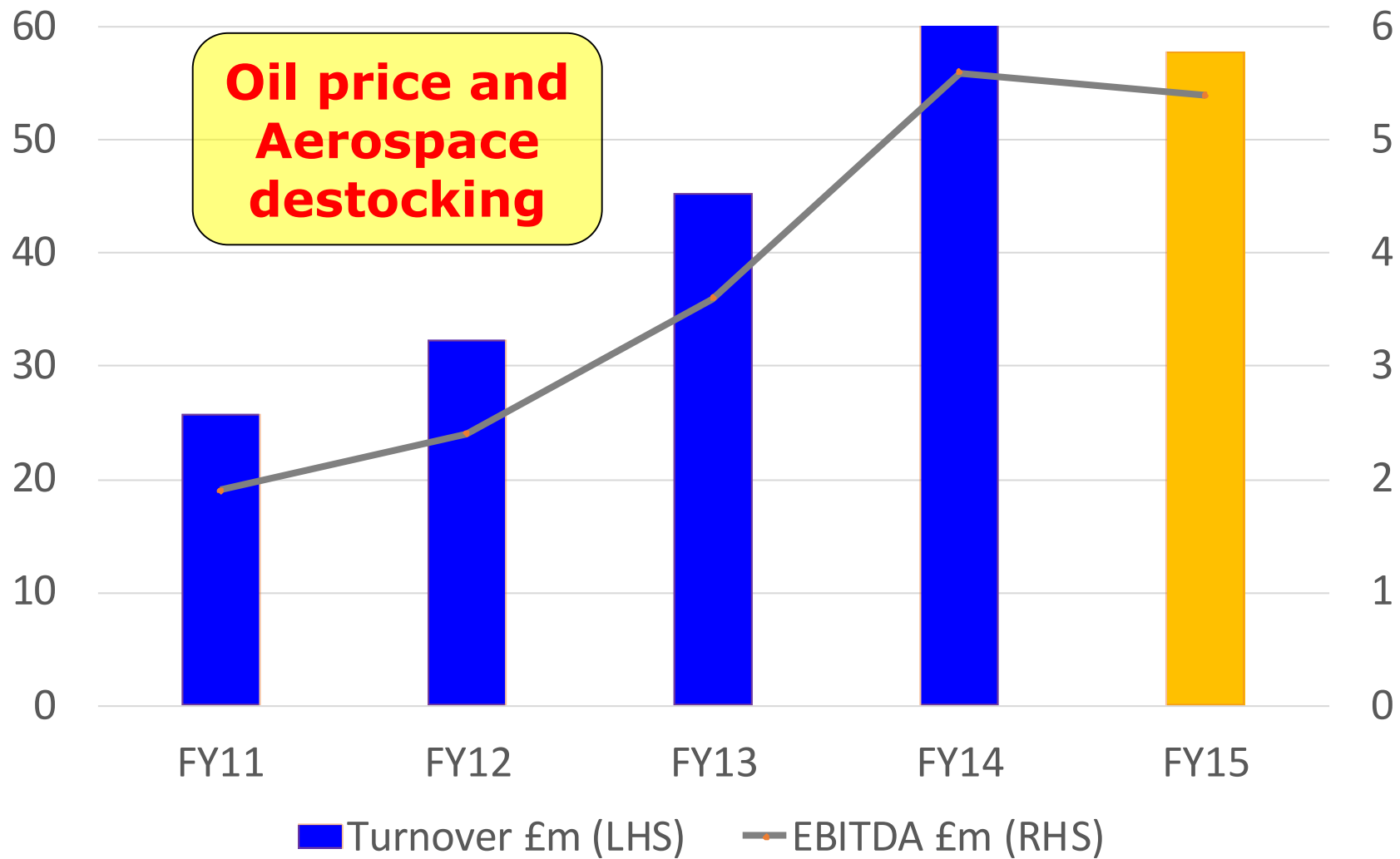
**Financial progress**



## Financial Highlights (vs FY14)

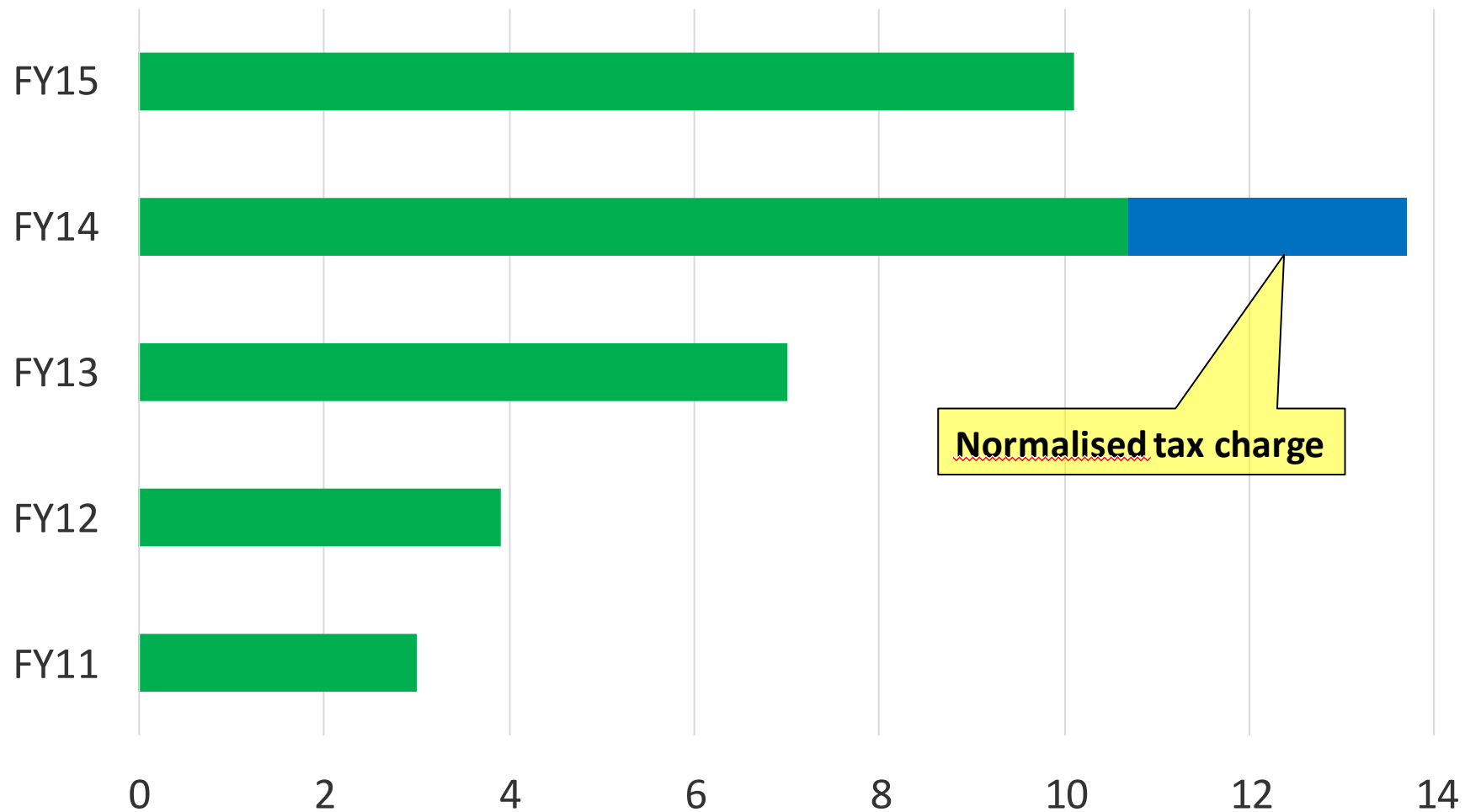
- **Turnover** decreased by **4%** to **£57.8m** (2014: £60.3m)
- **Gross Profit Margin** increased to **25%** (2014: 24%)
- **Adjusted EBITDA** was **9%**, a marginal decrease to **£5.3m** (2014: £5.6m)<sup>1</sup>
- **Adjusted PBT** decreased by **16%**, to **£2.9m** (2014: £3.5m)<sup>1</sup>
- Adjusted, diluted **EPS** decreased to **10.1p** (2014: 13.7p)
- **Cash flow** from operating activities **£1.6m** (2014: £1.6m)
- **Net debt** up to **£5.9m\***, (2014: £3.6m). **Gearing** stable at **17%** (2014: 11%).  
\*£1.2m of the increase is attributable to the cash purchase of RMDG assets in the period.
- **Full year dividend** increased by **11%** to **3.0p** per share (2014: 2.7 pence)

## 5 year history: turnover and EBITDA

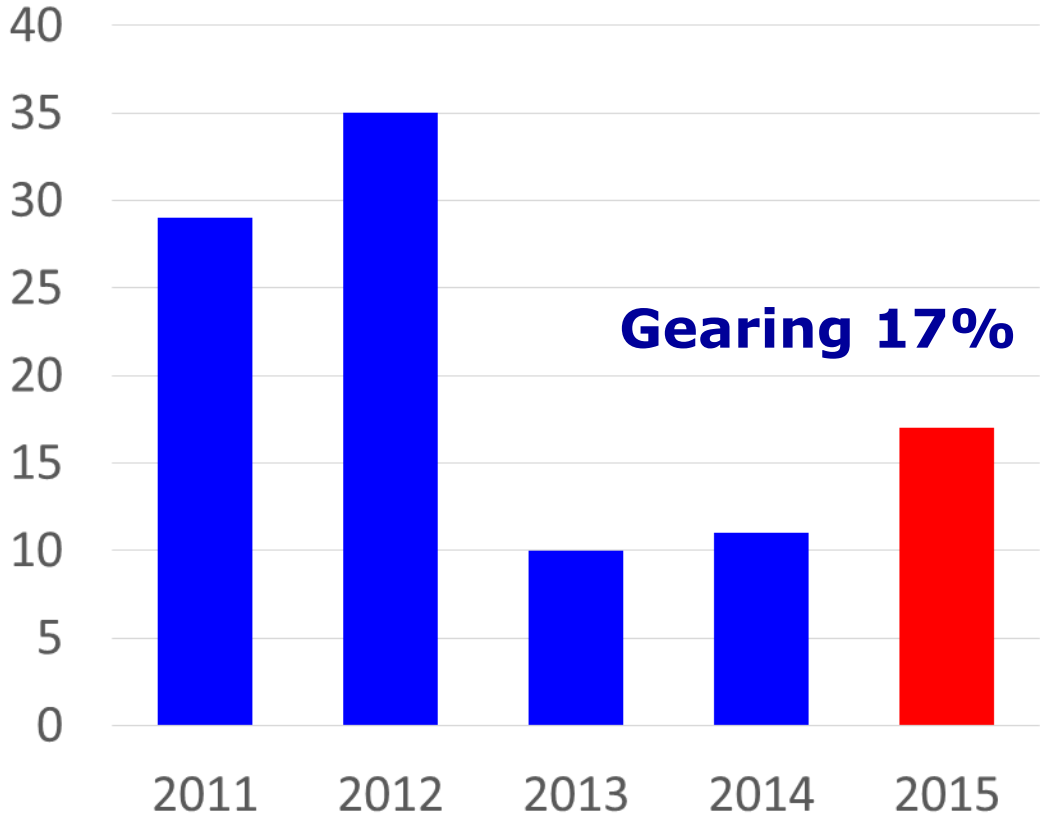


## EPS growth

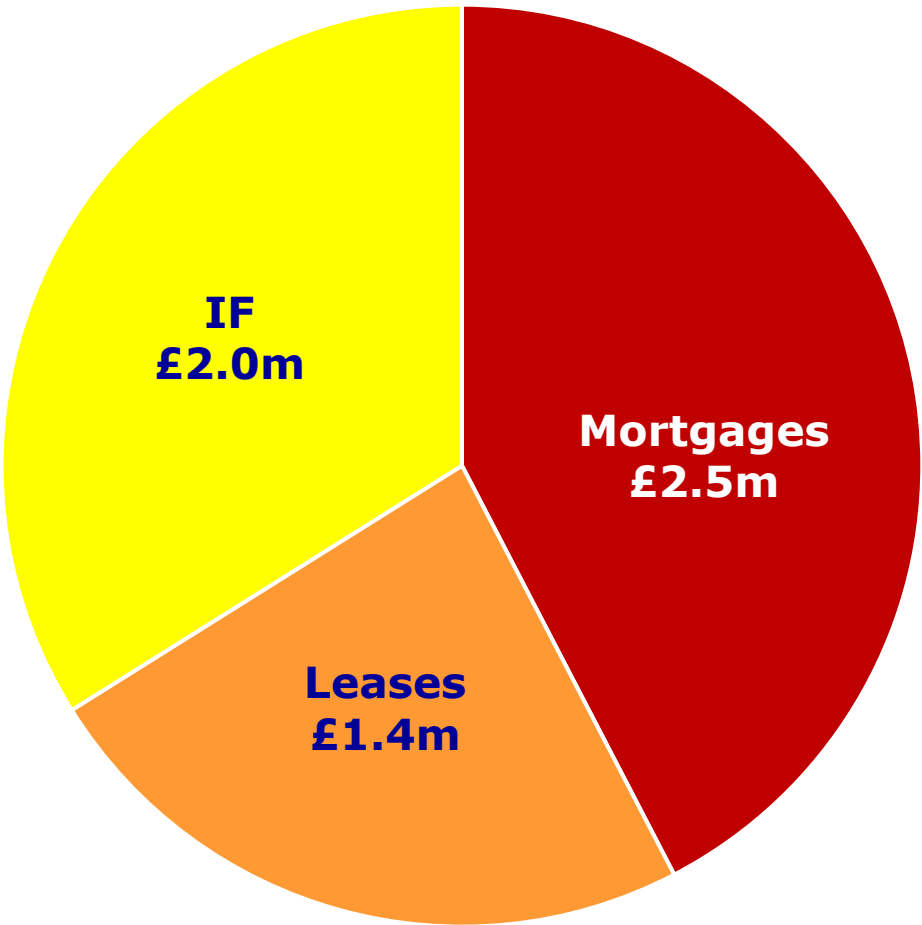
### Adjusted Diluted earnings per share - pence



# Strong balance sheet

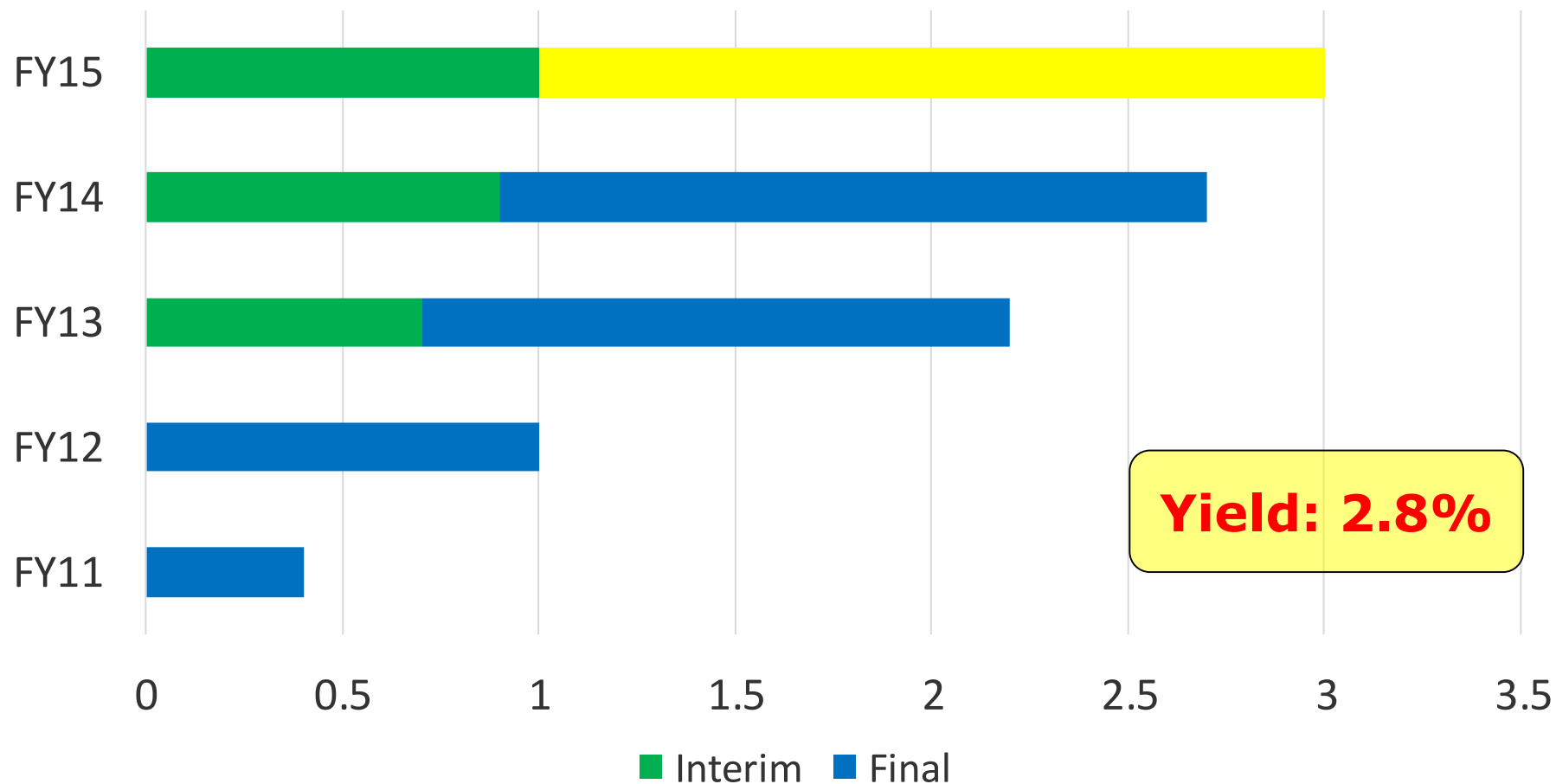


**Net Debt: £5.9m**



# Dividend growth

## Dividend per share - pence





# Avingtrans plc

engineering technology group

- Niche market leadership
- Growth prospects still strong
- Robust financial position





**Avingtrans plc**  
engineering technology group

## Appendix



## Blue chip key accounts



# Our products



**Highly engineered components,  
systems and services**



## Locations



**Geographical strategy appealing to main OEM customers**

# Profit and Loss Account

	Existing	RMDG	Reported	Full Year
	FY15	FY15	FY15	FY14
Continuing operations	£m	£m	£m	£m
<b>Turnover</b>	<b>55.5</b>	<b>2.3</b>	<b>57.8</b>	<b>60.3</b>
Gross Profit	14.0	0.5	<b>14.5</b>	14.5
Gross Profit margin	25%	22%	<b>25%</b>	24%
<b>Adjusted EBITDA</b>	<b>5.5</b>	<b>(0.2)</b>	<b>5.3</b>	<b>5.6</b>
Adjusted EBITDA margin	9.9%	(9.2%)	<b>9.2%</b>	9.3%
<b>PBT (pre-goodwill)</b>			<b>1.9</b>	<b>2.5</b>
Profit after tax			<b>1.8</b>	2.9
<b>EPS – Continuing</b>			<b>10.1p</b>	<b>13.7p</b>
Adj. Fully Dil. <sup>1</sup>				
Basic			<b>6.4p</b>	10.6p

# Balance Sheet

	FY15	FY14
	£m	£m
<b>Fixed Assets</b> (including assets held for sale)	<b>12.5</b>	<b>12.6</b>
Goodwill	9.6	9.6
Other Intangible	3.4	2.7
Working Capital	15.5	13.0
Provisions	-	(0.7)
Tax	(0.1)	-
<b>Net Debt</b>	<b>(5.9)</b>	<b>(3.6)</b>
Deferred Tax	(0.8)	(0.9)
<b>Net Assets</b>	<b>34.2</b>	<b>32.7</b>
Gearing	17%	11%

# Cash Flow

	FY15	FY14
	£m	£m
<b>Total EBITDA</b>	<b>4.1</b>	<b>2.0</b>
Net Working cap	(2.2)	(0.2)
Interest, Tax and Other	(0.3)	0.2
Dividend	(0.7)	(0.6)
Acquisition/disposal	(1.1)	2.0
Capex	(2.3)	(3.9)
<b>Net Cash Flow</b>	<b>(2.5)</b>	<b>(0.5)</b>
Opening Net Debt	(3.6)	(2.9)
Debt disposed of	-	-
Foreign Exchange	0.2	(0.2)
<b>Closing Net Debt</b>	<b>(5.9)</b>	<b>(3.6)</b>

# Adjusted EBITDA

	FY15 £'000	FY14 £'000
Profit before tax	1,871	2,526
Share based payment expense/Amortisation of business combinations	180	183
Acquisition costs	68	171
Restructuring costs	360	269
Start up losses - China	450	318
<b>Adjusted profit before tax</b>	<b>2,929</b>	<b>3,467</b>
Finance income	(1)	(8)
Finance cost	212	166
<b>Adjusted Earnings before interest, tax and amortisation ('EBITA')</b>	<b>3,140</b>	<b>3,625</b>
Depreciation	1,438	1,229
Amortisation of other intangible assets	694	754
<b>Adjusted Earnings before interest, tax, depreciation and amortisation ('EBITDA')</b>	<b>5,272</b>	<b>5,608</b>

## Long term investors

Shareholder	% of issued share capital owned
Nigel Wray	18.7
<b>R S McDowell's Pension Fund</b>	<b>8.7</b>
P McDowell's Pension Fund	8.6
Helium Special Situations Fund	7.0
Funds Managed by Unicorn Asset Management Ltd	6.0
Funds Managed by Close Asset Management Ltd	3.6
Funds Managed by RBC Trustees Ltd	3.2
Maven Capital Partners UK LLP	3.0
<b>Other Board Members</b>	<b>2.8</b>