

**Results for year
ended 31 May 2019**
Steve McQuillan, CEO
Stephen King, CFO

Pinpoint-Invest-Exit (PIE)

- Strong balance sheet
- Seasoned board and management
- Creating significant shareholder value

Energy Divisions



Medical Division



Our divisions

Energy: Engineered Pumps and Motors (EPM)
HT Inc, USA
HT Luton
HT China
HT India
Energy Steel, USA

Energy: Process Solutions and Rotating Equipment (PSRE)
Metalcraft, UK (Energy)
(HT) Fluid Handling
Peter Brotherhood
Crown
Ormandy
Booth Industries

Medical and Industrial Imaging (MII)
Metalcraft, UK (Medical)
Metalcraft, China
Scientific Magnetics
Composite Products
Tecmag Inc, USA

Key:

AVG (post Sigma disposal in 2016)

HTG (acquired on 1 September 2017)

Ormandy (acquired 19 February 2018)

Tecmag (acquired 24 October 2018)

Booth (acquired 11 June 2019)

Energy Steel (acquired 24 June 2019)

Strengthening the portfolio



Blast doors - Avingtrans successfully acquires Booth assets for £1.8m on 11 June 2019.

Boothindustries



Nuclear Life Extension - Avingtrans successfully acquires Energy Steel for \$0.6m on 24 June 2019.

energy steel
Exclusively Nuclear™

Establishing world class capability



Energy

Metalcraft
Stainless Metalcraft (Chatteris) Ltd

- Production ramp-up phase for 3M3 intermediate level waste (ILW) boxes
- Full production capacity expected in FY20
- NDA supplier award received for Metalcraft's collaborative approach to this project



Energy


HAYWARD TYLER

- New 3,250m² factory opened in Kunshan, China
- Provides aftermarket service and manufacture of new equipment for China and RoW
- The facility is well positioned to support the growing and dynamic Chinese market

Building and returning shareholder value

Avingtrans is engaged with the Invest phase of its two energy divisions and its medical division.

This follows the Exit of Sigma Components, at an enterprise value of £65m in 2016.

- Avingtrans is committed to long term development and to business exits at advantageous valuations.
- Proceeds can either be returned to shareholders, or redeployed for continued growth in shareholder value.
- Energy markets continue to be robust and M&A activity remains strong in this sector.
- We are confident about the current strategic direction and potential future Exit opportunities.



EPM (Hayward Tyler and Energy Steel)

- Markets
 - Nuclear - life extension focus – multiple international opportunities
 - Contract wins in Sweden (£10m) and South Korea (\$6m)
 - Next Generation nuclear and renewables – molten salt contract wins
 - Fossil Fuels – some limited recovery
 - Focus on aftermarket, but first OE products now being made in China
 - Oil & Gas – some signs of recovery now evident
 - Focus on aftermarket, with emphasis on reduced cost of ownership
 - Defence – UK government contracts won at HT Luton
 - Agent network being expanded
- Facilities - new HT factory opened in Kunshan, China
- Products – building out the current product portfolio, including with 3rd parties
 - Localising production where necessary, to improve competitiveness

PSRE (PB, Metalcraft, Fluid Handling, Ormandy, Crown, Booth)

- Markets
 - Nuclear
 - Decommissioning – Sellafield steady progress
 - Life extension – further opportunities emerging in the UK
 - Fossil fuels / Oil & Gas – signs of recovery. £10m FLNG win. Focus on aftermarket
 - Defence – UK government contracts won – mainly at PB and Metalcraft
 - HVAC (Ormandy) – encouraging progress on integration – good order book
 - Infrastructure (Crown) – focus on upcoming smart motorway projects
 - Agent network being expanded
- Facilities – exited Whiteley Read and Maloney sites, to rationalise Oil & Gas assets
- Products – product rationalisation continues – eg at PB
 - 3rd party agreements being signed to expand product ranges

MII (Sci Mag, Tecmag, Metalcraft Medical, Composite Products)

- Markets
 - NMR
 - Promising progress with Q One Instruments, as new player in the market
 - NMR service – modest start in UK/Europe – seeking to accelerate
 - MRI – strategic review of options continues – pre-production tests underway
 - Imaging – steady progress with Rapiscan (baggage scanning)
 - Science – exploring niche magnet & cryogenic products into selected targets
 - Industrial – seed customers in various industrial markets being cultivated
- Facilities – Tecmag acquired in Houston. Improvements underway
- Products – new products being explored in various niche markets
 - Acquisition of Tecmag adds system capability which was previously lacking
 - Subsequent small acquisition of Acorn NMR assets provides boost to aftermarket

Financial Highlights

Financial highlights



Group Revenue

£105.5m

+34%

Gross Profit Margin

26.7%

2018: 25.5%

Adjusted Op Profit

£5.8m

+108%

Adjusted Diluted EPS

14.9p

2018: 8.4p

Total Dividend

3.8p

2018: 3.6p

Net Debt

£2.0m

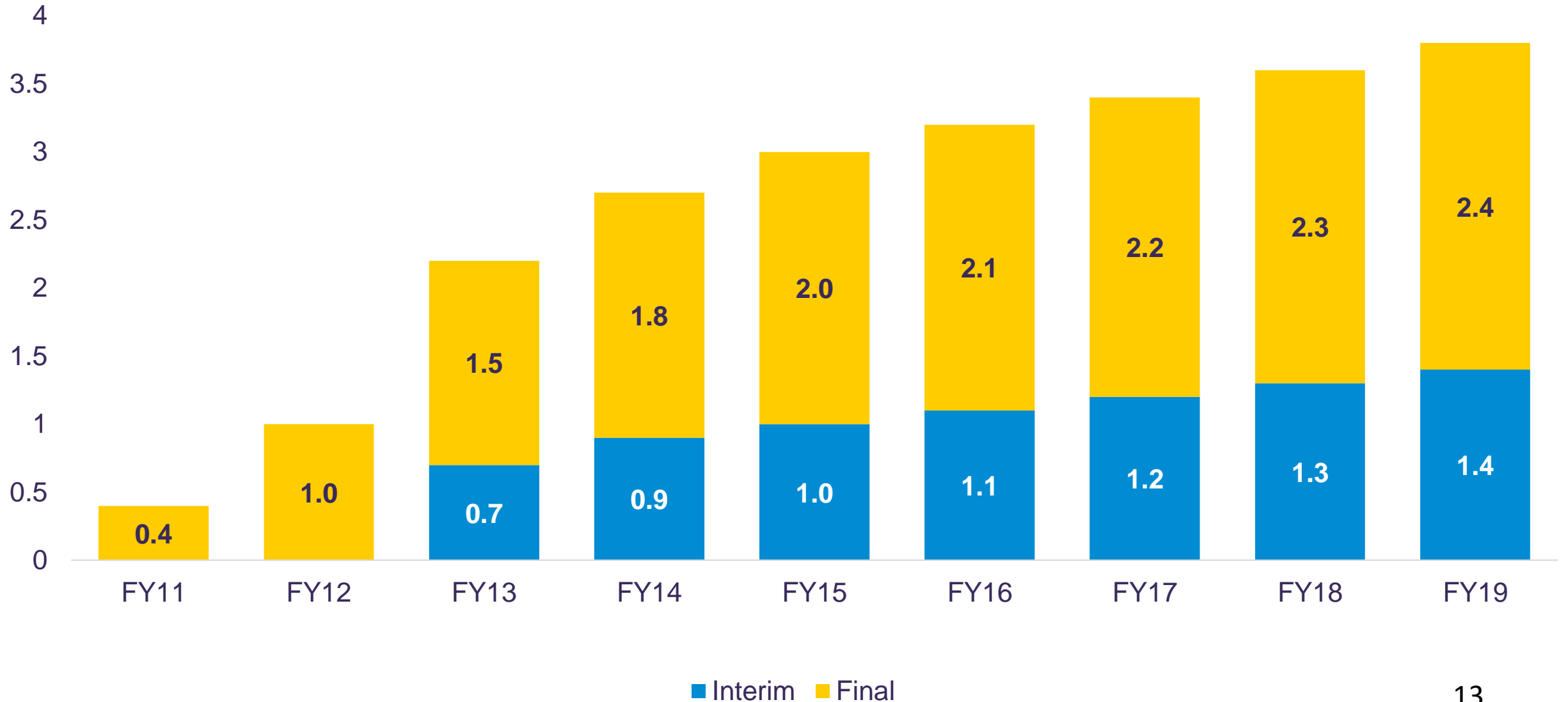
2018: £7.1m

Summary Divisional Results



	Energy: EPM £'M	Energy: PRSE £'M	Medical £'M	Central £'M	FY19 £'M	Energy: EPM £'M	Energy: PRSE £'M	Medical £'M	Central £'M	FY18 £'M
Revenue:										
OE	13.9	31.5	12.0	-	57.4	15.2	20.1	10.4	-	45.7
AM	35.1	12.9	0.1	-	48.1	21.6	11.6	-	-	33.2
Total Revenue	49.0	44.4	12.1	-	105.5	36.8	31.7	10.4	-	78.9
Operating Profit/(loss)	2.9	1.9	(0.2)	(1.0)	3.6	(1.5)	0.4	(0.1)	(2.6)	(3.8)
Adjustments:										
Acquisition costs/SBP	-	-	0.1	0.1	0.2	-	0.1	-	1.5	1.6
Restructuring costs	-	0.4	-	-	0.4	1.1	0.6	-	-	1.7
Amortisation of acquired intangibles	1.0	0.6	-	-	1.6	2.3	1.0	-	-	3.3
Adjusted EBIT	3.9	2.9	(0.1)	(0.9)	5.8	1.9	2.1	(0.1)	(1.1)	2.8
Depreciation and amortisation	2.1	0.9	0.6	-	3.6	1.6	1.1	0.2	-	2.9
Adjusted EBITDA	6.1	3.8	0.5	(0.9)	9.4	3.5	3.2	0.1	(1.1)	5.7
Adjusted EBITDA %	12.3%	8.6%	4.2%		9.0%	9.6%	10.1%	0.7%		7.2%

Eighth year of dividend growth



Balance Sheet



	FY19	FY18
	£m	£m
Tangible fixed assets	26.6	27.6
Goodwill	23.4	23.4
Other intangible	14.5	15.6
Deferred Tax Asset/Pension Surplus	2.7	3.0
Working capital	14.5	18.6
Provisions	(5.3)	(6.1)
Tax	0.1	0.6
Net Debt	(2.0)	(7.1)
Creditors > 1 year	(3.1)	(3.6)
Deferred Tax Liability	(2.1)	(2.9)
Net Assets	69.3	69.1
<i>Net Debt to Equity</i>	<i>2.9%</i>	<i>10.3%</i>

Movement in net debt – FY19



£m

4.0

2.0

0.0

(2.0)

(4.0)

(6.0)

(8.0)

Opening net debt

Adjusted EBITDA

Acquisition expenses

Restructuring expenses

Net working cap

Interest, tax and other

Dividend

Capital expenditure

Closing net debt

9.4

(0.1)

(0.4)

1.5

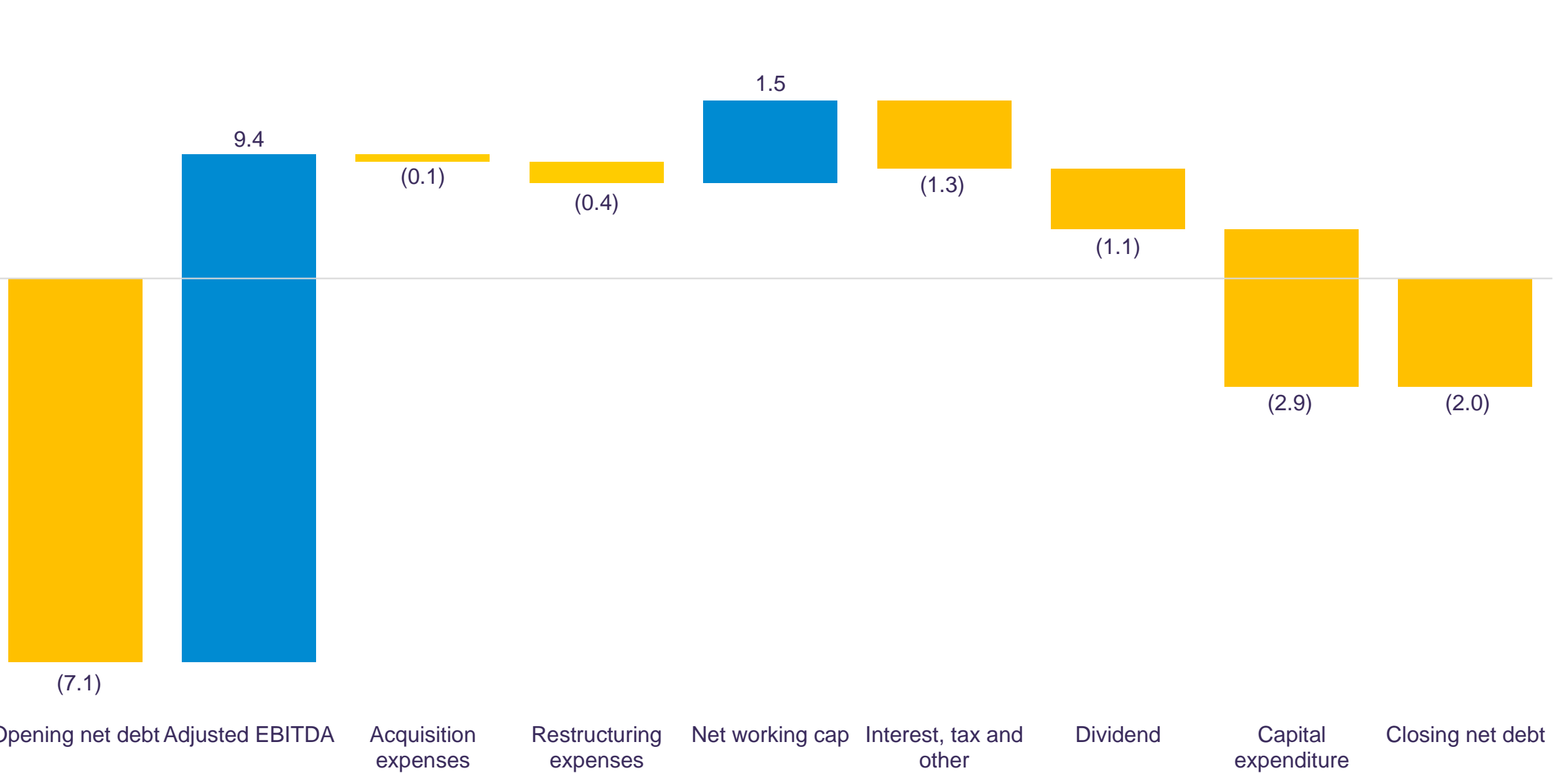
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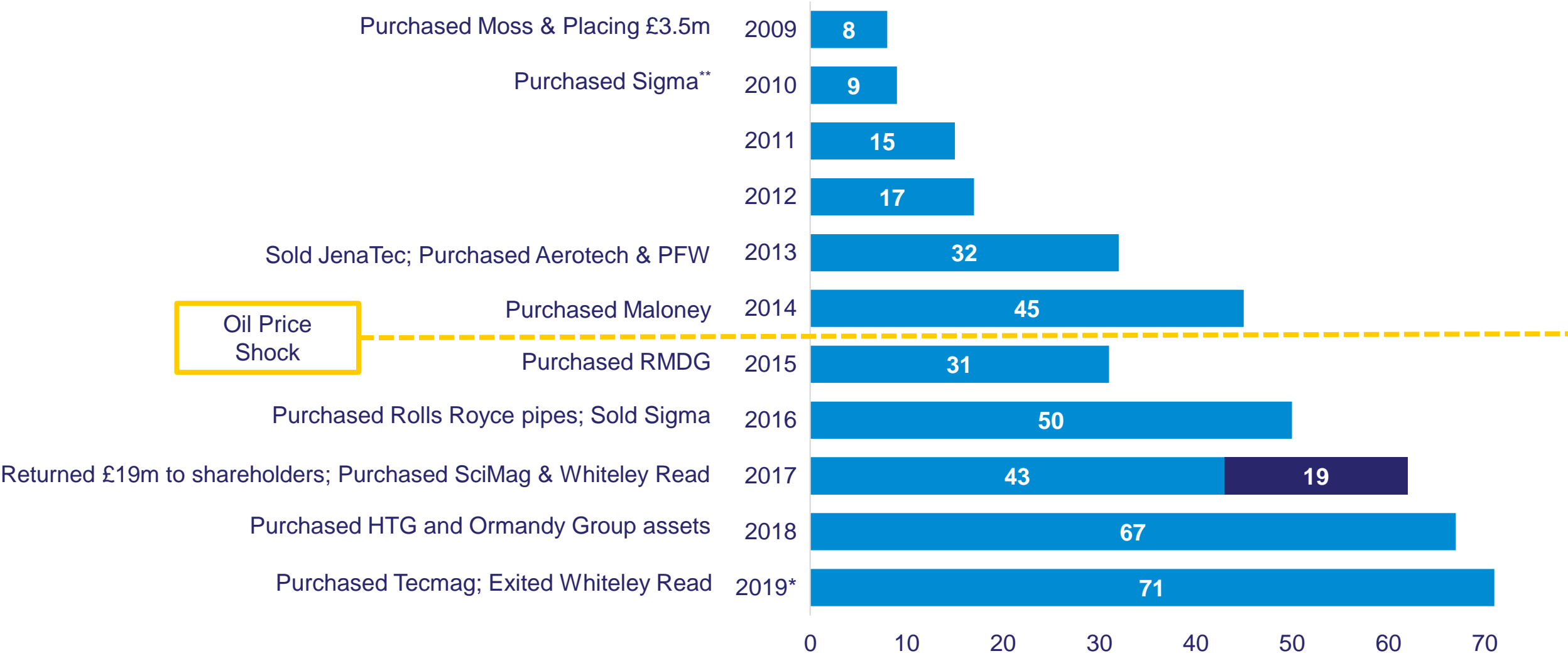
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(7.1)



Market capitalisation progression



2019* - At 8 September 2019
 Sigma** - Remaining 25% of Sigma

- Effective tax rate 20%
- US tax charge £0.7m offset by deferred tax credit on the amortisation of business intangibles and temporary timing differences
- UK tax rate to reduce to 17% from April 2020 – **Future benefit**
- Tax losses of £35.4m available for future use with £8.4m of these recognised as a deferred tax asset – **Future upside**

Summary

- ✓ **Record year for revenue, order intake and profits**
- ✓ **Renaissance of Hayward Tyler and Peter Brotherhood is on plan**
- ✓ **Order book: robust cover in Energy; Medical still building steadily**
 - ✓ Significant Nuclear contract wins in the UK, USA, Sweden and South Korea
 - ✓ Sellafield 3M3 project continues to ramp to full production
 - ✓ Good potential for Medical in NMR, MRI and industrial applications
- ✓ **Strong balance sheet – net debt of £2m at period end**
- ✓ **PIE strategy (Pinpoint-Invest-Exit) for organic growth and added value through M&A**
 - ✓ Ormandy and Tecmag acquisitions have integrated as planned and **Investment** is underway
 - ✓ New acquisitions of Booth and Energy Steel now being integrated
- ✓ **Dividend policy reaffirmed for eighth successive year – 5.5% increase for FY19**
- ✓ **Outlook: we remain confident about PIE strategy and prospects**

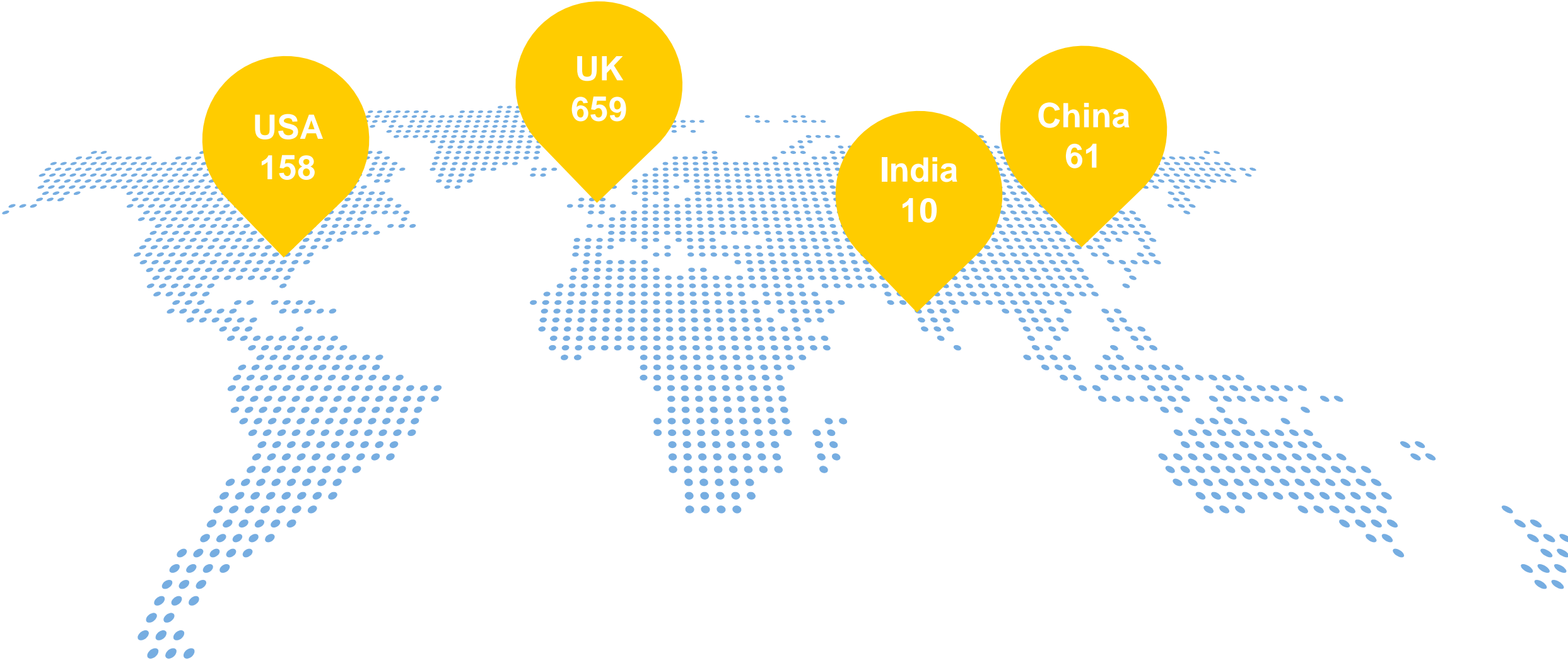
 **Avingtrans**

- ✓ **Compelling Pinpoint-Invest-Exit strategy**
- ✓ **Niche market leadership positions**
- ✓ **Consistent shareholder returns**



Appendix

Our locations and employees (at Sep 2019)



Our values

A High Performance Business



Integrity

We mean what we say and do what we say we will do, with respect for all concerned



Quality

Right first time, on time. Our products and services have enduring value to our customers



Agility

We adapt rapidly and cost effectively - in response to changes in the environment

Boothindustries

- ✓ Banking facilities re-established
- ✓ Restructuring exercise completed
 - ✓ Unneeded leased buildings eliminated
- ✓ Initial working capital requirement funded
- ✓ Strategic plan now developed
- ✓ Strong order book and prospect pipeline
 - ✓ Key contracts novated / secured
- ✓ Aftermarket opportunity to be developed
- ✓ Supply chain stabilised
- ✓ Expect breakeven FY20



Booth produces doors and walls that are:

- ▶ Blast/explosion proof
- ▶ Fireproof
- ▶ Acoustically shielded
- ▶ High security/safety
- ▶ Or combinations of the above



- ✓ Strategic ES/HT collaborative plan executed
- ✓ Initial working capital requirement funded
- ✓ Strong order book and prospect pipeline
- ✓ Supply chain synergies defined
- ✓ HT/ES cross-selling and training underway
 - ✓ Aftermarket for HT strengthened by ES
- ✓ HR review complete - harmonised for HT/ES
- ✓ Expect breakeven FY20.



Energy Steel is a custom fabricator exclusively for the nuclear industry, specialising in :

- ▶ OEM parts obsolescence
- ▶ Custom component fabrication
- ▶ Engineering design solutions
- ▶ Product refurbishment
- ▶ On-site technical support

Blue chip partnerships



M&A – successful exits

Brand	Acquisitions	Bought for £m ¹	Sold for £m ¹
	JRT Ltd JenaTec Inc JGWT GMBH Boneham & Turner Moss Group	4.0 (FY02 - FY09)	14.5 (FY13)
	Sigma Components B&D Patterns C&H Composites Eng Group Aerotech Tubes PFW Farnborough RMDG Rolls Royce Nuneaton Rolls Royce Xi'an	22.0 (FY07 - FY16)	65.0 (FY16)

¹ – Enterprise Value

Largest investors



	Number of shares (000s)	% of total shares
Nigel Wray	3,227	10.3%
Funds managed by BlackRock	2,172	6.9%
Funds managed by RBC Trustees Limited	2,008	6.4%
Funds managed by Unicorn Asset Management Limited	1,946	6.2%
Harwood Capital	1,760	5.6%
R S McDowell's Pension Fund	1,406	4.5%
P McDowell's Pension Fund	1,213	3.9%
Funds managed by LGT Bank	993	3.2%

Figures presented show the position at 13 September 2019