



Chatteris Business Park – Chatteris – Cambridgeshire – PE16 6SA – UK
Telephone ++44 1354 692391, www.avingtrans.plc.uk

Dear Member,

Request to send or supply documents and information via a website AND/OR in electronic form

The Company recently published its results for the year to 31st May 2020. We are pleased to note that results were in line with market expectations and highlights for the year include:

Financial Highlights

- Revenue increased by 9.5% to £113.9m (2019: £104.0m)
 - Underlying revenue excluding acquisitions £96.4m, subdued due to Covid-19
- Gross Margin improved to 27.8% (2019: 26.6%)
- Adjusted² EBITDA from continuing operations increased by 25.7% to £11.8m (2019¹: £9.4m)
- Adjusted² PBT increased to £6m (2019: £5.3m)
- Adjusted² Diluted earnings per share were boosted to 16.9p (2019: 14.6p)
- Net Debt excluding IFRS16 £7.4m (31 May 2019: £2.0m)
- Dividend suspended due to Covid-19, intention to re-instate in FY21

Operational Highlights

Energy

- Revenue up 11% to £102.0m (2019: £91.9m), boosted by acquisitions in the period
- Aftermarket performance continuing to improve across most business units, despite Covid-19
- Bolt-on acquisitions of Booth Industries and Energy Steel completed during the period
 - integrations of both went well during FY20, with each delivering modest maiden profits for the group (net of costs) despite both being distressed on acquisition
- Expanding orders in nuclear sector in the UK, USA and Asia
- Booth has a record order book, including the £36m HS2 doors order received in September 2020
- HT China won a £2.2m pump order for a concentrated solar power plant in Dubai
- Post period end, obtained Outline Planning Permission (OPP) for the redevelopment of Hayward Tyler Luton site, comprising 1,000 residential units
- All factories have adapted to new operating conditions and contained the CV19 disruption

Medical

- Revenue flat at £11.9m (2019: £12.1m), transition to new markets continues
- Scientific Magnetics and Tecmag working with their partners to produce new product and service offerings for the MRI and NMR markets
- Focus on new markets and products, esp. compact MRI, with a “sustain” strategy elsewhere
- Composite Products performance was again stable in the period, with good prospects

¹ 2019 not restated for IFRS16

² Adjusted to add back amortisation of intangibles from business combinations, acquisition costs and exceptional items

In October 2009, The Company amended its articles of association to include electronic communication with its members. However, in order for the Company to continue to communicate electronically with its members, it requires members' consent to send or supply documents and information (Documents and Information) to them in electronic form and via a website.

Increased use of electronic communications delivers savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to shareholders. The reduced use of paper also has environmental benefits.

Under the provisions of the Companies Act 2006, we are also required to ask you individually to confirm your agreement to the Company sending or supplying the Documents and Information to you as a member of the Company via www.avingtrans.plc.uk (the Website).

If you have previously agreed to the Company sending or supplying the Documents or Information to you via the Website, **you need take no further action** in relation to this part of the letter.

