

Results for 6 months ended 30 November 2021

Steve McQuillan, CEO

Stephen King, CFO

Financial highlights

Group Revenue

£45.1m
(7.3)%

Gross Profit Margin

33.6%
2021 H1: 31.7%

Adjusted EBITDA

£5.8m
2021 H1: £5.8m

Adjusted Diluted EPS

10.0p
2021 H1 10.8p

Dividend

2022 H1: 1.6p
Reinstated

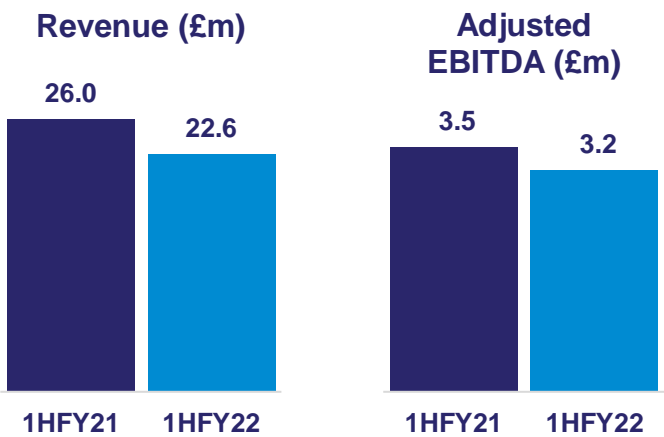
Net Cash*

£22.7m
31 May 2021: £23.3m

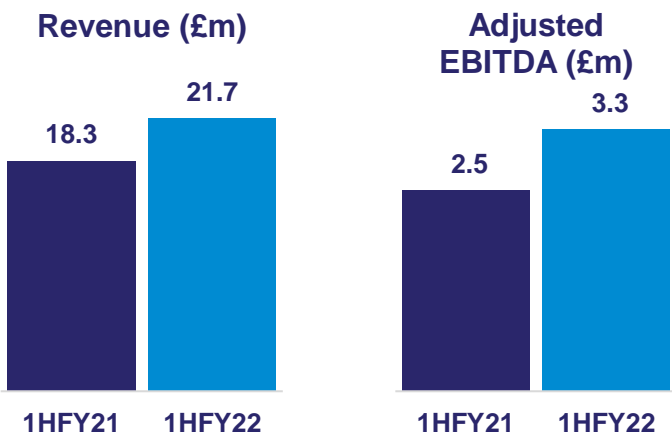
Net cash* - pre-IFRS 16

Our divisions and brands

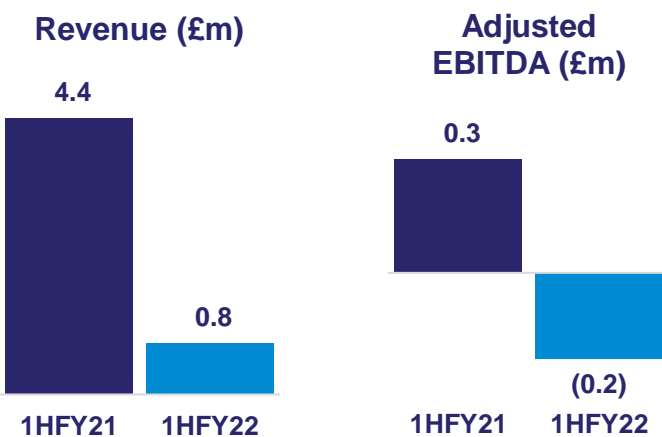
Engineered Pumps and Motors



Process Solutions and Rotating Equipment



Medical and Industrial Imaging





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



Strengthening the portfolio



- Magnetica - compact helium-free MRI systems
- Adaptix – compact 3D X-ray systems
- £4.0m now invested in Adaptix shares (11.9% of total)
- Initial markets are orthopaedic and veterinary.
- Businesses are collaborating on commercialisation of their complementary technologies



Establishing world class capability

Boothindustries

- Booth site rationalisation will complete this year
- Construction of new Bolton site extension completed
- New wing will eliminate surplus leased building
- Booth has a record orderbook and strong prospects
- Market research highlights international opportunities
- Aftermarket development is an emerging focus



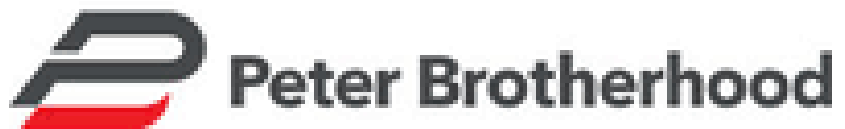
Building and returning shareholder value

PB acquired for c£9m as part of HTG in 2017

Exit of PB for enterprise value of £35m in March 2021

Gross return on original capital investment almost 4X

3rd successful exit for Avingtrans since 2013



- Avingtrans is committed to profitable growth 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.



Hayward Tyler and Energy Steel

• Markets

- Nuclear – on-going life extension focus
 - Further contract wins in USA “life extension” market
 - Next Generation nuclear – ITER project for ES confirmed
- Hydrocarbons – progress still subdued by CV-19
 - Steady recovery underway
 - Focus on aftermarket, with 3rd party products targeted
- Defence – more UK Government contracts won at HT Luton

• Facilities

- New capex installed in Vermont;
- Energy Steel bedded-in at new smaller site
- Sale process for Luton site on-going – Covid-19 induced delays

- **Products** – building product portfolio with 3rd parties – eg Ruhrpumpen



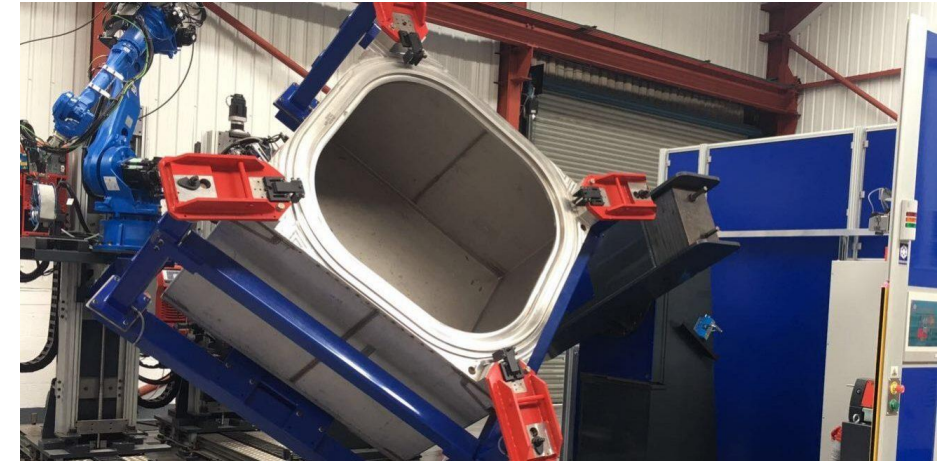
Metalcraft, Fluid Handling, Ormandy, Booth, Composite Products

- **Markets**

- Nuclear decommissioning (Metalcraft, Fluid Handling)
 - Sellafield – phase 2 of 3M3 box contact won (£70m)
 - £4.4m Fluid Handling contract win for remote valves
- Defence (Booth) – further UK Government contracts in prospect
- Infrastructure (Booth) – rail and critical national infrastructure – £36m HS2 contract underway
- HVAC¹ (Ormandy) – disrupted by CV-19, but orders continue to build
- Composites – focus on industrial customers

- **Facilities** – site extension at Booth complete; Metalcraft training school will complete in 2022

- **Products** – product range expansion at Booth. Tighter nuclear focus at Metalcraft



Metalcraft 3M3 box manufacture

Magnetica, Scientific Magnetics. Tecmag

Minority stake in Adaptix

- **Medical Imaging**

- Integration of Magnetica has gone to plan
 - Compact MRI system progressing well
 - Convergent orthopaedic and veterinary focus
 - Initial addressable MRI market estimate c£400m
 - Bigger “pay per scan” opportunity targeted
 - Plans on track, albeit with some supply chain issues
 - Minority £4.0m investment in Adaptix (3D X-ray)
- NMR – steady progress on Tecmag spectrometer sales and service
 - Science – niche magnet & cryogenic product sales continue, into selected markets



MRI scanner



3D X-ray scanner

Financial Highlights

Interim results

£m	H1 FY22	H1 FY21	FY21
Revenue	45.1	48.7	98.5
Gross Profit	15.2	15.4	29.9
Gross Profit %	33.6%	31.7%	30.4%
Adjusted EBITDA	5.8	5.8	12.5
Adjusted EBITDA %	12.9%	12.0%	12.7%
Adjusted Profit before tax	3.5	3.7	7.7
Adjusted Profit after tax	3.2	3.5	7.3
Adj. Diluted EPS (pence)	10.0	10.8	22.4
Adj. Diluted EPS (pence) excl. losses attributable to NCI	10.7	10.8	22.9

Results presented above are from continuing operations

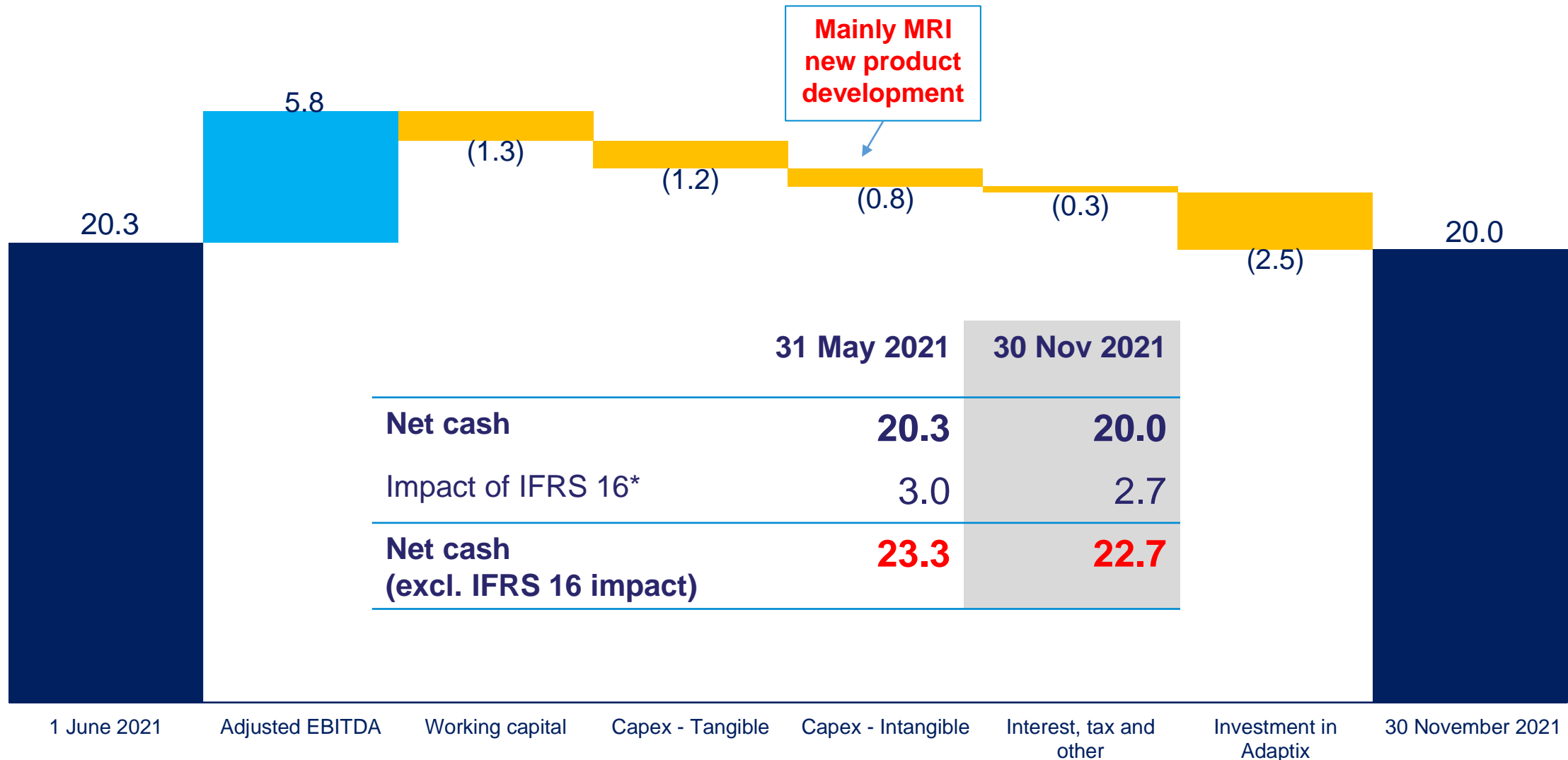
Divisional Results

	Energy:				1H	Energy:				1H
	EPM	PSRE	Medical	Central	FY22	EPM	PSRE	Medical	Central	FY21
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Revenue:										
OE	6.1	20.5	0.8	-	27.4	7.5	17.3	4.4	-	29.2
AM	16.5	1.2	-	-	17.7	18.5	1.0	-	-	19.5
Total Revenue	22.6	21.7	0.8	-	45.1	26.0	18.3	4.4	-	48.7
Operating profit/(loss)	1.4	2.7	(0.5)	(0.5)	3.1	1.3	1.9	0.1	(0.5)	2.8
Adjustments:										
Acquisition costs/SBP	-	-	-	0.1	0.1	-	-	-	0.1	0.1
Restructuring costs	0.1	-	-	-	0.1	0.6	0.1	0.0	-	0.6
Amortisation of acquired intangibles	0.4	-	-	-	0.4	0.5	0.0	-	-	0.5
Adjusted EBIT	1.9	2.7	(0.5)	(0.4)	3.7	2.4	2.0	0.1	(0.5)	4.0
Depreciation and amortisation	1.3	0.6	0.3	-	2.1	1.1	0.5	0.2	-	1.8
Adjusted EBITDA	3.2	3.3	(0.2)	(0.4)	5.8	3.5	2.5	0.3	(0.5)	5.8
<i>Adjusted EBITDA %</i>	<i>14.1%</i>	<i>15.2%</i>	<i>(26.6)%</i>		<i>12.9%</i>	<i>13.5%</i>	<i>13.8%</i>	<i>6.5%</i>		<i>12.0%</i>

Balance Sheet

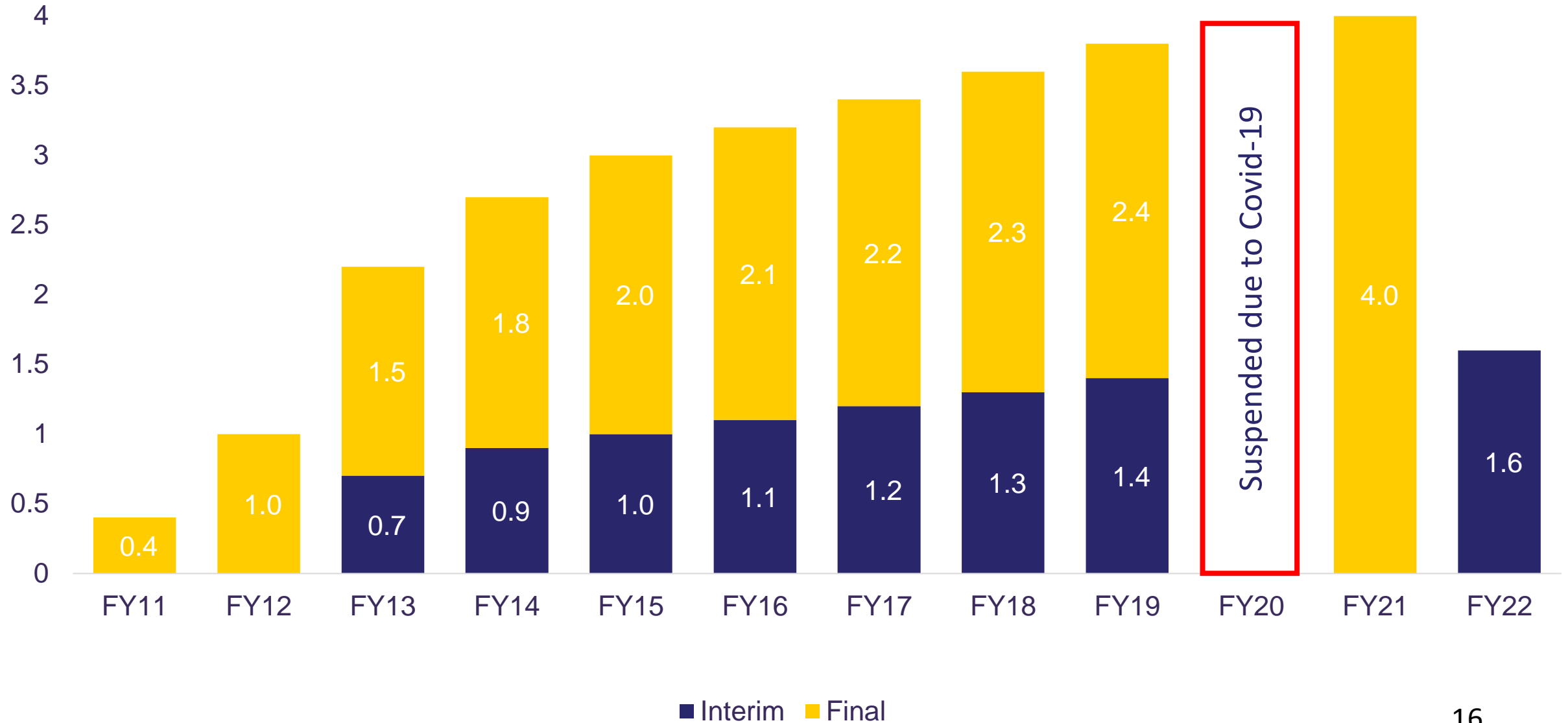
	H1 FY22	H1 FY21	FY21
	£'m	£'m	£'m
Tangible fixed assets	25.0	32.3	25.3
Goodwill	21.2	23.5	21.2
Investments	2.5	-	-
Other intangible	14.5	13.2	14.5
Deferred tax asset & pension surplus	3.1	3.0	3.1
Working capital	23.2	23.2	21.3
Provisions	(1.7)	(5.3)	(1.7)
Tax asset	0.3	0.5	-
Net cash / (debt)	20.0	(15.9)	20.3
Creditors > 1 year	(1.2)	(1.5)	(1.3)
Deferred tax liability	(4.1)	(2.2)	(3.5)
Net assets	102.8	70.8	99.0
<i>Net cash / (debt) to equity</i>	<i>19.4%</i>	<i>(22.4)%</i>	<i>20.5%</i>

Movement in Net Cash (£'m)



Impact of IFRS 16* - predominantly represents operating leases on premises which following the adoption of IFRS 16 are treated as lease liabilities (debt).

Dividend growth



Summary

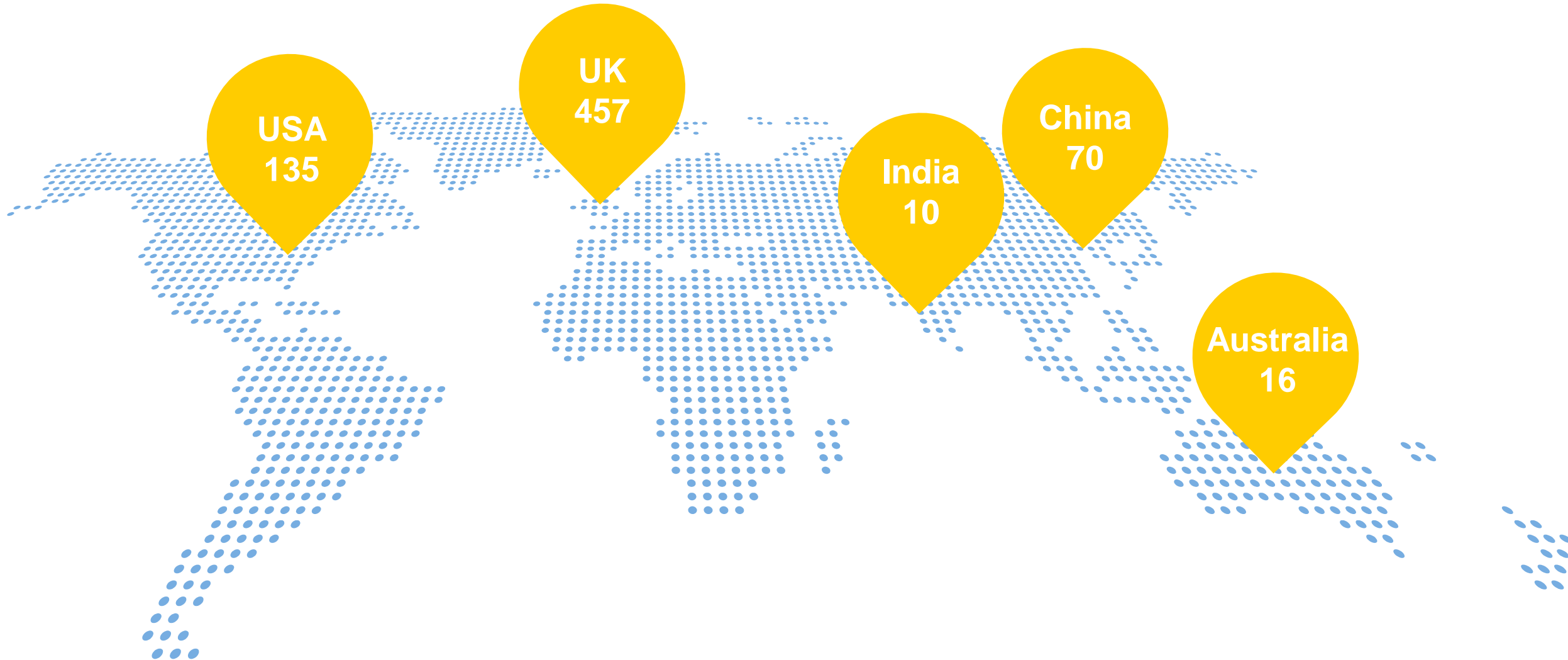
- ✓ **H1 FY22 - on target to deliver full year expectations - despite covid-19 disruptions**
- ✓ **Revitalisation of Hayward Tyler, Energy Steel and Booth remains on plan**
- ✓ **Order book: robust notwithstanding some contract delays**
 - ✓ Significant Nuclear sector contract wins in the UK and USA,
 - ✓ Sellafield 3M3 box project now worth **£70m** and moves to volume production phase
 - ✓ Exciting potential for Medical in compact, helium-free MRI system applications
- ✓ **Strong balance sheet – net cash of **£22.7m** in H1 – in line with expectations**
- ✓ **PIE strategy (Pinpoint-Invest-Exit) for organic growth and added value through M&A**
 - ✓ Magnetica integration proceeding to plan and **£4.0m investment** in Adaptix completed
 - ✓ **Exit** of HT Luton site hampered by Covid-19, but continuing to pursue
- ✓ **Interim dividend reinstated, at **1.6 pence****
- ✓ **Outlook: we remain vigilant, but confident about our strategy and prospects**

Appendix

Pinpoint-Invest-Exit (PIE)

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

Our locations and employees (30 November 2021)



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

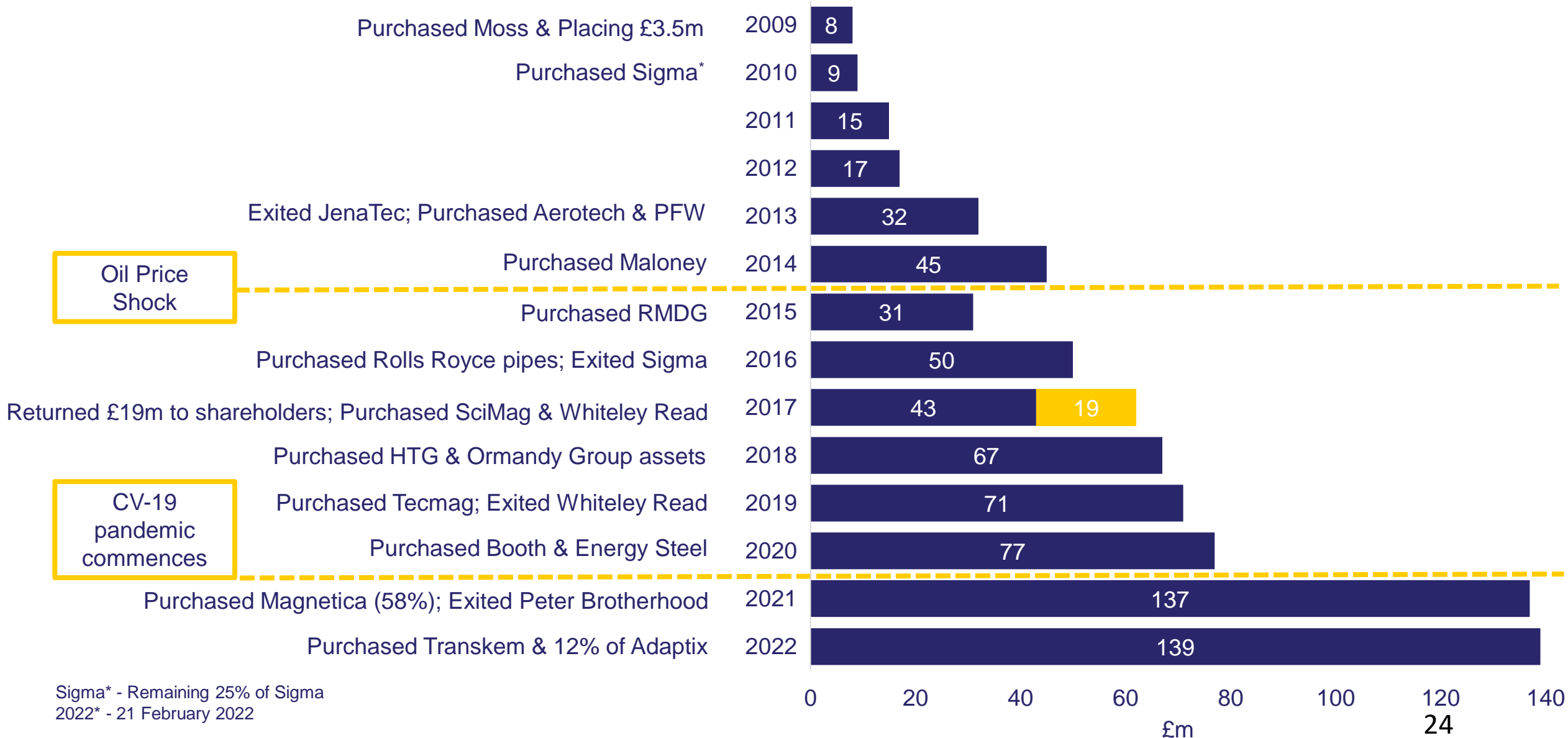
We adapt rapidly and cost effectively – in response to changes in the environment

Environment, Social and Governance (ESG) Avingtrans

- Our goal is to ensure sustainability is embedded into our pinpoint-invest-exit business strategy. In 2021, we have reassessed our approach to sustainability, aligning ourselves with the UN's Sustainable Development Goals (SDGs). We consider the following to be our priorities:

Development of new technologies	Operational eco-efficiency	Health, safety and wellbeing
<ul style="list-style-type: none"> Development of new pumps for Small Modular Reactors (SMRs), Nuclear Fission (ITER project), and Molten Chloride Fast Reactors (MCFRs) Adapting existing fossil-fuel technologies for concentrated solar power (CSP) Going helium-free in our new compact MRI units Development of storage vessels for intermediate level waste from Sellafield power station 	<ul style="list-style-type: none"> Supporting sites to achieve the ISO 14001 Environmental Management accreditation Installation of LED lighting to reduce energy consumption and create a safer working environment Completion of new facility at Booth site, built with thermal, lighting and energy saving advances. Establishment of Streamlined Energy and Carbon Reporting (SECR) 	<ul style="list-style-type: none"> Creation of covid-19 safe workplaces by taking measures such as: <ul style="list-style-type: none"> Shielding of vulnerable employees Factory and office re-layouts Enhanced cleaning and site hygiene Supporting sites to achieve the ISO 45001 Health and Safety accreditation Board level oversight including site inspections
<div>7 AFFORDABLE AND CLEAN ENERGY</div>  <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>  <div>13 CLIMATE ACTION</div> 	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>  <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>  <div>13 CLIMATE ACTION</div> 	<div>3 GOOD HEALTH AND WELL-BEING</div>  <div>8 DECENT WORK AND ECONOMIC GROWTH</div>  <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 

Market capitalisation progression (£m)



Sigma* - Remaining 25% of Sigma
2022* - 21 February 2022

Blue chip partnerships

HS2

VATTENFALL 

 edf ENERGY

 Sellafield Ltd

EUREKA

Shinhoo
PUMPS & MOTOR

STP
Nuclear Operating Company



 Dominion
EnergySM

Rapiscan[®]
systems
An OSI Systems Company

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)
	Peter Brotherhood	9.3 (FY18)	35.0 (FY21)

¹ – Enterprise Value

Largest investors

Ordinary shares of 5p each

	Number of shares (000s)	% of total shares
Harwood Capital	4,034	12.6%
Funds managed by Business Growth Fund	2,363	7.4%
Funds managed by Unicorn Asset Management Ltd	1,946	6.1%
R S McDowell's Pension Fund	1,406	4.4%
Funds managed by JTC Employer Solutions Trustee Limited	1,169	3.6%
P McDowell's Pension Fund	1,053	3.3%
Funds managed by Close Brothers Management	1,043	3.2%
Funds managed by Threadneedle Investments	1,039	3.2%
LGT Bank	973	3.0%

Shows the position at 30 November 2021