



Results for year ended 31 May 2022

Steve McQuillan, CEO
Stephen King, CFO

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

Financial highlights (continuing operations)



Group Revenue

£100.4m

2021: £98.5m

Gross Profit Margin

34.0%

2021: 30.4%

Adjusted EBITDA

£12.7m

2021: £12.5m

Adjusted Diluted EPS

21.8p

2021: 22.4p

Total Dividend

4.2p

2021: 4.0p

Net Cash*

£16.7m

2021: £23.3m

* Excluding IFRS16 impact

Our divisions and brands



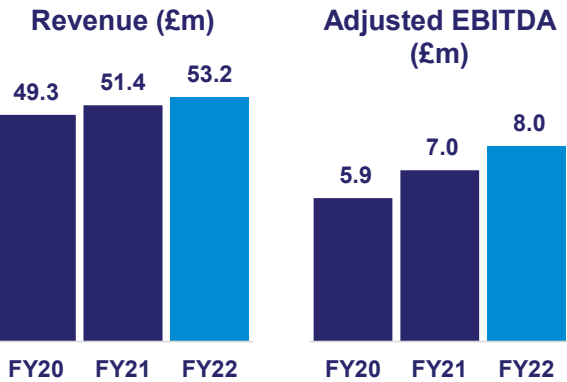
Engineered Pumps and Motors



HAYWARD TYLER
Acquired 2017



energysteel
Acquired 2019



Process Solutions and Rotating Equipment



Metalcraft
Stainless Metalcraft (Chatteris) Ltd
Acquired 2004



HAYWARD TYLER
Acquired 2017



COMPOSITE PRODUCTS LIMITED
Acquired 2012



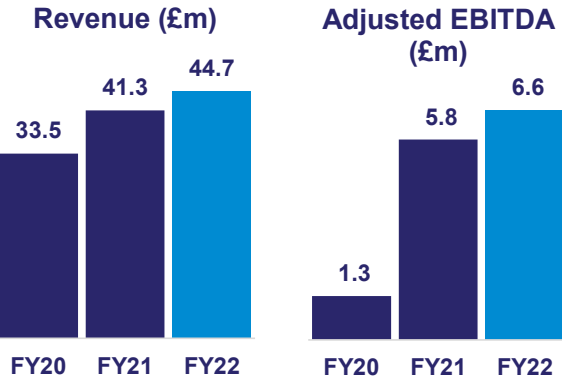
Ormandy Rycroft Engineering
Acquired 2018



Booth Industries
Acquired 2019



TRANSKEM
Acquired 2021



Medical and Industrial Imaging



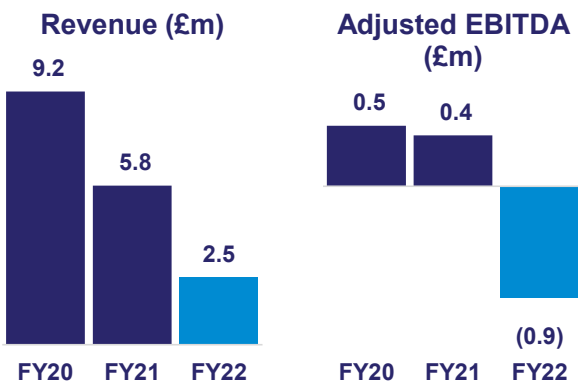
SCIENTIFIC MAGNET CS
Acquired 2017



tecma
Acquired 2018



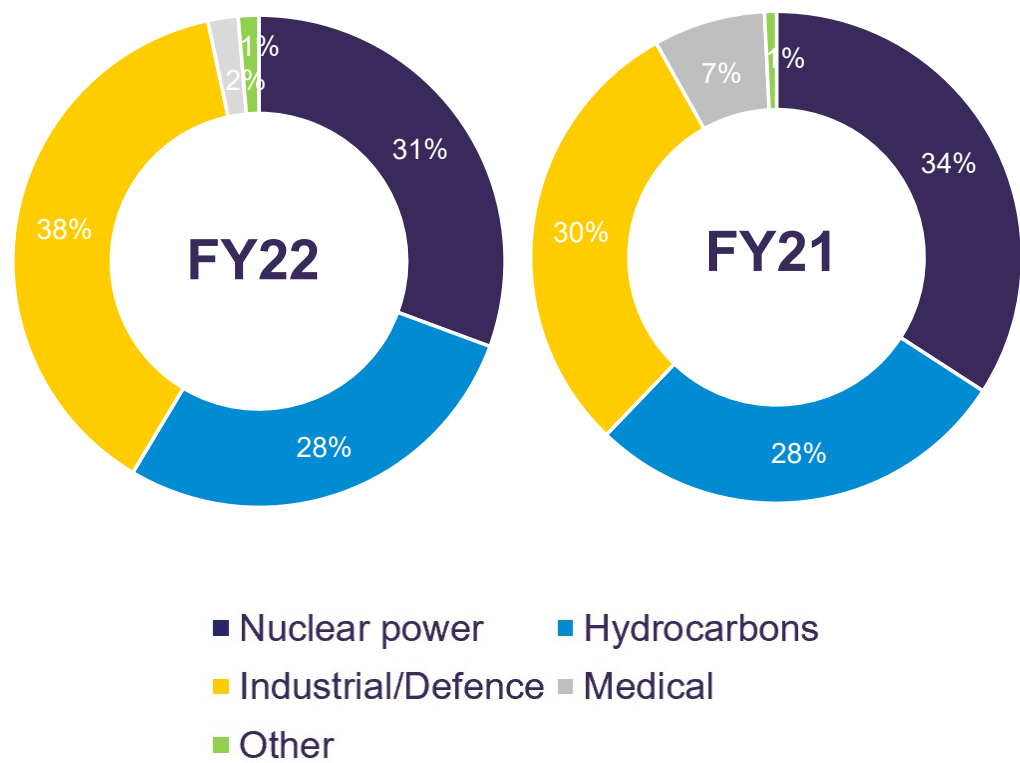
MAGNETICA
Acquired 2021



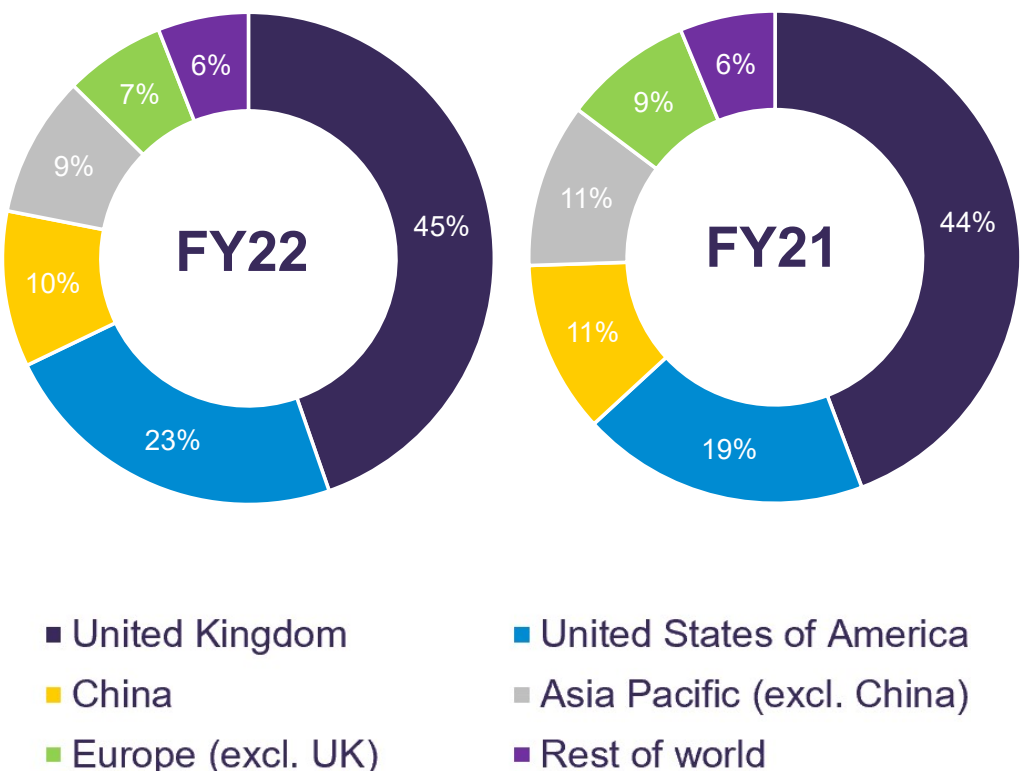
Revenue analysis



By market:



By geography:





- ✓ 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 imaging technologies



Our proven strategy in action - Invest



Investment in facilities

Booth

- Completion of green manufacturing facility in Bolton.
- New wing will eliminate surplus leased building
- New facilities support a record orderbook and strong prospects
- Market research also highlights international opportunities and:
- An emerging aftermarket focus



Investment in people

Metalcraft

- Completed apprentice training school in Chatteris.
- Construction funded with a £3.2m grant from Cambs and P'borough Combined Authority.
- West Suffolk College to be the operator and training provider
- School will take on between 80 and 130 students each year



Investment in technology

Hayward Tyler

- Motors and pumps for next generation nuclear power:
 - ITER Fusion Reactor
 - Small Modular Reactors
 - Molten Salt Fast Reactors

Magnetica

- Development of compact, helium-free (MRI) systems



Our proven strategy in action - Exit



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.



Divisional priorities - EPM

Hayward Tyler and Energy Steel

• Markets

- Nuclear – on-going life extension focus
 - Further contract wins in USA “life extension” market
 - Next Generation nuclear – ITER and TerraPower orders won
- Hydrocarbons – energy security driving markets
 - 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 paused – considering offers & options

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



Divisional priorities - PSRE

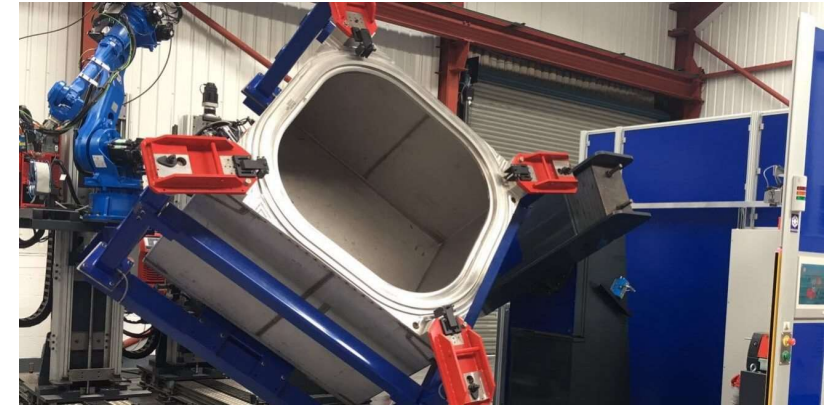
Metalcraft, Fluid Handling, Ormandy, Booth, Composite Products

• 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 won in year
- Infrastructure (Booth) – rail and critical national infrastructure – **£36m** HS2 contract on plan
- HVAC¹ (Ormandy) – was disrupted by CV-19, but orders continuing to build
- Composites – focus on industrial customers – eg Rapiscan

- **Facilities** – Booth: site extension complete; Metalcraft: training school complete
Transkem: acquired and integrated into Fluid Handling – freehold building sold

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



Metalcraft 3M3 box manufacture

1 – HVAC = Heating, Ventilation and Air Conditioning

Divisional priorities - MII

Magnetica, Scientific Magnetics. Tecmag
Minority 12% stake in Adaptix

- **Medical Imaging**

- Compact 3 Tesla MRI system progressing to plan
 - Convergent orthopaedic and veterinary focus
 - Initial addressable MRI market estimate c£400m
 - Bigger “pay per scan” opportunity targeted
 - Minority **£4.0m** investment in Adaptix (3D X-ray)
 - Adaptix Vet product launched and FDA 510(k) for Orthopaedic submitted
- NMR – solid progress on Tecmag spectrometer sales and service
 - Science – niche magnet & cryogenic product sales, into selected markets



Financial Highlights

Income Statement – continuing operations



	FY22 £'m	FY21 £'m
Revenue	100.4	98.5
Gross Profit	34.1	29.9
Gross Profit %	34.0%	30.4%
Adjusted¹ EBITDA	12.7	12.5
Adjusted ¹ EBITDA %	12.7%	12.7%
Adjusted¹ Profit before tax	8.2	7.7
Adjusted ¹ Profit after tax	7.2	7.3
Adjusted² Diluted EPS (pence)	21.8	22.4
Adjusted ² Diluted EPS (pence) to shareholders excl. NCI	23.1	96.2

¹ Adjusted to add back amortisation of intangibles from business combinations, acquisition costs and exceptional items

² FY21 Adjusted Diluted EPS benefitted from the expected UK tax rate increase to 25% which led to a revaluation of deferred tax assets on tax losses.

Divisional results – continuing operations



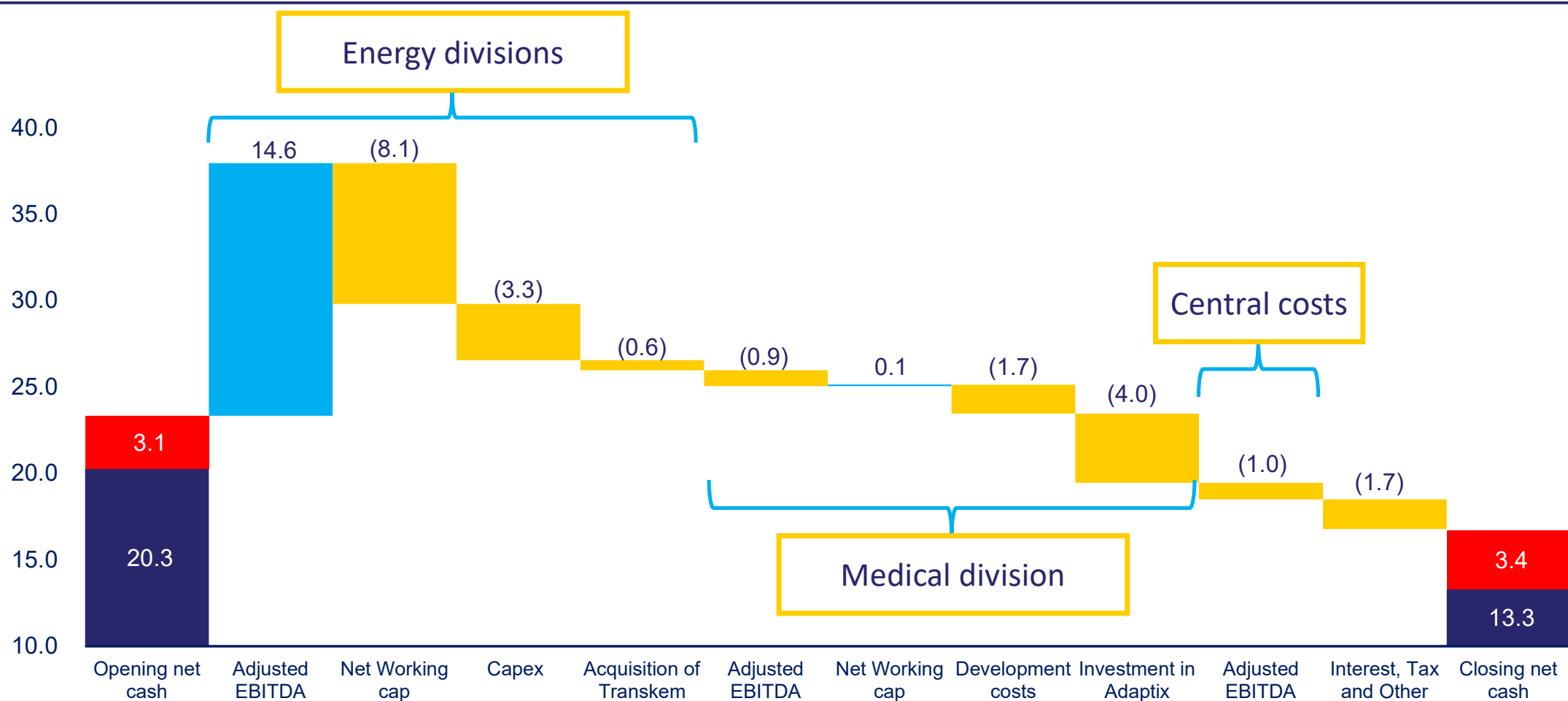
	Energy: EPM £'m	Energy: PSRE £'m	Medical £'m	Central £'m	FY22 £'m	Energy: EPM £'m	Energy: PRSE £'m	Medical £'m	Central £'m	FY21 £'m
Revenue:										
OE	14.1	41.7	2.4	-	58.3	15.4	36.7	5.6	-	57.7
AM	39.1	3.0	0.0	-	42.2	36.0	4.6	0.2	-	40.8
Total Revenue	53.2	44.7	2.5	-	100.4	51.4	41.3	5.8	-	98.5
Operating Profit/(loss)	4.6	5.0	(1.3)	(1.1)	7.2	2.8	4.2	(0.2)	(0.7)	6.1
Adjustments:										
Acquisition costs/SBP/Other	0.1	0.1	0.0	0.1	0.3	0.1	0.1	0.1	-	0.3
Restructuring costs	0.0	0.1	-	-	0.1	0.7	0.1	-	-	0.8
Amortisation of acquired intangibles	0.8	0.1	-	-	0.9	1.0	-	-	-	1.0
Adjusted EBIT	5.5	5.3	(1.3)	(1.0)	8.6	4.6	4.3	0.0	(0.7)	8.2
Depreciation and amortisation	2.5	1.3	0.4	-	4.2	2.4	1.4	0.5	-	4.3
Adjusted EBITDA	8.0	6.6	(0.9)	(1.0)	12.7	7.0	5.8	0.4	(0.7)	12.5
<i>Adjusted EBITDA %</i>	15.1%	14.7%	(37.4)%		12.7%	13.7%	14.1%	6.1%		12.7%

Balance Sheet



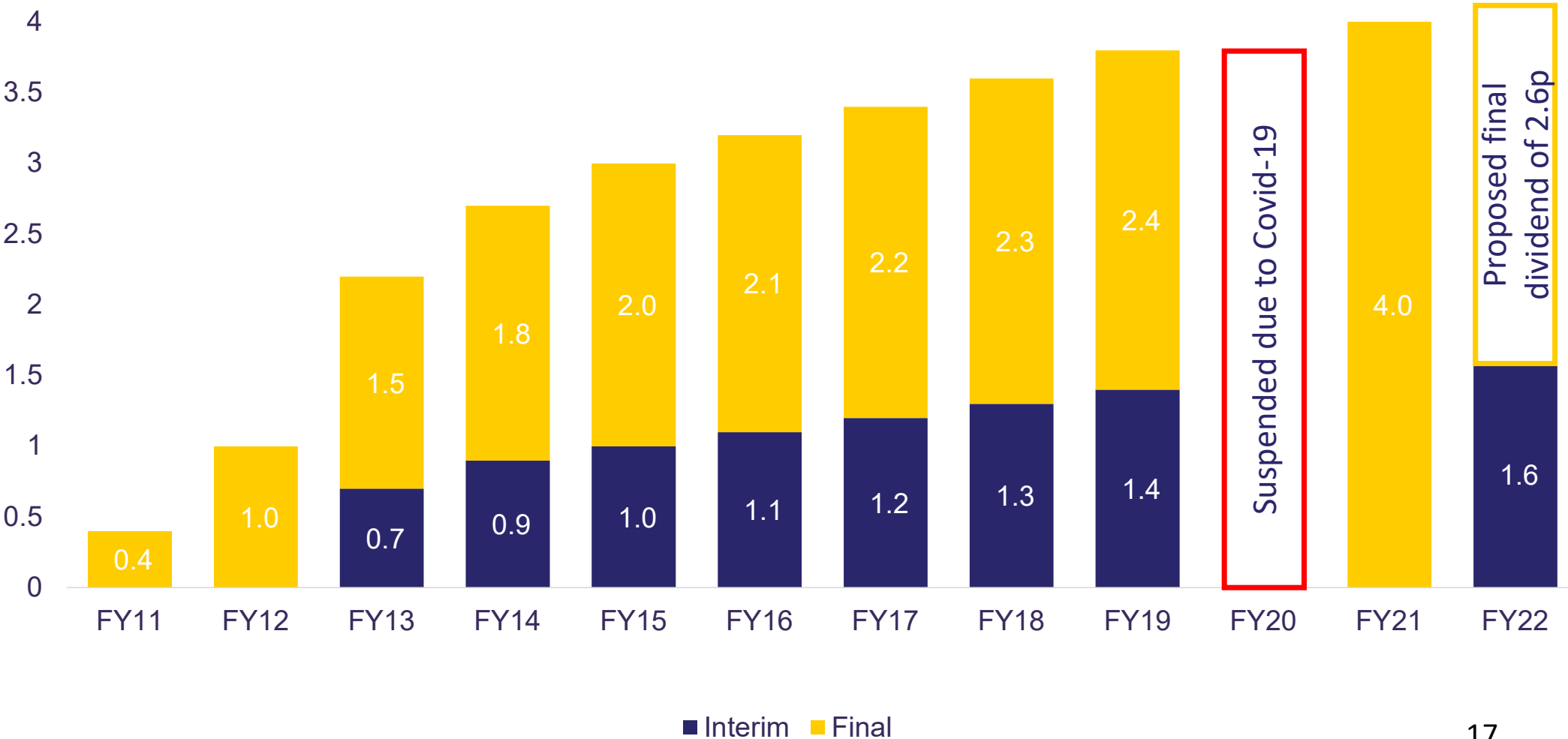
	FY22	FY21
	£m	£m
Tangible fixed assets	25.2	25.3
Goodwill	21.4	21.2
Other intangible	15.7	14.5
Unlisted investments	4.0	-
Deferred Tax Asset/Pension Surplus	3.2	3.1
Working capital	30.5	21.3
Net Cash	13.3	20.3
Provisions	(1.8)	(1.7)
Derivatives	-	(0.1)
Creditors > 1 year	(1.3)	(1.3)
Deferred Tax Liability	(4.5)	(3.5)
Net Assets	105.8	99.0
<i>Net Cash to Equity</i>	<i>12.6%</i>	<i>20.5%</i>
<i>Net Cash to Equity (excl. IFRS 16 impact)</i>	<i>15.8%</i>	<i>23.5%</i>

FY22 Movement in net cash (£m)



■ Impact on net cash from adoption of IFRS 16

Dividend growth



Tax highlights – future profits protected



- Avingtrans is a responsible corporate tax payer in all countries where we are present
- Effective tax rate **13.8%**
- Tax refund received in the US kept the charge lower than expected.
- The Group has tax losses carried forward of approximately **£26.8** million at 31 May 2022 (2021: £22.6 million) that may be relievable against future profits.
- As per the UK March 2021 budget, the tax rate was expected to increase to 25% by 2023. The deferred tax asset at 31 May 2021 has been calculated based on these rates. However in the recent budget on 23 September 2022, the Chancellor of the Exchequer announced that the corporation tax rate would stay at 19%, but this has not been enacted as at year end and therefore no adjustment can be made to the results.

Summary

- ✓ **Solid year of progress in challenging market conditions**
- ✓ **Revitalisations of Hayward Tyler, Energy Steel and Booth remain on plan**
- ✓ **Order book: robust despite some delays and disruption**
 - ✓ Significant Nuclear sector contract wins in the UK, USA, and South Korea
 - ✓ Sellafield 3M3 box project now worth **£70m** and has moved to volume production phase
 - ✓ Exciting potential for Medical in compact, MRI and 3D X-ray system applications
- ✓ **Strong balance sheet – net cash of **£16.7m** at period end**
 - ✓ Cash utilised for acquisitions and some working capital supply-chain risk mitigation
- ✓ **PIE strategy (Pinpoint-Invest-Exit) for organic growth and added value through M&A**
 - ✓ Transkem (100%) and Adaptix (12%) **Pinpointed** in the year
 - ✓ Magnetica **Investment** is proceeding to plan
- ✓ **Dividend grows to **4.2p** for the year**
- ✓ **Outlook: we remain confident about our PIE strategy and current market prospects**

Appendix

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

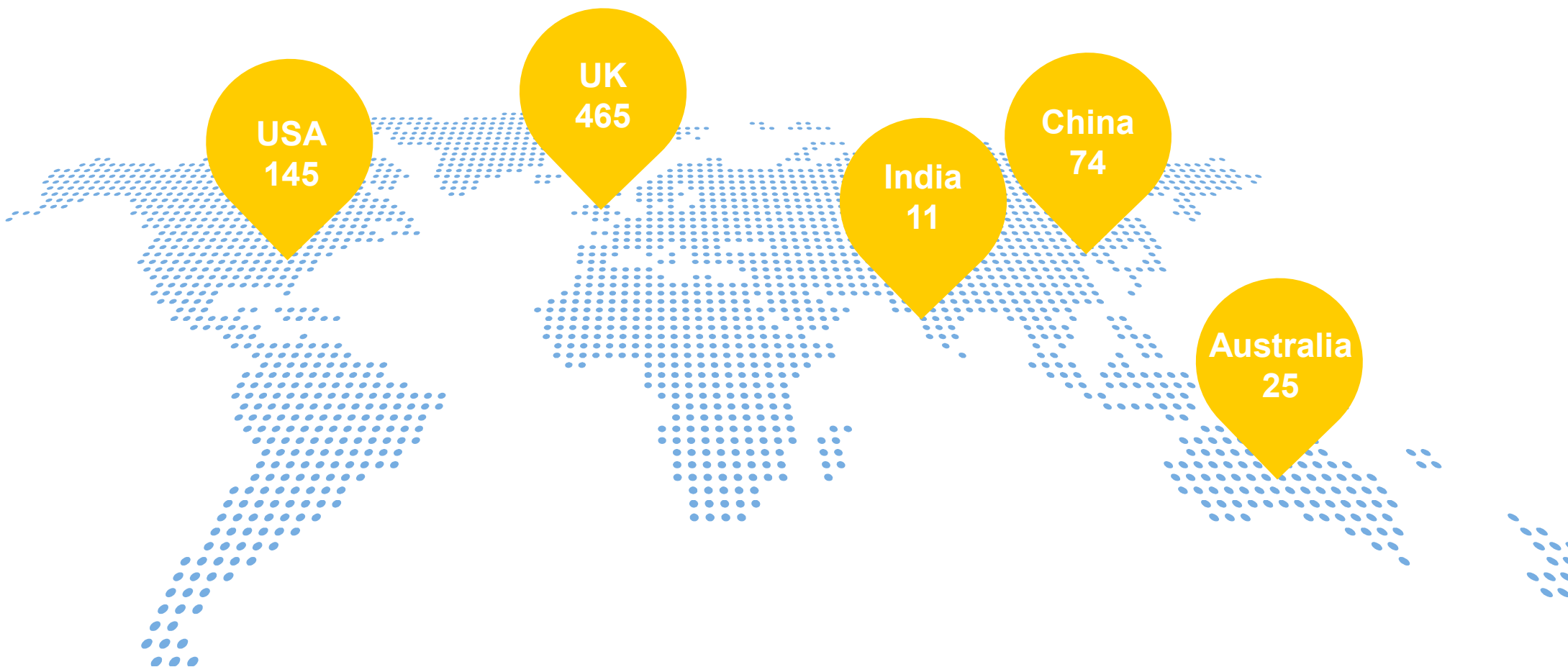
Right first time, on time. Our products and services have enduring value to our customers



Agility










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

Our locations and employees (27 September 2022)

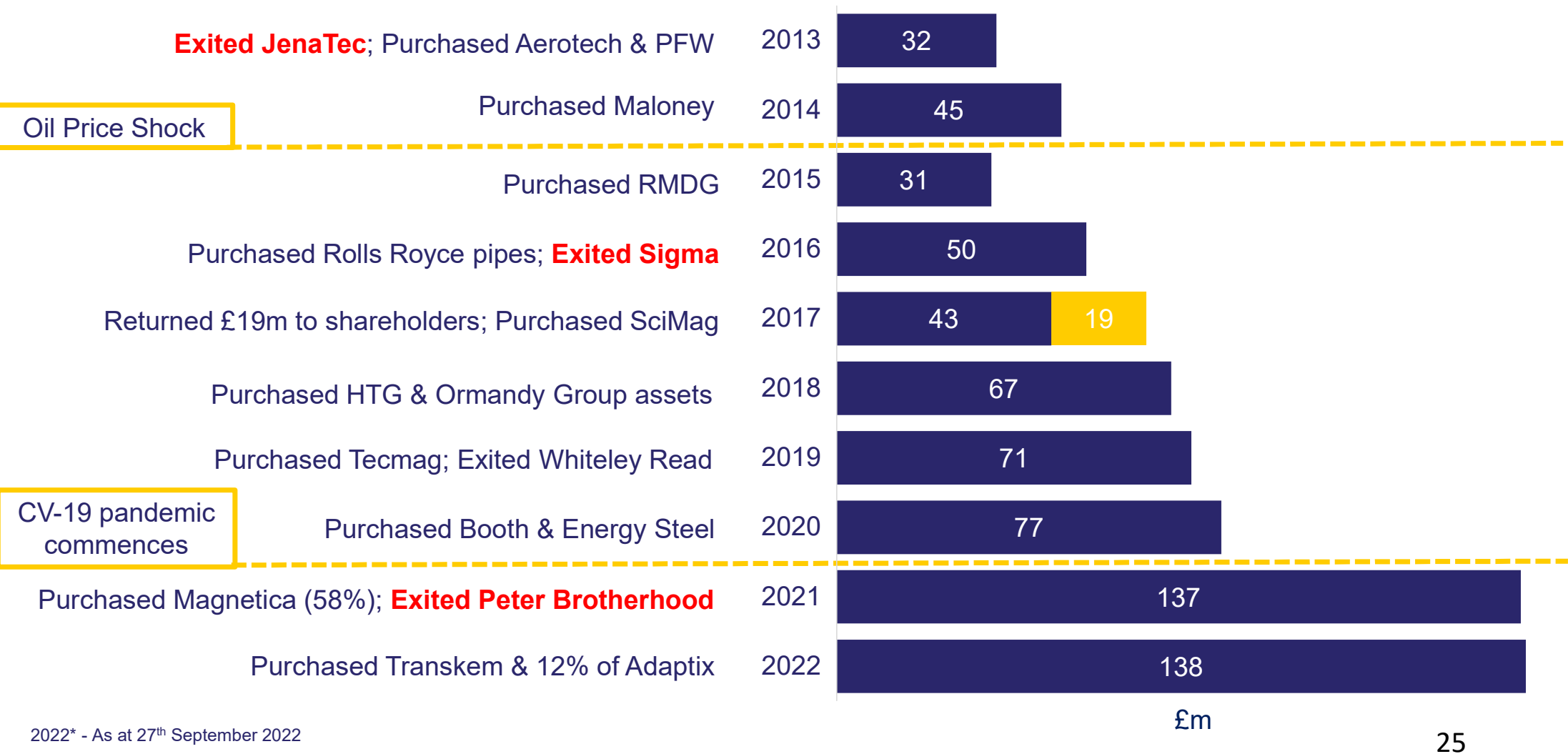


Environment, Social and Governance (ESG) Avingtrans

- Our goal is to ensure sustainability is embedded into our pinpoint-invest-exit business strategy. Our approach to sustainability is aligning to 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 nuclear site 	<ul style="list-style-type: none"> Tonnes of CO2 per £m of Revenue has fallen to 4.7 (FY21: 5.7) for UK sites. Overseas sites began tracking their emissions in FY22. Supporting sites to achieve the ISO 14001 Environmental Management accreditation Completion of new facility at Booth site, built with thermal, LED lighting and energy saving advances. 	<ul style="list-style-type: none"> Board level oversight, including site inspections Supporting sites to achieve the ISO 45001 Health and Safety accreditation H&S incidents per head per annum has remained flat at 0.07 (FY21: 0.07). Zero environmental incidents (FY21: zero)
<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)



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)
	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	12.5%
Business Growth Fund	2,363	7.4%
Funds managed by Unicorn Asset Management Limited	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%
Funds managed by Close Brothers Management	1,087	3.4%
Funds managed by Threadneedle Investments	1,039	3.2%
Funds managed by LGT Bank	972	3.0%

Shows the position at 27 September 2022