

Results for 6 months ended 30 November 2022

Steve McQuillan, CEO

Stephen King, CFO

Financial highlights

Group Revenue

£50.0m

FY22 H1: £44.5m

Gross Profit Margin

32.6%

FY22 H1: 33.9%

Adjusted EBITDA

£6.4m

2022 H1: £5.7m

Adjusted Diluted EPS

10.8p

2022 H1 10.2p

Interim Dividend

1.7p

2022 H1: 1.6p

Net Cash*

£17.3m

31 May 2022: £16.7m

Net Cash* - impact of IFRS 16 removed

Our divisions and brands

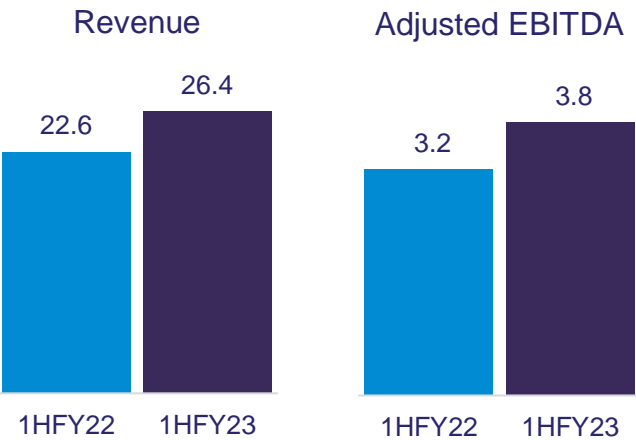
Engineered Pumps and Motors



HAYWARD TYLER
Acquired 2017



energy steel
Acquired 2019



Process Solutions and Rotating Equipment



Metalcraft
Stainless Metalcraft (Chatteris) Ltd
Acquired 2004



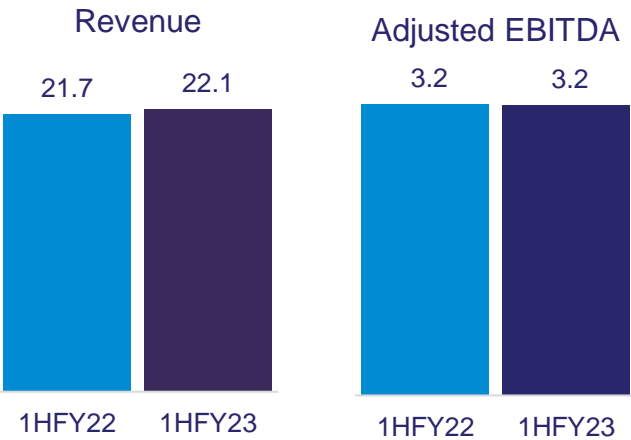
Ormandy Rycroft
Engineering
Acquired 2018



COMPOSITE
PRODUCTS
LIMITED
Acquired 2012



Booth industries
Acquired 2019



Medical and Industrial Imaging



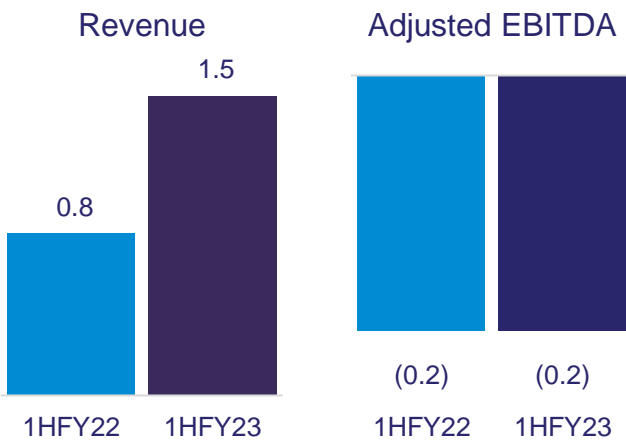
SCIENTIFIC
MAGNETIC
SYSTEMS
Acquired 2017



tecma
Acquired 2018



MAGNETICA
Acquired 2021





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



Strengthening the portfolio



HEVAC & HES

- Ormandy acquired the assets of HEVAC & HES for £852k*
- Complementary product ranges
- Widens product portfolio – including aftermarket offering
- Team in Elland will move to Ormandy's Bradford site
- Site rationalisation will reduce total overhead costs



* Post period end

Developing world class products



- Magnetica - compact helium-free MRI systems
- Adaptix – compact 3D X-ray systems
- Further planned fund raising completed for Magnetica*
- A further £2.0m invested in Adaptix via loan note*
- Initial markets are orthopaedic and veterinary.
- Businesses are collaborating on commercialisation of their complementary technologies



* Post period end

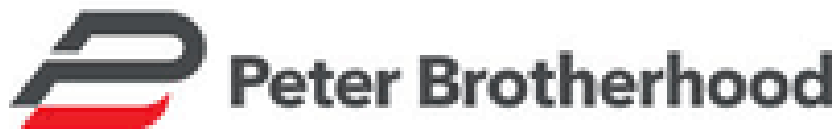
Building and returning shareholder value

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 & TerraPower orders
- Hydrocarbons – North Sea recovery underway
 - New product to capture flue gases in China
 - Focus on aftermarket, with 3rd party products targeted
- Defence – further UK Government contracts won at HT Luton

- **Facilities**

- IT upgrades across the division;
- Transkem fully integrated into the Fluid Handling site
- Sale process for Luton site on-going – still subject to delays

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



Metalcraft, Ormandy, Booth, Composite Products

- **Markets**

- Nuclear decommissioning (Metalcraft)
 - Sellafield – phase 2 of 3M3 box contact progressing
- Defence (Booth) – UK Government contracts extended
- Infrastructure (Booth) – £36m HS2 contract underway – door design now approved
- HVAC¹ (Ormandy) – orders continue to build.
 - Acquired assets of HEVAC/HES for £852k²
- Composites – focus on industrial customers

- **Facilities** – site extension at Booth operational. Metalcraft training school – 1st intake commenced

- **Products** – product range expansion at Booth and Ormandy. Nuclear focus at Metalcraft



CAD render of HS2 cross-tunnel door

1 – HVAC = Heating, Ventilation and Air Conditioning

2 – Post period end

Magnetica, Scientific Magnetics. Tecmag

Minority stake in Adaptix

- **Medical Imaging**

- 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
 - Additional investments in Magnetica and Adaptix (3D X-ray)
- NMR – steady progress on Tecmag spectrometer sales and service
 - Science – niche magnet & cryogenic product sales continue, into selected markets
 - **Facilities** – Magnetica: moves into new Brisbane facility in March. Adaptix: new facility in Scotland
 - **Products** – Compact MRI system advancing. Adaptix awarded 510(k) for orthopaedics*



Financial Highlights

Interim results

£m	H1 FY23	H1 FY22	FY22
Revenue	50.0	44.5	99.1
Gross Profit	16.3	15.1	33.8
Gross Profit %	32.6%	33.9%	34.2%
Adjusted EBITDA	6.4	5.7	12.4
Adjusted EBITDA %	12.8%	12.9%	12.5%
Adjusted Profit before tax	4.0	3.8	8.1
Adjusted Profit after tax	3.6	3.4	7.2
Adj. Diluted EPS (pence)	10.8	10.2	22.9

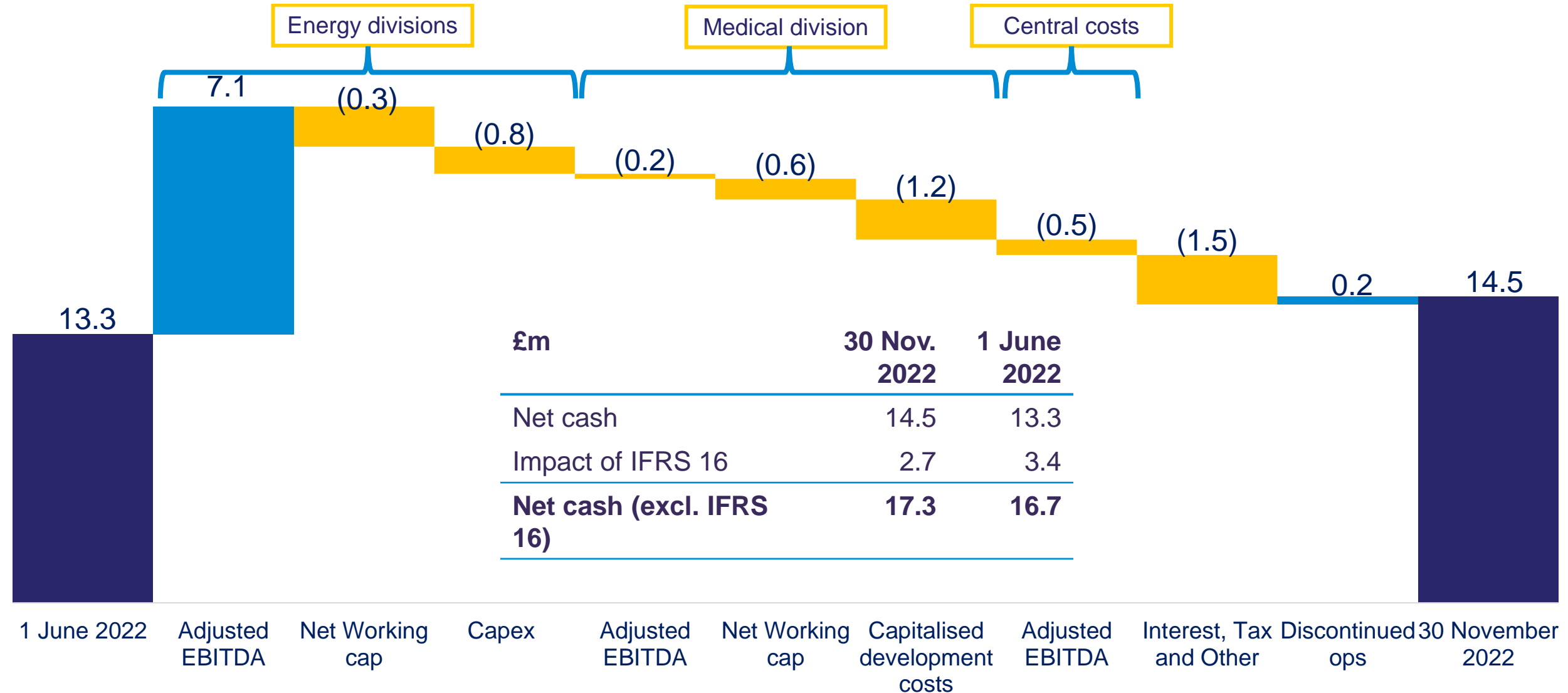
Divisional Results

£m	Energy: EPM	Energy: PSRE	Medical	Central	1H FY23	Energy: EPM	Energy: PSRE	Medical	Central	1H FY22
Revenue:										
OE	9.1	20.8	1.5	-	31.4	6.1	19.7	0.8	-	26.7
AM	17.3	1.3	0.0	-	18.6	16.5	1.4	-	-	17.9
Total Revenue	26.4	22.1	1.5	-	50.0	22.6	21.1	0.8	-	44.5
Operating profit/(loss)	1.9	2.5	(0.3)	(0.6)	3.6	1.4	2.8	(0.5)	(0.5)	3.2
Adjustments:										
Exceptional expenses	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.2
Amortisation of acquired intangibles	0.6	-	-	-	0.6	0.4	-	-	-	0.4
Adjusted EBIT	2.6	2.6	(0.3)	(0.5)	4.3	1.9	2.8	(0.5)	(0.5)	3.7
Depreciation and amortisation	1.3	0.7	0.2	-	2.1	1.3	0.4	0.3	-	2.0
Adjusted EBITDA	3.8	3.2	(0.2)	(0.5)	6.4	3.2	3.2	(0.2)	(0.5)	5.7
<i>Adjusted EBITDA %</i>	<i>14.5%</i>	<i>14.6%</i>	<i>(10.2)%</i>	<i>-</i>	<i>12.8%</i>	<i>14.1%</i>	<i>15.3%</i>	<i>(26.6)%</i>	<i>-</i>	<i>12.9%</i>

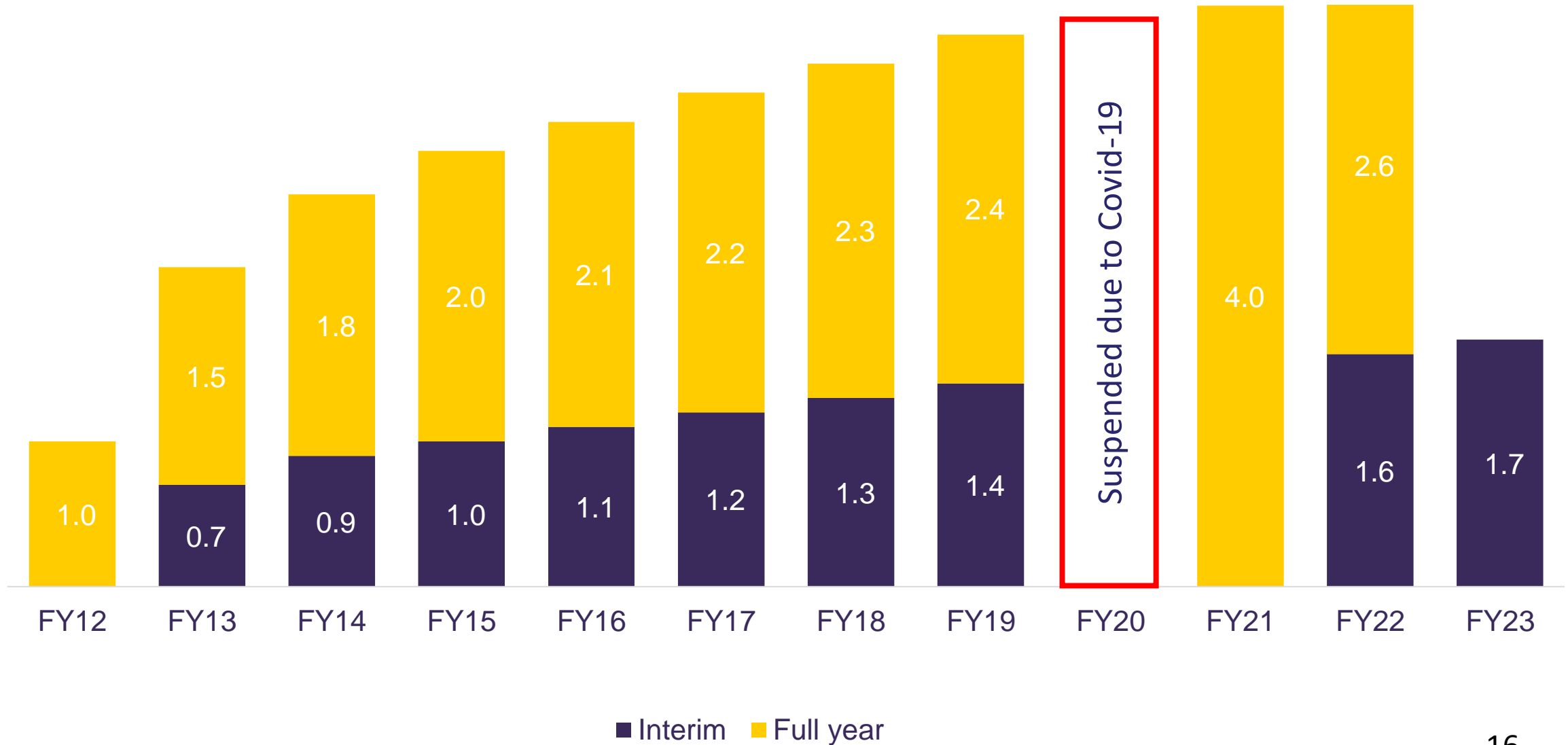
Balance Sheet

	H1 FY23	H1 FY22	FY22
	£'m	£'m	£'m
Tangible fixed assets	23.2	25.0	25.2
Goodwill	21.4	21.2	21.4
Investments	4.0	2.5	4.0
Other intangible	16.2	14.5	15.7
Deferred tax asset & pension surplus	3.6	3.1	3.2
Working capital (incl. held-for-sale assets)	33.6	23.2	30.5
Provisions	(1.7)	(1.7)	(1.8)
Tax (liability)/asset	(0.7)	0.3	(0.0)
Net cash	14.5	20.0	13.3
Creditors > 1 year	(1.3)	(1.2)	(1.3)
Deferred tax liability	(4.5)	(4.1)	(4.5)
Net assets	108.5	102.8	105.8
<i>Net cash to equity</i>	13.4%	19.4%	12.6%

Movement in Net Cash (£'m)



Dividend growth (pence per share)



Summary

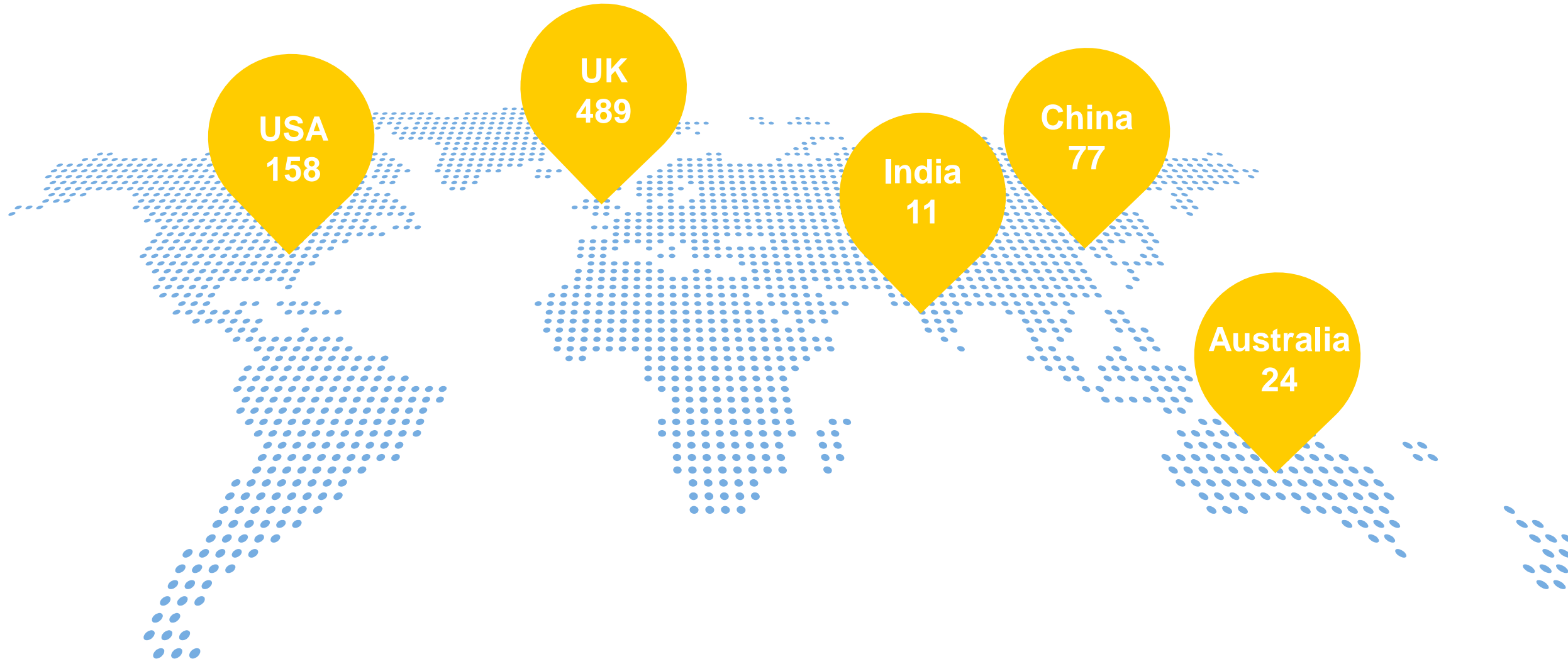
- ✓ **H1 FY23 - on target to deliver full year expectations - despite supply chain issues**
- ✓ **Results improving, in particular at Hayward Tyler, Energy Steel and Booth**
- ✓ **Order book: best order cover position since before the pandemic**
 - ✓ Nuclear sector contract wins in the UK and USA,
 - ✓ Sellafield 3M3 box project – phase 2 execution underway
 - ✓ HS2 project passes key design milestone
 - ✓ Exciting potential for Medical, in compact MRI and 3D X-ray system applications
- ✓ **Strong balance sheet – net cash of £17.3m in H1 – in line with expectations**
- ✓ **PIE strategy (Pinpoint-Invest-Exit) for organic growth and added value through M&A**
 - ✓ Further investments in Magnetica and Adaptix on favourable terms
 - ✓ Post period end - Acquisition of HEVAC & HES completed by Ormandy
- ✓ **Interim dividend progresses to 1.7 pence**
- ✓ **Outlook: the Board is still vigilant, but also 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 2022)



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. Our approach to sustainability is aligned 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) and pollution reduction• 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• Imbedding carbon tracking processes across all sites globally	<ul style="list-style-type: none">• Supporting sites to achieve the ISO 45001 Health and Safety accreditation• Board level oversight including site inspections
<div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div></div>	<div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div></div>	<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div></div>

Sustainability: progress

Feb 2019
SCR Pump
Our Hayward Tyler business secures its first order for SCR pumps which removes nitrogen oxide emissions from coal power stations

Jan 2020
ISO 14001 Environmental Management
Our Kunshan site gains its ISO 14001 accreditation bringing the total up to 7 of the Group's 14 sites.

Jan 2021
Acquisition of Magnetica
Development of a compact, helium-free MRI unit commences

Oct 2021
Green Factory
We open our ultra low CO2 emissions factory at Booth Industries, Bolton.

May 2022
Carbon tracking
All sites across the Group track and report scope 1 and scope 2 emissions under the SECR framework

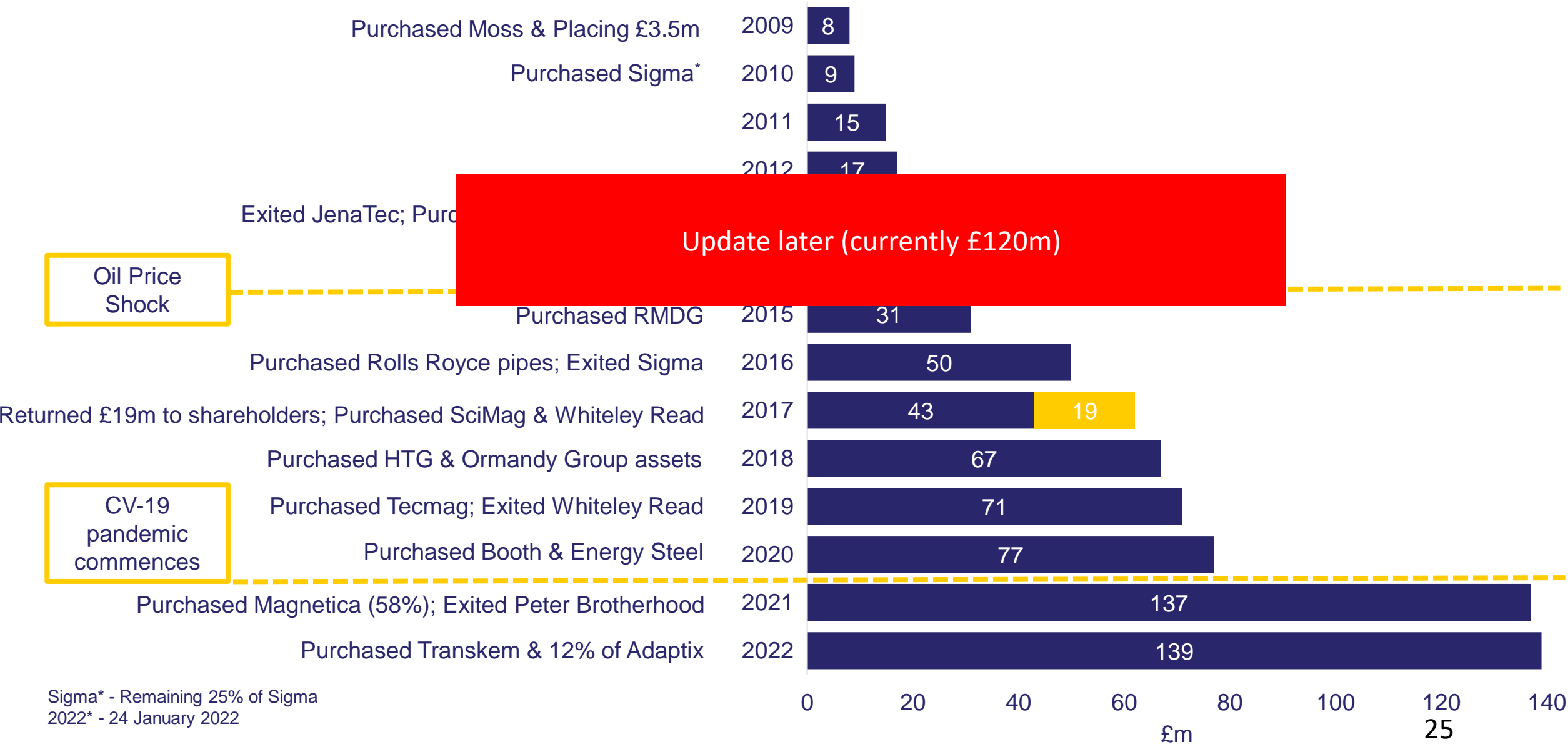
Jun 2019
Acquisition of Energy Steel
The Group boosts its nuclear products and services offering with the acquisition of Energy Steel, USA.

Sep 2020
Training school
Our Metalcraft business secures a £3m grant to build a training school for the local community

Jun 2021
Nuclear decommissioning
Our Metalcraft business secures phase 2 of a contract with Sellafield produce 1,000 intermediate nuclear waste containment vessels.

Feb 2022
Training school
Construction of the training school at Metalcraft is completed and partnership agreed to West Suffolk College to operate the site

Market capitalisation progression (£m)



Sigma* - Remaining 25% of Sigma
2022* - 24 January 2022

Blue chip partnerships

HS2

VATTENFALL 

 **edf**ENERGY

 Sellafield Ltd

 **Dominion
Energy**SM

STP
Nuclear Operating Company



Shinhoo
PUMPS & MOTOR



EUREKA

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	12.5%
Funds managed by Business Growth Fund	2,363	7.3%
Funds managed by Unicorn Asset Management Ltd	1,946	6.0%
Funds managed by JTC Employer Solutions Trustee Ltd	1,703	5.3%
R S McDowell's Pension Fund	1,406	4.4%
Funds managed by Close Brothers Management	1,094	3.4%
Funds managed by Threadneedle Investments	1,039	3.2%

Shows the position at 23 January 2023