



# Results for the year ended 31 May 2023

Steve McQuillan, CEO  
Stephen King, CFO



# Financial highlights



Group Revenue

**£116.4m**

FY22: £99.1m

Gross Profit Margin

**32.9%**

FY22: 34.1%

Adjusted EBITDA

**£13.7m**

FY22: £12.4m

Adjusted Diluted EPS

**23.4p**

FY22: 21.6p

Final Dividend\*

**2.8p**

FY22: 2.6p

Net Cash\*\*

**£13.0m**

31 May 2022: £16.7m

Final Dividend\* - Currently proposed  
Net Cash\*\* - impact of IFRS 16 removed

# Our divisions and brands



## Engineered Pumps and Motors



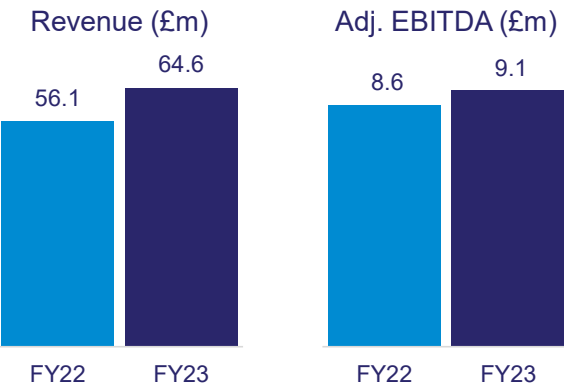
**HAYWARD TYLER**  
Acquired 2017



**energy steel**  
Acquired 2019



**Slack & Parr**  
Acquired 2023



## Process Solutions and Rotating Equipment



**Metalcraft**  
Stainless Metalcraft (Chatteris) Ltd  
Acquired 2004



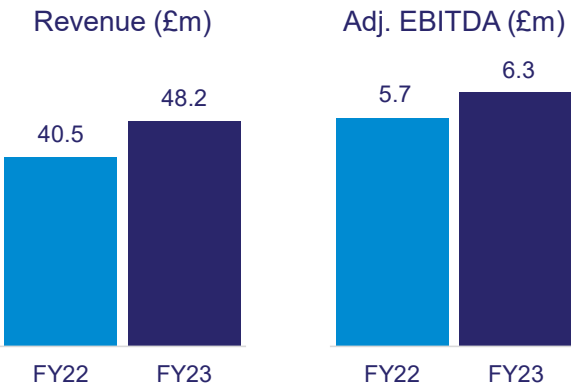
**Ormandy Rycroft Engineering**  
Acquired 2018



**COMPOSITE PRODUCTS LIMITED**  
Acquired 2012



**Booth Industries**  
Acquired 2019



## Medical and Industrial Imaging



**SCIENTIFIC MAGNET CS**  
Acquired 2017



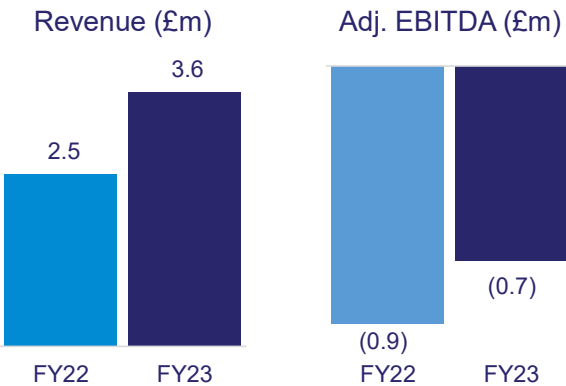
**tecma**  
Acquired 2018



**MAGNETICA**  
Acquired 2021



**Adaptix**  
Acquired 2023



## Pinpoint

- Focus on targeting highly regulated markets.
- Grow existing businesses through bolt-on acquisitions

## Invest

- People
- Facilities and equipment
- Technology and IP
- Routes to market

## Exit

- Return value to shareholders
- Fund new acquisitions
- Fund research and development of new products



## 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 have moved to Ormandy's Bradford site
- Site rationalisation has reduced site overheads and improved margins



## Developing world class products



- Magnetica - compact helium-free MRI systems
  - Current AVG shareholding is just under 75%
- Adaptix – compact 3D X-ray systems
  - Following the acquisition\*, AVG now owns 100% of Adaptix
- Both businesses developing in parallel
- Multiple areas of co-operation and cost saving



\* Post period end



# 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

3<sup>rd</sup> 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.



# Adaptix acquisition rationale



Pinpoint	Invest	Exit
<p>Funding issues:</p> <ul style="list-style-type: none"> <li>Market funding issues (SVB, etc)</li> <li>Cap table broken – 80% could not follow holding (EIS shareholders)</li> </ul> <p>Strategic issues:</p> <ul style="list-style-type: none"> <li>Too many non-core markets</li> <li>Drive for pay per scan customers was severely straining cash</li> </ul>	<p>Priorities:</p> <ul style="list-style-type: none"> <li>Build manufacturing capability in Scottish facility and (potentially) assembly in North America</li> <li>Appoint new Sales Director and develop distributor and agent network for ortho and vet</li> <li>Seed the market via capital sales initially, rather than pay per scan</li> </ul>	<p>Several possible exit routes:</p> <ul style="list-style-type: none"> <li>AIM or NASDAQ IPO in 2+ years</li> <li>Trade sale – larger players in the field may look to expand their product offering.</li> <li>Potential for crossover investors in case of NASDAQ</li> <li>Merger with Magnetica – then IPO</li> </ul>
<p><b>What do Avingtrans bring to the table?</b></p> <ul style="list-style-type: none"> <li>Funding, to stabilise the business and to facilitate focus on commercialisation                             <ul style="list-style-type: none"> <li>Experience with commercialisation and volume manufacturing activities</li> </ul> </li> <li>Co-operation with our Magnetica business, which is targeting similar markets                             <ul style="list-style-type: none"> <li>City and turnaround experience</li> </ul> </li> </ul>		



# Slack and Parr acquisition rationale



Pinpoint	Invest	Exit
<ul style="list-style-type: none"> <li>• Early view of the opportunity via our network and reputation</li> <li>• Use of well proven deal structure to resize and unburden liabilities (pension; creditors; overstaffing)</li> <li>• Large underserved installed base</li> <li>• US and China service centres</li> <li>• World class products well invested manufacturing technology</li> </ul>	<p>Priorities:</p> <ul style="list-style-type: none"> <li>• Right-sized UK manufacturing site</li> <li>• Inject working capital to unlock the orderbook and pipeline</li> <li>• Leverage HT sales network and cross selling opportunities</li> <li>• Develop global service facilities</li> <li>• Establish strategic relations with blue chip end-user clients</li> <li>• Training and development of the management team</li> </ul>	<p>Several possible exit routes:</p> <ul style="list-style-type: none"> <li>• Competitor consolidation at a premium price 1-2 years.</li> <li>• Possible vertical integration of a major system builder 1-2 years.</li> <li>• With our Hayward Tyler businesses 2-3 years</li> <li>• Standalone trade / PE 3-5 years</li> </ul>
<p><b>What do Avingtrans bring to the table?</b></p> <ul style="list-style-type: none"> <li>• Funding, to stabilise the business and to facilitate unlocking of the opportunity</li> <li>• Expertise to quickly develop the aftermarket and strategic OEM client relationships                             <ul style="list-style-type: none"> <li>• Access to the HT global business reach and operational footprint</li> <li>• Turnaround experience in similar environments</li> </ul> </li> </ul>		

# Divisional priorities - EPM

## Hayward Tyler and Energy Steel

- **Markets**

- Nuclear – on-going life extension focus
  - Multiple contract wins in USA & “life extension” market
  - Next Generation nuclear – further TerraPower orders
- Hydrocarbons – North Sea upgrade orders continuing
  - New product to capture flue gases in China
  - Focus on aftermarket, with 3<sup>rd</sup> party products targeted
- Defence – further UK Government contracts won at HT Luton

- **Facilities**

- IT upgrades across the division;
- Sale process for Luton site on-going – still subject to delays

- **Products** – building product portfolio with 3<sup>rd</sup> parties – eg Shinhoo



**TerraPower technician with  
HT molten salt pump**

# Divisional priorities - PSRE

## Metalcraft, Ormandy, Booth, Composite Products

### • Markets

- Nuclear decommissioning (Metalcraft)
  - Sellafield – phase 2 of 3M3 box contact ongoing
  - Magnox – new contract awards post period end
- Defence (Booth) – UK Government contracts extended
- Infrastructure (Booth) – £36m HS2 contract underway
  - NB – not affected by any proposed changes to the HS2 project
- HVAC<sup>1</sup> (Ormandy) – orders continue to build.
  - Acquired assets of HEVAC/HES for £852k
- Composites – focus on industrial customers

• **Facilities** – HEVAC/HES fully integrated into Ormandy site; Exited Metalcraft China

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



CAD render of HS2 cross-tunnel door

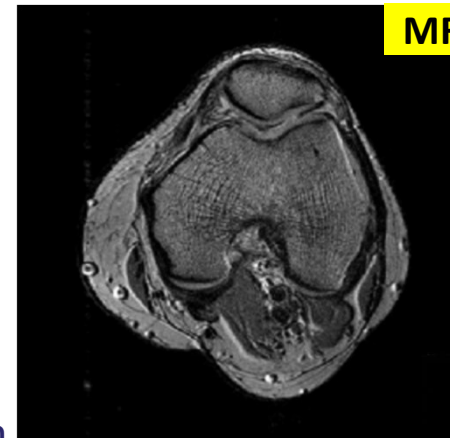
1 – HVAC = Heating, Ventilation and Air Conditioning

# Divisional priorities - MII

**Magnetica, Scientific Magnetics. Tecmag  
Adaptix (acquired 100%, post period end)**

- **Medical and veterinary Imaging**

- Convergent orthopaedic and veterinary focus
  - Initial addressable medical market estimate \$3Bn
  - Medical market: “pay per scan” opportunity targeted
  - Veterinary market: capital sale plus support contract
  - Plans on track, albeit with some supply chain issues
  - The protracted acquisition of Adaptix also caused delays
- NMR – steady progress on Tecmag spectrometer sales and service
  - Science – niche magnet & cryogenic product sales continue, into selected markets
  - **Facilities** – Magnetica: moved into new Brisbane facility. Adaptix: new facility in Scotland
  - **Products** – Compact MRI system advancing. Adaptix awarded 510(k) for orthopaedics in USA



**MRI: axial, human knee**



**X-ray: lizard leg**

## Financial Highlights

# Financial performance



£m	FY23	FY22
<b>Revenue</b>	<b>116.4</b>	<b>99.1</b>
<b>Gross Profit</b>	<b>38.3</b>	<b>33.8</b>
Gross Profit %	32.9%	34.1%
<b>Adjusted EBITDA</b>	<b>13.7</b>	<b>12.4</b>
Adjusted EBITDA %	11.8%	12.5%
<b>Adjusted Profit before tax</b>	<b>9.0</b>	<b>8.1</b>
Adjusted Profit after tax	7.8	7.1
<b>Adj. Diluted EPS (pence)</b>	<b>23.4</b>	<b>21.6</b>



# Divisional Results



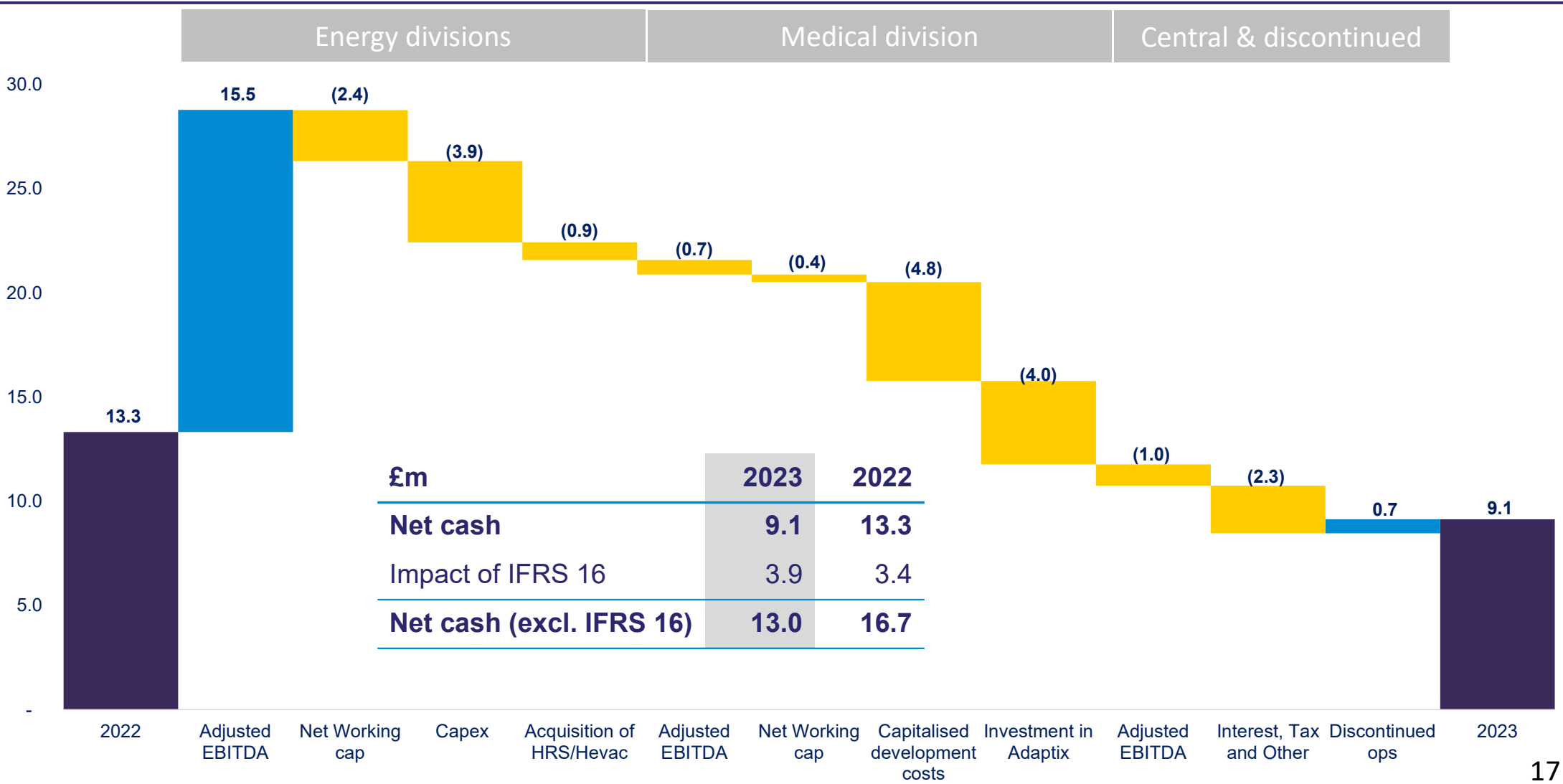
£m	Energy				FY23	Energy				FY22
	EPM	PSRE	Medical	Central		EPM	PSRE	Medical	Central	
<b>Revenue:</b>										
OE	21.4	45.4	3.6	-	70.4	16.2	38.3	2.4	-	56.9
AM	43.2	2.8	0.0	-	46.0	39.9	2.2	0.0	-	42.2
<b>Total Revenue</b>	<b>64.6</b>	<b>48.2</b>	<b>3.6</b>	<b>-</b>	<b>116.4</b>	<b>56.1</b>	<b>40.5</b>	<b>2.5</b>	<b>-</b>	<b>99.1</b>
<b>Operating profit/(loss)</b>	<b>5.6</b>	<b>4.6</b>	<b>(1.0)</b>	<b>(1.2)</b>	<b>8.0</b>	<b>5.0</b>	<b>4.5</b>	<b>(1.3)</b>	<b>(1.1)</b>	<b>7.2</b>
Adjustments:										
Exceptional expenses	0.0	0.3	0.0	0.1	0.5	0.2	0.1	0.0	0.1	0.4
Amortisation of acquired intangibles	1.0	-	-	-	1.0	0.9	-	-	-	0.9
<b>Adjusted EBIT</b>	<b>6.6</b>	<b>4.9</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>9.5</b>	<b>6.1</b>	<b>4.7</b>	<b>(1.3)</b>	<b>(1.0)</b>	<b>8.5</b>
Depreciation and amortisation	2.5	1.5	0.3	-	4.3	2.5	1.0	0.4	-	3.9
<b>Adjusted EBITDA</b>	<b>9.1</b>	<b>6.3</b>	<b>(0.7)</b>	<b>(1.0)</b>	<b>13.7</b>	<b>8.6</b>	<b>5.7</b>	<b>(0.9)</b>	<b>(1.0)</b>	<b>12.4</b>
<i>Adjusted EBITDA %</i>	<i>14.1%</i>	<i>13.1%</i>	<i>(19.1)%</i>	<i>-</i>	<i>11.8%</i>	<i>15.3%</i>	<i>14.1%</i>	<i>(37.4)%</i>	<i>-</i>	<i>12.5%</i>

# Balance Sheet

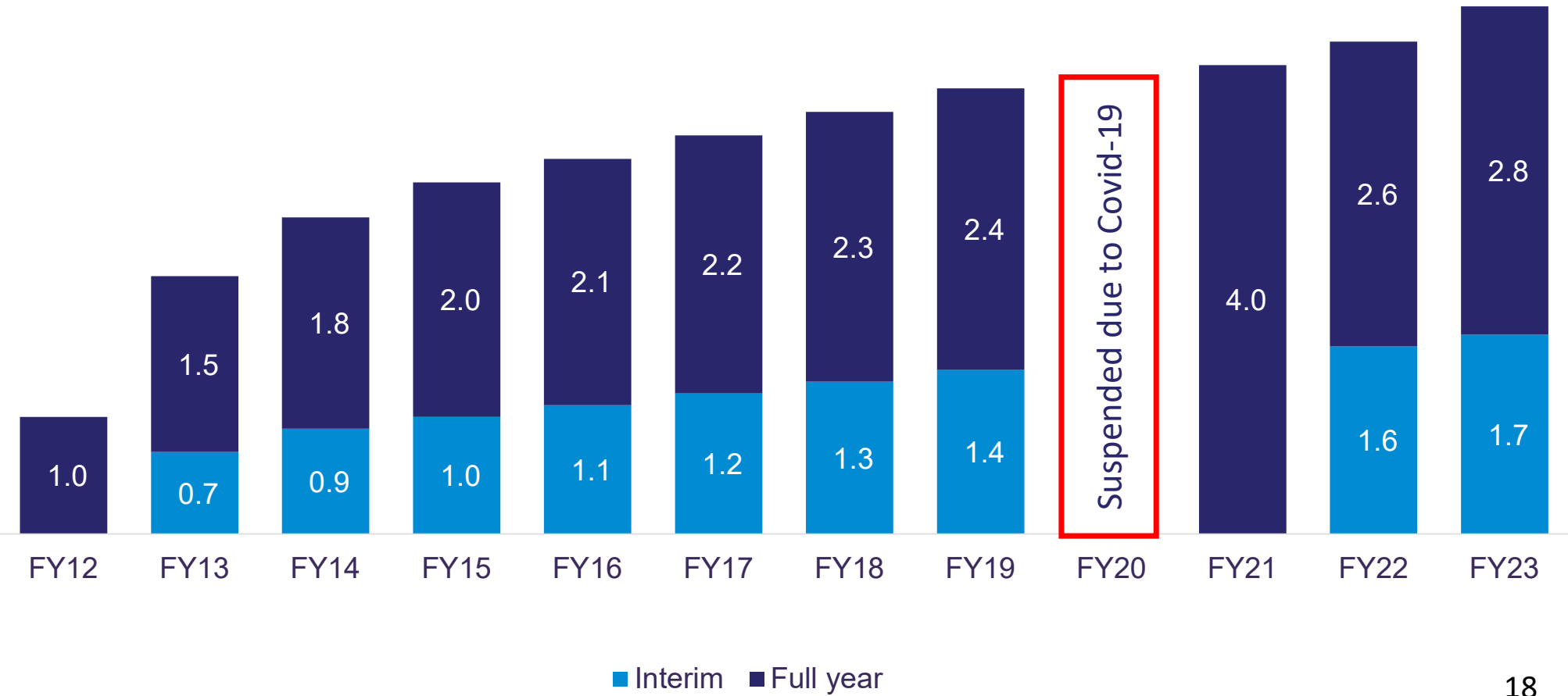


	FY23	FY22
	£'m	£'m
Tangible fixed assets	23.6	25.2
Goodwill	21.6	21.4
Investments	8.0	4.0
Other intangible	18.8	15.7
Deferred tax asset & pension surplus	1.2	3.2
Working capital (incl. held-for-sale assets)	31.7	30.5
Provisions	(1.3)	(1.8)
Tax liability	(0.7)	(0.0)
<b>Net cash</b>	<b>9.1</b>	<b>13.3</b>
Creditors > 1 year	(0.4)	(1.3)
Deferred tax liability	(3.2)	(4.5)
<b>Net assets</b>	<b>108.5</b>	<b>105.8</b>
<i>Net cash to equity</i>	8.4%	12.6%

# Movement in net cash (£'m)



# Dividend growth (pence per share)



# Summary

# Summary

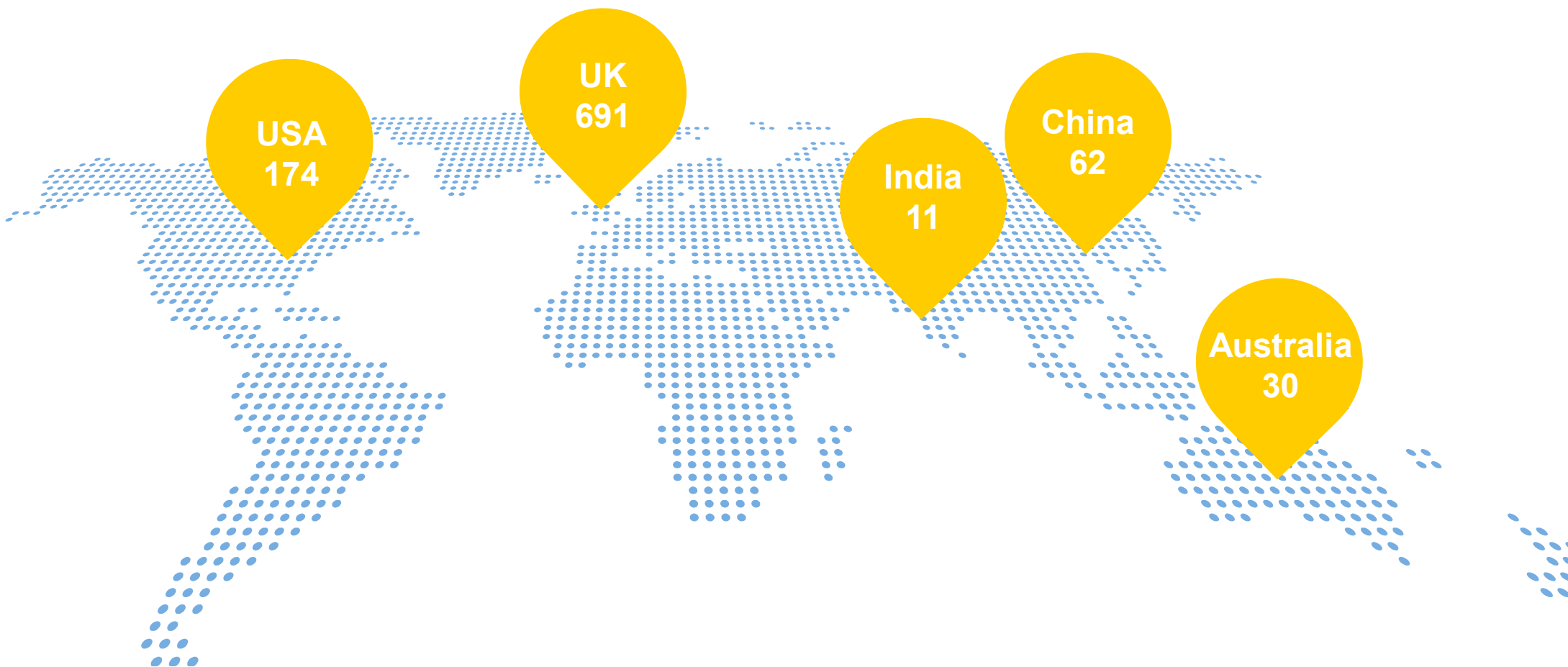
- ✓ **Delivered full year expectations - despite supply chain issues**
- ✓ **Results robust, in particular at Hayward Tyler, Energy Steel and Booth**
- ✓ **Order book: best order cover position since before the pandemic**
  - ✓ Nuclear sector contract wins in the UK, EU and USA,
  - ✓ Sellafield 3M3 box project – phase 2 execution continues
  - ✓ HS2 project passed key design milestone. Manufacturing starts in FY24.
  - ✓ Exciting potential for Medical, in compact MRI and 3D X-ray system applications
- ✓ **Strong balance sheet – net cash of £13.0m – in line with expectations (after various investments)**
- ✓ **PIE strategy (Pinpoint-Invest-Exit) for organic growth and added value through M&A**
  - ✓ Further investments in Magnetica and acquisition of 100% of Adaptix\*
  - ✓ Acquisition of HEVAC & HES completed by Ormandy and fully integrated
  - ✓ Acquisition of specialist pumps manufacturer Slack and Parr\*
- ✓ **Total dividend for FY23 progresses to 4.5 pence per share**
- ✓ **Outlook: the Board remains vigilant, but confident about our strategy and prospects**

\* Post period end



# Appendix

# Our locations and employees (26 September 2023)



## 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

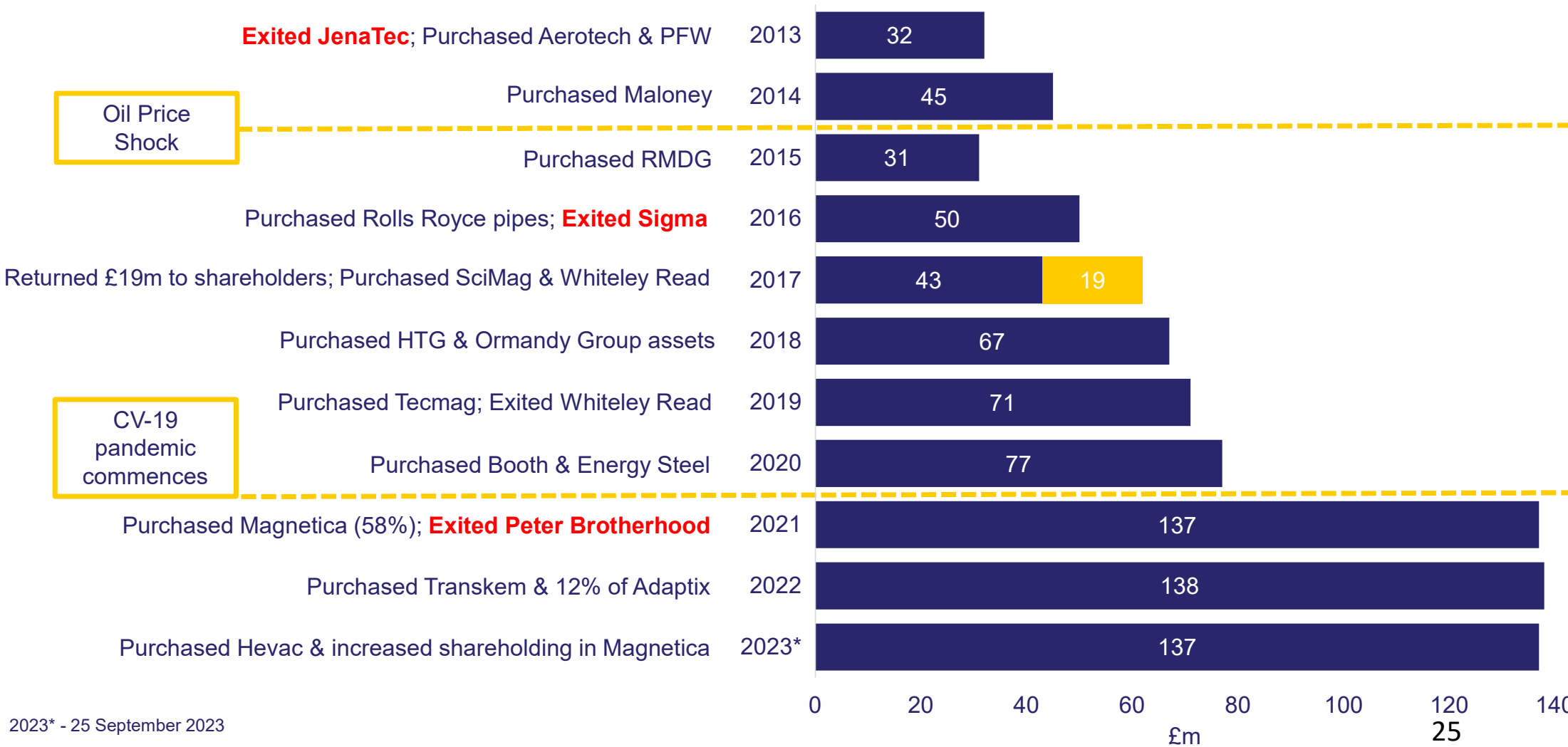
We adapt rapidly and cost effectively – in response to changes in the environment

# Environment, Social and Governance (ESG) Avingtrans

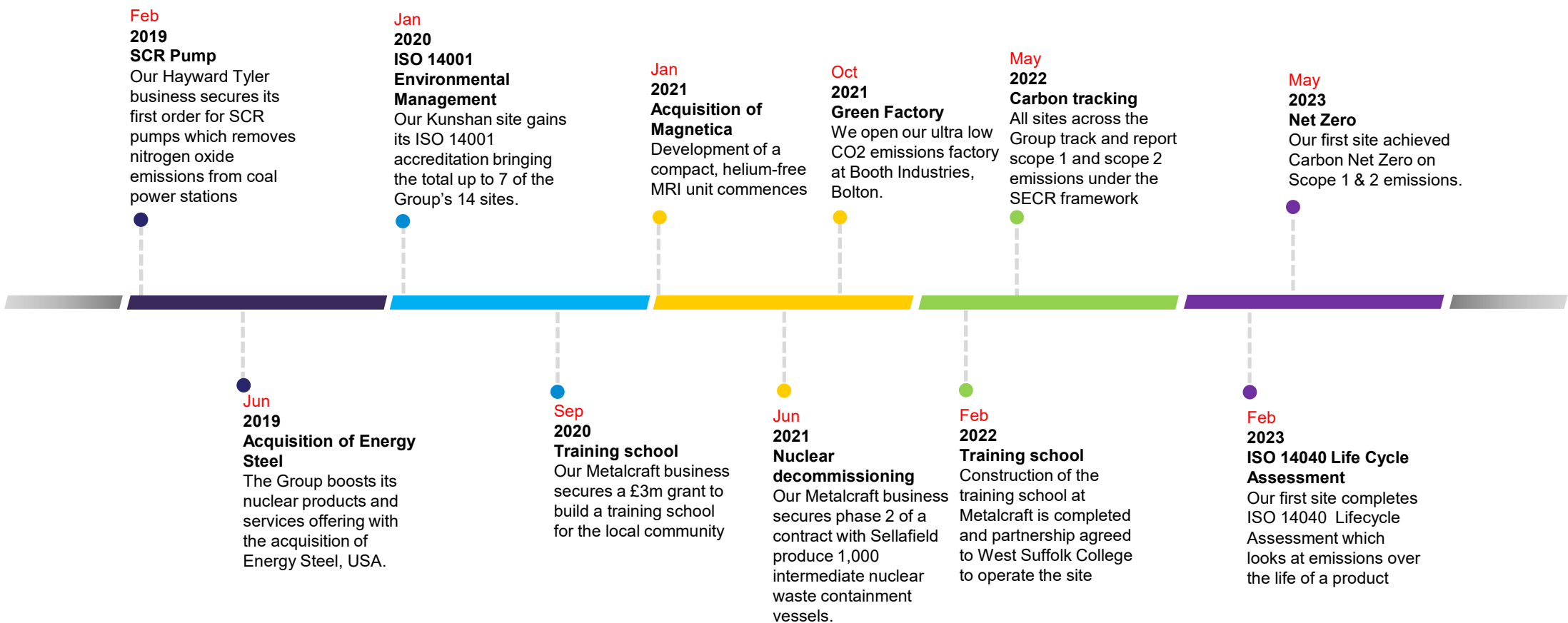
- Our goal is to ensure sustainability is embedded into our pinpoint-invest-exit business strategy. Our approach to sustainability is aligned with the UN's Sustainable Development Goals (SDGs). We consider the following to be our priorities:

Development of new technologies	Operational eco-efficiency	Health, safety and wellbeing
<ul style="list-style-type: none"> <li>Development of new pumps for Small Modular Reactors (SMRs), Nuclear Fission (ITER project), and Molten Chloride Fast Reactors (MCFRs)</li> <li>Adapting existing fossil-fuel technologies for concentrated solar power (CSP) and pollution reduction</li> <li>Going helium-free in our new compact MRI units</li> <li>Development of storage vessels for intermediate level waste from Sellafield power station</li> </ul>	<ul style="list-style-type: none"> <li>Supporting sites to achieve the ISO 14001 Environmental Management accreditation</li> <li>Installation of LED lighting to reduce energy consumption and create a safer working environment</li> <li>Imbedding carbon tracking processes across all sites globally</li> </ul>	<ul style="list-style-type: none"> <li>Supporting sites to achieve the ISO 45001 Health and Safety accreditation</li> <li>Board level oversight including site inspections</li> </ul>
<div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>13 CLIMATE ACTION</div> </div>	<div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> </div>	<div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div>

# Market capitalisation progression (£m)



# Sustainability: progress

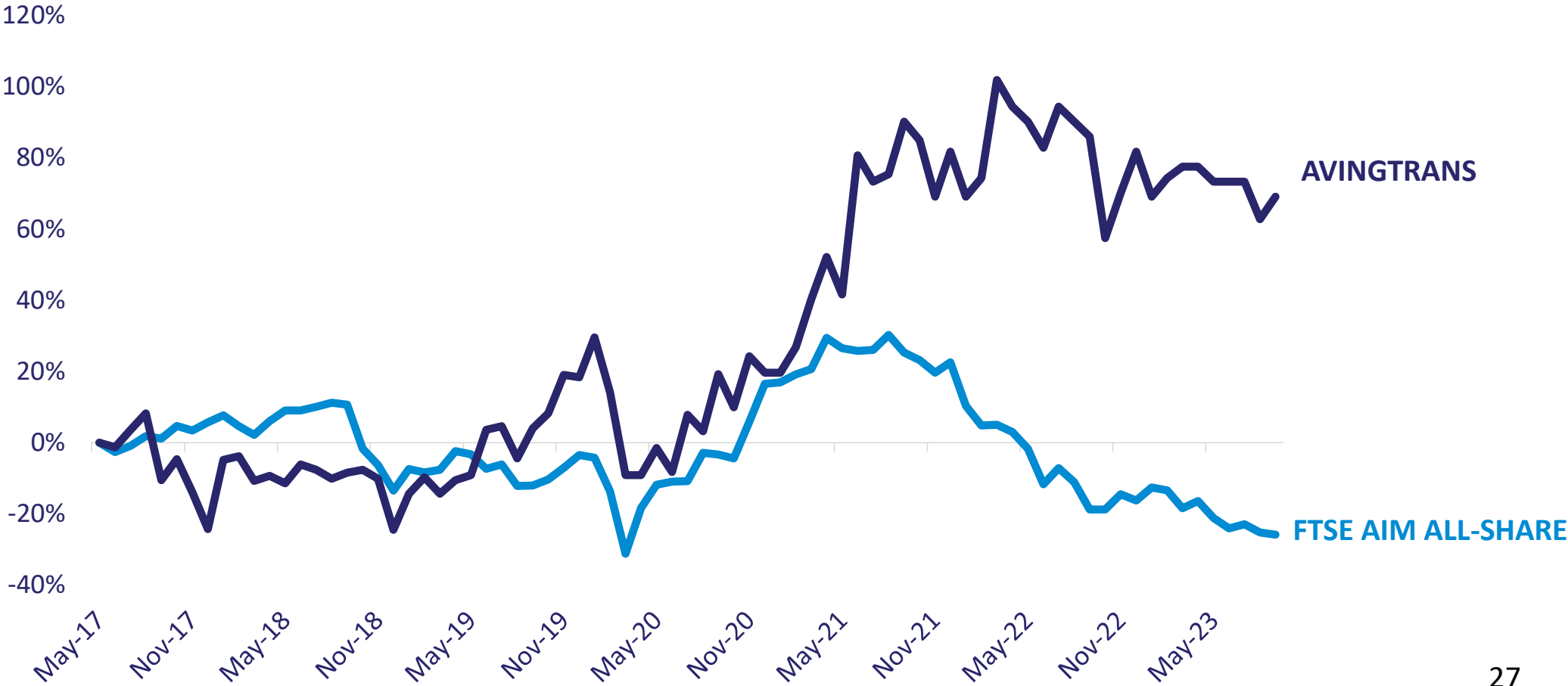




# Share performance



Our share price has beaten the market over the past 5 years  
(growth %)



# Blue chip partnerships



HS2

VATTENFALL 



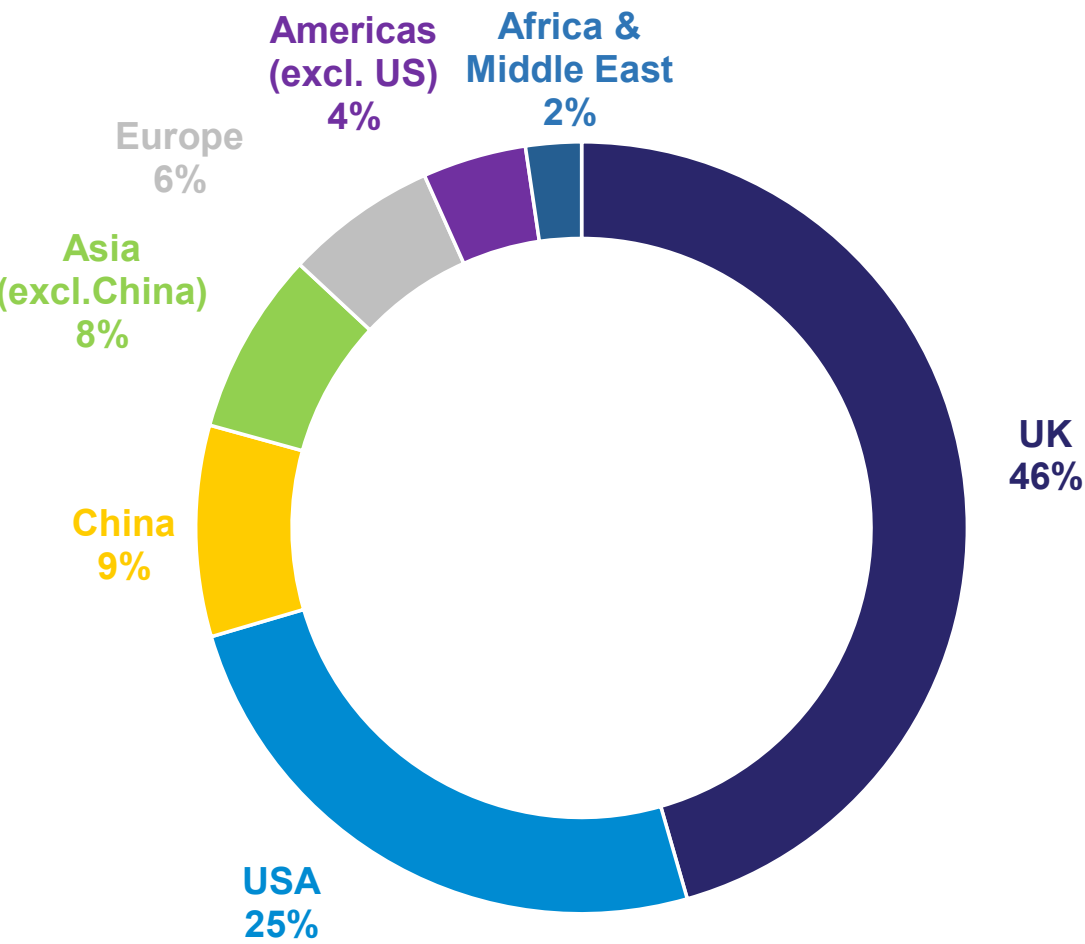
EUREKA



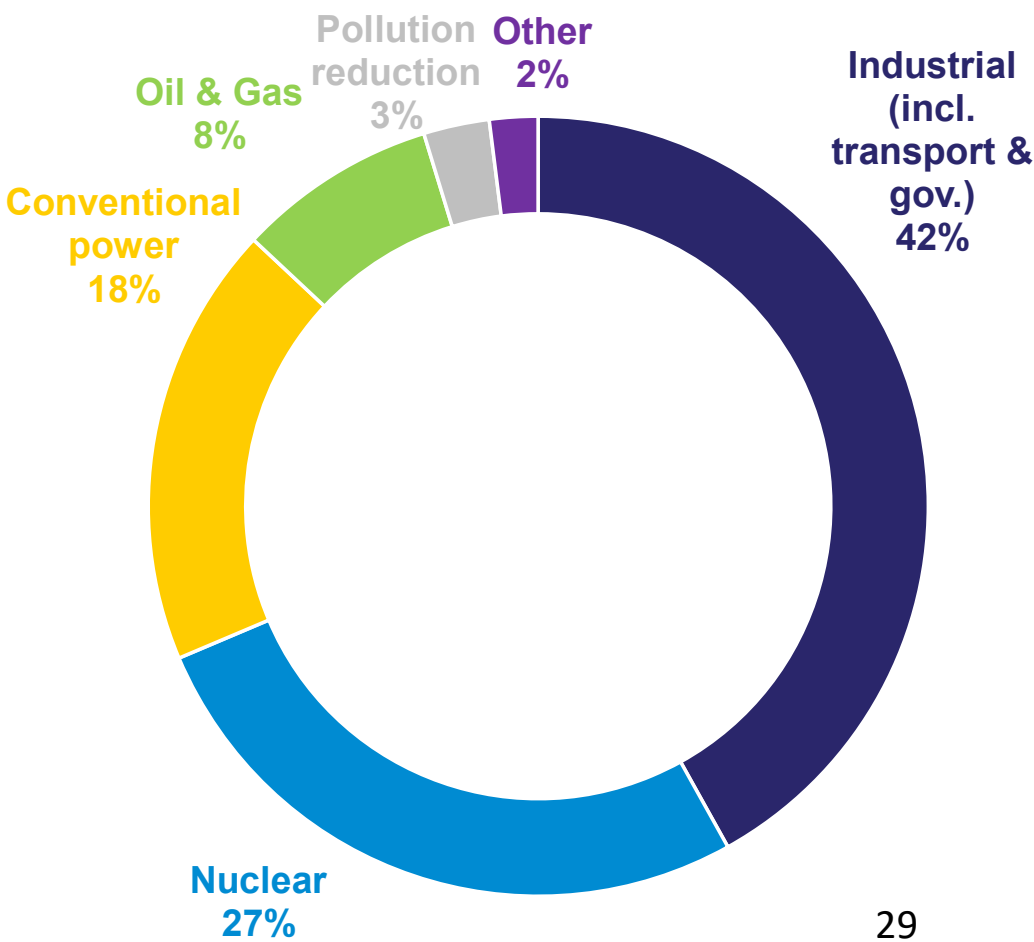
# Diversified end markets



Revenue split by region (FY23)



Revenue split by industry (FY23)



# M&A – successful exits



Brand	Acquisitions	Bought for £m <sup>1</sup>	Sold for £m <sup>1</sup>
	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)

<sup>1</sup> – Enterprise Value

# Largest investors



## Ordinary shares of 5p each

	Number of shares (000s)	% of total shares
Harwood Capital	4,034	12.3%
Funds managed by Business Growth Fund	2,363	7.2%
Funds managed by Unicorn Asset Management Ltd	1,946	5.9%
Funds managed by JTC Employer Solutions Trustee Ltd	1,703	5.2%
R S McDowell's Pension Fund	1,406	4.3%
Funds managed by Close Brothers Management	1,155	3.5%

Shows the position at 26 September 2023