



# **Interim Results 2013**

For the six months to 30 March 2013

Presented by John Hayward, CEO, and James Lister, FD

 **Strong growth in revenues and profits**

Revenue up 30% at £16.4 million (2012: £12.6 million)

Pre-tax profit of £1.33 million (2012: £0.46 million)

 **Basic earnings per share increased to 8.5p (2012: 3.1p)**

 **Progressive dividend policy continues: interim dividend of 2.6p per share (2012: 2.5p)**

 **Strong balance sheet - net cash of £2.7 million**

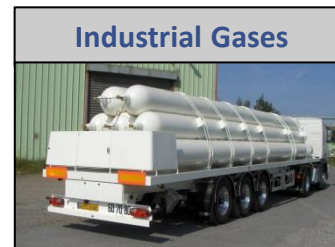
 **Improving trend in order intake with good opportunities for further growth across all markets**

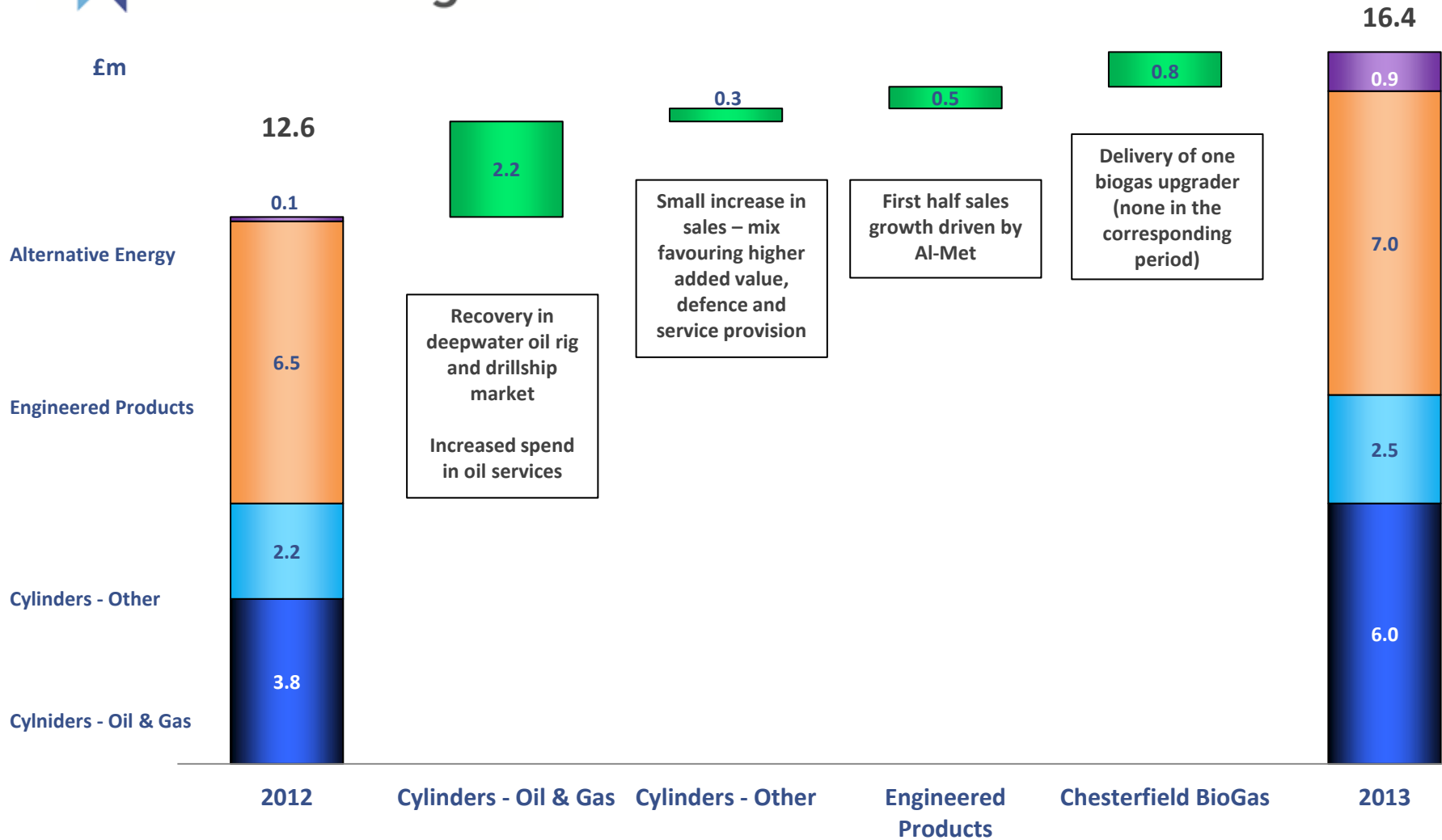
 **Ongoing commitment to organic and acquisitive diversification strategy**

 **Board strengthened**



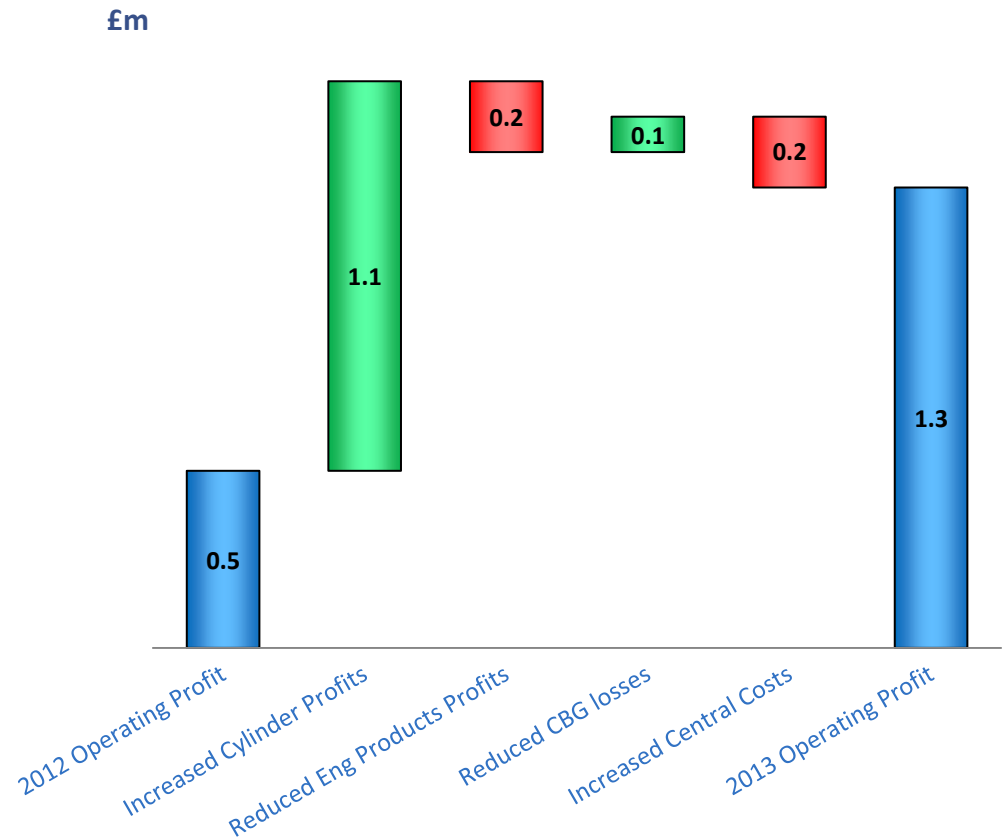
Designing products and services to satisfy specific customer needs in:



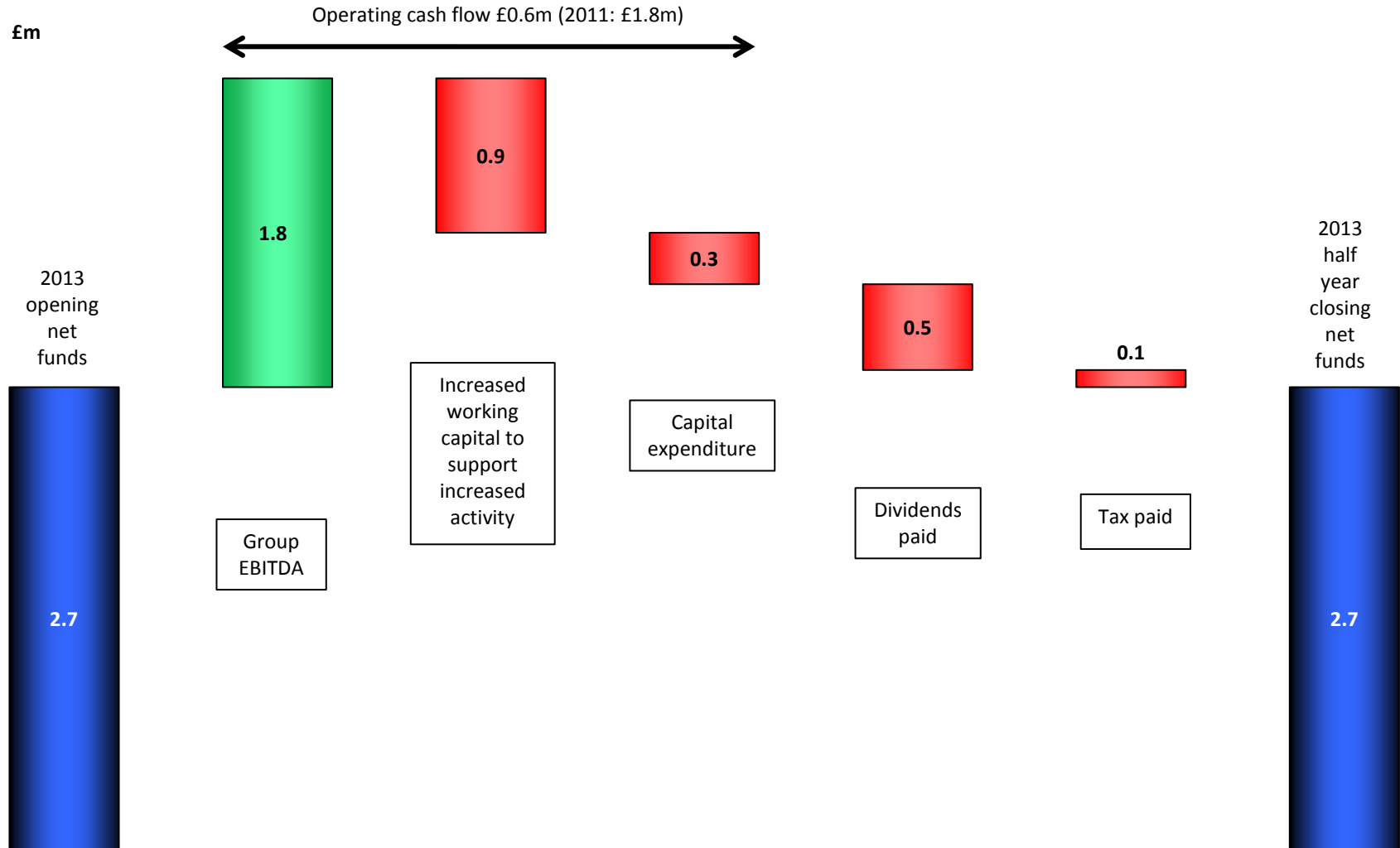


|                                    | 2013<br>£m | 2012<br>£m |
|------------------------------------|------------|------------|
| Cylinders                          | 1.8        | 0.7        |
| Engineered Products                | 0.3        | 0.5        |
| Chesterfield BioGas                | (0.1)      | (0.2)      |
| Acquisition and amortisation costs | (0.1)      | (0.1)      |
| Unallocated central costs          | (0.6)      | (0.4)      |
| <b>Operating profit</b>            | <b>1.3</b> | <b>0.5</b> |

## Operating profit increased by 190%



|                          | 30 Mar<br>H1 2013<br>£m | 31 Mar<br>H1 2012<br>£m | 29 Sep<br>FY 2012<br>£m |
|--------------------------|-------------------------|-------------------------|-------------------------|
| <b>Intangible assets</b> | <b>3.3</b>              | 3.8                     | 3.4                     |
| <b>Fixed assets</b>      | <b>4.6</b>              | 4.5                     | 4.7                     |
| Inventories              | 6.8                     | 6.0                     | 6.9                     |
| Receivables              | 9.7                     | 6.4                     | 7.4                     |
| Payables                 | (9.6)                   | (8.2)                   | (8.3)                   |
| <b>Working capital</b>   | <b>6.9</b>              | 4.2                     | 6.0                     |
| <b>Tax provisions</b>    | <b>(1.0)</b>            | (0.6)                   | (0.7)                   |
| <b>Net funds</b>         | <b>2.7</b>              | 3.5                     | 2.7                     |
| <b>Net assets</b>        | <b>16.5</b>             | 15.4                    | 16.1                    |



|                          | H1<br>2013  | H1<br>2012 | FY<br>2012 |
|--------------------------|-------------|------------|------------|
| <b>Sales (£m)</b>        | <b>16.4</b> | 12.6       | 30.4       |
| Operating profit (£m)    | <b>1.3</b>  | 0.5        | 1.8        |
| <b>EBITDA (£m)</b>       | <b>1.8</b>  | 0.9        | 2.9        |
| PBT (£m)                 | <b>1.3</b>  | 0.5        | 1.8        |
| <b>EPS basic (pence)</b> | <b>8.5p</b> | 3.1p       | 11.2       |
| EPS adjusted (pence)     | <b>8.5p</b> | 3.1p       | 12.5       |
| <b>Dividend (pence)</b>  | <b>2.6p</b> | 2.5p       | 7.5        |
| Cash flow (£m)           | <b>0.0</b>  | 0.6        | (0.2)      |
| <b>Net funds (£m)</b>    | <b>2.7</b>  | 3.5        | 2.7        |



### **Continued strong demand in principal market, deepwater oil & gas platforms**

Widening of product and customer base to offset Korean threat

Diving support and winch markets strong

Continued growth of in-situ re-test

### **Expanding naval market**

Principal supplier UK, France and Spain

Further opportunities in German, USA and Korean markets

Expansion of in-situ retest and oxygen clean markets

### **Longer term development**

European hydrogen and CNG bulk storage and transportation

-  **Strong sales and profit growth at Al-Met**  
Increased demand driven by substantial spending on deepwater project developments  
Major customers reporting record order books
-  **Hydratron strong recovery in orders in Q2**  
Low Q1 order intake impacted sales and profits for the half year  
Q2 recovery in orders has continued
-  **New product development progressing well**
-  **Management and functional teams strengthened for next phase of growth**
-  **Set to become the largest division of the Group within 12 months**

- ✦ **Biogas to UK gas Grid is the key market**
- ✦ **Second upgrader project, Stockport, delivered in October 2012**
- ✦ **Number of large project opportunities increasing**
- ✦ **Regulatory issue, allowable oxygen in gas to grid, delaying orders - resolved on 24 May 2013**
- ✦ **2013 remains the decisive year**

- ✦ **Results show the benefits of diversification**
- ✦ **Opportunities in all the Group's markets are good**
  - Cylinders - widen product and customer base
  - Engineered Products - take greater market share in growing markets
  - Alternative Energy - decisive year
- ✦ **On-going investment in new products and services underpins growth potential**
- ✦ **Further diversification being sought through acquisition - targets being evaluated**
- ✦ **Considerable optimism for the future**

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