



# **Preliminary Results Presentation**

Year Ended 28 September 2013

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

## Delivering results

Revenue	£34.4 million	+13%
Operating profit	£2.9 million	+63%
Operating cash flow	£3.0 million	+£1.1 million
EPS (basic)	19.4p	+73%
Dividend	7.8p	+4%

## Growth led by Cylinder and Engineered Products divisions

## Breakthrough for Alternative Energy as CBG wins major orders for 2014

## Strong order books and pipeline across the Group

## Ongoing commitment to organic and acquisitive diversification strategy

**Engineered Products**



Revenue	£16.0m	+13%
Op profit	£1.6m	+60%

**Cylinders**



Revenue	£17.3m	+6%
Op profit	£3.6m	+56%

**Alternative Energy**



Revenue	£1.1m	up £0.9m
Op loss	£0.5m	unchanged

### Designing products and services to satisfy specific customer needs in:

**Oil and Gas**



	Revenue	
2013	£27.6m	80.4%
2012	£24.1m	79.0%

**Defence**



	Revenue	
2013	£3.8m	11.0%
2012	£2.2m	7.2%

**Industrial Gases**

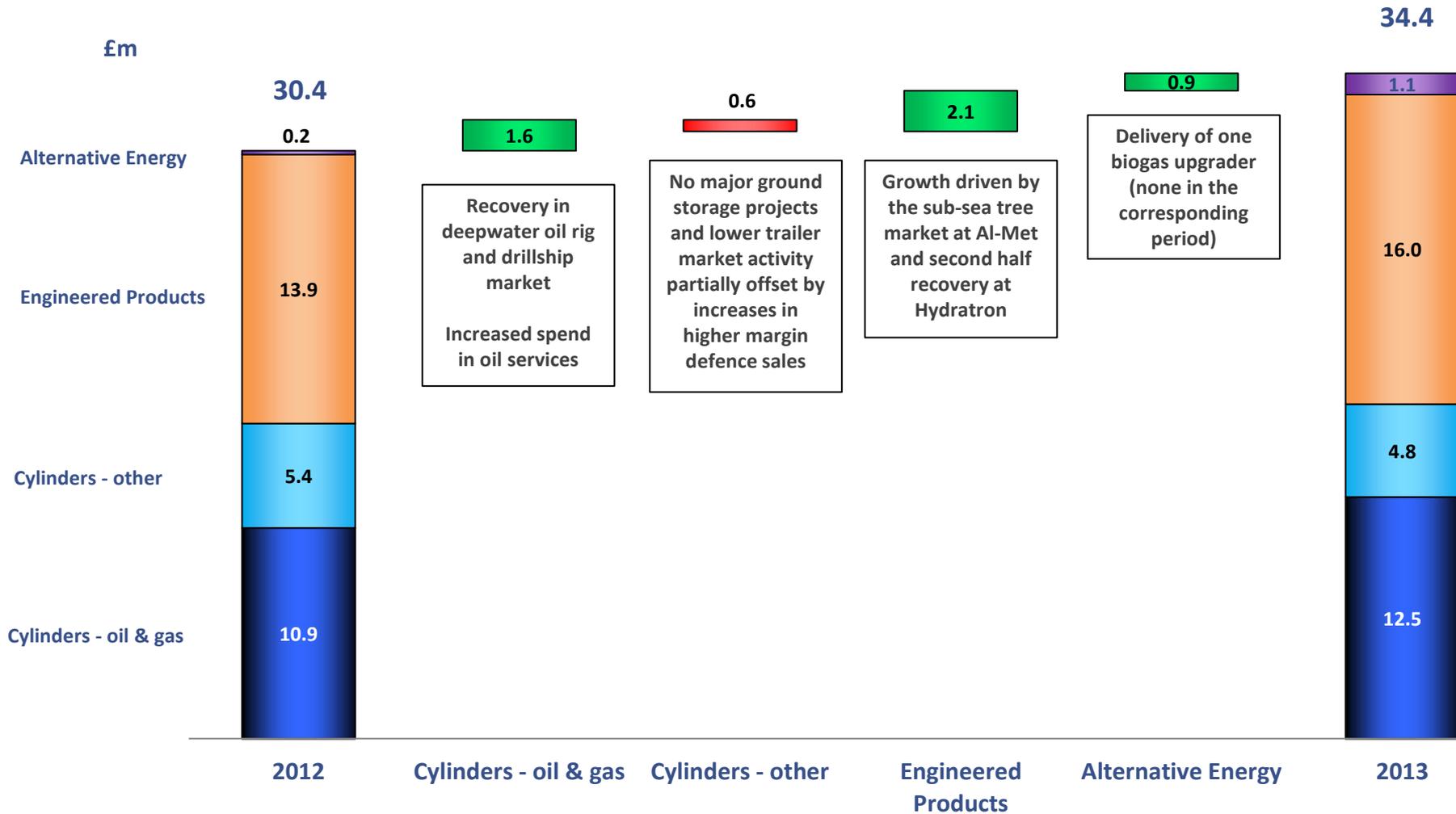


	Revenue	
2013	£1.8m	5.2%
2012	£3.9m	12.8%

**Alternative Energy**

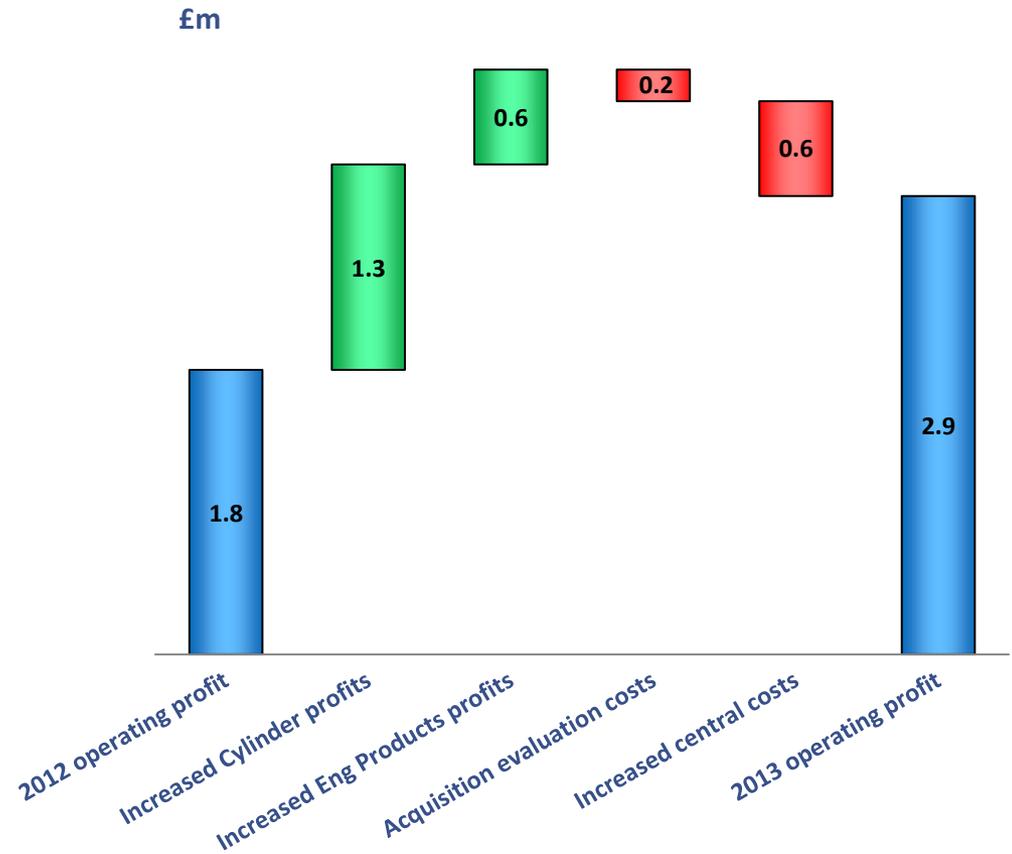


	Revenue	
2013	£1.1m	3.4%
2012	£0.3m	1.0%



	2012 £m	2013 £m
<b>Cylinders</b>	2.3	3.6
<b>Engineered Products</b>	1.0	1.6
<b>Alternative Energy</b>	(0.5)	(0.5)
<b>Acquisition evaluation and amortisation costs</b>	(0.2)	(0.4)
<b>Unallocated central costs</b>	(0.8)	(1.4)
<b>Operating profit</b>	1.8	2.9

## Operating profit increased by 63%

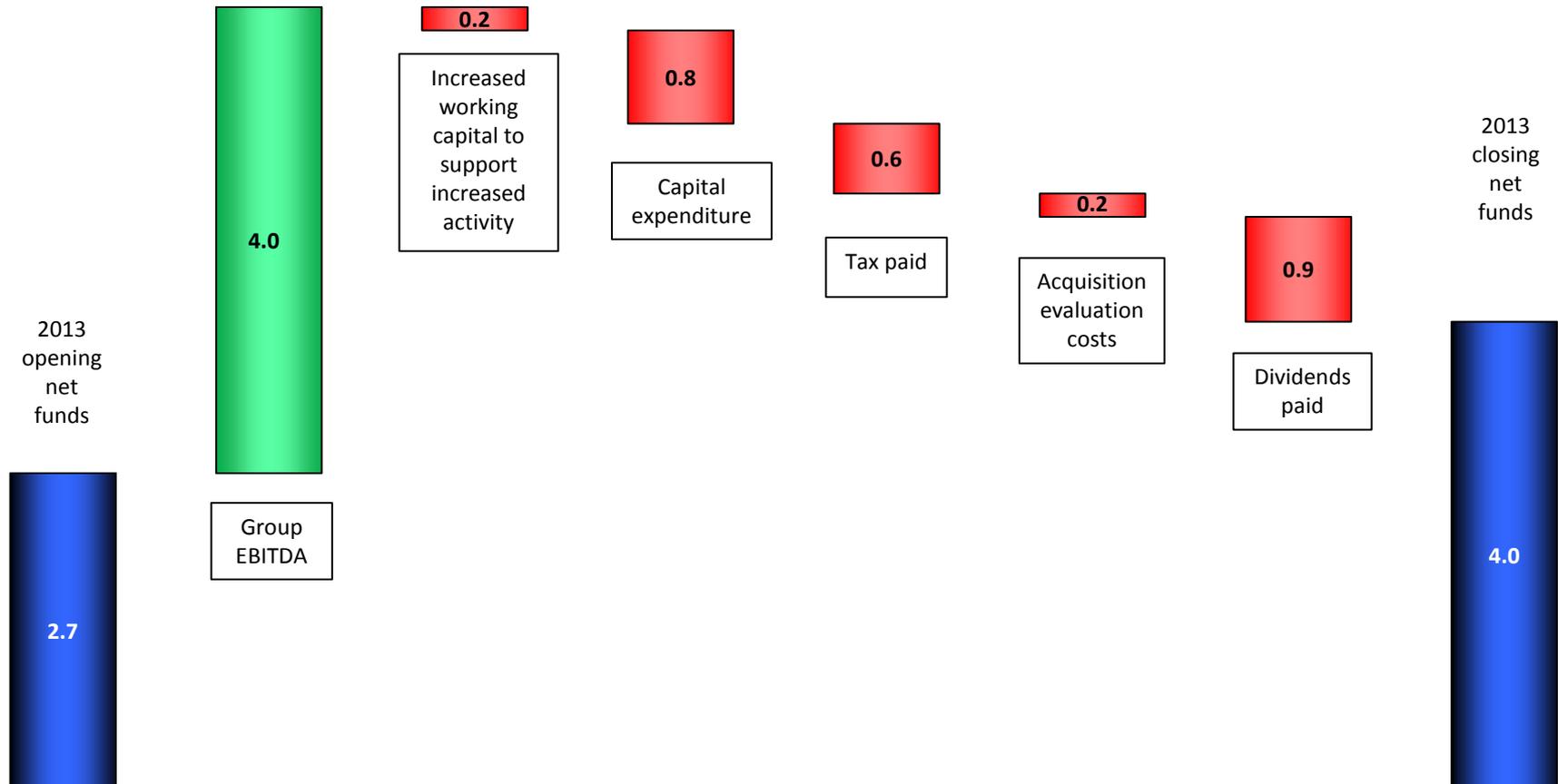


	29 Sep 2012 £m	28 Sep 2013 £m
<b>Intangible assets</b>	3.4	<b>3.2</b>
<b>Fixed assets</b>	4.7	<b>4.8</b>
<b>Inventories</b>	6.9	<b>7.2</b>
<b>Receivables</b>	7.4	<b>8.9</b>
<b>Payables</b>	(8.3)	<b>(9.8)</b>
<b>Working capital</b>	6.0	<b>6.3</b>
<b>Tax provisions</b>	(0.7)	<b>(0.8)</b>
<b>Net funds</b>	2.7	<b>4.0</b>
<b>Net assets</b>	16.1	<b>17.5</b>

## Operating cash flow £3.0 million

£m

← Operating cash flow £3.0m (2012: £1.9m) →



	29 Sep 2012	<b>28 Sep 2013</b>	
Sales (£m)	30.4	<b>34.4</b>	<b>+13%</b>
Operating profit (£m)	1.8	<b>2.9</b>	<b>+63%</b>
PBT (£m)	1.8	<b>2.9</b>	<b>+62%</b>
EPS basic (pence)	11.2	<b>19.4p</b>	<b>+73%</b>
EPS adjusted (pence)	12.5	<b>22.6p</b>	<b>+81%</b>
Dividend (pence)	7.5	<b>7.8p</b>	<b>+4%</b>
Operating cash flow (£m)	1.9	<b>3.0</b>	
Net funds (£m)	2.7	<b>4.0</b>	

Revenue	£17.3 million	+6%
Operating profit	£3.6 million	+56%

### **Strong demand for deep water oil & gas platforms**

Orders ahead of same period last year

Price reductions conceded for 2014 to maintain market share

Continued growth of in-situ re-test also leading to additional manufacturing sales

### **Expanding naval market**

Now principal supplier Germany, UK, France and Spain

Target market USA

Expansion of in-situ retest and oxygen clean markets

### **Alternative fuels drive medium term outlook**

European CNG and hydrogen bulk storage and transportation

Revenue	£16.0 million	+13%
Operating profit	£1.6 million	+60%

 **Strong sales and profit growth at Al-Met**

Record sales arising from increased demand in the deep water oil and gas market  
Major customers reporting record order books  
Focus on On Time In Full (OTIF) taking market share

 **Hydratron strong recovery**

Second half recovery in sales and orders, record UK sales  
Recovery sustained into Q1 2014  
US operation brought under direct control of Hydratron UK and progressing well

 **New product development**

 **Management and functional teams strengthened for next phase of growth**

<b>Revenue</b>	<b>£1.1 million</b>	<b>+0.9 million</b>
<b>Operating loss</b>	<b>£0.5 million</b>	<b>No change</b>

-  **Second upgrader project, Stockport, delivered in October 2012**
-  **Two orders received for delivery in 2014 - value £4.6 million**
-  **Strong pipeline with blue chip customers gives possibility of additional revenues for 2014 and optimism for further growth in 2015**

## **Great markets**

- Continued growth in oil and gas market
- High added value opportunities in defence
- Alternative energy set for rapid growth

## **Great products**

- Strong demand for core products
- Development programme of next generation products
- Development of high added value services

## **Great business**

- Diverse and balanced
- Proven capability to acquire and integrate - acquisition targets being evaluated
- Vision, energy and capability to deliver

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