



Investor Presentation FY24 Interim Results

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25 June '24



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Agenda

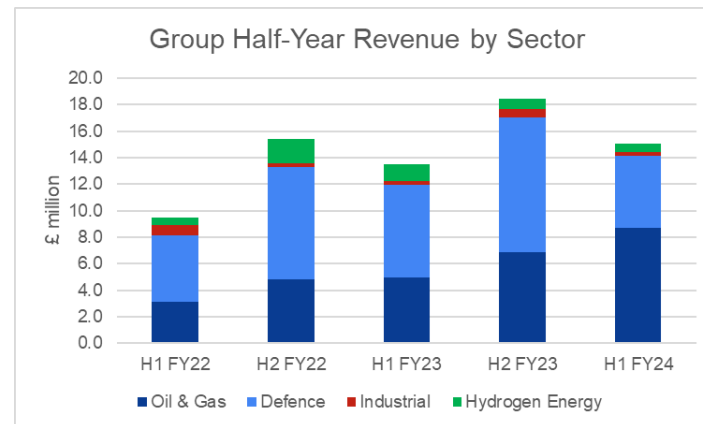
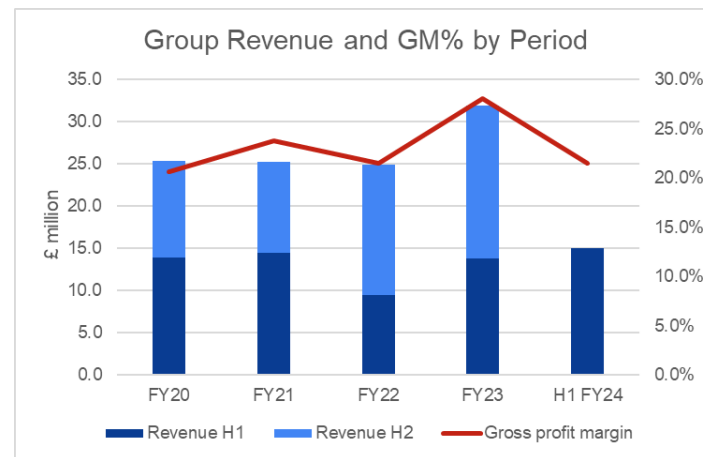
- **Group Highlights**
- **Group Financial Results**
- **CSC Division - Highlights**
- **PMC Division - Highlights**
- **Shareholder Value Focus**
- **Outlook**
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Group Highlights

- Resilient market conditions during the first half of FY24 with new defence contract placements and continued growth in the oil and gas market against the backdrop of more stable economic conditions
- Group revenue in H1 FY24 of £15.0 million (2023: £13.8 million) up 9%
- Gross profit of £3.2 million at 22% margin (2023: £3.7 million at 27% margin)
- Adjusted EBITDA in H1 FY24 of £0.1 million (2023: £0.3 million)
- Operating loss (pre-exceptionals) of £0.7 million (2023: loss of £0.5 million)
- Order intake of £16.6 million for H1 FY24 (2023: £29.3 million, including major UK naval order of £18.2m)
- Current order book of £19.4 million at May 2024 (May 2023: £26.6 million), underpinning current year outlook
- The sale process for PMC was launched in December 2023 with a number of non-binding indicative offers received in March 2024
- A preferred acquirer has been identified who is currently conducting final due diligence
- The Board expects to complete the transaction in August 2024

Group Financial Results - Profit & Loss

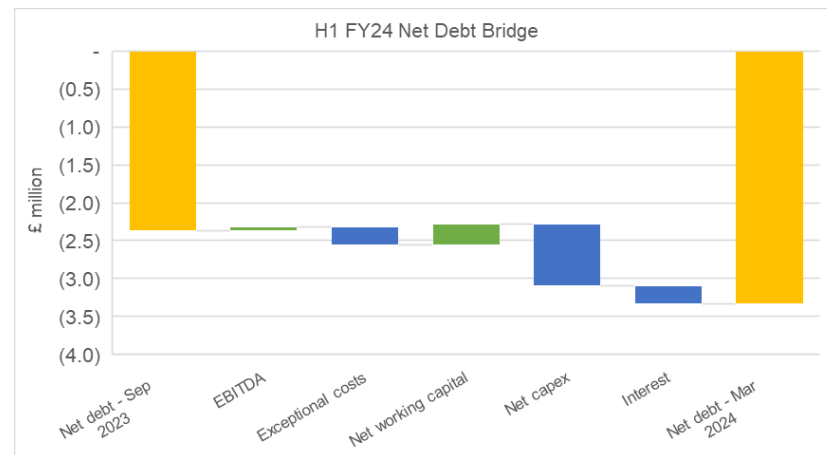
	H1 FY24 £m	H1 FY23 £m	FY 23 £m
Revenue	15.0	13.8	32.0
Chesterfield Special Cylinders	6.5	8.9	20.7
Precision Machined Components	8.5	4.9	11.3
Gross profit	3.2	3.7	8.9
Adjusted operating (loss)/profit	(0.7)	(0.5)	0.5
Chesterfield Special Cylinders	(0.2)	0.8	3.1
Precision Machined Components	0.4	(0.2)	(0.6)
Group and Central costs	(0.9)	(1.1)	(2.0)
Exceptional items	(0.2)	(0.7)	(1.2)
Operating loss	(0.9)	(1.2)	(0.7)
Loss before taxation	(1.2)	(1.4)	(1.1)
Loss per share - basic (pence)	(3.2)	(3.9)	(1.8)
(Loss)/earnings per share - adjusted (pence)	(2.7)	(2.3)	0.8
Dividend (pence)	nil	nil	nil



Group Financial Results - Balance Sheet & Net Debt

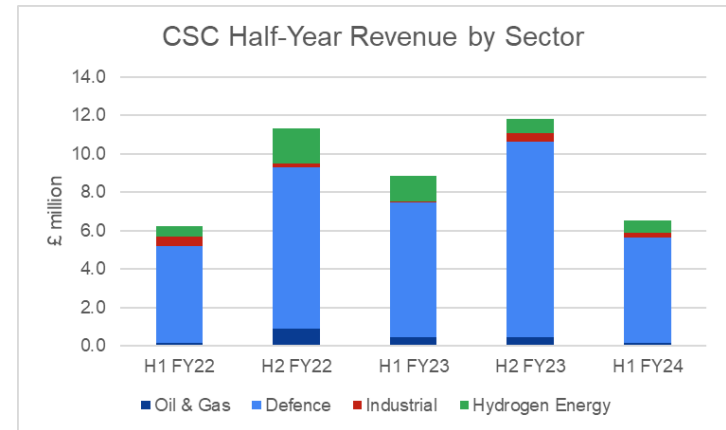
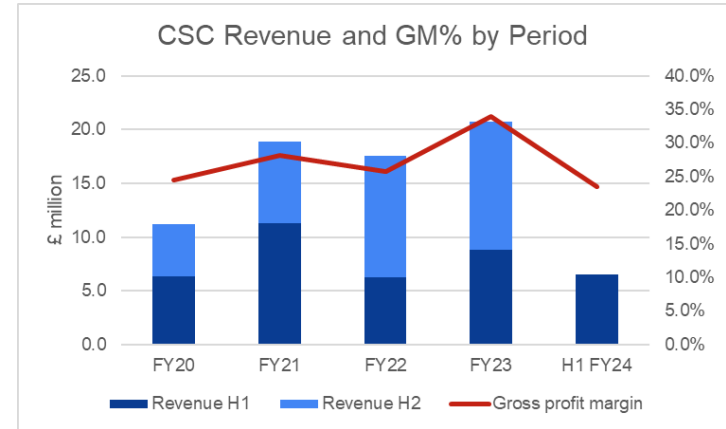
	H1 24 £m	FY23 £m	H1 23 £m
Intangible Assets	-	-	-
Tangible fixed assets	9.7	9.5	10.1
Right of use assets ("ROUA")	0.7	0.8	0.9
Tangible Assets	10.4	10.3	11.0
Net Working Capital (NWC)	5.3	5.7	5.5
Long-term Liabilities	0.0	0.0	0.0
Tax Provisions	0.0	0.0	0.0
Cash	0.6	0.9	1.0
Term loan/RCF drawn	(1.5)	(0.9)	(1.9)
Finance Leases & ROUA Liabilities	(2.4)	(2.4)	(2.8)
Net Debt	(3.3)	(2.4)	(3.7)
Net Assets	12.4	13.6	12.8

- Loss after Tax in H1 FY24 of £1.2m after Depreciation (£0.8m), Exceptionals (£0.2m) and Interest Charges (£0.2m)
- Net Debt increased from £2.4m to £3.3m due to Exceptionals, Capex and Interest Charges:



CSC Division - Highlights (1 of 2)

- CSC revenue in H1 FY24 of £6.5 million (2023: £8.8 million) down 26%, a disappointing performance
- Driven by operational factors including a major machinery breakdown in October 2023 that was remedied in December 2023
- Defence revenue of £5.5 million (2023: £7.0 million) with peak of milestones for UK submarine and surface ship programmes passed in the second quarter
- Hydrogen revenue of £0.6 million (2023: £1.3 million) due to delays in new order placement for hydrogen development projects in the UK and a lower rate of trailer deliveries
- Integrity Management services revenue increased sharply to £2.0 million (2023: £0.5 million), driven by growing activity with UK defence customers

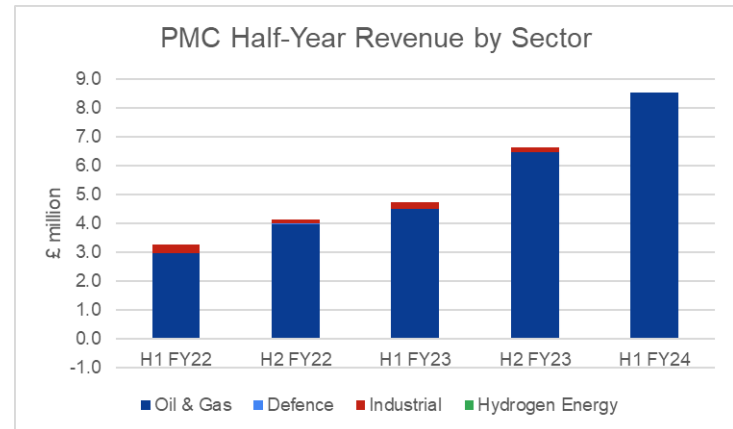
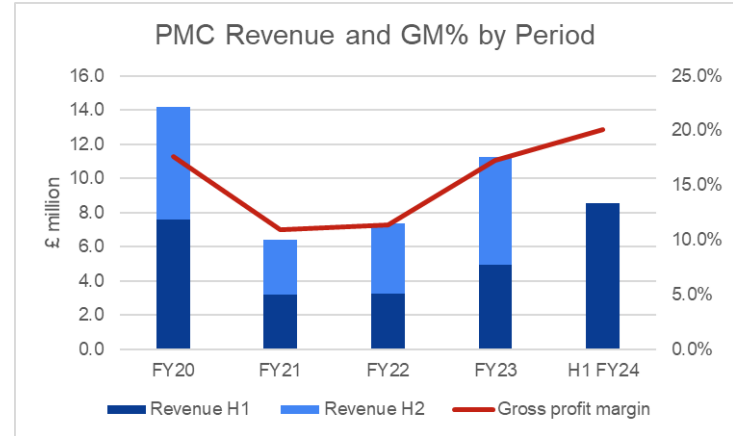


CSC Division - Highlights (2 of 2)

- CSC order intake of £10.3 million in H1 FY24 (2023: £20.9 million, including major UK naval order of £18.2 million)
- Current order book of £13.6 million at May 2024 (May 2023: £18.4 million), providing strong revenue cover for the remainder of FY24
- Operational improvements in the Sheffield facility continue to deliver increased capacity and efficiency for hydrogen cylinder and road trailer new build, inspection and testing services

PMC Division - Highlights

- We have seen improved conditions in the oil and gas market and much improved operational performance from the division
- PMC revenue in H1 FY24 of £8.5 million (2023: £4.9 million) up 73% supporting Adjusted EBITDA of £0.8 million (2023: £0.2 million)
- PMC order intake in H1 FY24 of £6.3 million (2023: £8.4 million)
- Current order book of £5.8 million at the end of May 2024 (May 2023: £8.2 million)
- Much improved performance has supported the sale process for the division

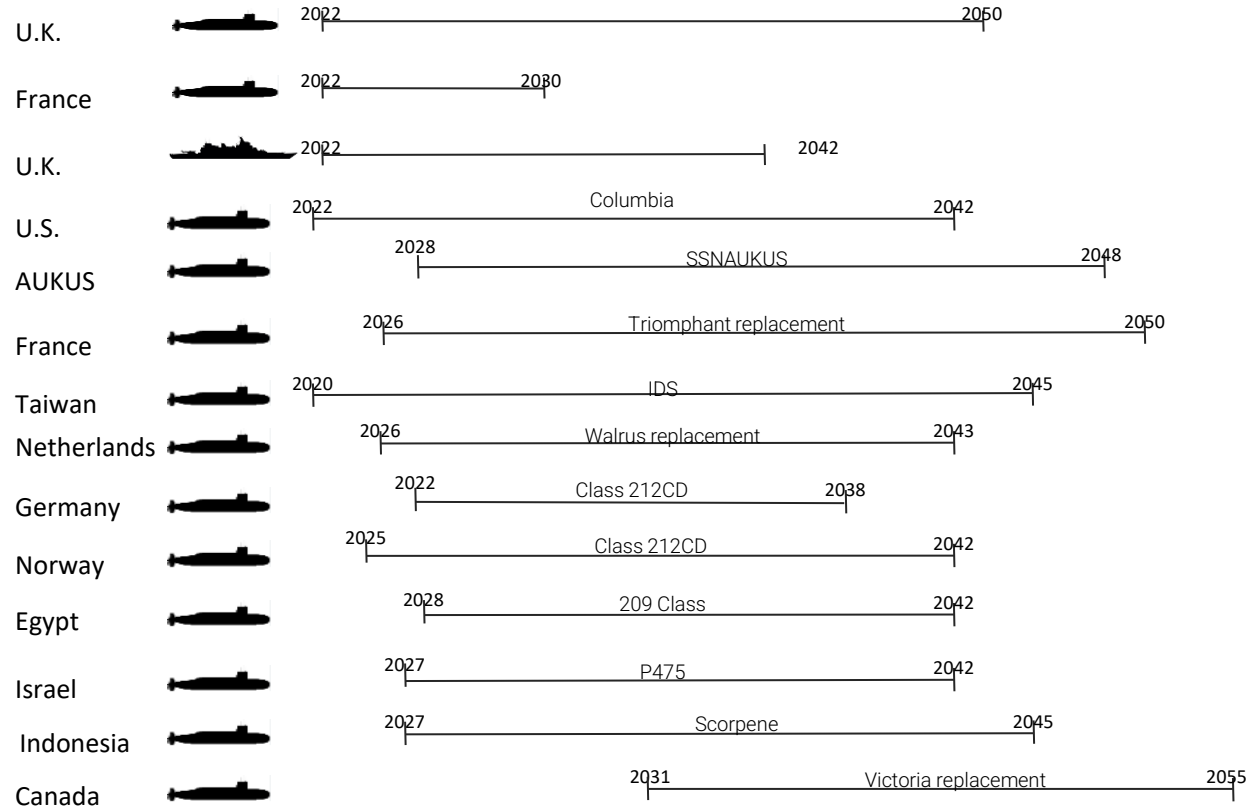


Shareholder Value Focus

- Focused on delivery of shareholder value against the backdrop of improving market conditions
- Well positioned as a trusted, world-leading manufacturer serving growing, safety-critical markets
- Improving operational performance in capacity and efficiency
- Prioritising the growth and development of CSC in 2 key markets:
 - **Defence** - working with UK and global defence primes on long-term programmes and platforms
 - **Hydrogen** - focus on the key emerging segment of storage and transportation solutions
 - **and**, building our leading **Integrity Management** services across these safety-critical markets
- Strong progress made towards realising value from the sale of PMC:
 - Preferred bidder currently conducting final due diligence
 - Targeting completion in August 2024

CSC - Long-term opportunities in UK & global defence markets

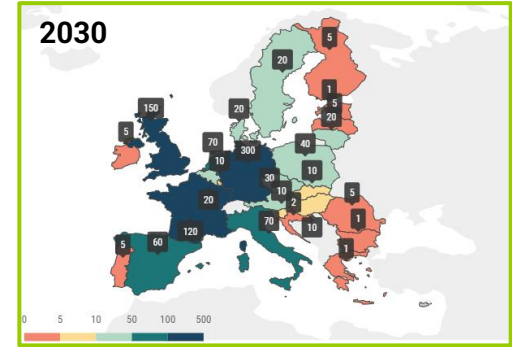
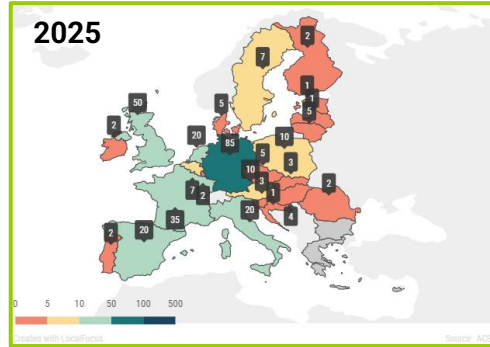
- New build revenue opportunity of **£100m-£150m** over next 15 years
- Major programmes include:
 - AUKUS £32m
 - France £24m
 - US £19m
- Qualification process for major US Defence prime contractor is progressing positively
- Creates long-term Integrity Management opportunities



CSC - Increasingly exciting outlook for hydrogen

UK & EUROPEAN MOBILITY PROJECTS (BUS, MEDIUM/HEAVY DUTY TRUCK, LOGISTICS, TRAIN)

- Hydrogen refuelling station (HRS) manufacturers are increasing output to meet growing demand for mobility projects in the UK, Europe, Australia and Americas.



* HRS market projections by European Automobile Manufacturers' Association (ACEA) validated by HyEnergy (September 2023)

GREEN HYDROGEN GENERATION EXPECTED TO DRIVE DEMAND FOR HIGH-VOLUME STORAGE AND DISTRIBUTION

- Strong commitment to green hydrogen generation in UK and Europe expected to drive demand for pressurised storage and transportation
- UK government awarded c.£90 million funding for projects under Hydrogen Allocation Round one (HAR1), with HAR2 funding awards to follow in 2024. CSC well positioned to support several HAR1 and HAR2 funded projects with hydrogen storage and transportation solutions

INCREASING DEMAND FOR HYDROGEN ROAD TRAILERS PRESENTS EXCITING GROWTH OPPORTUNITY

- Demand for hydrogen road trailer newbuild and periodic inspection and testing expected to grow significantly through to 2030


Outlook

- During FY24, CSC expects to pass the peak of activity on current high-value defence contract milestones and will seek to re-balance its revenue profile across global defence programmes and the hydrogen energy market, with each of these markets presenting significant opportunities over the medium-term
- CSC performance in the second half of FY24 is expected to be stronger than the first half
- However, a shortfall in CSC performance is expected for the full-year, driven by the deferral of a portion of UK defence contract revenues to future years and operational delays in the first half, further impacted by delayed order placement for new hydrogen storage contracts due to the UK general election, now expected later in FY24
- PMC momentum is expected to continue in the second half driven by the strong order book and on-going operational improvements, supporting higher margins and profitability
- Order books in CSC and PMC underpin the outlook of the Group in the second half of FY24. Given the current divisional trends and performance outlook, the Board expects the Group's full-year FY24* Adjusted EBITDA to be not less than £1.0 million

* FY24 outlook includes CSC and PMC, on the basis that PMC is not sold in FY24 and remains a continuing operation

Contact Us

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About Us

Our Company Values



We put
people first



We innovate &
create the future



We work
together



We deliver to the
highest standard

Introduction to Pressure Technologies

Our Purpose

Our Purpose is to advance safety and reliability in demanding environments through technology, high quality engineering and the skills of our people.

Our Vision

Our Vision is to build a Company that is globally recognised within its markets as the leading provider of pressure containment and control products and services to customers who operate in highly-demanding, safety critical environments where the consequences of product failure could be catastrophic

Our Group

We are leaders in the design and manufacture of safety-critical components and systems serving global supply chains in defence, oil and gas, industrial and hydrogen energy markets



- Established in 1897
- Safety-critical gas containment systems
- Inspection and recertification services
- Global hydrogen, defence, oil and gas and industrial customers
- Growing presence in hydrogen energy market

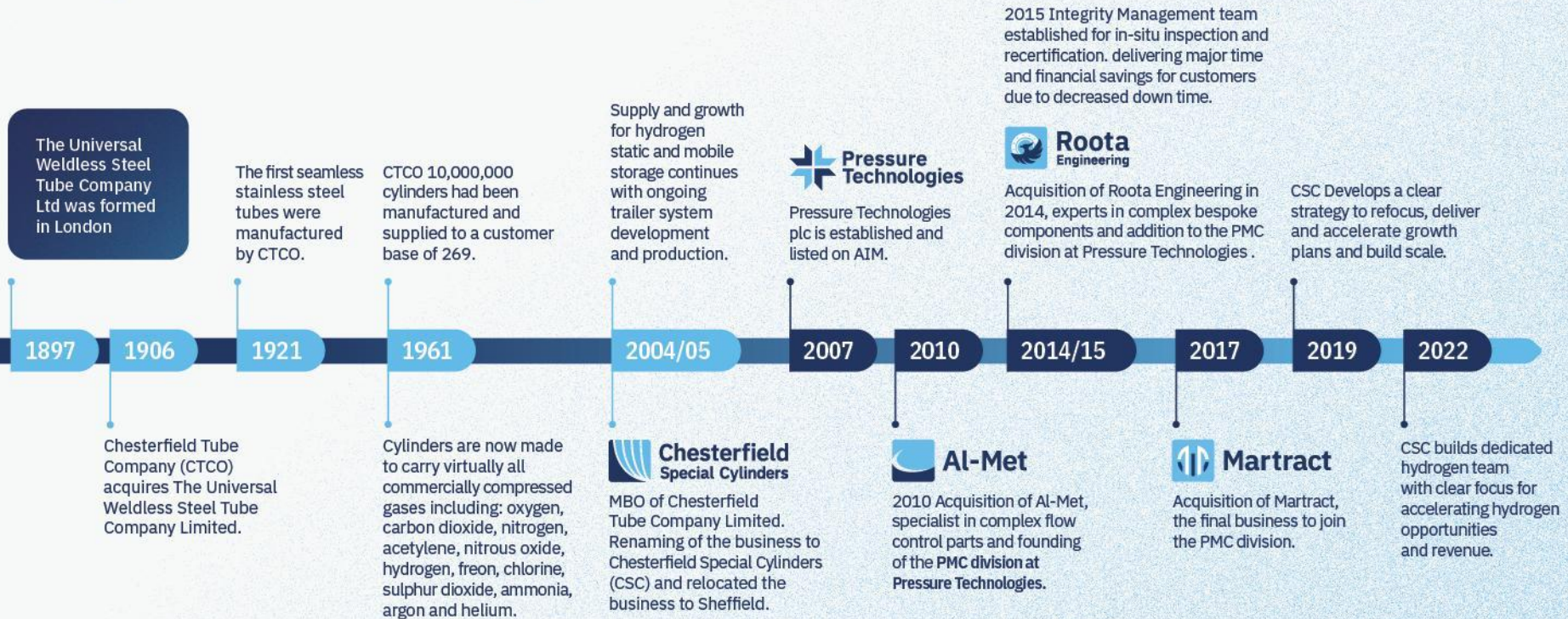
Precision Machined Components (PMC)



- Al-Met, Roota Engineering and Martract brands
- Highly specialised precision components
- Complex, safety-critical applications
- Drilling, well intervention, production flow control
- Global OEM customer base



Our history - 125 years in the making



What makes us unique?

125 years in the making

Decades of design, manufacturing and supply to worldwide markets



- UK manufacturer of cylinders, tubes and pressure vessels
- Experienced and skilled Engineering and Research & Development teams
- Manufacture and Certify to a range of codes, directives and in different jurisdictions (e.g. PED, TPED, ISO 9809, ISO 11120, ASME, AD2000, UK/EU/USA)

Trusted by our customers

Very strong presence in the hydrogen market in Europe and ROW



- Proven delivery with excellent customer base
- Collaborations with customers from conceptual design phases to completion to realise their projects
- Develop ready /turnkey solutions for EPCs

One stop shop

We design, manufacture and maintain world-leading bespoke pressure gas containment solutions



- Working from design stage to optimise and conduct through-life servicing
- Pioneered British Standard for in-situ testing with reduced equipment downtime

Our operational facilities - Pressure Technologies



1. Chesterfield Special Cylinders and Pressure Technologies Head Office	
Employees	125
Property	Meadowhall Road, Sheffield
Specialisms	High pressure gas containment cylinders and in-situ inspection and recertification
2. Roota Engineering	
Employees	36
Property	Rotherham
Specialisms	Turning, Milling & Inspection
3. Martract	
Employees	10
Property	Barton-upon-Humber
Specialisms	Grinding & lapping
4. Al-Met	
Employees	36
Property	Pontyclun
Specialisms	Turning, Milling, Grinding, Inspection & Wire and Spark Erosion

PT Group
revenue 2021
£25.3M

Fuelling hydrogen storage for over 80 years

Proven track record for the delivery of many hydrogen projects

- Engaged with the world's leading hydrogen sector players
- Provided Type 1 pressure vessels for many HRSs, cylinders/tubes for commercial vehicles, trains and small marine vessels
- In excess of 20 projects delivered across the UK and Europe customers such as for Shell, Haskel, McPhy, ITM Power and Arcola (Ballard Motive Solutions)
- Valued and trusted by customers for advice and design of safety-critical applications



SIEMENS

Linde



AIR LIQUIDE

Haskel

nel

McPhy

AIR PRODUCTS

FUEL CELL SYSTEMS

Ørsted

framatome

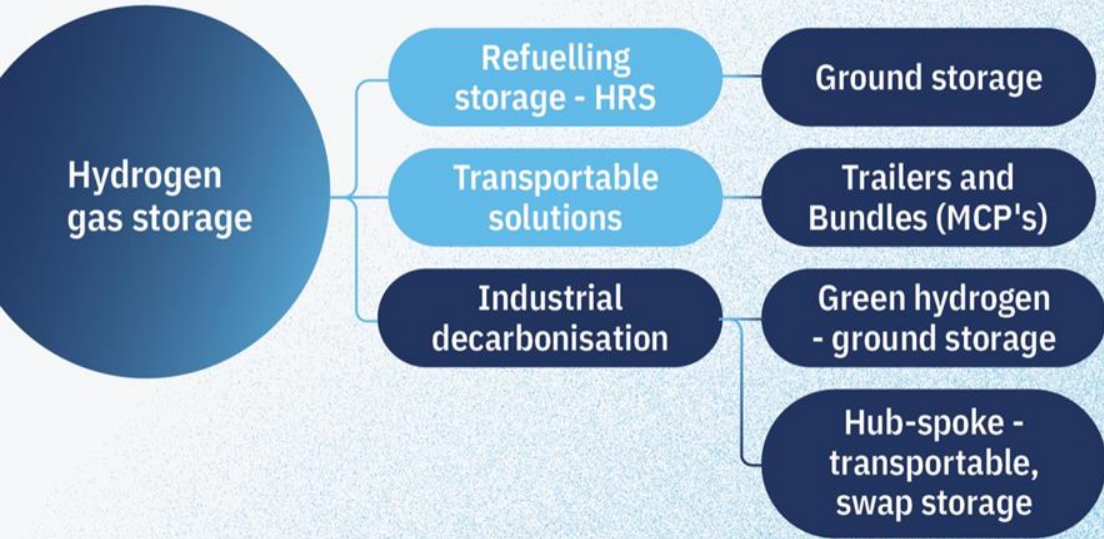
ITM POWER

PLUG POWER

ARUP

Chesterfield
Special Cylinders

Our ground & transportable end-end H₂ gas storage solutions



Chesterfield Special Cylinders ground storage