

FY24 Full-Year Results

Investor Presentation

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Transformation

- Sale of PMC focuses Group and strengthens balance sheet
- FY25 significant revenue growth, return to Adjusted EBITDA profitability
- First order received to supply the US Navy submarine programme
- Visible hydrogen energy growth programme, orders expected H1 2025
- High-value Integrity Management services go from strength to strength
- FY28 financial targets confirm ambition and positive outlook
- Proudly rebranding as Chesterfield Special Cylinders Holdings plc

Agenda

- **FY24 highlights**
 - Financial results
 - Sale of PMC
- **Strategy**
 - Market sectors
 - Strategic progress
 - Operational readiness
- **FY28 targets**
- **FY25 outlook**
- **Summary**



Financial highlights (combined continuing & discontinued operations)

Revenue

£31.9m

(2023: £32.0m)

Gross Profit

£7.5m

(2023: £8.9m)

Adjusted EBITDA*

£0.6m

(2023: £2.1m)

Loss before taxation

£2.3m

(2023: £1.1m loss)

Operating cash inflow**

£2.0m

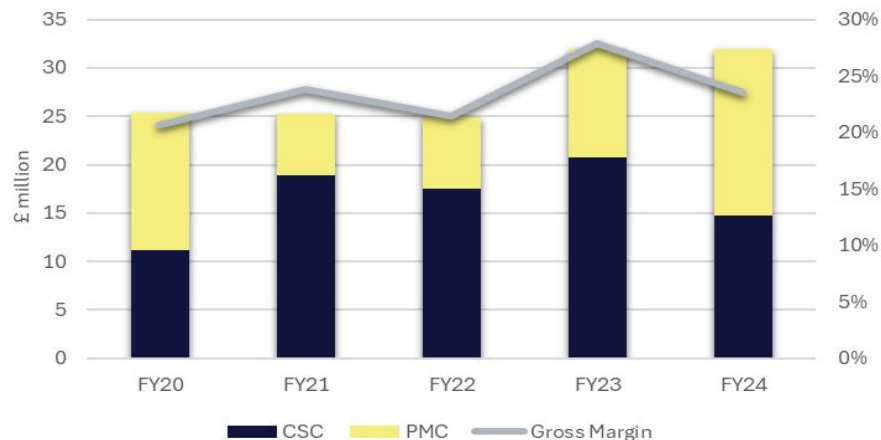
(2023: £1.2m inflow)

Net borrowings***

£0.9m

(2023: £nil net borrowings)

Revenue and Gross Margin by Period



Continuing operations include CSC and Group central costs
Discontinued operations include PMC only

* Adjusted EBITDA is defined as earnings/(loss) before interest, tax, depreciation, amortisation and exceptional costs

** Adjusted operating cash inflow is operating cash flow before cash flow for exceptional items

*** Net borrowings includes gross borrowings less cash and cash equivalents. It excludes asset finance leases and right of use asset leases in CSC and Group central, and net debt of PMC (asset held for sale)

P&L (combined continuing & discontinued operations)

	FY24 £m	FY23 £m
Revenue	31.9	32.0
<i>Chesterfield Special Cylinders</i>	14.8	20.7
<i>Precision Machined Components</i>	17.1	11.2
Gross profit	7.5	8.9
Adjusted EBITDA	0.6	2.1
<i>Chesterfield Special Cylinders</i>	0.8	3.9
<i>Precision Machined Components</i>	1.5	0.1
<i>Central costs</i>	(1.7)	(1.9)
Depreciation	(1.5)	(1.5)
Exceptional items	(0.9)	(1.3)
Operating loss	(1.8)	(0.7)
Loss after tax	(2.4)	(0.7)
Loss per share - basic	(6.3)p	(1.8)p
Adjusted (loss)/profit per share - basic	(4.5)p	0.8p

Balance sheet

	FY24	FY23
	£m	£m
Tangible Assets	6.8	10.3
<i>Tangible fixed assets</i>	6.5	9.5
<i>Right of use assets (ROUA)</i>	0.3	0.8
Net Working Capital	1.8	5.6
Assets held for sale (PMC)	3.9	-
Tax Provisions	0.1	0.1
Net borrowings	(0.9)	-
<i>Cash</i>	0.1	0.9
<i>Term loan / RCF</i>	(1.0)	(0.9)
Finance leases & ROUA liabilities	(0.5)	(2.4)
Net Assets	11.2	13.6

Financial highlights (continuing operations only)

Revenue

£14.8m

(2023: £20.7m)

Gross Profit

£3.7m

(2023: £7.0m)

Adjusted EBITDA*

£0.9m loss

(2023: £2.0m profit)

Loss before taxation

£2.7m

(2023: £0.3m loss)

Operating cash inflow**

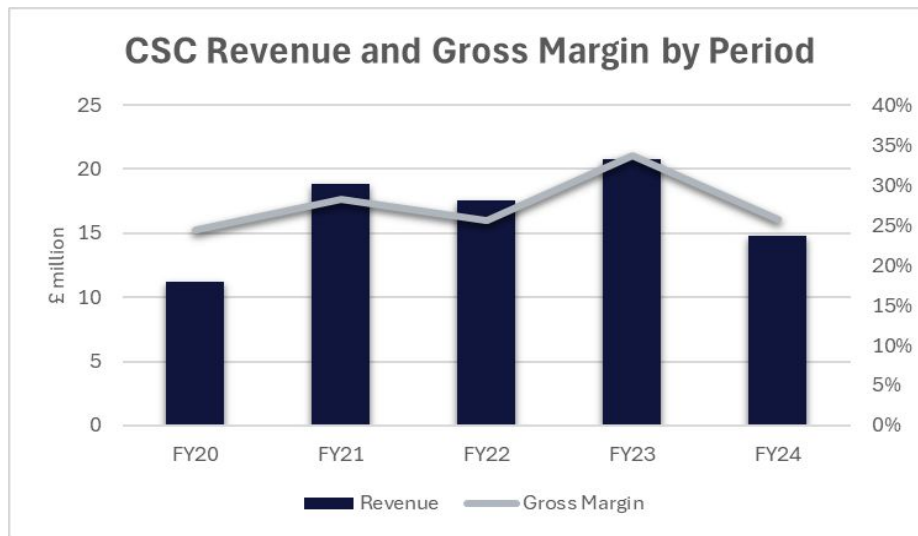
£1.0m

(2023: £0.6m inflow)

Net borrowings***

£0.9m

(2023: £0.2m net borrowings)



Continuing operations include CSC and Group central costs of **£1.7m**
(2023: £1.9m)

* Adjusted EBITDA is defined as earnings/(loss) before interest, tax, depreciation, amortisation and exceptional costs

** Adjusted operating cash inflow is operating cash flow before cash flow for exceptional items

*** Net borrowings includes gross borrowings less cash and cash equivalents. It excludes asset finance leases and right of use asset leases in CSC and Group central

P&L (continuing operations only)

	FY24	FY23
	£m	£m
Revenue	14.8	20.7
Gross profit	3.7	7.0
Adjusted EBITDA	(0.9)	2.0
<i>Chesterfield Special Cylinders</i>	0.8	3.9
<i>Central costs</i>	(1.7)	(1.9)
Depreciation	(0.8)	(0.8)
Exceptional Items	(0.7)	(1.2)
Operating loss	(2.4)	(0.0)
Loss after tax	(2.3)	(0.0)
Loss per share - basic	(6.1)p	(0.1)p
Adjusted (loss)/profit per share - basic	(4.7)p	2.4p

Sale of PMC

- The sale of non-core PMC division to Raghu Vamsi Machine Tools completed on 8 October 2024
- PMC complements existing Raghu Vamsi engineering businesses, with operational and commercial synergies
- Strategic divestment allows focus on development and growth of CSC
- Removes exposure to cyclical oil and gas markets
- Use of proceeds:
 - Repaid outstanding term loan balance of £1.0m
 - Stronger balance sheet, working capital headroom
 - Supporting CSC growth opportunities

Initial enterprise value

£6.2m

Potential £1.5m additional payment based on PMC FY25 performance, payable Q1 FY26

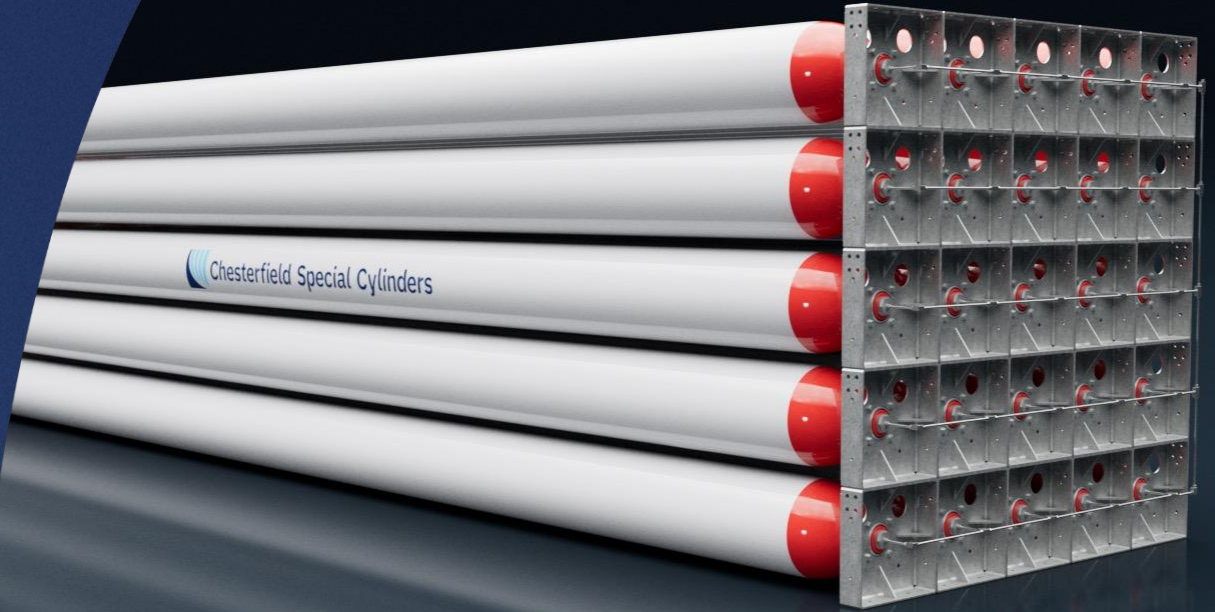
Initial cash consideration

£4.8m

Initial enterprise value less PMC net debt at locked box date £(1.4)m

Strategy

- Market sectors
- Strategic progress
- Operational readiness



Strategy

Delivery of shareholder value through the development and growth of Chesterfield Special Cylinders, realising opportunities in established and emerging markets

Defence

Trusted supplier of safety-critical pressure systems to navies and defence contractors worldwide

- Long-term newbuild programme visibility
- High-value contracts, irregular phasing
- Sole supplier to UK and EU newbuild programmes
- Sole supplier of periodic testing for the UK fleet, with opportunities emerging overseas

Hydrogen

World-leading reputation for the supply and lifecycle support of high-pressure hydrogen storage systems

- Emerging market with long-term growth outlook
- Strong UK and European government funding commitment to hydrogen clean energy projects
- Established and growing customer base in road trailer periodic inspection and testing

Integrity Management

In-situ and factory-based lifecycle support, covering mandatory inspection and testing across safety-critical markets

Defence



Key supplier to NATO navies, UK and overseas builders

Trusted supplier of safety-critical pressure systems via defence prime contractors worldwide to NATO navies for their newbuild and refit programmes



BAE SYSTEMS

NAVAL
GROUP



GENERAL DYNAMICS
Electric Boat



thyssenkrupp



Hanwha



MAZAGON DOCK SHIPBUILDERS LIMITED



台灣國際造船股份有限公司
CSBC CORPORATION, TAIWAN



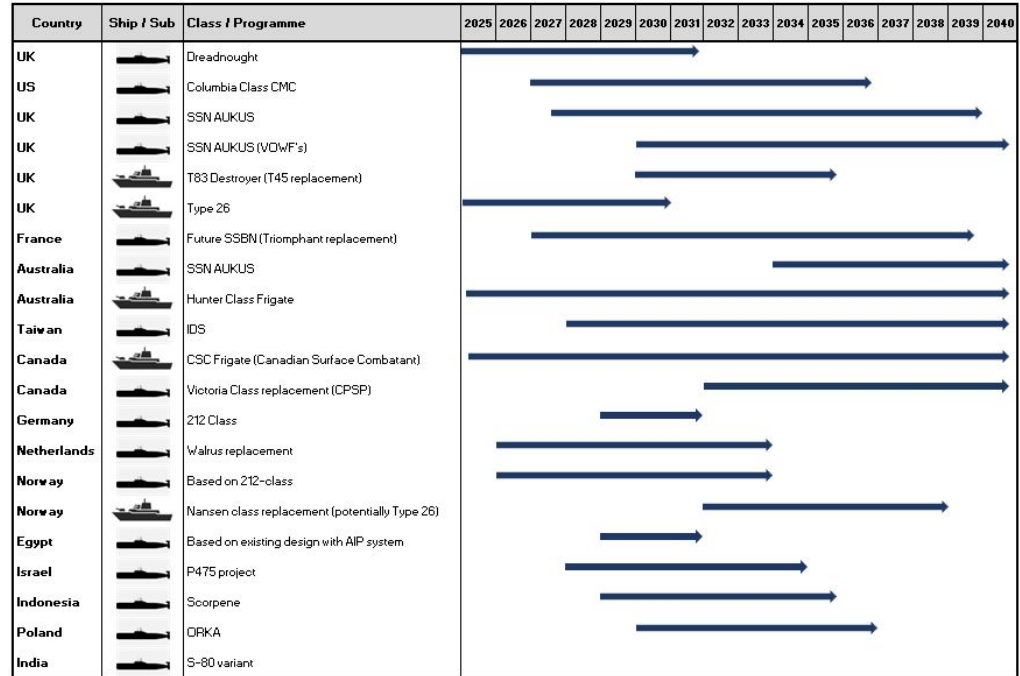
Long-term key supplier to >25 navies worldwide



Long-term outlook for UK & overseas defence market

Long-term naval newbuild programme visibility to 2040, with revenue opportunity of c.£140m

- Backdrop of geopolitical tensions, increasing global defence budgets
- Established long-term and sole supplier relationships with OEMs supports early project engagement
- First order to supply US naval programmes establishes foothold in new market
- Supply to major SSN-AUKUS programme expected from FY28



Hydrogen



Chesterfield
Special Cylinders

Key role to play in emerging hydrogen economy

World-leading reputation and over 100 years experience in the design, manufacture and lifecycle support of safety-critical high-pressure hydrogen storage systems

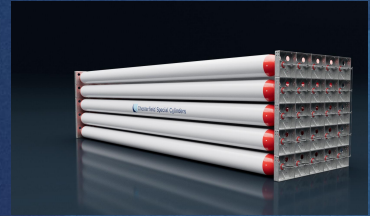
- Newbuild hydrogen storage and transportation solutions:
 - Core business in proven, Type 1 steel cylinders
 - Experienced integrator of composite Types 2, 3 & 4 cylinders
- Lifecycle support for all cylinder types and assemblies, covering rigorous mandatory inspection, testing and recertification
 - In-factory processes
 - In-situ Integrity Management field services



Exciting outlook for hydrogen energy in UK & Europe

Global hydrogen energy market developing quickly, supporting decarbonisation of transport, power and industrial applications

- Strong commitment from UK government to ambitious decarbonisation targets, aiming to increase green hydrogen production to 10GW by 2030:
 - Funding of £5.1 billion for green hydrogen and carbon capture
 - First HAR1 projects (125MW total) operational in 2026
 - Shortlist for HAR2 projects (up to 875MW) to be published soon
 - Commitment made to HAR3 (up to 750MW), plans up to HAR7
- First major contract award under UK NZHF Strand 2 funding expected in Q1 2025. First major contract award under HAR1 expected in Q2 2025
- European Alternative Fuels Infrastructure Regulation (AFIR) to accelerate rollout of hydrogen refuelling networks. Further European refuelling station storage contract expected Q1 2025.



Increasing demand for hydrogen transportation

*Decades of experience in mandatory testing and recertification of hydrogen road trailers.
Recent strong ramp up in enquiries for new fleets driven by hydrogen growth in UK and Europe*

- Mandatory testing and recertification at 10-year (Type 1) and 5-year (Type 4) intervals
- In FY24, a record 23 trailers refurbished and recertified (Types 1, 3 & 4) across an expanded customer base
- Operational improvements underpinned a doubling of throughput over FY23 and step change in efficiency and margins
- Competitive Type 1 newbuild hydrogen trailer design launched for UK and European markets



Refurbished Type 1 trailer

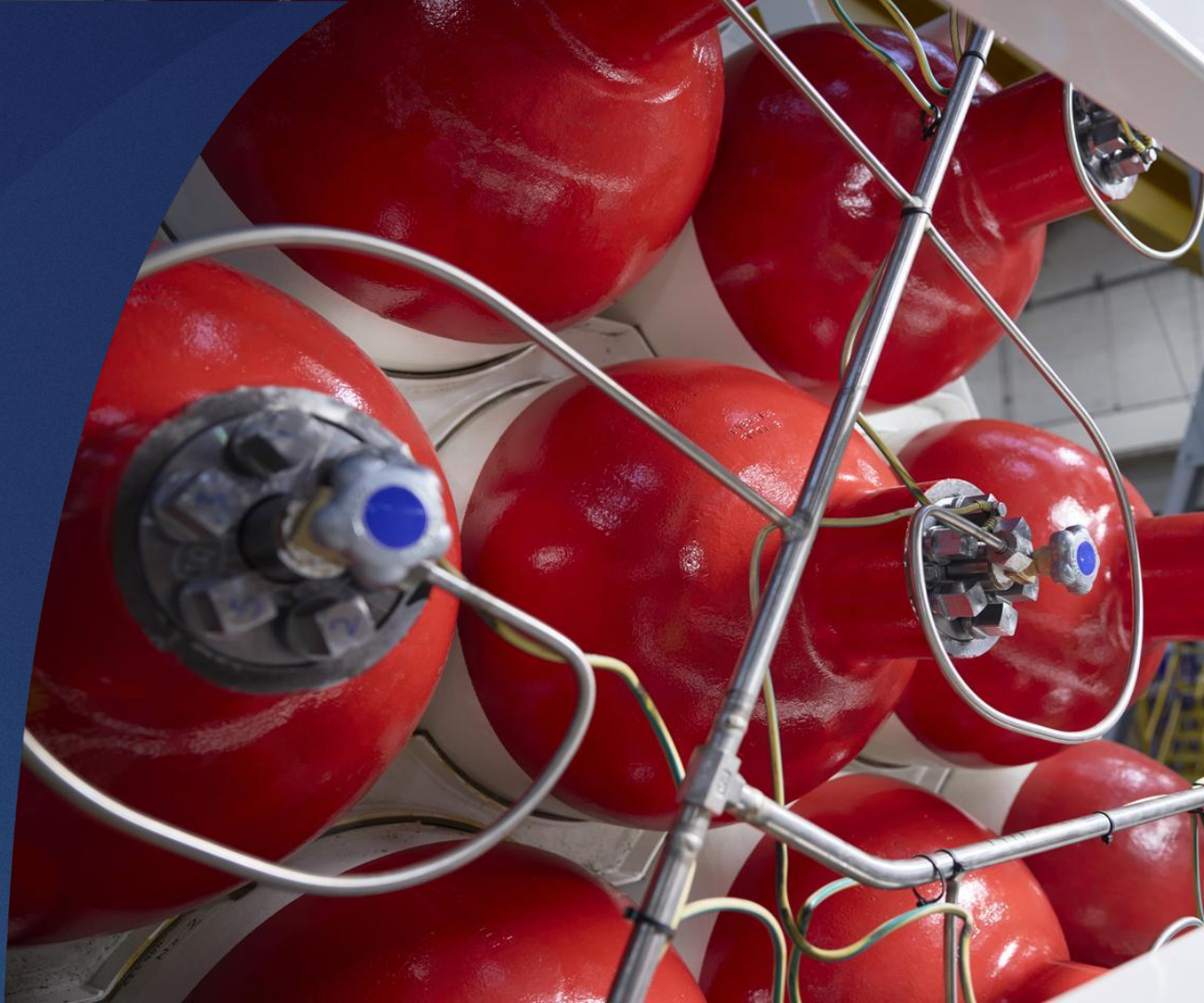


Refurbished Type 3 trailer



New CSC Type 1 hydrogen trailer

Integrity Management



Expanding high-value lifecycle support services

Lifecycle support services from trusted OEM providing mandatory retesting and recertification through in-factory processes and expert in-situ Integrity Management operations

- Repeat high-value revenue stream from extensive installed fleets across regulated operating environments:
- **Defence** - pressure systems OEM for navies worldwide:
 - Sole supplier of in-situ retesting and recertification services to the UK submarine and surface fleets
 - Well positioned for growth across European naval fleets
- **Hydrogen** - static and transportable storage OEM:
 - Growth opportunity for in-situ periodic retesting and recertification of hydrogen cylinders as fleets expand
- **Offshore services** - established OEM, extensive installed fleet:
 - Steady growth opportunity in diving support vessels, floating offshore installations and floating cranes



Strategic progress

Progress throughout FY24 and in FY25, securing overseas defence contracts, positioning for major UK hydrogen contract awards, ramping up Integrity Management naval deployments

Defence

- Delivery of key milestones on major UK and French submarine newbuild programmes
- Major overseas contract awards:
 - Royal Australian Navy - Hunter class
 - Royal Canadian Navy - River class
- US Navy - first order to supply to submarine newbuild programme

Hydrogen

- Doubled trailer inspection and testing throughput in FY24, widened customer base
- Exciting pipeline of road trailer newbuild opportunities, including UK HAR1
- Newbuild contract awards expected:
 - UK NZHF Strand 2 project, Q1 2025
 - Major UK HAR1 project, Q2 2025

Integrity Management

- 60% YOY growth in naval deployments for FY24, major deployment contracts secured in FY25

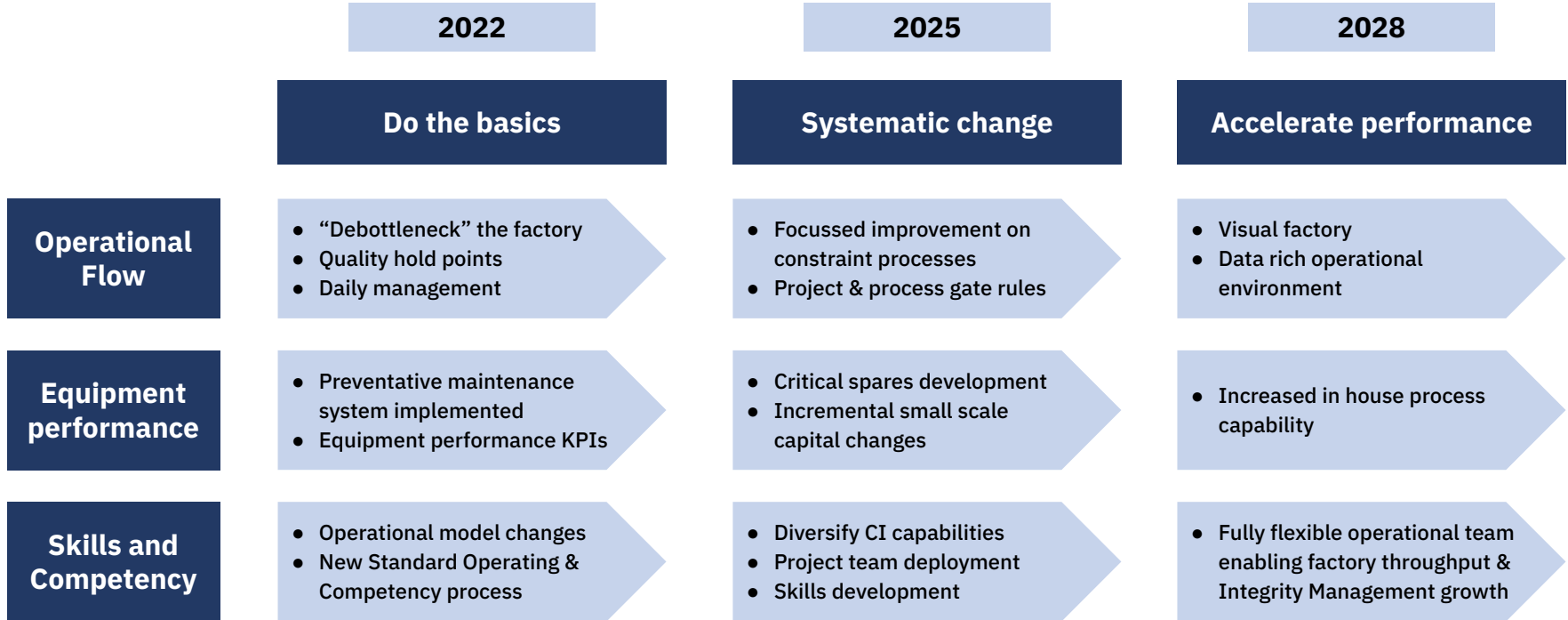
Operational readiness



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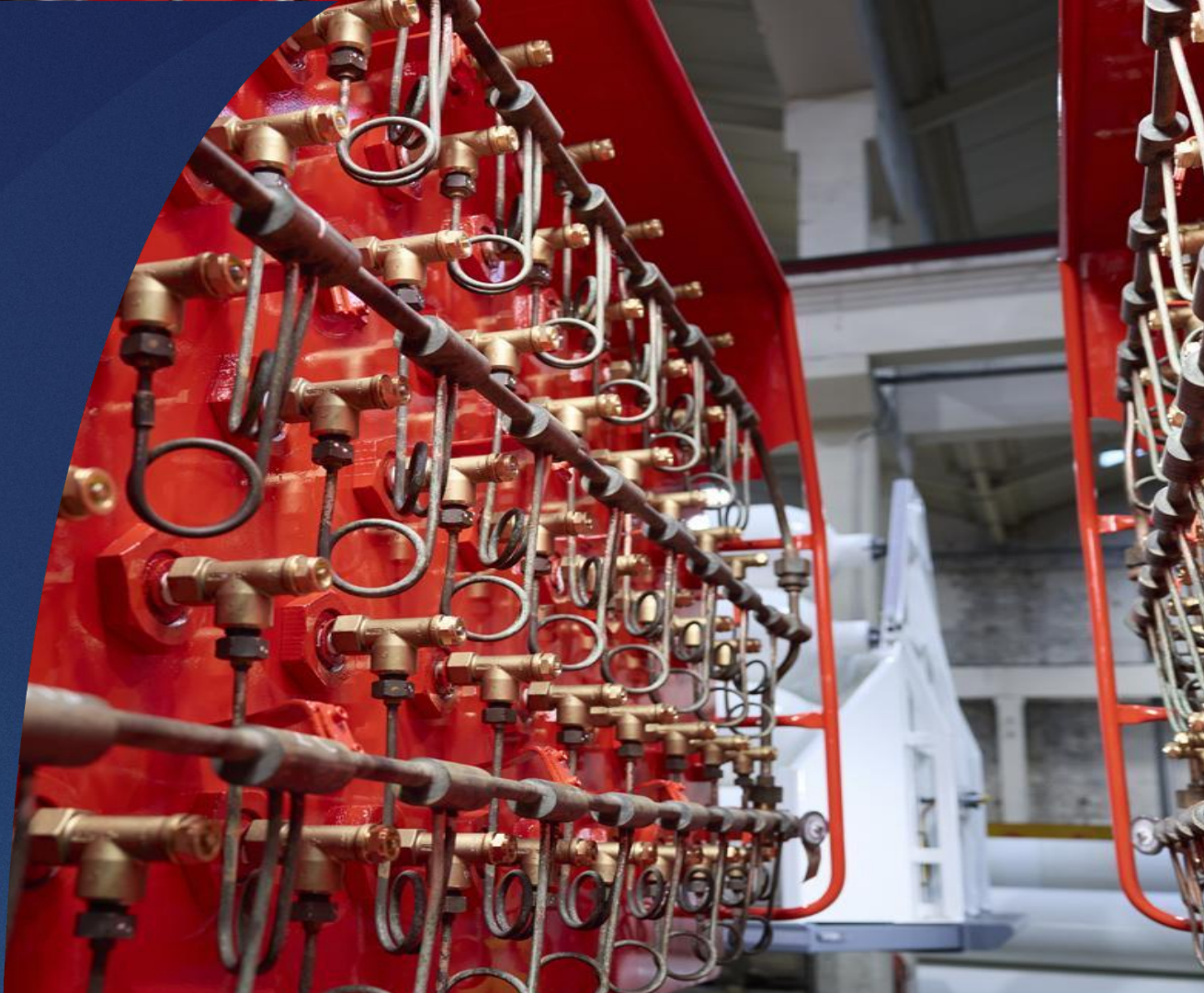
Operational improvement underpins growth

Efficiency improvements to increase capacity and grow margins without major capex



FY28 targets

FY25 Outlook



FY28 targets

To create value for our customers, shareholders and other stakeholders as a leading supplier of gas storage and transportation systems and services to customers who operate globally in demanding, safety-critical environments.

Deliver revenue

>£30m

Double

high-value overseas
defence revenue

Grow hydrogen sales to

30%

of total revenue

Double

Integrity Management
revenue

30%

of revenue from lifecycle
support services

Adjusted EBITDA margin

>15%

before central cost

FY25 outlook

- Deliver significant revenue growth over FY24 from increased hydrogen business, return to Adjusted EBITDA profitability
- Group structure aligned to support CSC growth plans, reduced central cost of £0.9m (FY24: £1.7m)
- Deliver UK and overseas defence projects, including manufacture for new US Navy contract
- Secure major hydrogen storage contracts under UK NZHF and HAR, continue growth in trailer lifecycle support, commence trailer newbuild
- High-value Integrity Management services go from strength to strength
- Proudly rebrand as Chesterfield Special Cylinders Holdings plc, recognising a pre-eminent history and an exciting outlook



Summary

With a simplified Group structure and stronger balance sheet, the Board remains focused on positioning Chesterfield Special Cylinders in established and emerging markets to maximise shareholder value

- Transformational year in FY25
- Clear ambition and targets set for FY28
- Exciting medium-term outlook



Chesterfield
Special Cylinders

FY24 Full-Year Results

Investor Presentation

Q&A



FY24 Full-Year Results

Investor Presentation

Additional Information

Exceptional items summary

	Continuing £m	Discontinued £m
Costs in relation to the sale of PMC	627	-
Recharges in relation to sale of PMC	(131)	131
Arrangement of term loan	111	-
Debt advisory services	15	-
Write-down of historical fixed assets	33	54
Reorganisation costs	17	14
Other	40	33
Total exceptional items	712	232