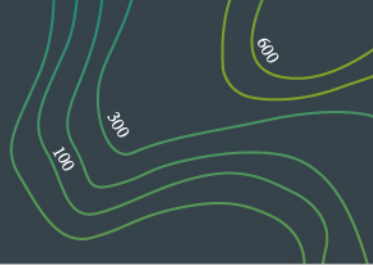
investors CHRONICLE



Pumping for profits: On the continental shelf and beyond

Ewan Lloyd-Baker

Chief Executive Officer

Hayward Tyler Group Plc

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Pumping for Profits:
On the Continental Shelf and beyond



Hayward Tyler Group plc

HAYT.L

Thursday 24 October 2013

Ewan Lloyd-Baker, CEO

WHO WE ARE

- Leading manufacturer of 'mission critical' motors and pumps
  - High pressure
  - High temperature
  - Difficult to handle fluids
- 'Niche' engineering focus: Original Equipment (OE) & Aftermarket (AM)
- Focus on high growth end markets:
  - Oil & Gas (topside and subsea)
  - Power Generation
  - Nuclear
- Strong brand and reputation associated with quality engineering, reliability, innovation and product development
- Firm order book gives visibility over future revenues

SHAREHOLDER INFORMATION

Strong fundamentals driving recovery



Solid shareholder base

- Strategic investor – McNally Bharat c.42%
- Financial institutions – c.25%
- Management – c.13%
- Other – c.20%

No options issued or outstanding
Shares not held in public hands: 50.74%
Number of shares in issue:
45,507.404 ordinary shares

HEADLINE FINANCIALS

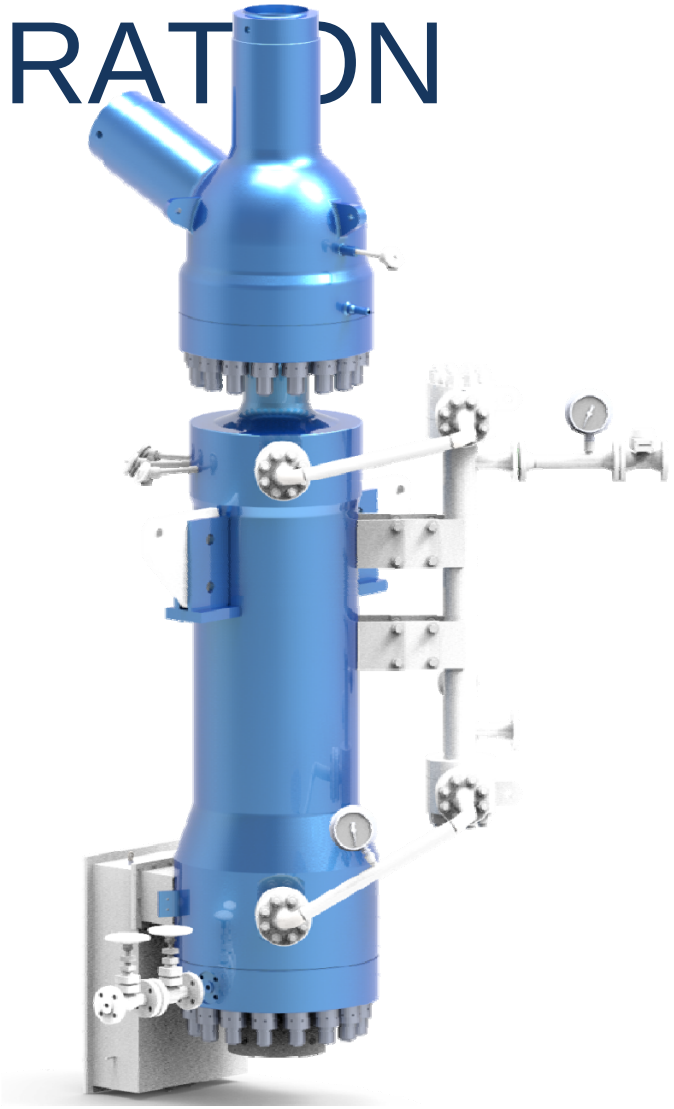
	15 months to 31 March 2013* £ million	12 months to 31 Dec 2012* £ million	12 months to 31 Dec 2011* £ million
Revenue	**40.5**	**33.0**	**32.1**
Gross profit %	**35%**	**34%**	**33%**
EBITDA	4.2	3.6	3.0
Operating profit	**3.3**	**2.8**	**2.3**
Profit before tax	2.4	2.1	1.7
Net profit	1.6	1.3	1.3
Exceptional items	*(1.4)*	*(0.8)*	*(5.9)*
Net profit / loss post exceptionals	***0.1***	***0.5***	***(4.6)***
Basic earnings per share post exceptionals (pence)	***0.29***	***1.17***	***(12.93)***
Net assets	9.8	9.8	4.7

- Positive growth in end markets driving revenue growth
- Continuous improvements driving margin growth despite changing mix
- Reduced finance costs as debt is reduced (target net debt : EBITDA <2x)
- Aspirations to declare a dividend before the year end
- Balance sheet tidied up, net assets >doubled to £9.8m
- Management "further confidence of achieving our forecasts"

* represents recurring business unless otherwise stated

OUR KEY MARKETS

POWER GENERATION



Positive long term outlook

Hayward Tyler has the largest installed base of boiler circulating pumps (BCPs) globally:

- >2,300 units

Move towards the next generation of supercritical and ultra-supercritical boiler designs driving BCP demand and design:

- 1,199* coal fired power stations proposed
- Over 1.4 million megawatts of installed capacity
- >75% proposed in China and India

A 1% improvement in the plant leads to a 2-3% reduction in CO_2 emissions. New plants are c.40% more efficient than the current average plant.

For the 15 month period to 31 March 2013 power represented:

- 58% of order intake
- 52% of revenue

*Source: World Resources Institute (November 2012)

OUR KEY MARKETS

OIL & GAS - TOPSIDE

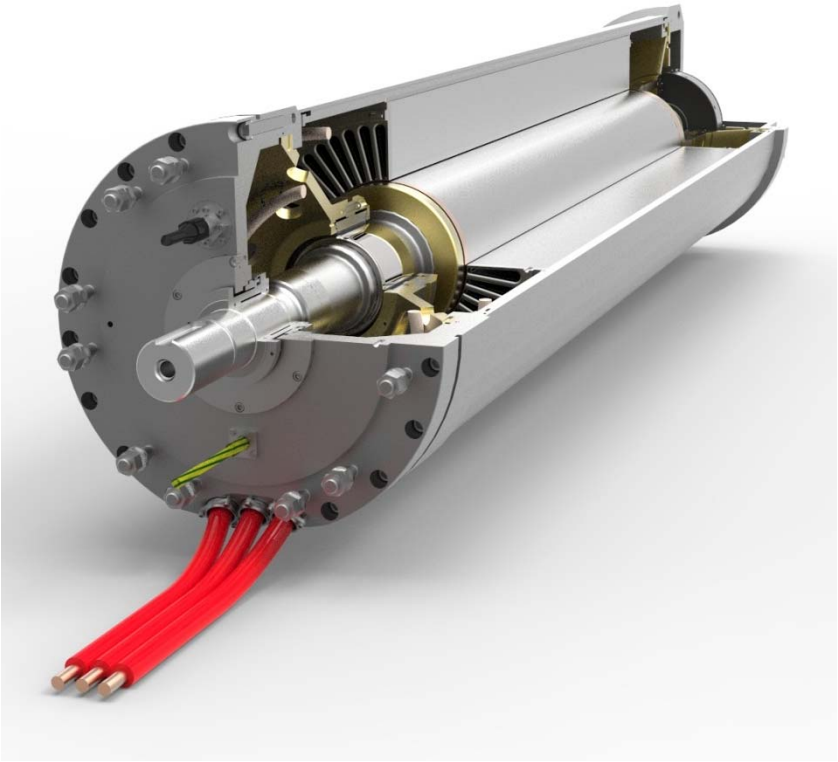
Positive long term outlook

Hayward Tyler has a complete range of seawater lift and firewater motors:

- Topside pump market growing at 12% pa*
- Number of offshore oil fields expected to double by 2020
- Strategic partnership with Eureka Pumps A/S
  - AM focus on lifecycle management
  - Key market expansion – west coast of Africa, South Korea

For the 15 month period to 31 March 2013 oil and gas represented:

- 19% of order intake
- 14% of revenue



*Source: Rystad Energy Analysis (October 2011)

OUR KEY MARKETS

OIL & GAS -

Positive long term outlook

Hayward Tyler has a long successful track record of providing subsea motors to the likes of GE and Aker.

- Subsea market to grow 20-fold by 2020*
- Enhanced oil recovery delivering an additional 10% out of existing fields e.g. Tyrihans field equates to over 19 million barrels of oil**
- Motors built to work at up to 3000m for up to 5 years without outages
- Next generation of subsea motors being developed at up to 6MW



*Source: Morgan Stanley Research (January 2013)
** Source: Aker Solutions (2008)

OUR KEY MARKETS

NUCLEAR



Positive long term outlook

Hayward Tyler has operated in the nuclear sector for nearly 60 years. We have over 1,000 pumps in active service globally, installed equipment in over 60% of all nuclear power stations in North America and our "N" stamp means we are well positioned for both AM and OE growth.

- 490 nuclear power stations planned or ordered by 2030*
- Over half of the existing power stations are >25 years old

Post Fukushima there is a renewed focus on integrity of product, reliability and safety highlighting the importance of being the OE manufacturer.

For the 15 month period to 31 March 2013 nuclear represented:

- 13% of order intake
- 19% of revenue

*Source: World Nuclear Association (April 2010)

OUTLOOK

- Positive outlook in end markets
  - Power
  - Oil & Gas
  - Nuclear

Target
Order intake growth of >1.1 historic revenue

- Further room for margin growth through continuous improvement

Target
Gross profit margin >35%

EBIT margin 10-15%

- More flexible operations
  - Supply chain benefits

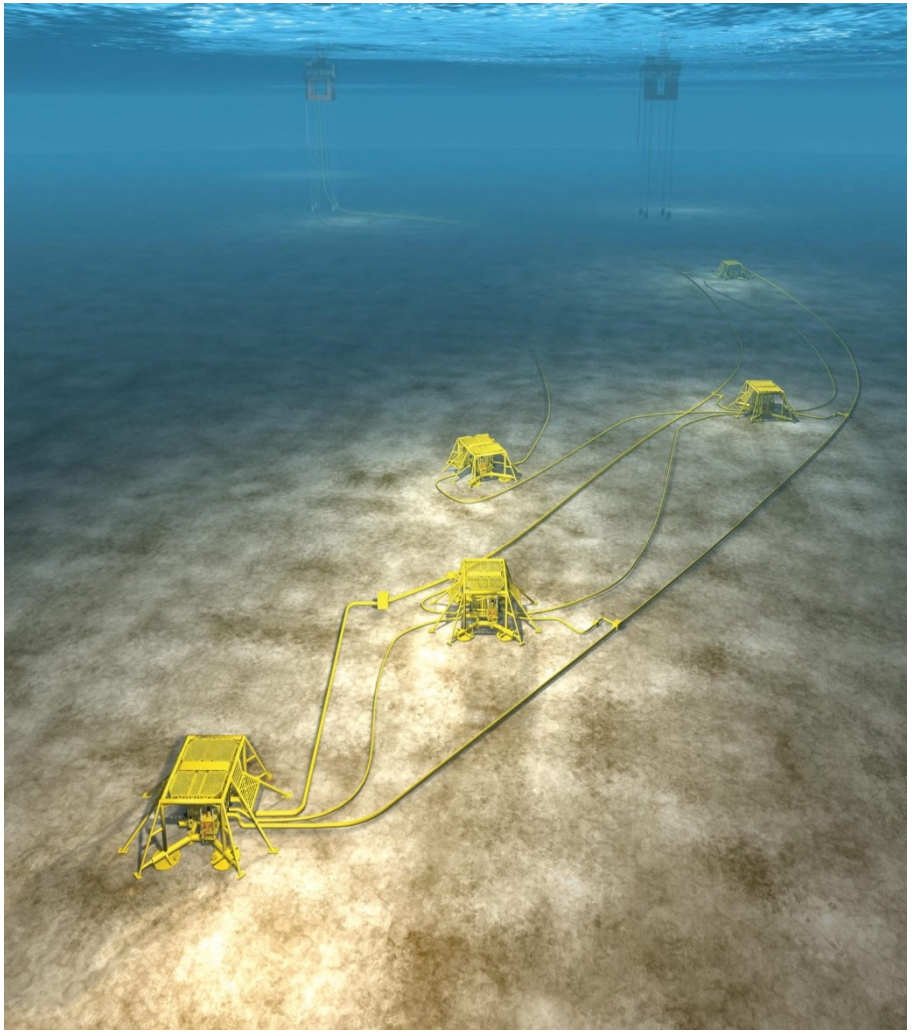
Target
Cash conversion >85%

Net debt: EBITDA <2x

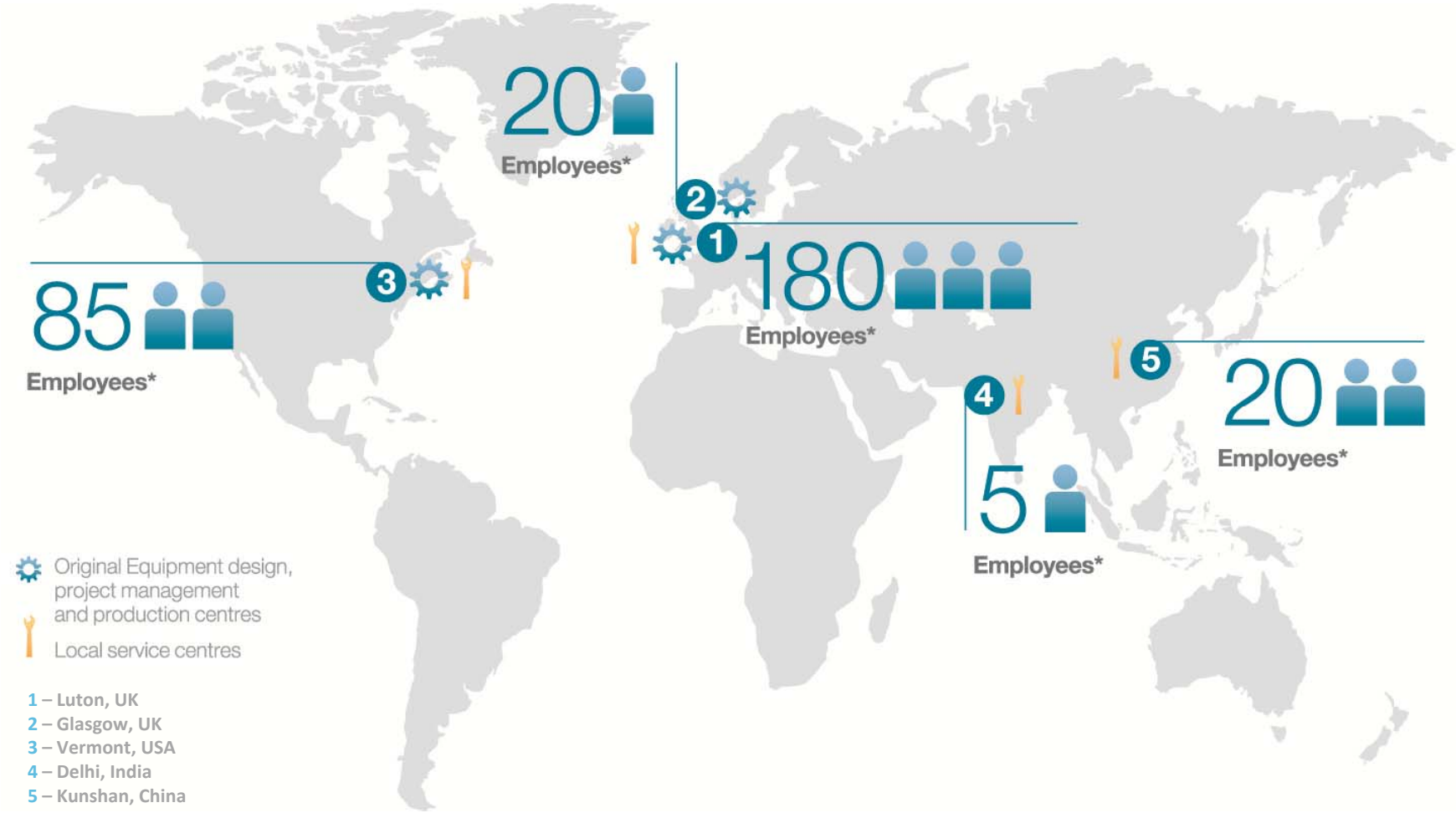
- Overall mix will swing back towards OE
- Strong continued organic growth

Target
EPS growth of >10%

APPENDICES



OPERATIONS



Investors Chronicle – Barrels of Opportunity Oct'13

CUSTOMERS


Dominion
It all starts here.
ALSTOM
e·on UK
RWE The energy to lead
TXU Energy
EDF ENERGY
BHEL
DEC
DONG FANG ELECTRIC CORPORATION
UK COAL
एनटीपीसी NTPC
DOOSAN
Doosan Babcock Energy
B&W
thebabcock&wilcoxcompany
a McDermott company
British Nuclear Group
上海锅炉厂有限公司
SHANG HAI BOILER WORKS, LTD.
ExxonMobil
Taking on the world's toughest energy challenges.
Chevron
Human Energy
Agip
EUREKA
Rolls-Royce
MAN
WÄRTSILÄ
GE
Oil & Gas
AkerSolutions
LARSEN & TOUBRO
It's all about Imagineering
SULZER

BOARD OF DIRECTORS

Ewan Lloyd-Baker (a)
Chief Executive Officer
Ewan began his career at Arthur Andersen working in corporate recovery and corporate turnaround with a number of privately owned and publicly listed companies, particularly in the capital goods sector. Ewan led the acquisition of Hayward Tyler from a private equity firm in 2006, the reverse into an AIM plc, subsequent placing and fundraising, re-banking, the turnaround of the main manufacturing operations and managing the subsequent growth. He is responsible for the Group from a strategic and operational perspective.

Nicholas Flanagan (b)
Chief Financial Officer
Nick is a graduate engineer from Imperial College and a chartered accountant having qualified with Coopers & Lybrand. Before joining Hayward Tyler in 2008, he spent the previous 14 years in the engineering and manufacturing sectors . Nick's experience includes financial planning and development, commercial and operational support, capital raising, change management, reporting, mergers and acquisitions and all aspects of treasury management including foreign exchange.

John May (c)
Non-executive Chairman
John is a principal of a boutique chartered accountancy practice. He was previously a senior partner at Horwath Clark Whitehill. John is the deputy chairman of the Small Business Bureau Limited and the Genesis Initiative, which lobbies Government on behalf of small businesses.

Deepak Khaitan (d)
Non-executive Director
Deepak is the executive chairman of McNally Bharat, non-executive vice-chairman of Eveready Industries India Limited, vice-chairman of the Williamson Magor Group of Companies as well as a director of a number of other companies.

Subir Dasgupta (e)
Non-executive Director
Subir is an independent director of McNally Bharat and has over 37 years of international experience in managing the business and affairs of large companies.

Prabir Ghosh (f)
Non-executive Director
Prabir is the group chief financial officer of McNally Bharat and responsible for the overseas operations and interests of McNally Bharat.

