

Interim Results Presentation

Half Year Ended 28 March 2015



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Highlights



Highlights

Revenue	£32.1 million	+62%
Underlying operating profit	£2.6 million	+20%
Underlying EPS	12.1p	-5%
Interim dividend	2.8p	unchanged
Net cash/(debt)	£(7.5) million	2014 Y/E £5.8 million

New four-year bank facility with Lloyds Banking Group for up to £15 million with an accordion of up to an additional £10 million

Acquisition of Quadscot Precision Engineers in October 2014

Acquisition of the trade and certain assets of the Greenlane group in October 2014

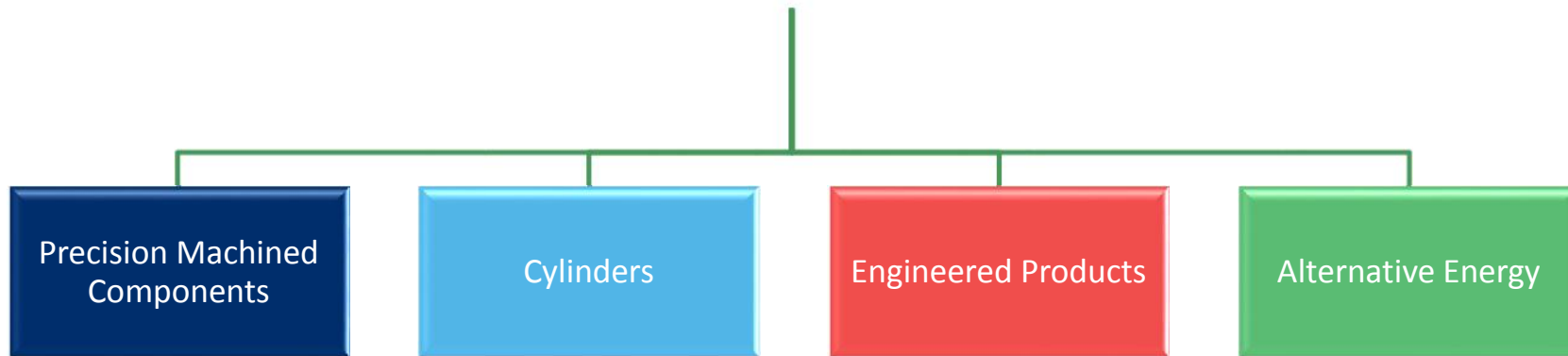
Acquisition of the freehold land and buildings at the Group's Meadowhall site to secure the long-term future of the Cylinder Division

Group structure



New divisional structure for 2015

Pressure Technologies plc



MD: Matt Crampin
FD: Kathy Van Hee



MD: Mick Pinder
FD: Paul Stanger



MD: Findlay Beveridge
FD: John Melia



Operational Board
FD: John Caldwell
Subsidiary MDs reporting to the Group CEO



Oil and gas market conditions



Oil production

This slump is unusual because it is supply & demand-driven, with record non-OPEC supply growth in 2014 and unexpectedly weak demand growth

Notably, demand is as much a catalyst to the current environment as supply

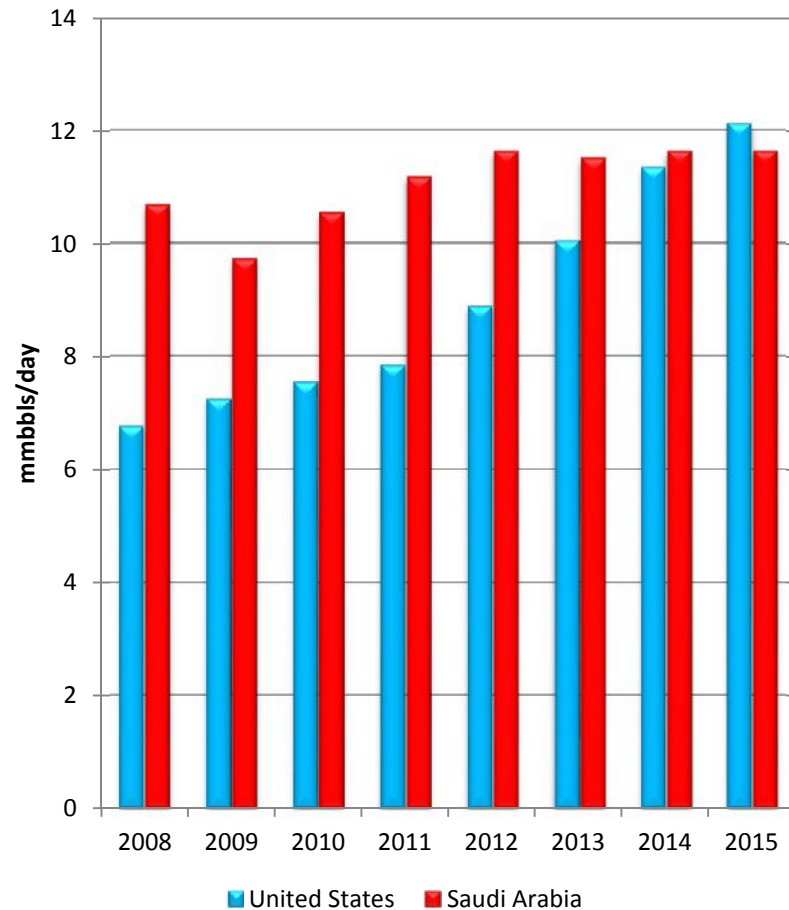
USA production has increased by 79% since 2008

Saudi Arabia has only increased by 9% in the same period

Fracking became economic due to >\$100/bbl prices

USA shale oil production accounts for 5.5mmbbls/day

Crude stockpiles in the US surged to about 18% above the five-year average level in February



Oil price impact

Brent crude price started to drop in June 2014, dipping below \$50/bbl in January 2015

OPEC maintain production at 31.5 mmbbls/day to retain market share

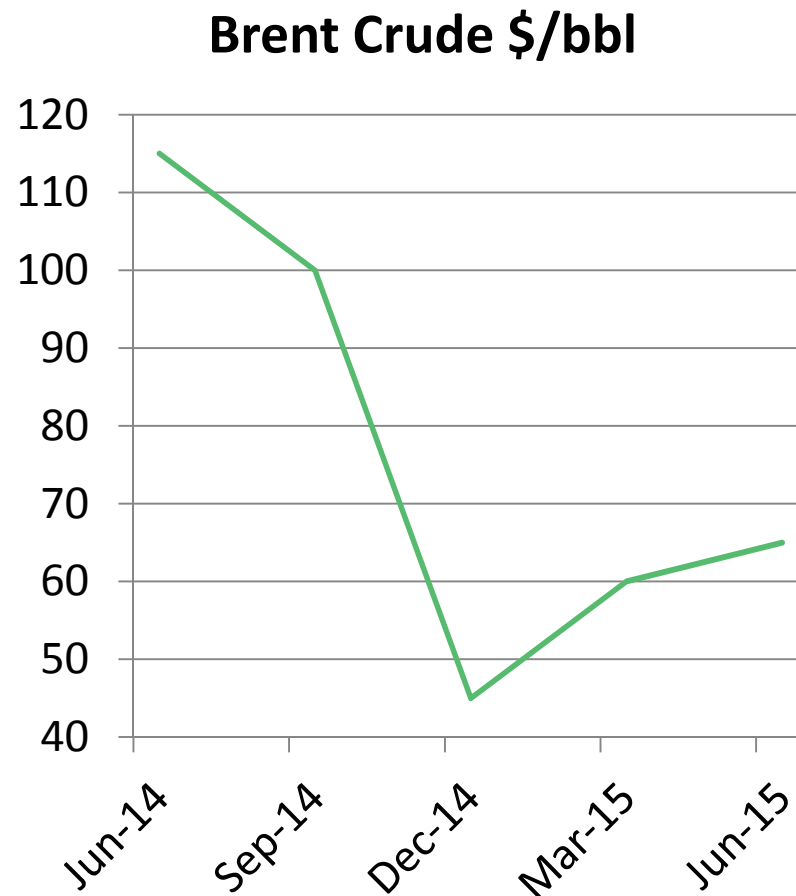
Saudi refusing to play the role as swing producer

North American land-based drilling rigs decreased from 1,787 to 837 May 2014-15, as fracking became uneconomic

Benchmark oil prices surged to a four-month high at end-April as stockpiles at Cushing Oklahoma fell for the first time since November

Output from fracking wells will slide 54,227 bpd in May and by a further 86,000 bbl in June to a five-month low of 5.56 million

Oil price stabilising at \$65/bbl?



Industry reaction and outlook

Capex reductions of 20-30%, postponement and cancellation of projects

Customers requesting 20-30% cost reductions

In the UKCS, 13% of fields have unit operating costs of over \$45/bbl; reductions of 40% being targeted

Job cuts of 10-20% commonplace

According to BP plc CEO, Bob Dudley, oil prices will remain weak until next year, as production outpaces demand. Dudley was speaking at the two-day OPEC Energy Seminar in June 2015

We are still seeing a lot of supply. There is demand growth, there's just a lot more supply

The BP chief said that he anticipated some softness in oil prices as OPEC continues with its policy of limiting higher-cost producers by maintaining its current oil production levels

Group overview



Precision Machined Components

Good first half-performance for the division, especially at Al-Met driven by subsea tree orders

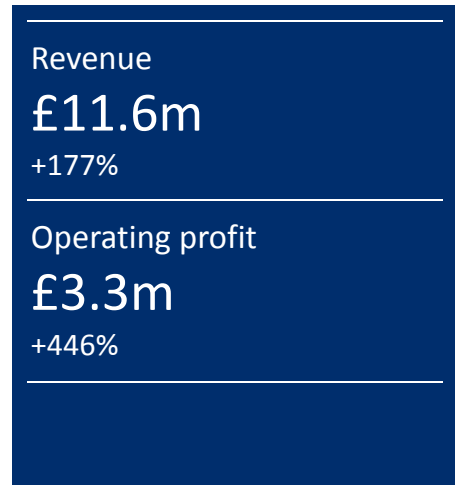
Demand weakened substantially since half-year

Demands for price reductions is being managed by cost reduction through better purchasing practices and product re-engineering

Nuclear industry approvals being progressed

Major capex for CNC milling and grinding equipment at Al-Met

Quadscot providing in-source sub-contracted parts for the Engineered Products and Cylinders divisions following refurbishment of additional factory space



Cylinders

Chesterfield Special Cylinders

Performing in line with expectations for 2015 due to long order to delivery lead time but little visibility for the 2016 deep-water oil and gas market

Revenues from defence and integrity management continue to strengthen

New forge entered production January 2015 improving capability and productivity in ultra large cylinder forging

Long-term future of the site secured by the purchase of the freehold property at Sheffield

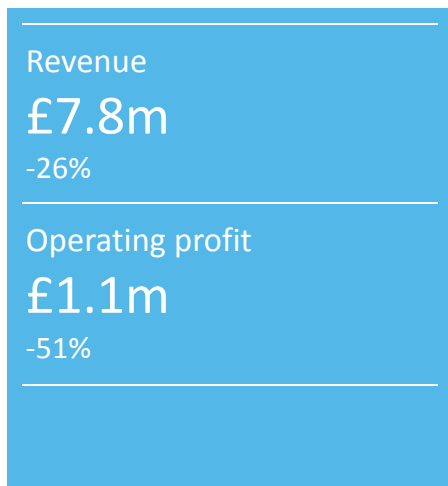
Recovery in the division dependent on recovery in the deep-water oil and gas market

Kelley GTM

Continues to underperform as main market for GTMs , the onshore US oil and gas market, has declined by 38% since March 2014

Option to increase shareholding from 40% to 80% will not be exercised

Provision of £1.4 million to be made against loans to Kelley GTM due to the uncertainty of repayment



Engineered Products

Project execution delays impacting first-half results in the UK

US operation experiencing slow conversion of order pipeline as customers delay decisions on capital spend

Demand weakened substantially since half-year in UK and US

Pricing pressures similar to Precision Machined Components Division and managed in the same way

UK operations and engineering management significantly strengthened

Major project underway to expand sales and distribution channels focused on North America and the Far East

Opportunity to grow the business through increased market share as major competitors an order of magnitude larger

Revenue
£4.7m
-8%

Operating profit
£0.1m
-90%



Alternative Energy

Greenlane, the Group's technology provider for biogas upgrading purchased in October 2014

Financial stability of PRES combined with Greenlane expertise gives firm foundation for growth

Integration of Greenlane into the Group is proceeding well and restructuring complete

Chesterfield BioGas rebranded as Greenlane in June 2015

Research and Development aligned to market

Key growth markets UK, France, Italy, Canada, USA, Brazil and China

Order intake slower than anticipated due to a combination of issues

Encouraging pipeline of potential orders for biogas upgraders

Prospects for 2016 remain exciting

Revenue

£8.0m

+£7.9m

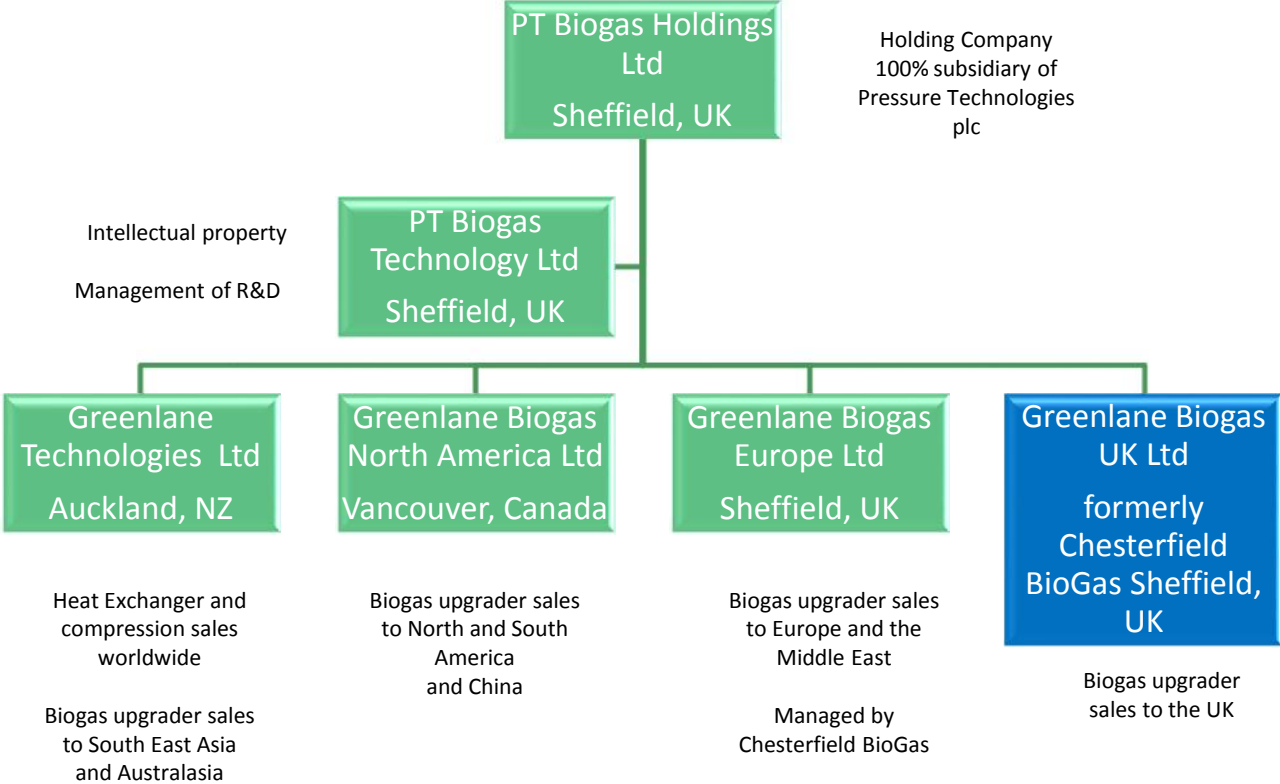
Operating profit

£(0.9)m

-£(0.6)m



Alternative Energy structure



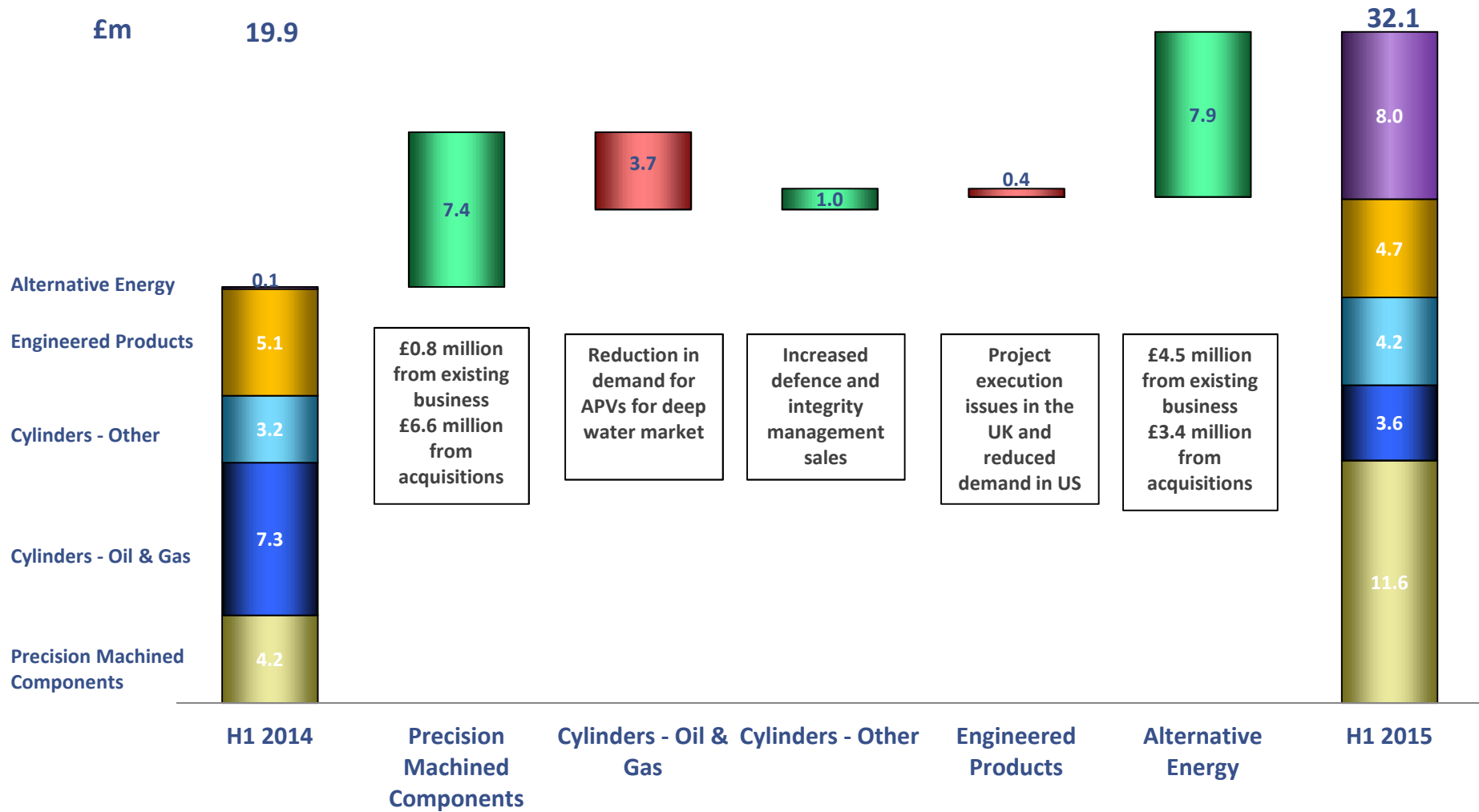
Summary results



Summary results

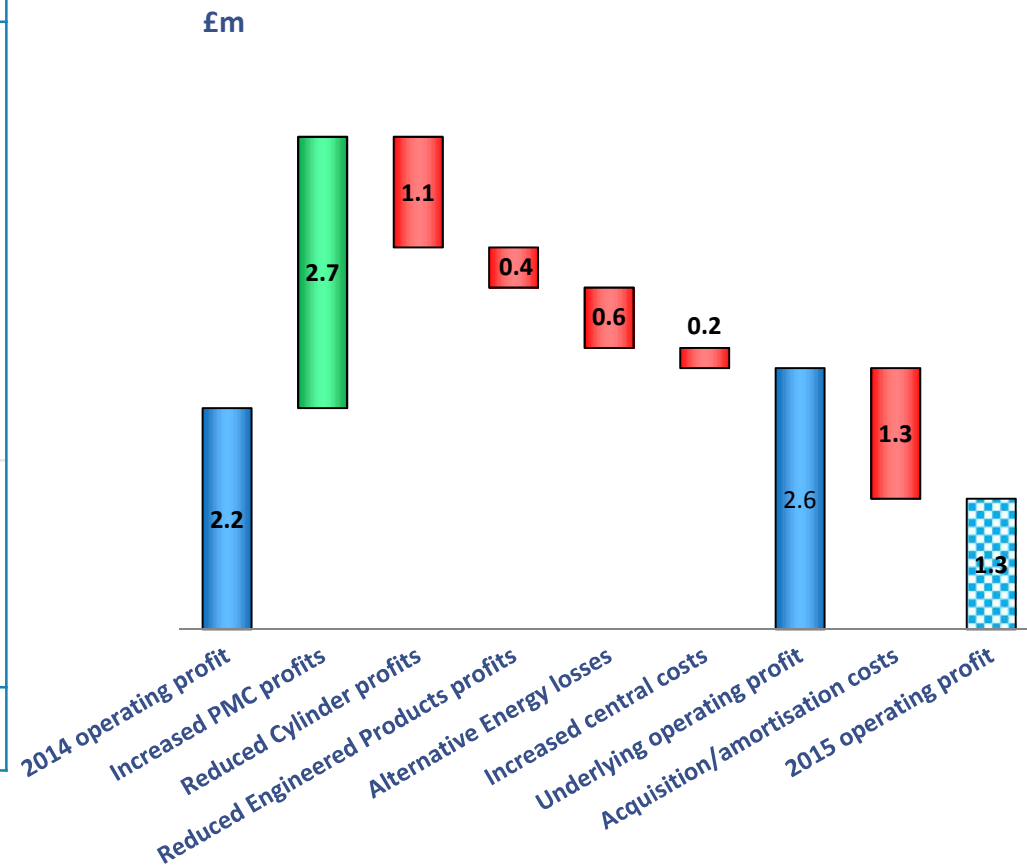
	H1 2014	H1 2015		FY 2014
Sales (£m)	19.9	32.1	+62%	54.0
Underlying operating profit (£m)	2.2	2.6	+20%	7.9
Acquisition/amortisation costs (£m)	(0.7)	(1.3)		(1.6)
Operating profit pre KGTM provisions (£m)	1.5	1.3	-15%	6.3
PBT (£m)	1.3	(0.5)		5.3
EPS basic (pence)	6.9p	(3.4)p		28.5p
EPS adjusted (pence)	12.7p	12.1p	-5%	44.9p
Dividend (pence)	2.8p	2.8p		8.4p
Operating cash flow (£m)	1.8	(0.6)		1.1
Net funds/borrowings (£m)	10.5	(7.5)		5.8

Revenue increased by 62%



Underlying half-year operating profits up 20%

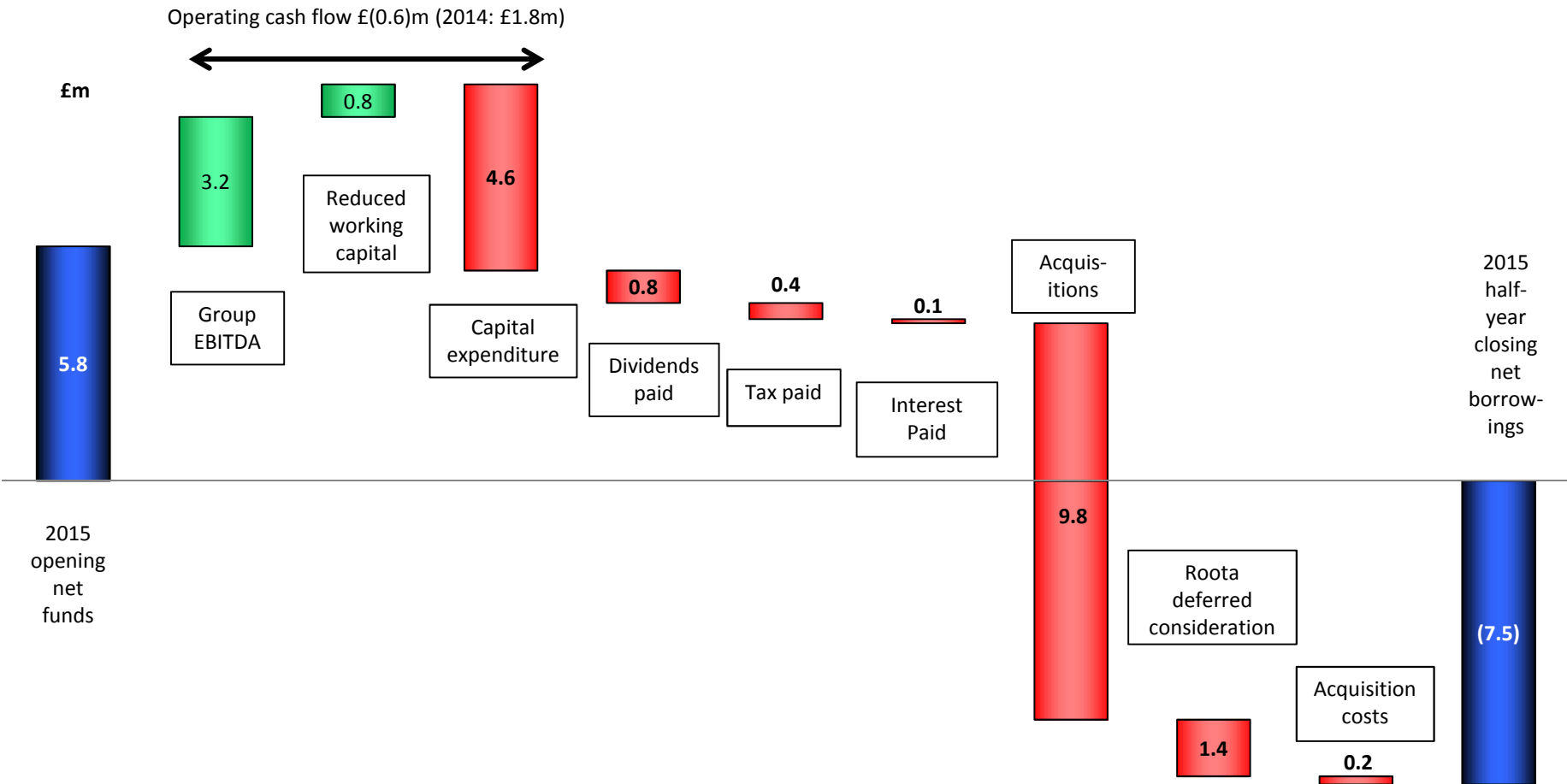
	H1 2014 £m	H1 2015 £m
Precision Machined Components	0.6	3.3
Cylinders	2.2	1.1
Engineered Products	0.5	0.1
Alternative Energy	(0.3)	(0.9)
Unallocated central costs	(0.8)	(1.0)
Underlying operating profit	2.2	2.6
Acquisition and amortisation costs	(0.7)	(1.3)
Operating profit	1.5	1.3



Balance sheet

Quad- scot £m	Green- lane £m	Land & bldgs £m		28 Mar 2015 £m	27 Sep 2014 £m	29Mar 2014 £m
7.3	9.1	-	Intangible assets	29.4	14.1	14.6
-	-	-	Investment/loans in KGTM	-	1.6	2.3
1.7	0.1	3.3	Fixed assets	13.9	7.8	6.7
0.2	-	-	Inventories	8.2	8.8	8.8
1.5	0.2	-	Receivables	20.7	17.8	15.0
(0.9)	(0.3)	-	Payables	(17.4)	(14.9)	(16.6)
0.8	(0.1)	-	Working capital	11.5	11.7	7.2
(1.2)	-	-	Tax provisions	(3.7)	(2.9)	(3.1)
(1.7)	(3.5)	-	Deferred consideration	(8.4)	(4.4)	(4.4)
(6.9)	(2.8)	(3.3)	Net funds/(borrowings)	(7.5)	5.8	10.5
	(2.8)		Advance re Greenlane	-	2.8	-
-	-	-	Net assets	35.2	36.5	33.8

Half-year cash flow



Outlook



Outlook

Oil and gas market challenging but underlying medium to long-term prospects for the Group remain very positive

Market conditions mask the Group's strengths in product and service quality and strong customer relationships

Precision machined components well-placed in subsea sector which is expected to be a focus for investment as oil and gas market recovers

Engineered products has potential to take market share

Strong prospects for the Alternative Energy Division which are not driven by the oil price

Investment to continue through the cycle

Well placed to take advantage of opportunities as market conditions improve

Questions?



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