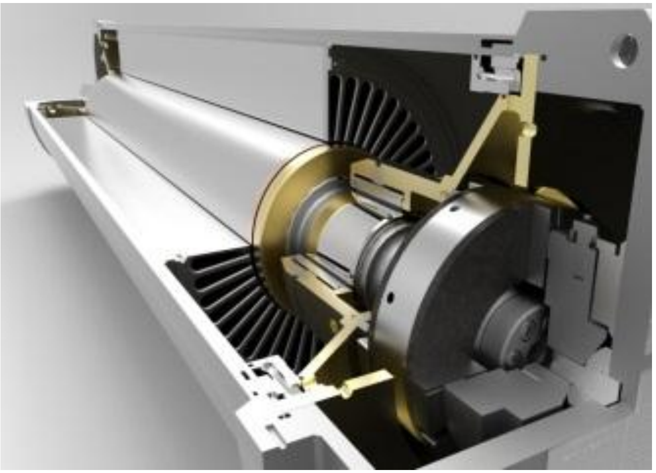
ENGINEERING SOLUTIONS FOR THE GLOBAL ENERGY SECTOR



Hayward Tyler Group PLC
Interim results to
30 September 2014

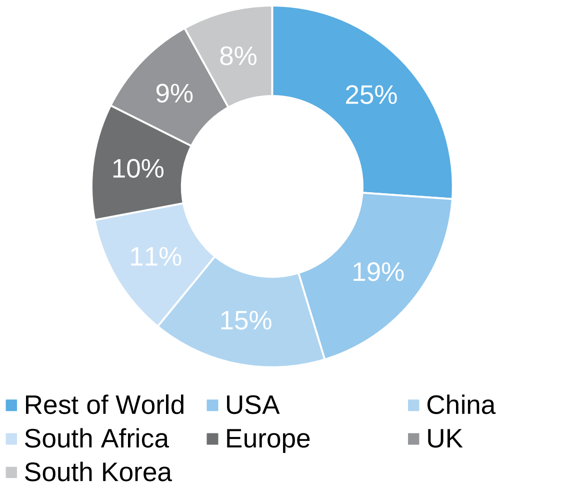
Ewan Lloyd-Baker, CEO & Nick Flanagan, CFO

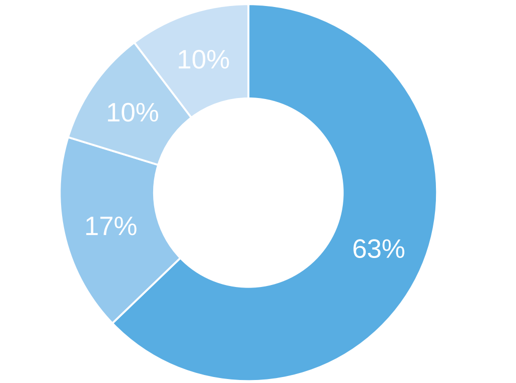
HEADLINES

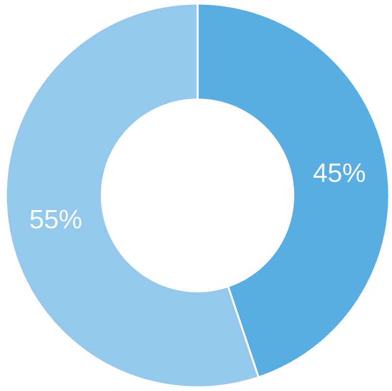
- Positive progress continues
  - Revenue up 18% to £24.0m
  - EBIT up 6% to £2.3m
  - EPS up 63% to 3.26 pence
  - Net debt down 6% to £8.0m representing a net debt:EBITDA ratio of 1.4x
- Order intake up 7% to £27.6m giving an order book of £33.2m at 30 September 2014
- The Luton business awarded two grants
  - Civil Nuclear Sharing in Growth £1.15m training grant
  - Regional Growth Fund £3.5m grant to develop the Luton facilities as well as fund R&D and training
- Positive outlook underpinned by a combination of market opportunity and underlying improvement

NUCLEAR AMRC

REVENUE





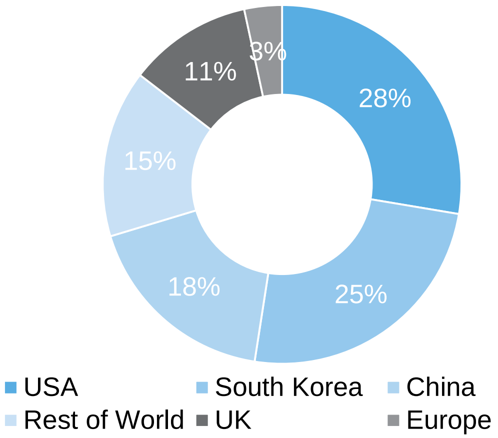


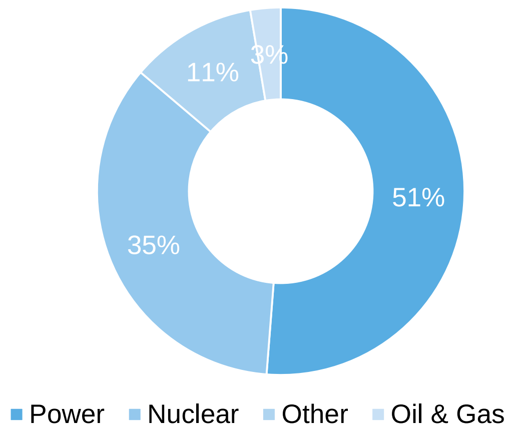
- Revenue up 18% to £24.0m (H1 2013/14: £20.3m) across a broad range of countries
- USA remains largest market at 19% (H1 2013/14: 22%)
- China up to 15% (H1 2013/14: 11%)
- Major contract for AM replacement units drove South Africa to 11% (H1 2013/14: 7%)
- Rest of World includes India unchanged at 3%

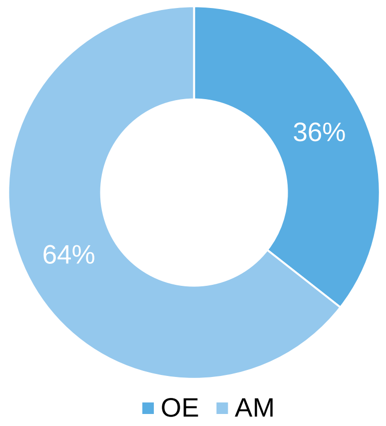
- Power remains the largest sector at 63% of revenue (H1 2013/14: 48%)
- Other unchanged at 17% driven by sales of turbine and process pumps to the chemicals industry
- Nuclear at 10% (H1 2013/14: 11%) underpinned by spares to South Korea
- Oil & Gas down at 10% (H1 2013/14: 24%)

- Mix of revenue rebalanced to 55%:45% in favour of AM from 65%:35% in H1 2013/14
- 49% growth in OE revenue to £10.8m (H1 2013/14: £7.2m)
- OE growth driven by Luton business
- Marginal growth in AM to £13.2m (H1 2013/14: £13.1m)

ORDER INTAKE







- Order intake up 7% to £27.6m (H1 2013/14: £25.7m) across a broad range of countries
- USA remains largest market at 28% (H1 2013/14: 23%)
- An exceptional order for nuclear spares drove South Korea to 25% (H1 2013/14: 4%)
- China unchanged at 18%
- Rest of World includes India and South Africa both at 4%

- Power remains the largest sector at 51% of order intake (H1 2013/14: 58%)
- The South Korea nuclear spares order drove Nuclear sharply higher to 35% (H1 2013/14: 8%)
- Oil & Gas orders were low at 3% (H1 2013/14: 27%) but anticipated to increase in H2 2014/15

- Mix of order intake at 64%:36% in favour of AM (H1 2013/14: 60%:40%)
- AM significantly higher at £17.7m (H1 2013/14: £10.3m) driven by the nuclear spares order
- OE was down at £9.8m (H1 2013/14: £15.4m) reflecting lower Oil & Gas orders but the order book is balanced with a 51%:49% mix in favour of OE

INTERIM INCOME STATEMENT

	Six months to 30 September 2014 £ million	Six months to 30 September 2013 £ million
Revenue	**24.0**	**20.3**
Gross profit	**7.6**	**7.5**
Gross profit %	*32%*	*37%*
Operating charges	(5.3)	(5.3)
EBIT	**2.3**	**2.2**
Finance costs	(0.4)	(0.4)
Profit before tax	**1.9**	**1.8**
Tax	(0.4)	(0.9)
Net profit	**1.5**	**0.9**
Basic EPS (pence)	3.26	2.00

* *constant exchange rate is calculated by rebasing prior year figures at current year average rate of GBP1:USD1.6694*

Revenue

£24.0m

Up 18%

Strong revenue growth to £24.0m up 18% driven by OE (up 22% on a constant exchange rate* basis)

Earnings Before Interest & Tax

£2.3m

Up 6%

Increased EBIT of £2.3m up 6% driven by AM and lower central cost (up 20% on constant exchange rate* basis)

Earnings Per Share

3.26p

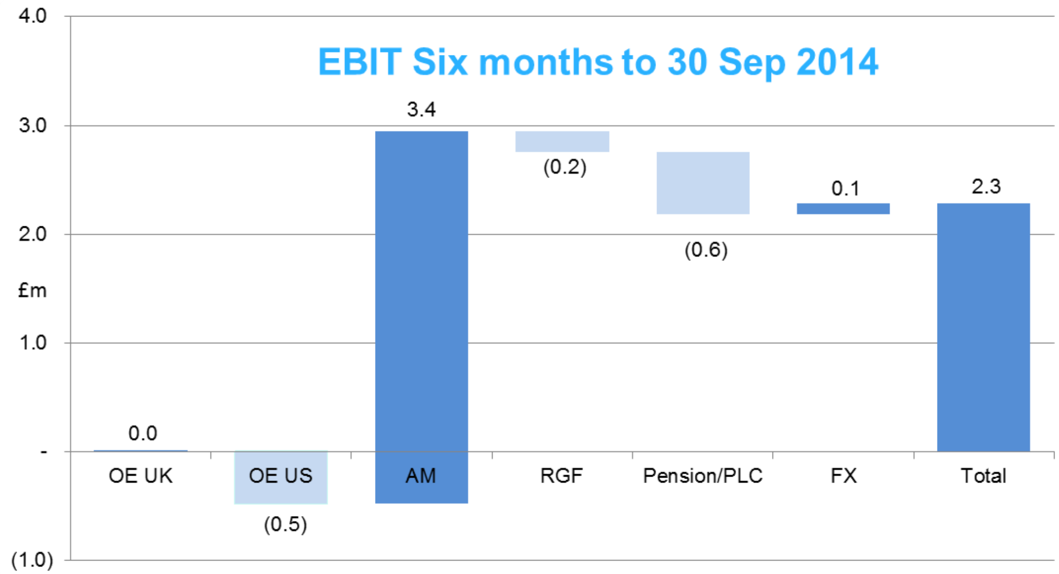
Up 63%

EPS growth of 63% to 3.26p. EPS growth was 7% if H1 2013/14 non-recurring items are excluded

- Lower Gross Profit margin due to US OE business and lower AM margins
- Finance costs include a £0.2m charge from mark-to-market of FX hedging contracts
- Effective tax rate of 20% reflects non-cash deferred tax charge on profits generated in the UK
- No non-recurring items in the period

INTERIM SEGMENTAL SPLIT

	Six months to 30 Sep 2014		Six months to 30 Sep 2013	
Segments	Revenue £ million	Gross Profit Margin %	Revenue £ million	Gross Profit Margin %
OE	**10.8**	**14%**	**7.2**	**15%**
AM	**13.2**	**46%**	**13.1**	**49%**



Mix of revenue rebalanced to 55%:45% in favour of AM from 65%:35% in H1 2013/14

49% growth in OE revenue to £10.8m (H1 2013/14: £7.2m) driven by Luton business

Underlying OE gross profit margin improved to 19% but pegged back to 14% by US business – remedial actions have been taken

AM revenue marginally ahead with small decline in gross profit margin

- EBIT up 6% (up 20% on constant exchange rate* basis) to £2.3m (H1 2013/14: £2.2m) driven by lower AM overhead and central costs
- OE UK made a small operating profit
- OE US operating loss mainly driven by one contract delivered in the period
- Costs incurred as part of Regional Growth Fund programme (RGF) on R&D and training of £0.3m were offset by RGF grant income of £0.1m
- Central costs down to £0.6m (H1 2013/14: £0.8m)
- FX benefit in the period £0.1m (H1 2013/14: loss of £0.2m)

** constant exchange rate is calculated by rebasing prior year figures at current year average rate of GBP1:USD1.6694*

INTERIM BALANCE SHEET

	At 30 September 2014 £ million	At 31 March 2014 £ million
Property, plant & equipment	9.2	9.0
Intangible assets	2.9	3.0
Deferred tax asset	2.8	3.3
Other debtors	3.5	-
Non-current assets	**18.4**	**15.3**
Current assets excl. cash	**19.9**	**21.0**
Net debt	**(8.0)**	**(8.3)**
Payments on account	(4.1)	(5.8)
Other current liabilities	(8.8)	(9.5)
Current liabilities excl. borrowings	**(12.9)**	**(15.3)**
Pension scheme deficit	(1.5)	(1.5)
Other creditors	(3.4)	-
Non-current liabilities	**(4.9)**	**(1.5)**
Net assets	**12.5**	**11.2**

Regional Growth Fund Grant

£3.5m

Over 3 years

Grant receivable and deferred income shown as non-current asset (other debtors) and liability (other creditors) of £3.5m and £3.4m respectively

Grant recognised as income to match expense to which it relates

No grant cash received as at 30 September 2014

Net Assets

£12.5m

Up 11%

Net assets up 11% to £12.5m reflecting profit generated offset by dividends paid

Net Debt

£8.0m

Down 6%

Net debt:EBITDA improved from 1.7x at September 2013 and 1.5x at March 2014 to 1.4x at September 2014

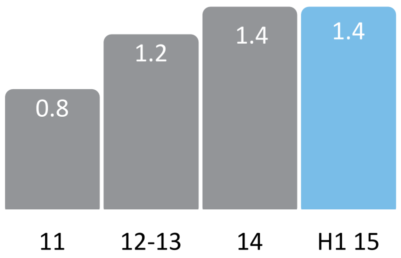
Cash plus undrawn borrowing facilities were £3.9m (at March 2014: £3.8m)

New USD2m borrowing facility from RBS Citizens Bank finalised

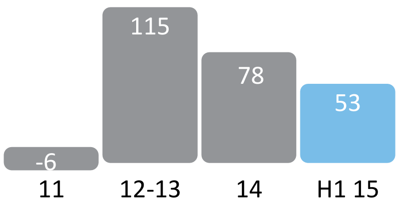
- Deferred tax asset reduced by deferred tax charge on profit generated in UK
- Payments on account down £1.7m reflecting mix of business

INTERIM KPIs*

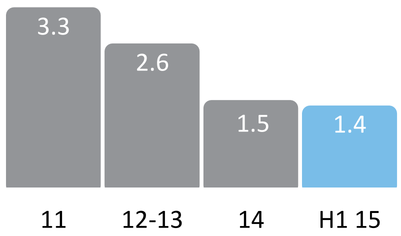
Order Intake to Historical Revenue
Ratio



Cash Conversion
%



Net Debt to EBITDA
Ratio



Target > 1.1x

New orders represent future revenue and profit

Very strong order intake in H1 2014/15 representing 1.4x historical revenue

Target > 85%

Maintain a balance between growth and working capital

53% cash conversion in H1 2014/15 reflecting a significant debt at 30 September. Payment dates have now been agreed for November and December 2014. Without this debt cash conversion would have been 119%

Target < 2:1

Maintain a balance between growth and borrowings

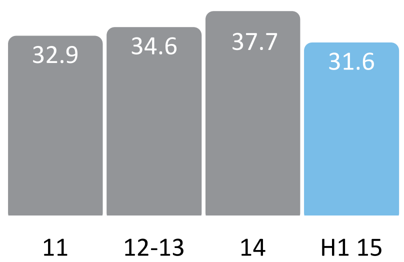
Good profitability in the 12 months to 30 September 2014 and lower borrowings improved the ratio to 1.4:1

** KPIs presented on a like-for-like basis (i.e. exclude non-recurring items)*

INTERIM KPIs* (continued)

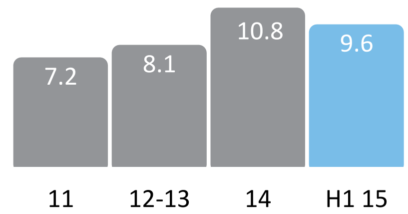
Gross Profit

%



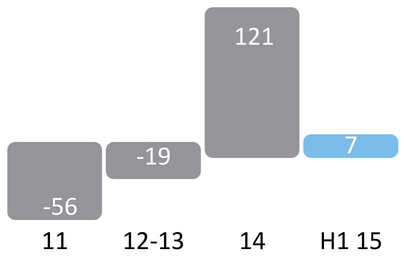
EBIT

%



EPS Growth

%



Target > 35%

Maintain a balance between prices and direct costs

32% gross profit margin in H1 2014/15 reflecting the performance of the US OE business and lower margins from the AM. The expectation for the full year is to return the margin to closer to 35%

Target 10-15%

Key profit measure that is used to assess operational performance

Lower gross profit margin caused EBIT to be lower at 9.6%. The expectation for the full year is to generate EBIT that is greater than 10% of revenue

Target > 10%

Closely aligned to shareholders' objectives

Good profitability in the period led to 63% growth in EPS over H1 2013/14. On a like-for-like basis** EPS growth was 7%. The expectation for the full year is that this like-for-like EPS growth will exceed 10%

*** like-for-like EPS is calculated by adopting the treatment in the audited accounts by adding back to profit after tax non-recurring (a) re-banking costs of £23,000 and (b) deferred tax charge, relating to the change in the UK corporation tax rate from 23% to 20%, of £455,000*

** KPIs presented on a like-for-like basis (i.e. exclude non-recurring items)*

LUTON – THE FUTURE

- Participation in the Civil Nuclear Sharing in Growth programme will make the Luton business ‘fit for nuclear’ opening up further market opportunities
  - £1.15m training grant
- Participation in the Regional Growth Fund will help to make Luton a 21st century production facility and increase investment in R&D and training
  - £3.5m grant funding to be received over 3 years
  - Extension to existing factory
  - New production layout and increased throughput
  - Increased R&D and training

OUTLOOK

- Positive outlook with relatively buoyant end markets
- Expectation to exceed like-for-like EPS growth target of 10% in the current financial year
- Participation in the Civil Nuclear Sharing in Growth programme will make the Luton business ‘fit for nuclear’ – opening up further market opportunities
- Participation in the Regional Growth Fund will make Luton a 21st century production facility and increase investment in R&D
- Strong financial footing provides basis for the progressive dividend policy highlighted by 5% increase in the interim dividend

“We look forward to continuing to grow our market presence and maintaining our progressive dividend policy”
Ewan Lloyd-Baker, CEO