



## PINPOINT-INVEST-EXIT

**2025 Interim Report**

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### **About**

Avingtrans plc has a proven strategy of “buy and build” in highly regulated engineering markets, a strategy it has named “Pinpoint-Invest-Exit”. Significant shareholder value is delivered through a clear strategy, a strong balance sheet and an agile and experienced management team.

[www.avingtrans.plc.uk](http://www.avingtrans.plc.uk)

Avingtrans PLC (AIM: AVG), the international engineering group which designs, manufactures and supplies original equipment, systems and associated aftermarket services to the energy, medical and industrial sectors, today announces its interim results for the six months ended 30 November 2024.

### Financial Highlights

- Group Revenue increased by 21.2% to £79.0m (2024 H1: £65.2m) in line with management expectations
- Gross Margin reduced slightly to 30.0% (2024 H1: 31.6%) resulting from OEM mix in the AES division
- Adj.\*EBITDA increased by 18.7% to £8.7m, as a result of higher revenues (2024 H1: £7.3m)
- Adj.\*EBITDA margin reduced slightly to 11.0% (2024 H1: 11.2%), following the anticipated investment in the Medical and Industrial Imaging division
- Adj. Profit before tax was stable at £4.5m (2024 H1: £4.4m)
- Adj. Diluted Earnings Per Share from continuing operations increased slightly to 12.0p (2024 H1: 11.7p)
- Cash inflow from operating activities was much stronger at £4.9m (2024 H1: outflow £3.6m)
- Net debt (excl IFRS16 debt) at 30 November 2024 of £8.9m, (31 May 2024: £6.1m) due to:
  - the investment in Slack & Parr (“S&P”)
  - ongoing investments in Magnetica and Adaptix; and
  - a working capital outflow, mainly resulting from the increased revenue
- Interim Dividend of 1.9 pence per share (2024 H1: 1.8 pence)

*\*Adjusted to add back amortisation of intangibles from business combinations, acquisition costs and exceptional items and discontinued operations.*

### Operational Highlights

#### Advanced Engineering Systems (“AES”) Division

- First half revenue increased by 20.6% to a record £76.8m (2024 H1: £63.7m)
- EBITDA also increased strongly by 29.5%, to £11.0m (2024 H1: £8.5m), driven by increased revenue
- Strong performance by Hayward Tyler, driven by rapid global growth in data centre infrastructure and electrification of transport
- Positive progress made in the HT Inc \$10.0m contract from TerraPower, for novel nuclear pumps
- Ormandy also had a strong first half, as a beneficiary from energy hungry deployment of AI and growth in data centres
- Metalcraft continues to ramp-up 3M3 box production and the waste storage products for NRS (Magneox)
- Booth passed all tests for HS2 doors and (post period end) won an additional £4.5m safety door contract
- The recovery at Slack and Parr remains on track, with new products launched in the period
- Aftermarket momentum continues to build across the division

#### Medical and Industrial Imaging (“MII”) Division

- Revenue increased modestly to £2.2m (2024 H1: £1.5m), as initial Adaptix product sales commence
- LBITDA increased to £1.7m, as expected, as commercial ramp-up activities continue (2024 H1: 0.6m)
- Adaptix appointed multiple initial distributors in the UK and the USA, across the 3 addressable market sectors, with EU potential distributors also identified
- Magnetica’s first distributor, Televere Systems, is positioned for product launch in the USA and discussions with prospective distributors in the EU have also commenced
- Positive customer reactions at Radiological Society of North America, London Vet Show and Farnborough International Airshow. Customers overwhelmingly commend high quality of images
- Adaptix's NDT product, recognised for its high image quality, was awarded “Innovation of the Year” by the Aerospace Technologies Institute, UK, highlighting its groundbreaking impact on aerospace inspection
- Adaptix confirms ability to use existing, favourable reimbursement codes for orthopaedic use in the USA
- The Adaptix Scottish facility is fully operational. Yield is steadily improving
- Magnetica completing expansions in Brisbane and Houston, to facilitate volume MRI system production
- Magnetica now expects to submit 510(k) approval in H2 of calendar 2025
- In the period, Magnetica started work on a new product concept for ViewRay® Inc.

### Current Trading & Outlook

- Order book in AES secured to achieve 95%+ of the FY25 market expectations, providing strong visibility and confidence in meeting targets
- In addition, over £100m in orders have been secured for future financial years
- 510(k) application for Magnetica expected to be submitted in the second half of 2025
- The Board continues to be confident about achieving market expectations for FY25.

**Commenting on the results, Roger McDowell, Chairman, said:**

"Another robust first half performance from the Advanced Engineering Systems (AES) division propelled the Group to record H1 revenues, with AES also registering a record H1 EBITDA, notably driven by global energy demand, in turn driven by the underlying rapid global growth in datacentre infrastructure and electric vehicles.

"We continue to invest in AES and even more so in the MII division. We are well structured for future exits, intended to maximise shareholder value. The commercialisation of the 3D X-ray systems at Adaptix, for applications in orthopaedic, veterinary, and non-destructive testing markets, is proceeding to plan, with sales now beginning to steadily ramp-up following the appointment of multiple distributors. We are excited by the prospects for Adaptix. The potential for the Magnetica compact helium-free MRI system is also bright, and we are overcoming the sheer volume of time, effort and paperwork required to satisfy the USA FDA, so that we can achieve our 510(k) clearance, to start sales in the USA. We now expect to submit our application in the second half of calendar 2025.

"Overall, our value creation objectives remain on course, supported by a prudent approach to debt management, which the Board considers appropriate at this time. However, given the dynamic nature of our markets, Avingtrans remains committed to pursuing carefully selected M&A opportunities, as well as marshalling our more mature businesses towards Exits, in line with our PIE strategy. We remain optimistic about our prospects and the potential future opportunities across our markets.

"We have solid visibility over the second half of FY25 revenue and profits, thanks to an ongoing strong order intake and timely contract revenue recognition. Therefore, the Board continues to be confident about the Group expectations for the full year and views the future positively."

**Enquiries:**

**Avingtrans plc** 0135 469 2391  
 Roger McDowell, Chairman  
 Steve McQuillan, Chief Executive Officer  
 Stephen King, Chief Financial Officer

**Singer Capital Markets (Nominated Adviser and Broker)** 020 7496 3000  
 Shaun Dobson / Alex Bond / Oliver Platts

**IFC Advisory (Financial PR)** 0203 934 6630  
 Graham Herring / Tim Metcalfe / Zach Cohen

**Avingtrans business units*****Hayward Tyler – Luton & East Kilbride, UK and USA, China and India***

Specialises in the design, manufacture and servicing of performance-critical motors and pumps for challenging environments.

***Slack and Parr - Kegworth, UK***

Focused on the design, manufacture and servicing of advanced precision gear metering pumps, industrial dosing pumps and hydraulics flow divider solutions.

***Energy Steel, Inc – Rochester Hills, Michigan, USA***

Provider of custom fabrications for the nuclear industry, specialising in: OEM parts obsolescence; custom fabrications; engineering design solutions; product refurbishment; on-site technical support.

***Stainless Metalcraft Ltd – Chatteris, UK***

Provider of safety-critical equipment for the energy, medical, science and research communities, worldwide, specialising in precision pressure and vacuum vessels and associated fabrications, sub-assemblies and systems.

***Booth Industries - Bolton, UK***

Designs, manufactures, installs and services doors and walls which can be tailored to be: blast & explosion proof; fireproof; acoustically shielded; high security/safety; or combinations of the above.

***Ormandy Group - Bradford, UK***

Design, manufacturers and servicing of off-site plant, heat exchangers and other HVAC (heating, ventilation and air conditioning) products.

***Composite Products Ltd – Buckingham, UK***

Centre for composite technology, parts and assemblies, serving customers in industrial markets.

***Magnetica Ltd - Brisbane, Australia***

Magnetica Limited specialises in the development of next generation MRI technologies, including dedicated extremity MRI systems and MRI system components. Magnetica has successfully built and tested a compact, integrated 3 Tesla orthopaedic MRI system, demonstrating clinical-quality imaging. Commercialisation of this system (and others) is on-going. Magnetica's structure now includes two other business units:

***Scientific Magnetics - Abingdon, UK***

Designs and manufactures superconducting magnet systems and associated cryogenics for a variety of markets including MRI and provides services for Nuclear Magnetic Resonance instruments.

***Tecmag Inc - Houston, USA***

Designs, manufactures and installs instrumentation, including consoles, system upgrades, and probes, mainly for Magnetic Resonance Imaging (MRI) and Nuclear Magnetic Resonance (NMR) systems.

***Adaptix Ltd - Oxford & Edinburgh, UK***

Designs and manufactures novel 3D X-ray systems, with imaging from a stationary source, at a significantly lower dose than CT. Markets include orthopaedics, veterinary and non-destructive evaluation.

## Chairman's Statement

Whilst macro-economic events continue to pose challenges for many, I am pleased to report a strong first half performance by Avingtrans. An improved EBITDA result has once more accompanied a record revenue performance, compared to H1 FY24, mainly due to higher revenue and profits in the AES division. However, due to a higher level of OEM sales in the mix, the gross margin decreased slightly year on year. Notwithstanding the significant additional investments in Magnetica and Adaptix our net debt position remains well under control.

Order cover for the remainder of FY25 remains healthy and important new orders were booked in recent months, including a new £4.5m order at Booth for additional security and safety doors, for the HS2 high speed rail project.

Our well-established Pinpoint-Invest-Exit ("PIE") strategy continues to bear fruit, with the more recent acquisitions of Slack and Parr (S&P) and Adaptix (both completed in 2023) recovering to plan and with both having exciting prospects. Indeed, our medical imaging strategy is making significant progress. At Adaptix, we have now reached the position where multiple distribution partners are being signed up in the UK, the USA and elsewhere, as the commercialisation phase of our plans gathers momentum, with an innovation award and customer plaudits providing encouragement to the Team. Meanwhile, at Magnetica, we are also making good headway in finalising the design and build of our proprietary compact helium-free MRI product for the orthopaedics market. However, our excitement here is somewhat tempered by the sheer volume of time, effort and paperwork required to satisfy the USA FDA, to achieve 510(k) clearance to sell the systems in the USA. Whilst it is early in its recovery cycle, the signs are also positive for S&P so far, with new products being launched in the period, to bolster future prospects.

Our divisional management teams have once again exhibited resilience and strategic focus in navigating the challenges of global markets. Progress in our aftermarket initiatives for AES remains strong, where we aim to outperform competitors by securing a larger share of the total installed base of service and support business, both for our products and third-party offerings. We remain focused on maximising the revenue opportunities arising from aftermarket access, both from our own businesses and through strategic partnership deals.

The AES division delivered a strong first-half, with revenue up by 20.6% year-on-year. Divisional EBITDA improved significantly, up by 29.5% year-on-year, with Hayward Tyler and Ormandy notably producing very good results. The Sellafeld 3M3 box contract continues to progress in the second phase at Metalcraft, with a steady monthly delivery of boxes, and the contract for Nuclear Restoration Services (NRS) is also in production. As well as the new HS2 order, Booth completed all of the endurance tests for the HS2 cross tunnel doors and will move into volume manufacture of these during this year.

Following another solid performance by the Group, the Board is announcing an increase of c6% in the interim dividend to 1.9 pence per share, reflecting our on-going pledge to deliver long-term shareholder returns. This decision is, as usual, fortified by our positive outlook on Group prospects and supported by our prudent fiscal position.

As ever, the other members of the Board and I express our gratitude to all Avingtrans employees for their fortitude and resilience during another challenging but rewarding period. We approach the future with considered optimism and enduring enthusiasm for the enticing prospects ahead.

**Roger McDowell**  
**Chairman**  
25 February 2025

Note 1: A 510(k) is a premarket submission made to the FDA in the USA, to demonstrate that the device to be marketed is safe and effective.

## Strategy and business review

### Group Performance

Avingtrans has a proven Pinpoint-Invest-Exit (PIE) business model, which drives improvements in design, original equipment manufacturing (OEM) and associated aftermarket services, affording the Group a strong margin mix, both in the near and longer term. The Group has progressively shifted to a product-based strategy over time, away from simply being “build to print”. Our Advanced Engineering Systems division forms the bulk of Avingtrans’ operations. Effective longer-term development of the Group’s nascent Medical and Industrial Imaging division is also a core focus for management, to create enhanced shareholder value.

### Strategy

Avingtrans is an international precision engineering group, operating in differentiated, specialist markets, within the supply chains of many of the world’s best known engineering original equipment manufacturers (OEMs), as well as positioning itself as an OEM to end users. Our core strategy is to build market-leading niche positions in our chosen market sectors – currently focused on the Energy, Infrastructure and Medical sectors. Over the long term, our acquisition strategy has enabled our businesses to develop the critical mass necessary to achieve such leading positions in our markets.

Our strategy remains consistent with previous statements. The Group’s unrelenting objective is to continue the proven strategy of “buy and build” in regulated engineering markets, where we see consolidation opportunities, potentially leading to significantly increased shareholder returns over the medium to long term. At the appropriate time, we will seek to crystallise these gains with periodic sales of businesses at advantageous valuations and return the proceeds to shareholders. We call this strategy PIE – “Pinpoint-Invest-Exit”. Previous transactions, such as the disposal of Peter Brotherhood in 2021, have clearly demonstrated the success of this approach, producing substantial increases in shareholder value. We have built strong brands and value from smaller constituent parts and we have demonstrated well-developed deal-making skills and prudence in the acquisition of new assets.

The Board continues to focus on improvements in Hayward Tyler’s operations, along with driving the performance of Booth, Ormandy, Metalcraft and Slack and Parr. This programme is progressing to plan. We are also focused on the opportunity to transform the Medical and Industrial Imaging division’s performance, via novel MRI products at Magnetica, as well as novel 3D X-ray systems at Adaptix. The objective for the Group is to become a leading supplier in our targeted energy, infrastructure and medical markets, of mission critical products and services, with a reputation for high quality and delivery on-time and on-budget. The Group has production facilities in its three key geographical regions (the Americas, Asia and Europe) with lower cost facilities in Asia (where appropriate) and product development and realisation in the UK, the USA and Australia. The Group will continue to invest in breakthrough and disruptive technologies in its chosen markets.

Avingtrans’ primary focus in Energy is the nuclear sector – harvesting opportunities in decommissioning, life extension and next generation nuclear markets. We are also engaged with a variety of niches in the renewable energy sector. The management will also continue to build on our footprint in the wider power and energy sectors.

In parallel, the focus of the Group’s Medical Imaging division (“MII”) is to become a market leader in the production of compact, superconducting, cryogen-free MRI systems, targeted at specific applications including orthopaedic imaging and veterinary imaging. Production of certain existing products continues to support the division overall. This division now consists of Magnetica in Australia (the majority stake was acquired in January 2021) which operates as one business unit with Scientific Magnetics, UK and Tecmag in the USA. More recently, we have sought to further strengthen our medical imaging strategy, via investment in Adaptix, in Oxford and Edinburgh, UK. Adaptix specialises in 3D X-ray technology, with the main target markets being orthopaedic and veterinary imaging, as well as products targeted at Non-Destructive Testing - eg for aerospace applications.

Our businesses have the capability to engineer products in developed markets and to produce those products partly, or wholly, in low-cost-countries, where appropriate. This allows us and our customers to access lower-cost sourcing at minimum risk, as well as positioning us neatly in the development of Asian markets for our products. Hayward Tyler is well established in China and India, providing integrated supply chain options for our blue-chip customers.

A central strategic theme for Avingtrans is to proactively nurture and grow the proportion of our business stemming from aftermarket. We are targeting both our own installed base and the wider competitive installed bases of such equipment, in areas where we can offer an advantage to our end-user customers. This focus now applies mainly to our AES division, with the MII division having pivoted to novel medical imaging products and services.

### Energy and Infrastructure – Advanced Engineering Systems (“AES”)

For Hayward Tyler (“HT”), the main priorities remain to strengthen its aftermarket capabilities and to maximise opportunities in the nuclear life extension market. HT was again able to deliver a robust result in H1, with a strong order book and encouraging prospects for the year ahead.

At HT Luton, aftermarket activities remain the focus, including the servicing of third-party equipment. The follow on £3m contract in Sweden with Vattenfall for the Forsmark plant (for nuclear life extension) is progressing to plan. Further defence orders have also been received from Rolls Royce and other defence prime contractors. Hydrocarbon related orders from the North Sea sector remained stable. We have paused the sale of the Luton site for now, due to other priorities for the business in the near term.

The HT Fluid Handling business in Scotland had a solid first half performance. The business has maintained a strong order book and the Transkem industrial mixers business contributed positively.

HT Inc in Vermont (USA) continues to see solid order intake in the nuclear life extension market in the USA. HT Inc's new R&D opportunities in next generation nuclear power have made good progress, with the \$10m design and development TerraPower contract progressing well.

HT Kunshan (China) has developed a very strong order book, including an improving position in the aftermarket business, with new orders coming from Chinese electricity producers working on reducing the environmental impact of electricity production, as well as increased demand driven by data centres.

In India, the local team again delivered a solid H1 performance, with a stronger H2 in prospect.

Energy Steel ("ES") in Michigan (USA) had a weaker first half, but prompt action by management promises to deliver an improved position in the remainder of the year.

Metalcraft continues to progress with Phase 2 of the Sellafield 3M3 ("three-cubic-metres") box contract and with the Nuclear Restoration Services (NRS) contract, which is up and running. Timing for the next follow-on 3M3 box contract tender from Sellafield, expected to be worth over £900m, remains uncertain.

Ormandy's performance again improved year on year and order intake remains strong, with aftermarket sales building. The acquisition of HEVAC and HES at the start of 2023 has sustained the performance improvement.

Booth Industries had a solid first half. Booth has a very strong order book, including the £36m order for HS2 cross-tunnel doors. Post period end, a further £4.5m contract for safety doors was secured from HS2. Booth has now completed the endurance testing of the HS2 tunnel doors and production of these will commence in 2025.

Composite Products had a decent first half performance, boosted by new orders from its largest customer, Rapiscan.

Slack and Parr's recovery continues, although it had a somewhat lower order intake in H1 due to delayed customer projects. However, new product launches in the period are expected to boost prospects in the remainder of the year.

### **Medical and Industrial Imaging ("MII")**

Magnetica, Scientific Magnetics (SciMag) and Tecmag continue to make good progress on our exciting development of compact, superconducting, helium-free MRI systems entirely in-house. Prospective customers have been favourably impressed by the image quality produced by the prototype systems. However, we are working hard to overcome the significant volume of time, effort and paperwork required to satisfy the USA FDA, which is now expected in the second half of 2025. In the period, Magnetica started work on a new product concept for ViewRay® Inc. ViewRay manufactures world leading MRI-guided radiation therapy systems that can image and treat cancer patients simultaneously. This partnership has the potential to be an important new business stream for Magnetica in the coming years.

Our initial estimate of the addressable orthopaedic imaging market is circa £1.7bn p.a. (by 2030). This is assuming a capital sale model. Our intended longer term "pay per scan" business model could result in a significantly larger opportunity. It is more difficult to quantify other potential market segments (e.g. veterinary imaging) at this stage because equivalent, dedicated products do not exist. We believe that materially reducing the size and total costs of these dedicated MRI systems, coupled with them being much easier to set up in a variety of locations, as well as increasing the scan rate by up to 300%, will produce a compelling sales proposition. This has recently been ratified by interest from Key Opinion Leaders at various trade shows, including the prestigious Radiological Society of North America conference, in Chicago. In addition, these specialist systems may free-up capacity on the existing MRI system installed base, which should be a major benefit to healthcare organisations.

SciMag and Tecmag will rebrand in due course, to present a seamless image for the business. However, there is still merit in continuing with various existing products and services at SciMag and Tecmag, so long as they do not detract



from our core vision for MRI, which holds out the prospect of materially increasing the value of Magnetica over the coming years. Orders for existing SciMag and Tecmag products were solid in the period.

Meanwhile, at Adaptix, multiple distributors have been appointed, mainly in the UK and the USA so far, to build the sales channels for the orthopaedic, veterinary and non-destructive testing (NDT) products. Initial product sales were secured in the period and we expect the volume to grow steadily in the second half. We estimate that the Total Addressable Market value of these three segments is \$6.8bn pa.

The image quality and portability of the Adaptix products has also been impressing prospective customers, with the NDT product being recognized for its high image quality, via the award of “Innovation of the Year” by the Aerospace Technologies Institute in the UK, highlighting its potentially groundbreaking impact on aerospace inspection.

The facility in Scotland is now fully equipped and up and running with wafer yields steadily improving. In the period, Adaptix also signed an agreement with a sub-contract assembly and test partner, in Scotland. This partnership will provide the volume build capacity to ramp-up production, as sales volumes grow.

The strategies of Magnetica and Adaptix are convergent and we see potentially large benefits in combining their approaches to market in technology, software and distribution channels amongst others.

### **Markets – Energy**

There has been a steady resurgence in global energy demand growth in recent times. This is being driven in no small part by the increasing energy consumption by data centres and the transition to electric vehicles.

### **End User/Aftermarket**

Operators and end-users seek a combination of agile local support and a reliable path to equipment upgrades and modernisation. Particularly in Western economies, where facilities exceed their intended design lifespans, there is a notable demand for solution providers within the supply chain to establish partnerships with end-users. The Avingtrans AES division is strategically positioned to thrive in this market space, focused on collaborations with end-users.

### **Nuclear**

Due to the Russia/Ukraine conflict and other energy demand drivers noted above, global government perspectives on nuclear power have experienced a resurgence, emerging resiliently from prior concerns about energy security. The majority of opportunities for new builds exceeding 1GW are presently concentrated in Asia, with more limited prospects in the UK and elsewhere. Nonetheless, certain market segments remain robust, including the support of operational fleets, life extensions, decommissioning, and reprocessing.

Our focus is now on the long-term development of next-generation technologies, such as Small Modular Reactors (“SMRs”) and Advanced Generation IV Reactors, exemplified by our collaboration with TerraPower in the USA. The nuclear market suffers from a consolidating supply chain and a scarcity of expert knowledge. The USA has the largest civil nuclear fleet globally. Coupled with the presence of heritage Westinghouse technology in Europe and Asia, this positions our Hayward Tyler business units well for further growth. Addressing obsolescence and life extension is crucial for nuclear operators and the AES division is well-equipped to support operators in managing this risk.

The UK maintains a leading role in decommissioning, characterised by innovative technology and substantial expenditure. Our Group plays a pivotal role in the future manufacture of waste containers for Sellafield and Nuclear Restoration Services (“NRS”), anticipating continued expansion in the UK and global markets over the long term.

### **Power Generation**

The global trend towards electrification persists, directing an increasing share of primary energy toward the power sector, a central focus within the Group's engineering division. Apart from nuclear, key sub-sectors encompass:

**Coal:** The Group continues to witness robust aftermarket activity from coal-fired power stations. Opportunities persist in regions such as India, China, Southeast Asia, Eastern Europe, and the Middle East. Hayward Tyler is actively diversifying its product applications, such as the introduction of Selective Catalytic Reduction (SCR) systems, aimed at reducing emissions from power stations.

**Gas:** The growing market for natural gas, particularly in the form of combined cycle gas turbine power plants, is predominantly observed in the West. The Group has a modest position in this market, with existing product lines.

**Renewables:** The global market for renewable technologies and their associated infrastructure is expanding significantly. The Group possesses products applicable to some parts of this market segment. Furthermore, the Group's expertise can be leveraged to develop new products, including innovations like molten salt pumps for concentrated solar power applications.



**Hydrocarbons**

Oil demand picked up following both the pandemic easing and then being driven by the Russia / Ukraine conflict, despite some weakness in the Chinese economy. Although the UK is retreating from oil and gas production, activity continues apace in other parts of the world. As a result, new capital expenditure in the sector remains steady and we continue to see momentum building in aftermarket orders.

**Markets – Medical**

The Diagnostic (medical) and molecular imaging markets are large global sectors, dominated by a few large systems manufacturers. The total Medical Imaging Market is expected to reach \$55.4 billion by 2030 according to *Grand View Research*, a compound annual growth rate of 4.9%. The largest market is the USA, followed by Europe and Japan. The fastest growing markets are China and India.

In the period, we continued to invest in Magnetica and Adaptix. The objective of this activity is to create innovative, niche MRI and X-ray systems suppliers, which can address specific parts of the market, not well served by dedicated products at present. This includes orthopaedic and veterinary imaging. The development paths of Magnetica and Adaptix are convergent, which enables both businesses to benefit from efficiency and cost gains, as well as optimising the route to market. Market drivers for these segments include an ageing global population, the rising incidence of chronic diseases and increasing companion animal ownership.

The growing prevalence of chronic diseases, especially in older populations, is increasing demand for medical imaging in hospitals and other diagnostic settings. Technical innovations, including advances in artificial intelligence, have increased the reliability and accuracy of medical imaging, thus driving further demand in global healthcare. Conversely, the market is somewhat inhibited by the high cost of current medical imaging systems.

In 2024, X-ray systems held approximately 32% of the market share, while MRI systems accounted for around 18%. Our estimates indicate that over 20% of all diagnostic imaging scans are related to limbs. As a result, the combined total addressable market for Magnetica and Adaptix in medical imaging is approximately \$3 billion, in theory. However, it is important to note that the actual addressable market is likely smaller, since both businesses have chosen not to target sales to hospitals. Instead, they are focusing on deploying their products in specialised clinics, where the product attributes align closely with the specific needs of these establishments, for imaging at the point of care.

Additionally, both Magnetica and Adaptix have plans to expand into other imaging markets, notably the veterinary sector. This is in response to the lack of dedicated products in this area, which has hindered the widespread use of imaging systems in veterinary practices. By targeting these specialised markets and addressing their unique requirements, both companies aim to further grow their market share and create a disruptive impact in the medical and veterinary imaging industries. Significantly, our strategy is to attack the markets in smaller “point-of-care” locations, where the main players (eg GE and Siemens) are not present, since they are generally focused on whole body systems located in hospitals. Our system designs allow customers to eliminate circa 90% of the infrastructure costs, which severely limit where whole body systems can be sited.

**End User/Aftermarket**

The MRI market segment is dominated by a handful of manufacturers, including GE, Siemens, Philips and Canon, who account for circa 80% of revenue globally. These players also dominate the aftermarket. Magnetica and Adaptix are not present in the MRI aftermarket yet, but both will naturally service the aftermarket for their own products.

**Infrastructure and Security**

Global safety and security concerns, as well as risk mitigation on large infrastructure projects, are key drivers for growth at Booth and we are cultivating these opportunities carefully. Thus far, the vast majority of Booth’s sales are in the UK but the business is building up a prospect pipeline overseas. We have also continued to build the aftermarket order book, with good prospects.

Threat detection standards for baggage handling at airports and package scanning have been tightened everywhere around the world – especially in Europe and the USA. With many millions of bags and packages flowing across border crossings every day, screening devices have to comply with threat detection standards without impacting throughput. Rapiscan, the biggest customer for Composite Products, is a market leader in this sector, whose presence is increasing as new standards are rolled out.

Adaptix is exploring various possible security applications of their 3D X-ray technology products as inspection tools in various Non-Destructive Testing (NDT) markets, such as aerospace, with an estimated addressable market of c\$1.4bn.

**Financial Performance****Key Performance Indicators**

The Group uses a number of financial key performance indicators to monitor the business, as set out below. The Company publishes more detailed and operational KPIs in its annual report. The figures relate only to continuing operations.

**Revenue: increase year on year largely driven by additional business at Hayward Tyler**

Overall Group revenue increased by 21.2% to £79.0m (2024 H1: £65.2m) driven by additional business at Hayward Tyler.

**Gross margin ('GM') – saw a modest reduction, primarily due increased OEM mix**

GM decreased to 30.0% (2024 H1: 31.6%), primarily a result of the increased level of OEM business.

**Profit margin: EBITDA increase driven by increased revenue.**

Adjusted EBITDA (note 4) increased by 18.7%, to £8.7m, (2024 H1: £7.3m) mainly due to increased revenue and profit in the AES division, in turn driven by improved results at Hayward Tyler and Ormandy. However, this was somewhat restrained by the commercialisation costs at Adaptix and Magnetica in the period.

**Tax: future profits and cash still protected by available losses**

The effective rate of taxation at Group level was a 11.8% tax charge. A tax credit in the US and the use of Group losses in the UK kept the rate lower than expected overall. The Group tax position will continue to be aided in the coming years by the utilisation of historic losses available in the UK and US.

**Adjusted Earnings per Share (EPS): steady improvement.**

Adjusted diluted earnings per share from continuing operations increased slightly, to 12.0p (2024 H1: 11.7p), notwithstanding the continuing planned investments in the Medical division.

Basic and diluted earnings per share from continuing operations increased by 16% to 10.2p (2024 H1: 8.8p) and 10.0p (2024 H1: 8.6p), reflecting no acquisition costs in the period.

**Funding and Liquidity: net debt position remains well under control.**

Net debt increased to £8.9m, excluding IFRS16 debt (31 May 2024: £6.1m), with the main driver being the on-going planned investments in Magnetica and Adaptix. Cash inflow from operating activities in the period was £4.9m (2024 H1: outflow £3.6m).

**Dividend: interim dividend progressively increased.**

The Board is continuing with its policy of gradual increases in dividends. The dividend is 1.9 pence per share (2024 H1: 1.8 pence). The dividend will be paid on 27 June 2025, to shareholders on the register as at 30 May 2025.

**ESG (Environmental, Social, and Governance)**

Avingtrans is endeavouring to attain a high level of clarity on ESG matters. We will be reporting on this task more fully, in our next Annual Report. However, we comment on some ESG related matters below, to keep our investors informed.

**People**

There were no personnel changes at Board level. At divisional management level, the teams have also remained stable.

Despite a currently tight labour market in the UK and the USA, we continue to strengthen the management teams in the individual business units, with further appointments being made in the period and with an on-going emphasis on aftermarket opportunities, where applicable. Whilst skills availability is always challenging, we do not expect to be materially disadvantaged in the market. We continue to invest significant effort in developing skills and talent, both through structured apprenticeship programmes and graduate development plans, across a number of business units. For example, the apprentice training school based at Slack & Parr in Kegworth, UK has been reinvigorated since the acquisition. The Group continues to be recognised nationally for the strength of its apprenticeship training schemes.

**Sustainability**

We have developed a robust governance structure which supports proactive and collaborative working aimed at addressing Environmental, Social and Governance (ESG) risks and opportunities across the Group.

Our approach to sustainability is aligned with the UN's Sustainable Development Goals (SDGs) and our priorities are:

- Health, safety, and wellbeing
- Operational eco-efficiency
- Development of cleaner technologies

**Health, safety and wellbeing**

We are dedicated to achieving excellence in Health, Safety, and Environment (HSE) by embracing proactive, preventative measures that benefit every employee. Our diverse acquisitions give us the unique opportunity to share and integrate best practices, whether elevating local processes in smaller acquisitions or learning from the well-established HSE systems in our larger businesses.

We are proud to see positive trends in incident reporting and near-miss feedback across the Group, and we actively encourage our employees to come forward with ideas that drive continuous improvement. Regular safety walks and routine inspections play a key role in our preventative strategy, helping us identify opportunities to further enhance workplace safety.

At Board level, Les Thomas oversees HSE matters, conducting inspections and reviews with local management. Together, we are committed to fostering a safe, supportive, and innovative work environment for everyone.

**Operational eco-efficiency**

We are pleased to report continued progress against our intensity metrics across the Group. Within our Advanced Engineering Systems division, we are pleased to report that our operational eco-efficiency initiatives are yielding positive results. On a like-for-like basis, the tCO<sub>2</sub>e per £m of revenue has fallen from 16.7 in FY23 to 16.3 in FY24, reflecting our ongoing commitment to energy reduction and improved process efficiency. In the Medical & Industrial Imaging (MII) division, tCO<sub>2</sub>e per employee has decreased from 3.4 in 2023 to 2.9 in FY24.

Looking ahead, we will concentrate our efforts on enhancing efficiency across our newer acquisitions, particularly with Slack & Parr, which is a more energy-intensive business. By extending our proven eco-efficiency strategies, we are confident in our ability to deliver further improvements and continue our commitment to sustainable operations.

**Development of cleaner technologies**

In the Advanced Engineering division, our commitment to cleaner technologies is highlighted by our pioneering work in next-generation nuclear systems. We are actively collaborating with TerraPower to develop high-performance pump systems tailored for their Molten Chloride Fast Reactor, a core component in their state-of-the-art Integrated Effects Test facility. This innovative reactor design not only promises enhanced safety and efficiency but also represents a significant step forward in sustainable nuclear energy.

In our Medical and Industrial Imaging division, we are advancing Magnetica's innovative compact Magnetic Resonance Imaging system that operates without helium. This breakthrough addresses the challenge of helium scarcity, as helium is a non-renewable resource primarily obtained as a byproduct of oil extraction. Our development work is proceeding as planned, and we expect to submit FDA 510(k) approval in 2025.

### **Social Responsibility**

The Group maintains the highest ethical and professional standards across all of its activities and social responsibility is embedded in operations and decision making. We understand the importance of managing the impact that the business can have on employees, customers, suppliers and other stakeholders. The impact is regularly reviewed to sustain improvements, which in turn supports the long-term performance of the business. Our focus is to embed the management of these areas into our business operations, both managing risk and delivering opportunities that can have a positive influence on our business.

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them directly and on financial and broader economic factors affecting the Group. Avingtrans regularly reviews its employment policies. The Group is committed to a global policy of equality, providing a working environment that maintains a culture of respect and reflects the diversity of our employees. We are committed to offering equal opportunities to all people regardless of their sex, nationality, ethnicity, language, age, status, sexual orientation, religion, or disability.

We believe that employees should be able to work safely in a healthy workplace, without fear of any form of discrimination, bullying or harassment. We believe that the Group should demonstrate a fair gender mix across all levels of our business, whilst recognising that the demographics of precision engineering and manufacturing remain predominantly male, which is, to an extent, beyond our control.

### **Ethical policy**

The Group complies with the Bribery Act 2010. We do not tolerate bribery, corruption, or other unethical behaviour on the part of any of our businesses, or business partners, in any part of the world. Employee training is refreshed annually in all areas of the business, to ensure that the Act is complied with.

### **Outlook**

The Group continues to actively invest in both of its divisions, concentrating on the global energy, infrastructure and medical markets, to optimise shareholder value through future exits. Magnetica is finalising the development of its compact MRI systems and Adaptix is now actively deploying its 3D X-ray technology. Positive results are evident in various business units, notably at Hayward Tyler and Ormandy, as highlighted by the first-half outcomes. Our stated value creation goals are running to plan, supported by a conservative approach to debt, especially crucial during a period of continued economic uncertainty.

The AES division maintains a robust focus on nuclear power, thermal, and hydrocarbon markets, along with their associated aftermarkets, as well as critical national infrastructure in the UK. The MII division is fully focussed on innovative compact MRI systems and 3D X-ray solutions for exciting niche applications. Each division has a clear strategy to support end-user aftermarket operations, servicing their equipment and relevant third-party equipment (where appropriate) to capitalise on the ongoing demand for efficient, reliable, and safe products and systems.

Whilst ongoing inflationary pressures continue to impact our businesses, we actively seek to mitigate these risks, maintaining stable margins through considerable proactive efforts by our business units.

Our markets are dynamic and we prioritise strategic M&A opportunities. We are particularly interested in turnaround prospects and long-term buy-and-build scenarios, recognising that businesses like ours can achieve high valuations at the point of exit. While the Board remains vigilant, we are confident in the current direction and potential future opportunities across our markets. We will refine our strategy by pinpointing specific acquisitions as opportunities arise, building businesses that generate sustainable shareholder value, all whilst maintaining a prudent level of financial flexibility, to mitigate unforeseen risks. With a strong first-half performance and a pleasingly robust order book, the Group is well-positioned to meet market expectations for the full year and the Board views the future with confidence.

**Roger McDowell**  
Chairman  
25 February 2025

**Steve McQuillan**  
Chief Executive Officer  
25 February 2025

**Stephen King**  
Chief Financial Officer  
25 February 2025

**Consolidated Income Statement (Unaudited)**  
**for the six months ended 30 November 2024**

	6 months to 30 Nov 2024 £'000	6 months to 30 Nov 2023 £'000	Year to 31 May 2024 £'000
Revenue	79,017	65,190	136,615
Cost of sales	(55,300)	(44,567)	(92,573)
<b>Gross profit</b>	<b>23,717</b>	<b>20,623</b>	<b>44,042</b>
Distribution costs	(2,858)	(2,722)	(3,663)
Other administrative expenses	(16,328)	(14,340)	(34,743)
<b>Operating profit before amortisation of acquired intangibles, other non-underlying items and exceptional items</b>	<b>5,195</b>	<b>4,597</b>	<b>8,167</b>
Amortisation of intangibles from business combinations	(410)	(410)	(819)
Other non-underlying items	(167)	(129)	(324)
Acquisition costs	-	(323)	(347)
Restructuring costs	(87)	(174)	(1,041)
<b>Operating profit</b>	<b>4,531</b>	<b>3,561</b>	<b>5,636</b>
Finance income (Note 5)	55	287	364
Finance costs (Note 5)	(768)	(483)	(1,175)
<b>Profit before taxation</b>	<b>3,818</b>	<b>3,365</b>	<b>4,825</b>
Taxation (Note 3)	(452)	(525)	(1,180)
<b>Profit after taxation from continuing operations</b>	<b>3,366</b>	<b>2,840</b>	<b>3,645</b>
<b>Profit is attributable to:</b>			
<b>Owners of Avingtrans PLC</b>	<b>3,294</b>	<b>2,840</b>	<b>3,662</b>
<b>Non-controlling interest</b>	<b>72</b>	<b>(207)</b>	<b>(17)</b>
<b>Total</b>	<b><u>3,366</u></b>	<b><u>2,633</u></b>	<b><u>3,645</u></b>
<b>Profit per share:</b>			
From continuing operations			
- Basic (Note 6)	10.2p	8.8p	11.1p
- Diluted (Note 6)	10.0p	8.6p	10.9p

**Consolidated statement of comprehensive income (Unaudited)**  
**for the six months ended 30 November 2024**

	<b>6 months to 30 Nov 2024 £'000</b>	6 months to 30 Nov 2023 £'000	Year to 31 May 2024 £'000
<b>Profit for the period</b>	<b>3,366</b>	2,840	3,645
<b>Items that will not be subsequently reclassified to profit or loss</b>			
Remeasurement of net defined benefit liability	-	-	(493)
Income tax relating to items not reclassified	-	-	123
<b>Items that may/will subsequently be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations	(200)	(358)	(667)
<b>Total comprehensive profit for the period</b>	<b>3,166</b>	2,482	2,608

**Summarised consolidated balance sheet (Unaudited)  
at 30 November 2024**

	30 Nov 2024 £'000	30 Nov 2023 £'000	31 May 2024 £'000
<b>Non current assets</b>			
Goodwill	27,874	28,095	27,874
Other intangible assets	37,350	28,919	33,647
Property, plant and equipment	29,149	28,522	29,611
Deferred tax asset	4,009	930	3,718
Pension and other employee obligations	224	526	84
	<b>98,606</b>	<b>86,992</b>	<b>94,934</b>
<b>Current assets</b>			
Inventories	23,859	19,369	19,871
Trade and other receivables: falling due within one year	61,684	57,832	57,098
Trade and other receivables: falling due after one year	1,305	1,479	1,394
Current tax asset	860	1,678	927
Cash and cash equivalents	10,295	13,918	12,115
	<b>98,003</b>	<b>94,276</b>	<b>91,405</b>
<b>Total assets</b>	<b>196,609</b>	<b>181,268</b>	<b>186,339</b>
<b>Current liabilities</b>			
Trade and other payables	(46,161)	(39,651)	(39,432)
Lease liabilities	(2,808)	(2,658)	(2,855)
Borrowings	(5,879)	(6,199)	(5,176)
Current tax liabilities	(769)	(1,287)	(823)
Provisions	(1,978)	(1,212)	(1,813)
Derivatives	-	(13)	-
<b>Total current liabilities</b>	<b>(57,595)</b>	<b>(51,020)</b>	<b>(50,099)</b>
<b>Non-current liabilities</b>			
Borrowings	(9,610)	(7,262)	(8,726)
Lease liabilities	(6,806)	(5,628)	(7,200)
Deferred tax	(6,488)	(3,976)	(6,972)
Other creditors	(347)	(348)	(328)
<b>Total non-current liabilities</b>	<b>(23,251)</b>	<b>(17,214)</b>	<b>(23,226)</b>
<b>Total liabilities</b>	<b>80,846</b>	<b>(68,234)</b>	<b>(73,325)</b>
<b>Net assets</b>	<b>115,763</b>	<b>113,034</b>	<b>113,014</b>
<b>Equity</b>			
Share capital	1,654	1,645	1,654
Share premium account	19,005	18,452	19,005
Capital redemption reserve	1,299	1,299	1,299
Translation reserve	760	1,152	913
Merger reserve	28,949	28,949	28,949
Other reserves	1,457	1,457	1,457
Investment in own shares	(4,235)	(4,235)	(4,235)
Retained earnings	64,279	61,545	61,402
<b>Total equity attributable to equity holders of the parent</b>	<b>113,168</b>	<b>110,264</b>	<b>110,444</b>
<b>Non-controlling interest</b>	<b>2,595</b>	<b>2,770</b>	<b>2,570</b>
<b>Total equity</b>	<b>115,763</b>	<b>113,034</b>	<b>113,014</b>



**Consolidated statement of changes in equity (Unaudited)**  
**at 30 November 2024**

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Trans- lation reserve £'000	Other reserves £'000	Invest- ment in own shares £'000	Retaine d earning £'000	Total Attribut able owners of the Group £'000	Non- controllin g interest £'000	Total Equity £'000
At 1 June 2023	1,612	15,979	1,299	28,949	1,170	1458	(4,235)	59,812	106,043	2,413	108,455
Ordinary shares issued	33	2,473	-	-	-	-	-	-	2,506	-	2,506
Dividends paid	-	-	-	-	-	-	-	(538)	(538)	-	(538)
Share-based payments	-	-	-	-	-	-	-	129	129	-	129
Total transactions with owners	33	2,473	-	-	-	-	-	(409)	2,097	-	2,097
Profit for the period	-	-	-	-	-	-	-	2,633	2,633	207	2,840
Investment in subsidiary with non-controlling interest	-	-	-	-	340	-	-	(490)	(150)	150	-
<b>Other comprehensive income</b>											
Exchange rate gain	-	-	-	-	(358)	-	-	-	(358)	-	(358)
Total comprehensive income for the period	-	-	-	-	(18)	-	-	2,143	2,125	357	2,482
<b>Balance at 30 Nov 2023</b>	<b>1,645</b>	<b>18,452</b>	<b>1,299</b>	<b>28,949</b>	<b>1,152</b>	<b>1,458</b>	<b>(4,235)</b>	<b>61,545</b>	<b>110,264</b>	<b>2,770</b>	<b>113,034</b>
At 1 Dec 2023	1,645	18,452	1,299	28,949	1,152	1,458	(4,235)	61,545	110,264	2,770	113,034
Ordinary shares issued	9	553	-	-	-	-	-	-	562	-	562
Dividends paid	-	-	-	-	-	-	-	(903)	(903)	-	(903)
Share-based payments	-	-	-	-	-	-	-	195	195	-	195
Total transactions with owners	9	553	-	-	-	-	-	(708)	(146)	-	(146)
Profit for the period	-	-	-	-	-	-	-	1,029	1,029	(224)	805
Investment in subsidiary with non-controlling interest	-	-	-	-	70	-	-	(95)	(25)	25	-
<b>Other comprehensive income</b>											
Actuarial gain for the period on pension scheme	-	-	-	-	-	-	-	(493)	(493)	-	(493)
Deferred tax on actuarial movement on pension scheme	-	-	-	-	-	-	-	123	123	-	123
Exchange gain	-	-	-	-	(309)	-	-	-	(309)	-	(309)

Total comprehensive income for the period	-	-	-	-	(239)	-	-	564	325	(199)	126
<b>Balance at 31 May 2024</b>	<b>1,654</b>	<b>19,005</b>	<b>1,299</b>	<b>28,949</b>	<b>913</b>	<b>1,458</b>	<b>(4,235)</b>	<b>61,402</b>	<b>110,444</b>	<b>2,570</b>	<b>113,014</b>
At 1 June 2024	1,654	19,005	1,299	28,949	913	1,458	(4,235)	61,402	110,444	2,570	113,014
Ordinary shares issued	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(584)	(584)	-	(584)
Share-based payments	-	-	-	-	-	-	-	167	167	-	167
Total transactions with owners	-	-	-	-	-	-	-	(417)	(417)	-	(417)
Profit for the period	-	-	-	-	-	-	-	3,294	3,294	72	3,366
<b>Other comprehensive income</b>											
Exchange rate loss	-	-	-	-	(153)	-	-	-	(153)	(47)	(200)
Total comprehensive income for the period	-	-	-	-	(153)	-	-	3,294	3,141	25	3,166
<b>Balance at 30 Nov 2024</b>	<b>1,654</b>	<b>19,005</b>	<b>1,299</b>	<b>28,949</b>	<b>760</b>	<b>1,458</b>	<b>(4,235)</b>	<b>64,279</b>	<b>113,168</b>	<b>2,595</b>	<b>115,763</b>

**Consolidated cash flow statement (Unaudited)  
for the six months ended 30 November 2024**

	<b>6 months to 30 Nov 2024 £'000</b>	<b>6 months to 30 Nov 2023 £'000</b>	<b>Year to 31 May 2024 £'000</b>
<b>Operating activities</b>			
Cash flows from operating activities	6,075	(2,000)	3,604
Finance costs paid	(730)	(586)	(1,294)
Income tax paid	(274)	(1,045)	(952)
Contributions to defined benefit plan	(140)	-	(24)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>4,931</b>	<b>(3,631)</b>	<b>1,334</b>
<b>Investing activities</b>			
Acquisition of subsidiary undertakings	-	(1,548)	(1,548)
Finance income	55	287	364
Purchase of intangible assets	(5,032)	(2,619)	(8,430)
Purchase of property, plant and equipment	(1,294)	(805)	(3,967)
Proceeds from the sale of property, plant and equipment	-	-	4
<b>Net cash used by investing activities</b>	<b>(6,271)</b>	<b>(4,685)</b>	<b>(13,577)</b>
<b>Financing activities</b>			
Equity dividends paid	(584)	(538)	(1,441)
Repayments of bank loans	(965)	(1,743)	(3,213)
Repayments of leases	(1,576)	(1,161)	(3,863)
Proceeds from issue of ordinary shares	-	-	563
Borrowings raised	2,780	8,039	14,734
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(345)</b>	<b>4,596</b>	<b>6,780</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,685)</b>	<b>(3,720)</b>	<b>(5,463)</b>
Cash and cash equivalents at beginning of period	11,793	17,386	17,386
Effect of foreign exchange rate changes	12	(73)	(130)
<b>Cash and cash equivalents at end of period</b>	<b>10,120</b>	<b>13,593</b>	<b>11,793</b>

**Cashflows from operating activities (Unaudited)  
for the six months ended 30 November 2024**

	<b>6 months to 30 Nov 2024 £'000</b>	6 months to 30 Nov 2023 £'000	Year to 31 May 2024 £'000
Profit before income tax from continuing operations	<b>3,820</b>	3,363	4,825
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	<b>2,731</b>	2,404	4,817
Amortisation of intangible assets	<b>656</b>	227	904
Amortisation of intangibles from business combinations	<b>410</b>	410	819
Profit on disposal of property, plant and equipment	<b>23</b>	7	23
Finance income	<b>(55)</b>	(287)	(364)
Finance expense	<b>768</b>	483	1,175
Share based payment charge	<b>167</b>	129	324
<b>Changes in working capital</b>			
Increase in inventories	<b>(3,966)</b>	(5,028)	(4,818)
Increase in trade and other receivables	<b>(4,987)</b>	(7,536)	(8,003)
Increase in trade and other payables	<b>6,343</b>	4,021	3,825
Increase/(decrease) in provisions	<b>165</b>	(190)	107
Other non-cash changes	<b>-</b>	(3)	(30)
<b>Cash inflow/(outflow) from operating activities</b>	<b>6,075</b>	(2,000)	3,604

	<b>6 months to 30 Nov 2024 £'000</b>	6 months to 30 Nov 2023 £'000	Year to 31 May 2024 £'000
<b>Cash and cash equivalents</b>			
Cash	<b>10,295</b>	13,918	12,115
Overdrafts	<b>(175)</b>	(325)	(322)
	<b>10,120</b>	13,593	11,793

## Notes to the half year statement

### 30 November 2024

#### 1. Basis of preparation

The Group's interim results for the six-month period ended 30 November 2024 are prepared in accordance with the Group's accounting policies which are based on the recognition and measurement principles of International Financial Reporting Standards ('IFRS') as adopted by the EU and effective, or expected to be adopted and effective, at 31 May 2025. As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS34 'Interim financial reporting'.

These interim results do not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited. The unaudited interim financial statements were approved by the Board of Directors on 25 February 2025 and will shortly be available on the Group's website at [www.avingtrans.plc.uk](http://www.avingtrans.plc.uk).

The consolidated financial statements are prepared under the historical cost convention as modified to include the revaluation of financial instruments. The accounting policies used in the interim financial statements are consistent with IFRS and those which will be adopted in the preparation of the Group's annual report and financial statements for the year ended 31 May 2025.

The statutory accounts for the year ended 31 May 2024, which were prepared under IFRS, have been filed with the Registrar of Companies. These statutory accounts carried an unqualified Auditor's Report and did not contain a statement under either Section 498(2) or (3) of the Companies Act 2006.

#### 2. Segmental analysis

	Energy AES	Medical MII	Unallocated central items	Total
	£'000	£'000	£'000	£'000
<b>6 months to 30 November 2024</b>				
Original equipment	51,287	1,858	-	53,145
Aftermarket	25,520	352	-	25,872
<b>Revenue</b>	<b>76,807</b>	<b>2,210</b>	<b>-</b>	<b>79,017</b>
Operating profit/(loss)	7,787	(2,567)	(689)	4,531
Net finance costs				(713)
Taxation				(452)
<b>Profit after tax from continuing operations</b>				<b>3,366</b>

**Notes to the half year statement  
30 November 2024**

	Energy AES	Medical MII	Unallocated central items	Total
	£'000	£'000	£'000	£'000
<b>Year ended 31 May 2024</b>				
Original equipment	81,044	3,322	-	84,336
Aftermarket	51,893	356	-	52,249
<b>Revenue</b>	<b>132,937</b>	<b>3,678</b>	<b>-</b>	<b>136,615</b>
Operating profit/(loss)	10,961	(3,990)	(1,335)	5,636
Net finance costs				(811)
Taxation				(1,180)
<b>Profit after tax from continuing operations</b>				<b>3,645</b>

	Energy AES	Medical MII	Unallocated central items	Total
	£'000	£'000	£'000	£'000
<b>6 months to 30 November 2023</b>				
Original equipment	40,661	1,318	-	41,979
Aftermarket	23,050	161	-	23,211
<b>Revenue</b>	<b>63,711</b>	<b>1,479</b>	<b>-</b>	<b>65,190</b>
Operating profit/(loss)	5,529	(1,140)	(828)	3,561
Net finance costs				(196)
Taxation				(525)
<b>Profit after tax from continuing operations</b>				<b>2,840</b>

### 3. Taxation

The taxation charge is based upon the expected effective rate for the year ended 31 May 2025.

**Notes to the half year statement**  
**30 November 2024**

**4. Adjusted Earnings before interest, tax, depreciation and amortisation**

	<b>6 months to 30 Nov 2024 £'000</b>	<b>6 months to 30 Nov 2023 £'000</b>	<b>Year to 31 May 2024 £'000</b>
Profit before tax from continuing operations	<b>3,818</b>	3,365	4,825
Share based payment expense	<b>167</b>	129	324
Acquisition costs	-	323	347
Restructuring costs	<b>87</b>	174	1,041
Other exceptionals	-	-	-
Gain on derivatives	-	(3)	(15)
Amortisation of intangibles from business combinations	<b>410</b>	410	819
<b>Adjusted profit before tax</b>	<b>4,482</b>	4,398	7,341
Finance income	(55)	(287)	(364)
Finance cost	<b>768</b>	483	1,175
Gain on derivatives	-	3	15
<b>Adjusted profit before interest, tax and amortisation from business combinations ('EBITA')</b>	<b>5,195</b>	4,597	8,167
Depreciation	<b>2,731</b>	2,406	4,817
Amortisation of other intangible assets	<b>655</b>	227	904
Amortisation of contract assets	<b>89</b>	71	137
<b>Adjusted Earnings before interest, tax, depreciation and amortisation ('EBITDA')</b>	<b>8,670</b>	7,301	14,025

**5. Finance income and costs**

	<b>6 months to 30 Nov 2024 £'000</b>	<b>6 months to 30 Nov 2023 £'000</b>	<b>Year to 31 May 2024 £'000</b>
<b>Finance income</b>			
Bank balances and deposits	<b>55</b>	85	322
Gain on the fair value of derivative contracts	-	3	15
Interest from other	-	199	27
	<b>55</b>	287	364
<b>Finance costs</b>			
Interest on banking facilities and lease liabilities	<b>768</b>	483	1,175
Loss on the fair value of derivative contracts	-	-	-
	<b>768</b>	483	1,175



## Notes to the half year statement 30 November 2024

### 6. Earnings per share

Basic earnings per share is based on the earnings attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares, being the CSOP and ExSOP share options.

	<b>6 months to 30 Nov 2024 No</b>	6 months to 30 Nov 2023 No	Year to 31 May 2024 No
Weighted average number of shares – basic	<b>33,089,922</b>	32,373,636	32,733,107
Share Option adjustment	<b>590,377</b>	664,652	628,002
Weighted average number of shares – diluted	<b>33,680,299</b>	33,038,288	33,361,109
	<b>£'000</b>	£'000	£'000
<b>Earnings from continuing operations</b>	<b>3,366</b>	2,840	3,645
Share based payments	<b>167</b>	129	324
Acquisition costs	-	323	347
Restructuring costs	<b>87</b>	174	1,041
Other exceptionals	-	-	-
Gain on derivatives	-	(3)	(15)
Amortisation of intangibles from business combinations	<b>410</b>	410	819
<b>Adjusted earnings from continuing operations</b>	<b>4,030</b>	3,873	6,161
<b>From continuing operations:</b>			
Basic earnings per share	<b>10.2p</b>	8.8p	11.1p
Adjusted basic earnings per share	<b>12.2p</b>	12.0p	18.8p
Diluted earnings per share	<b>10.0p</b>	8.6p	10.9p
Adjusted diluted earnings per share	<b>12.0p</b>	11.7p	18.5p

The Directors believe that the above adjusted earnings per share calculation from continuing operations is the most appropriate reflection of the Group performance.

**Notes to the half year statement**  
**30 November 2024**

**7. Net debt and gearing**

The gearing ratio at the year-end is as follows:

	<b>30 Nov 2024</b>	30 Nov 2023	31 May 2024
	<b>£'000</b>	£'000	£'000
Cash	<b>10,295</b>	13,918	12,115
Loans	<b>(15,294)</b>	(13,136)	(13,580)
Lease liability – finance leases under IAS17	<b>(3,754)</b>	(2,683)	(4,293)
Lease liability – under IFRS 16	<b>(5,860)</b>	(5,603)	(5,762)
Overdrafts	<b>(195)</b>	(325)	(322)
Net debt	<b>(14,808)</b>	(7,829)	(11,842)
Equity	<b>115,763</b>	113,034	113,014
Net debt to equity ratio	<b>(12.8)%</b>	(6.9)%	(10.5)%
Net debt to equity ratio excluding IFRS16 debt	<b>(7.7)%</b>	(2.0)%	(5.4)%