

tpgroup

Engineering & Services where it matters most

Mission, business and
safety-critical solutions

H1 2019 Results

/ Introduction

TP Group provides mission-critical solutions for a more secure world

We apply advanced technologies and skills which help our customers to do amazing things.

H1 2019

Organic & acquired growth
— major contracts secured —
continuing investment for future value

Record order book and sales pipeline puts us on track for full-year performance expectations.

/ Achieved in first half

- **Acquisitions and partnerships**

- Acquired Sapienza – Europe & space presence
- Signed Battelle partnership in the US
- Integrated Westek into the T&E business

- **Major contracts**

- Nuclear condensers – £6.4m, BHGE
- Packaged equipment - £16.9m, UK defence prime contractor
- Consulting on communications & space systems - £2.8m over 3 contracts

- **Investment and innovation**

- Physical test-bed for AI routing system - instant tracking as landscape changes
- New people and systems to gear up for continuing growth
- Tested new high-performance CO₂ filtration system



/ H1 2019 highlights

Group revenue up 63%	Adj. operating profit ¹ up 161%	Group closing order book up 63%	Closing cash
£26.0m	£2.4m	£78.9m	£9.0m
H1 2018: £16.0m	H1 2018: £0.9m	31 Dec 2018: £48.3m	31 Dec 2018: £21m

- Order intake £39.3m up 33% on H1 2018 shows demand for our solutions is strong
- Order book increasing to give greater confidence in forward revenue projections
- Focus on project execution timing ensured adjusted operating profit at planned level
- Closing cash figure is after acquisition of Sapienza and earn-out payments on Polaris
- Investment in people, processes and systems to enable continued growth
- Acquisitions have added value, capability and customers

/ TP Group at a glance

We deliver mission-critical systems and equipment to global customers working for a more secure world.

Two business streams:

- Technology & Engineering
The design, manufacture and support of mission-critical systems
- Consulting & Programme Services
Advising on strategic problems and implementing technology-driven solutions

Our markets:

- Defence
- Space
- Intelligence & Security
- Energy

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/ We deliver

Our global customers fly missions in deep space, protect national security and communicate seamlessly and securely across continents.

TP Group advises and supports them and provides advanced, complex equipment.



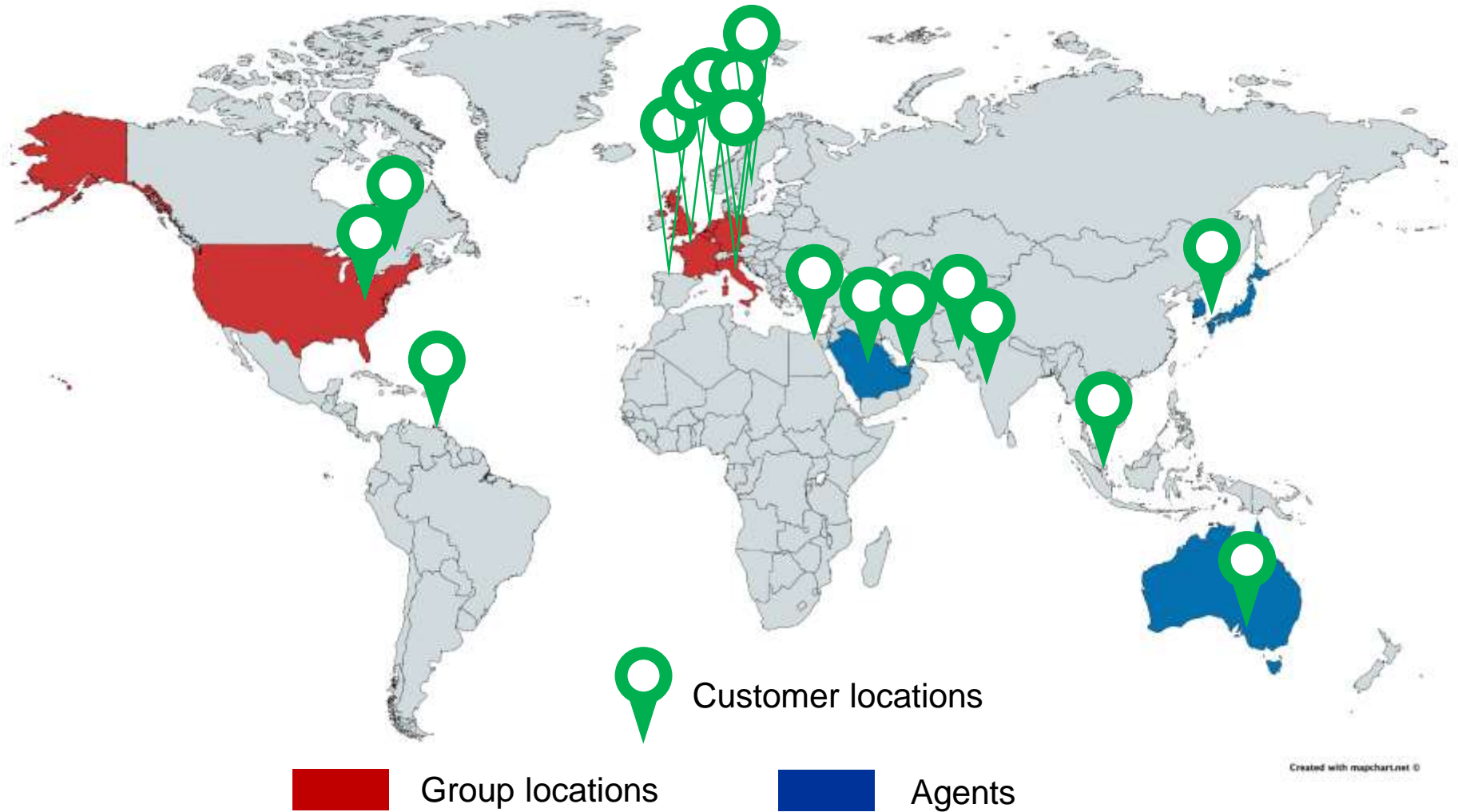
Deep knowledge and talented people assure successful outcomes of customers' mission-critical activities

"Big Data" tools – autonomy, understanding and better decisions to improve the world around us

Sustainable and safe energy capture, storage and usage

Keeping mission environments habitable, secure and comfortable

/ Locations and customers



/ Technology & Engineering

Major programmes

- Build & operational support – Petrolneos
- O₂ systems – UK & France submarines
- CO₂ management – Europe and Asia
- Through life support & maintenance – UK & Australian submarines
- Rugged IT systems - global primes
- Nuclear condensers – BHGE

New opportunities

- Next generation propulsion
- Hydrogen energy storage



/ Habitable environments



- High-value systems allow people to live and work comfortably and safely in challenging places, e.g. subsea or space
- Continuing to grow with long-term contracts in new-build, through-life support and maintenance
- Working with technology partners on future CO₂ systems development

Catalytic and absorption systems that manage CO₂ and other gases in habitable spaces.

Oxygen generation for long-term missions.



/ Future energy

Advanced electrochemical systems that use surplus electricity to produce Hydrogen from water.

Solution options include pressure vessels for storage & transportation, and fuel cells to drive systems at the point of need.



System packages designed to capture energy where available

- Offshore wind
- Waste to energy sources

...and use it where needed:

- Vehicles
- Trains
- Industrial processes
- Return to grid

/ Consulting and Programme Services

Major programmes

- NATO programmes – technical support
- ESA – mission and technical support
- Skynet 6 – satellite communications
- Army HQ programme support
- Software systems – Airbus

New opportunities

- Defence & security analysis
- Satellite positioning & timing
- Intelligence, surveillance & control systems



/ Consulting capabilities

We advise on technology programmes. Our agile size, culture and experience means that we are trusted to deliver mission objectives.

The addition of Sapienza Consulting has extended both our scope and reach.



We manage this through a number of specialist practice areas:

- System engineering
- Cost management
- System development
- Independent assurance
- Complex system procurement
- Programme delivery management

/ Big Data and Artificial Intelligence

Algorithms to provide autonomous responses to changing situations.

Intelligent insight to help human agents with information not available through conventional means.

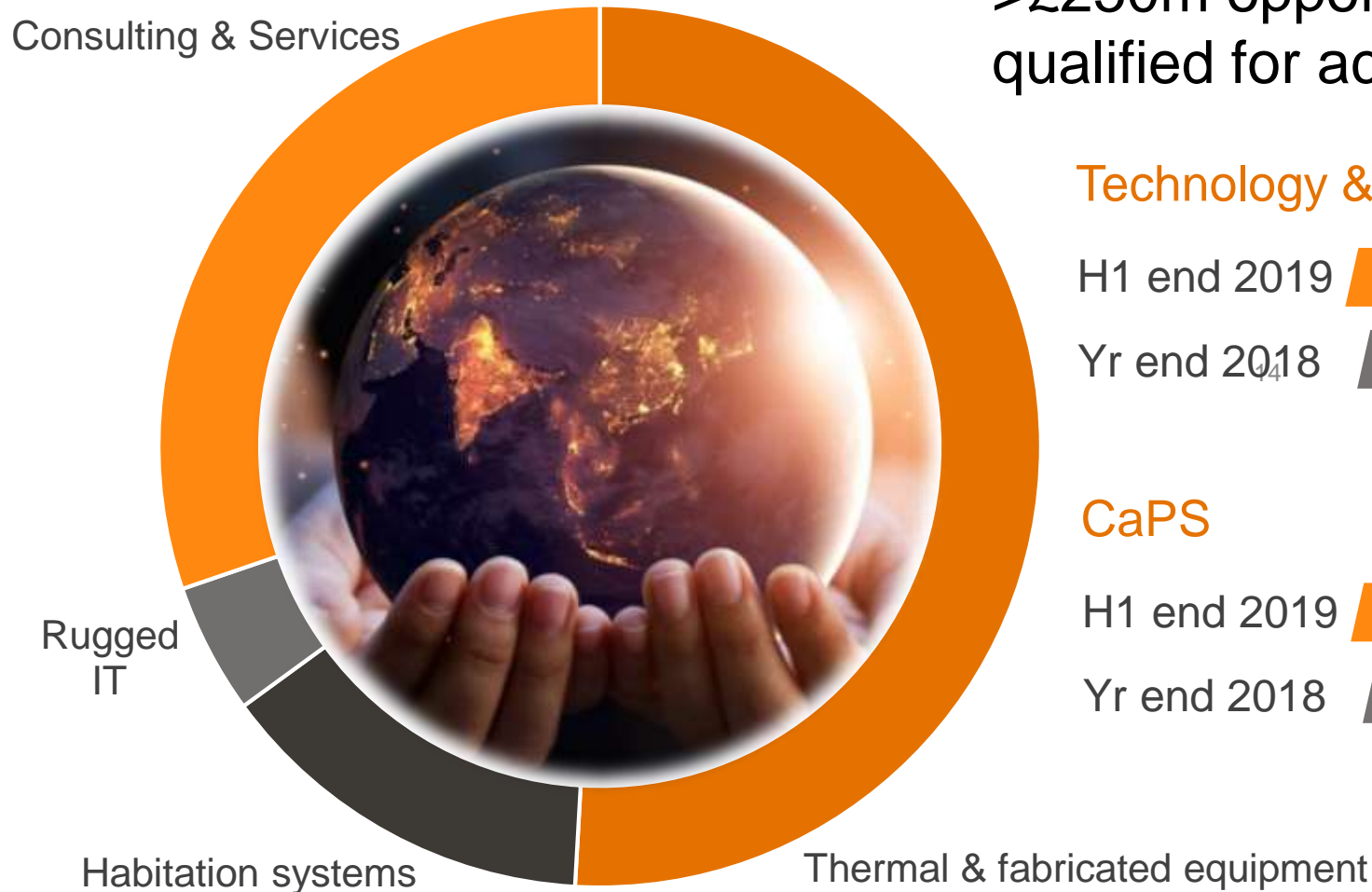


Applications in:

- Intelligence agencies scanning text streams to identify security threats
- Auto-routing unmanned vessels in changing hazardous conditions
- Automated skills matching to complex project requirements
- Optimised task planning in complex, changing situations



/ Sales pipeline >£700m



>£250m opportunities
qualified for active bidding

Technology & Engineering

H1 end 2019 £170m

Yr end 2018 £152m

CaPS

H1 end 2019 £83m

Yr end 2018 £66m

/ Investing for growth

Many sources of future performance

- Carefully managed investment in existing business:
 - People
 - Facilities
 - Systems
- Group influence on past acquisitions:
 - Stronger and wider BD outreach
 - AI development at Polaris
 - Improved production methods at Westek
- Opportunities through recent acquisition of Sapienza Consulting



/ Acquisitions and partnerships

Opportunities to acquire, invest or partner:

- International services and technologies
- US outreach
- Safer CO₂ removal
- Space equipment and technology
- Intelligence systems and services
- Critical software – commercial and security applications



/ Group strategy

Five priorities

- Sustainable competitive leadership in complex, mission-critical systems
- Drive value from excellent relations with major customers
- Invest in best-in-class people, operating capabilities and technologies
- Supplement organic growth with suitable acquisitions and partnerships
- Expand our geographic reach in customers and capabilities



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Critical packaged equipment and systems

Trusted across air, land, sea and space