



Investor Presentation

Chris Walters, Chief Executive
Steve Hammell, CFO
Chris Webster, COO

27 June '23



Disclaimer

This presentation has been prepared by Pressure Technologies plc (the “Company” or “Pressure Technologies”) solely in connection with providing information on the Company and to certain institutional and professional investors in the United Kingdom.

This presentation does not constitute or form part of any offer or invitation to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any securities in the Company nor shall this presentation or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefore. No reliance may be placed, for any purposes whatsoever, on the information contained in this presentation or on its completeness and this presentation should not be considered a recommendation by the Company or Singer Capital Markets or any of their respective affiliates in relation to any purchase of or subscription for securities of the Company. The content of this Presentation has not been verified and has not been approved by an authorised person. Reliance on this document for the purpose of engaging in any investment activity may expose you to a significant risk of losing all of the property invested or of incurring additional liability. If you are in any doubt about this document, you should consult an appropriate independent advisor.

Neither this presentation nor any copy of it may be (i) taken or transmitted into the United States of America, (ii) distributed, directly or indirectly, in the United States of America or to any US person (within the meaning of regulations made under the Securities Act 1933, as amended), (iii) taken or transmitted into or distributed in Canada, Australia, the Republic of Ireland or the Republic of South Africa or to any resident thereof, or (iv) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions or other applicable legal requirements.

This presentation includes statements that are, or may be deemed to be, “forward-looking statements”. Such forward-looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. No representation or warranty express or implied is made as to the fairness, accuracy, completeness or correctness of the presentation or opinions contained therein and each recipient of the presentation must make its own investigation and assessment of the matters contained therein. In particular, but without prejudice to the generally of the foregoing, no representation or warranty is given, and no responsibility of liability is accepted, as to the achievement or reasonableness of any future projections or the assumptions underlying them, forecasts estimates or statements as to loss howsoever arising from any use of, or in connection with the presentation. No responsibility or liability whatsoever is accepted by any person for any loss howsoever arising from any use of, or in connection with the presentation or its contents or otherwise arising in connection therewith. In issuing the presentation, the Company does not undertake any obligation to update or to correct any inaccuracies which may become apparent in the presentation.



Agenda

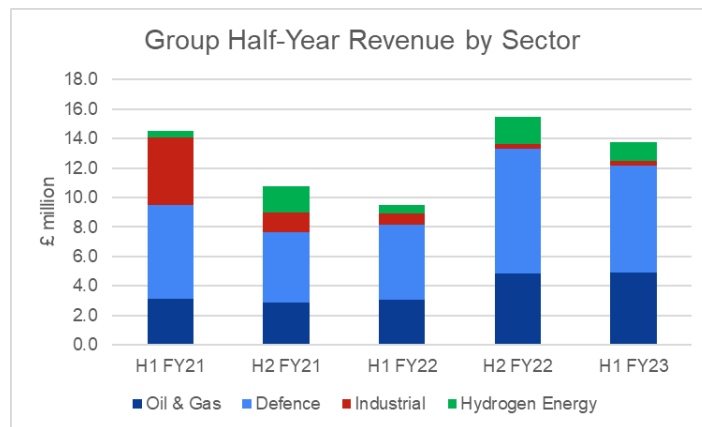
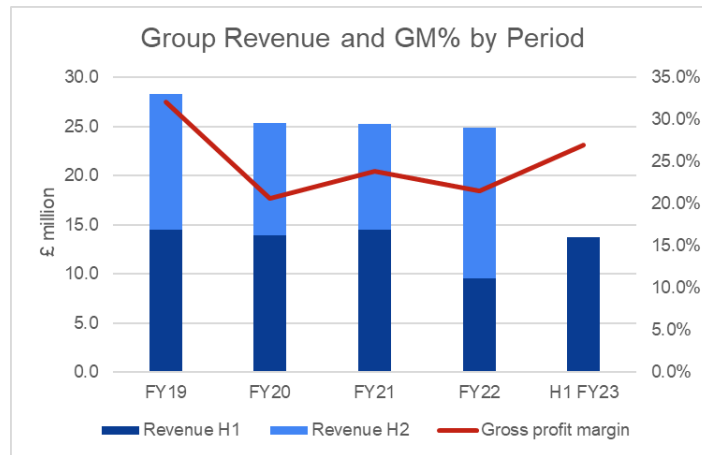
- **Group Highlights**
- **Group Financial Results**
- **CSC Division - Highlights & Outlook**
- **PMC Division - Highlights & Outlook**
- **Refinancing & Lloyds Bank Facility**
- **Summary & Outlook**
- **Contact Us**
- **About Us**

Group Highlights

- Improving trading conditions during H1 FY23 driven by major defence contract placement and continued recovery in the oil and gas market
- Group revenue in H1 FY23 of £13.8 million (2022: £9.5 million) up 45%
- Gross profit of £3.7 million at 27% margin (2022: £2.1 million at 22% margin)
- Return to EBITDA profitability in H1 FY23 of £0.3m (2022: loss of £1.2 million)
- Operating loss (pre-exceptionals) of £0.5m (2022: loss of £2.1m)
- Order intake of £34.3 million for 8m/e May 2023 (May 2022: £17.4 million) up 97%
- Current order book of £28.1 million at May 2023 (May 2022: £16.6 million) up 69%, the highest level for more than five years
- Refinancing of debt facilities has not progressed as expected with the ABL market challenging; the Board continues to explore options
- Following a strategic review, the Board has decided not to divest Precision Machined Components at this time and will revisit strategic options for the division later in the year

Group Financial Results - Profit & Loss

	H1 FY23 £m	H1 FY22 £m	FY 22 £m
Revenue	13.8	9.5	24.9
Chesterfield Special Cylinders	8.8	6.3	17.6
Precision Machined Components	4.9	3.2	7.3
Gross profit	3.7	2.1	5.3
Adjusted operating loss	(0.5)	(2.1)	(2.6)
Chesterfield Special Cylinders	0.8	(0.3)	0.4
Precision Machined Components	(0.2)	(0.8)	(1.1)
Group and Central costs	(1.1)	(1.0)	(1.9)
Exceptional items	(0.7)	-	(1.1)
Operating loss	(1.2)	(2.1)	(3.7)
Loss before taxation	(1.4)	(2.3)	(4.0)
Loss per share - basic (pence)	(3.9)	(6.0)	(13.0)
Loss per share - adjusted (pence)	(2.3)	(5.7)	(10.2)
Dividend (pence)	nil	nil	nil



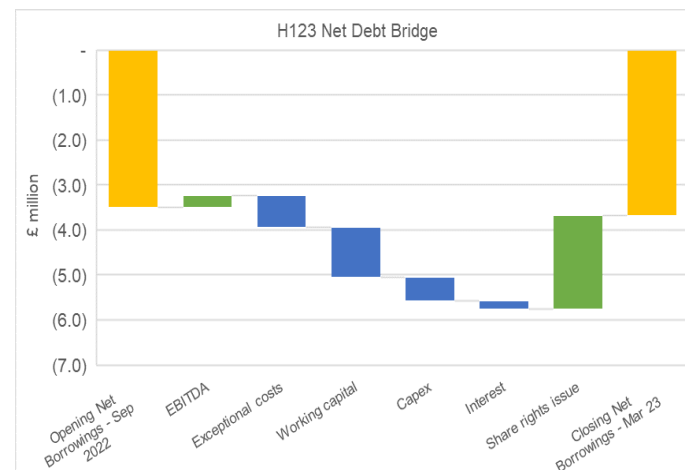
Group Financial Results - Balance Sheet & Net Debt

	H1 23 £m	FY22 £m	H1 22* £m
Intangible Assets	-	-	0.2
Tangible fixed assets	10.1	10.3	11.7
Right of use assets ("ROUA")	0.9	0.9	0.8
Tangible Assets	11.0	11.2	12.5
Net Working Capital (NWC)	5.5	4.4	6.6
Long-term Liabilities	0.0	0.0	(0.1)
Tax Provisions	0.0	0.0	0.5
Cash	1.0	1.8	1.3
RCF drawn	(1.9)	(2.4)	(4.0)
Finance Leases & ROUA Liabilities	(2.8)	(2.9)	(2.7)
Net Debt	(3.7)	(3.5)	(5.4)
Net Assets	12.8	12.1	14.3

- Loss after tax in H1 FY23 of £1.4m
- Equity issue in Dec '22 raised £2.1m (net)
- Net Assets increased by £0.7m in H1 FY23

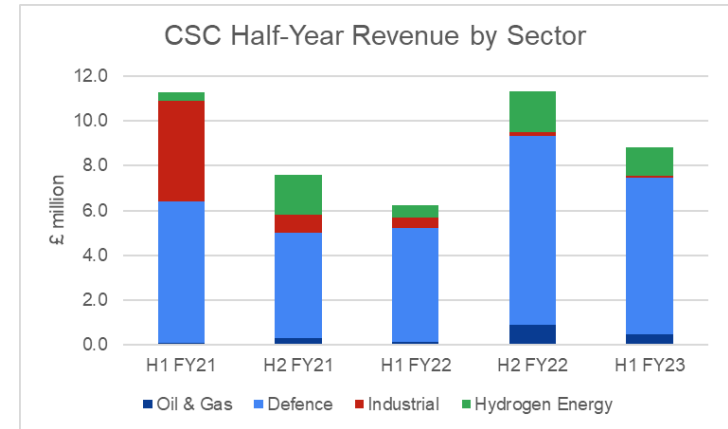
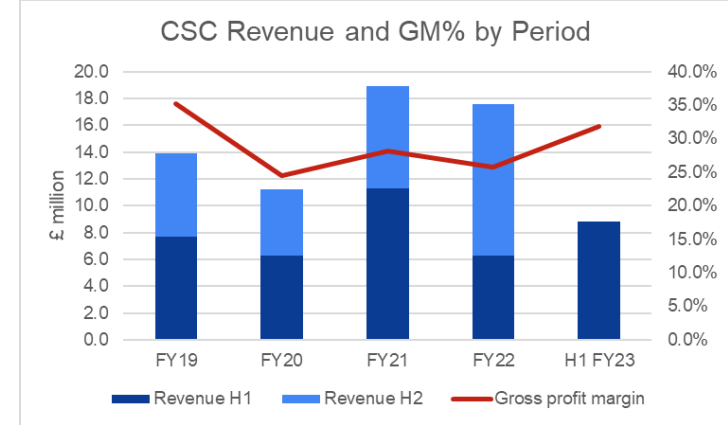
* H1 '22 has been re-stated by £1.0m for impact of IFRS 15 prior year adjustment

- Net Debt increased from £3.5m to £3.7m due to Exceptionals, Working Cap and Capex:



CSC Division - Highlights

- CSC revenue in H1 FY23 of £8.8 million (2022: £6.3 million) up 40%
- Driven by Defence work in the second quarter and progress in Hydrogen markets, underpinning improved EBITDA profitability
- Defence revenue of £7.0 million (2022: £5.0 million) reflecting strong order book and new contract placements for submarine and surface ship projects for UK and overseas navies
 - Largest ever contract award of £18.2 million announced in Feb 2023 to supply safety-critical pressure vessels for major UK naval new construction programme over three years to 2025
- Hydrogen revenue increased to £1.3 million (2022: £0.5 million) driven equally by sales of new refuelling station storage and periodic inspection, testing and recertification services for hydrogen road trailers.



CSC Division - Highlights

- Enquiry levels for Integrity Management services increased sharply during the first half of FY23, driven by growing activity in the offshore and hydrogen energy markets
- CSC order intake of £22.3 million in 8m/e May 2023 (May 2022: £12.4 million) supports a current order book of £19.2m million at the end of May 2023 (May 2022: £14.2 million), the highest order book level seen in the last five years, providing strong revenue cover for the remainder of FY23 and solid visibility into FY24
- CSC has made strong progress on its operational excellence improvements:
 - Organisational changes have been made to strengthen the operations team through a focussed project management approach
 - Continuous improvement roadmap on-track through a dedicated team
 - Equipment maintenance processes have been strengthened with the appointment of new technicians and the roll-out of software to track equipment reliability
 - Focus on cost control and margin enhancement

CSC Division - Outlook

- Defence orders provide strong revenue cover for the remainder of FY23 and good visibility into FY24
- CSC also remains well positioned in the emerging market for hydrogen storage and transportation:
 - Order placement from established and new customers was slower than expected during H1 FY23
 - Driven by constraints and delays in the broader supply chain for components required in the generation and compression of hydrogen for refuelling and decarbonisation projects.
 - Despite these delays, CSC delivered hydrogen revenues of £1.3 million (2022: £0.5 million) from several refuelling station projects and from periodic inspection, testing and recertification services carried out on existing hydrogen storage systems and road trailers
- Whilst stronger performance is expected at CSC in H2 FY23, delivering full-year FY23 expectations will require strong improvements in:
 - Our operational performance
 - The reliability and performance of our supply chain partners

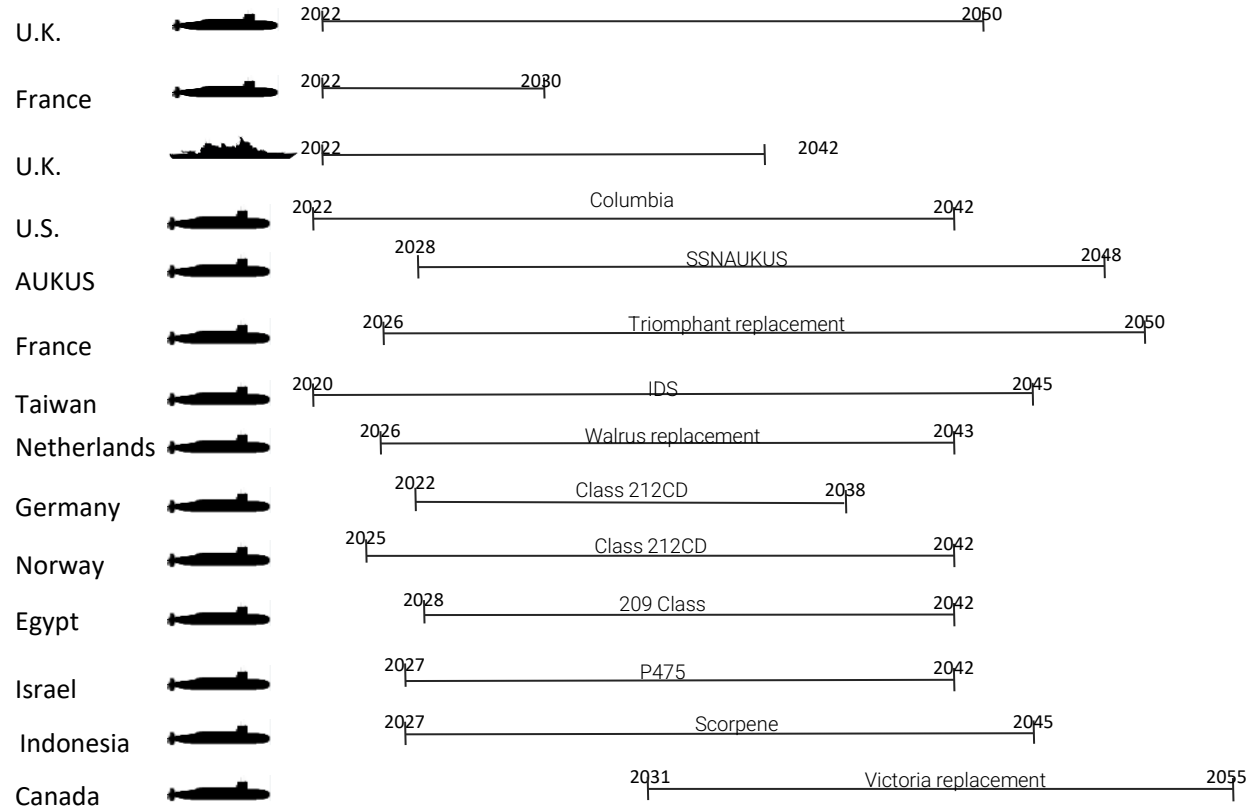
CSC Division - Long-term outlook underpinned by Defence

- Total revenue opportunity of **£100m-£150m** over next 15 years

- Major programmes include:

- AUKUS £32m
- France £24m
- US £19m

- Qualification process for major US Defence prime is progressing on-track for Mar '24



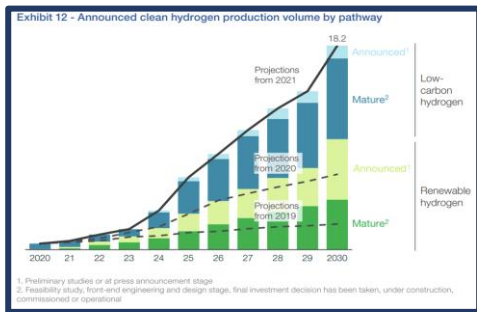
CSC Division - Long-term growth driven by Hydrogen economy

Today - 2023

- **Carbon emission reduction goals**
 - EU - 55% reduction by 2030
 - UK - 78% reduction by 2035
- **Energy Security**
 - UK + EU – Natural Gas reduction leading to an increased role for H₂
- **Policy mandates by sector**
 - EU – 42.5% renewable energy in power generation, industry, buildings, and transport by 2030
- **Funding**
 - EU – CHP, CEF, IPCEI
 - UK – DESNZ and Innovate
- **Infrastructure**
 - Build-out slower than expected due to supply chain constraints

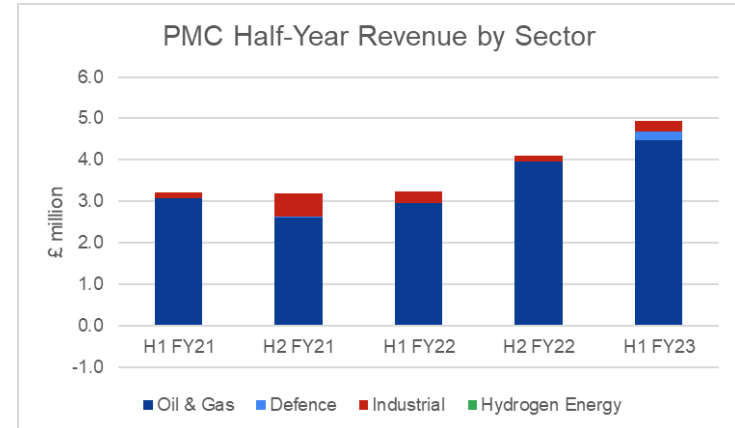
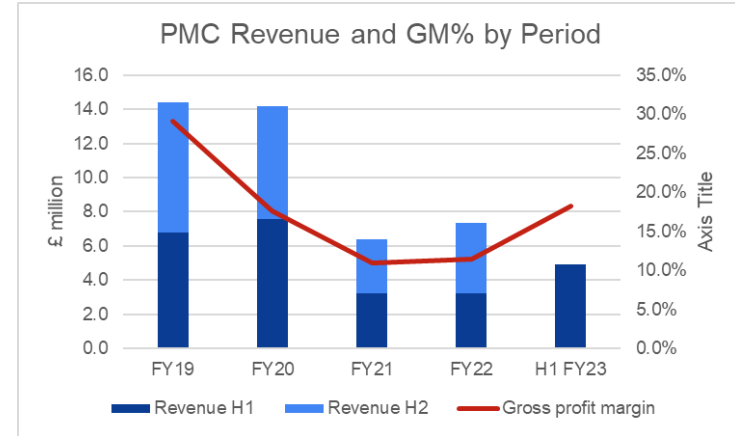
Tomorrow - 2030

- **Hydrogen production**
 - Increasingly distributed
- **Deployment targets set**
 - EU – 10Mt of renewable hydrogen production domestically, increase electrolysis manufacturing to 17.5GW/a
 - UK – 10GW – min. 5GW green
- **Connecting Infrastructure**
 - Mix of pipelines and trailers required
 - Expected planning difficulties for pipeline will enhance trailer opportunities
- **Vehicle roll out**
 - HRS network growth
 - EU – Raised HDV emission reduction goals (45% by 2030, 65% 2035, 90% 2040). Contemplating mandating all new city buses to be ZE from 2030.
 - UK – New cars and vans required to be ZE by 2035, HGVs from 2040
- **Imports/Exports**
 - EU – 10Mt of renewable hydrogen imported



PMC Division - Highlights

- We are seeing the early stages of recovery in oil and gas markets and are encouraged by trading performance in the division
- PMC revenue in the first half of FY23 of £4.9 million (2022: £3.2 million) up 53% supporting a return to EBITDA profitability
- PMC order intake strengthened significantly in the first half of FY23 and reached £12.0 million in the 8 m/e May 2023 (May 2022: £5.0 million)
- Current order book of £8.9 million at the end of May 2023 (May 2022: £2.4 million), the highest order book level seen in the last five years, providing strong revenue cover for the remainder of FY23

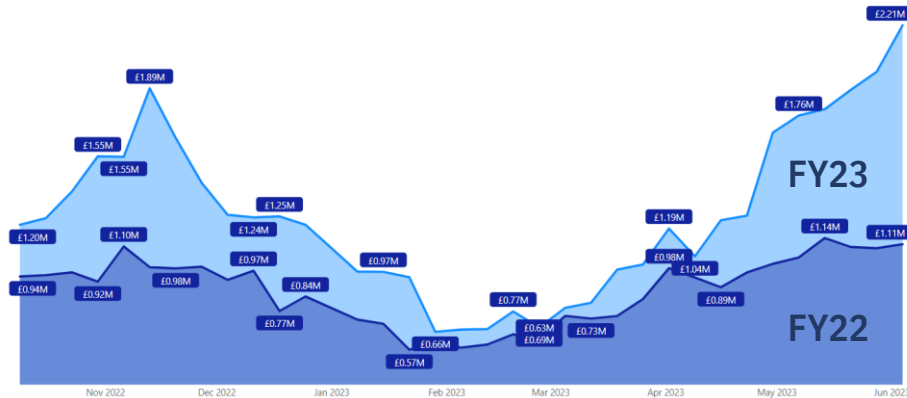


PMC Division - Highlights

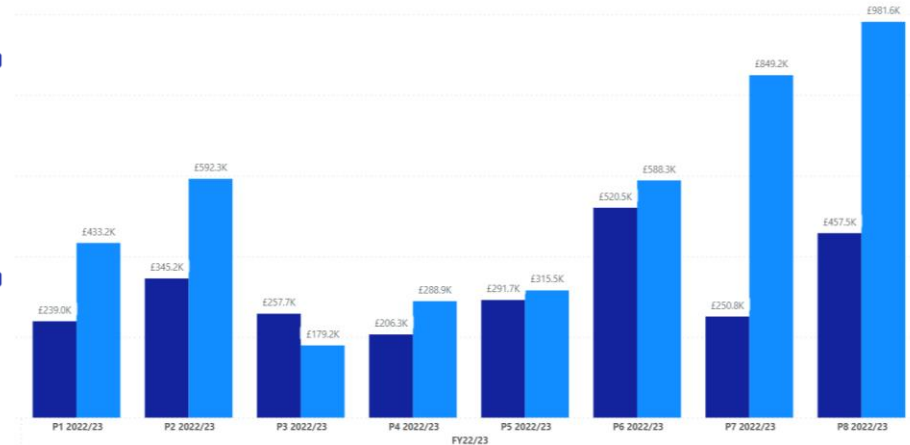
- Roota

- The demand for subsea well intervention tools, valve assemblies and control module components has continued to grow during H1 FY23 with a sharp improvement noted in April and May 2023
- Aker, Expro, Halliburton and Schlumberger continue to report a stronger oil and gas market outlook for the second half of 2023 and are investing heavily in their global manufacturing capacity
- Roota Engineering order intake in 8m/e May 2023 was **£4.2 million** (May 2022: £2.9 million) supporting a current order book of **£2.7 million** at May 2023 (May 2022: £1.3 million)

Roota trailing 12-week order intake FY23 v FY22



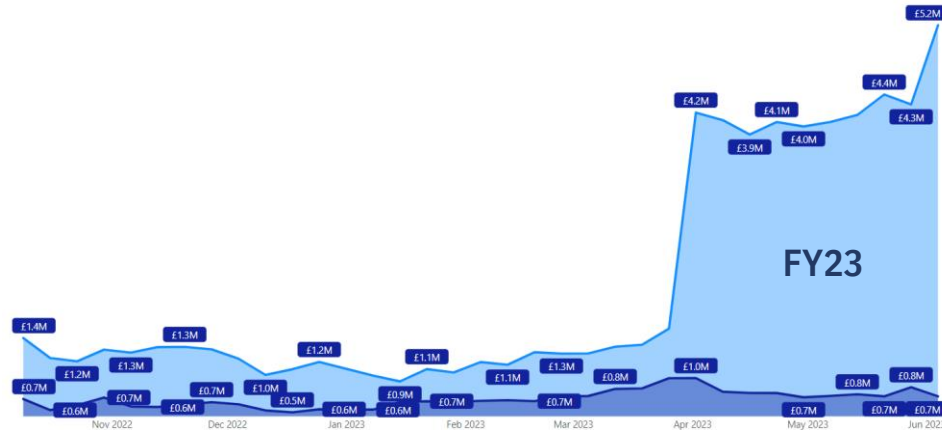
Roota monthly order intake FY23 v FY22



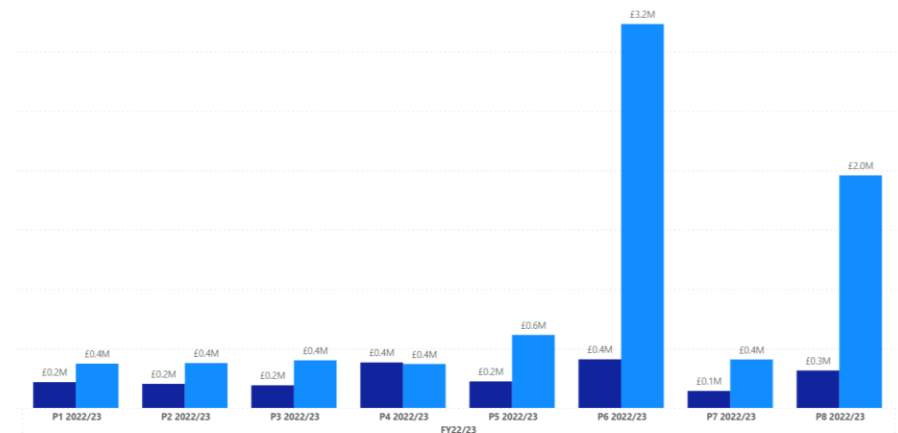
PMC Division - Highlights

- Al-Met – recovery of order intake has been particularly strong in H1 FY23
 - Demand for production drilling and flow control components, supported by a strong and sustained recovery in subsea tree new build capex, is expected to grow across 2023
 - Schlumberger and Baker Hughes report increasing investment to support oil and gas production in Middle East, South America, North Sea, US Gulf of Mexico, Canada and South-East Asia regions
 - Al-Met order intake in the 8m/e May 2023 was **£7.8 million** (May 2022: £2.1 million) supporting a current order book of **£6.2 million** at May 2023 (May 2022: £1.1 million)

Al-Met trailing 12-week order intake FY23 v FY22



Al-Met monthly order intake FY23 v FY22



PMC Division - Outlook

- In Nov '22, the Board announced that an improved trading environment and outlook created the potential opportunity to divest PMC in order to raise funds to progress strategic priorities in CSC
- A number of offers to acquire PMC were received but none were at a level that the Board felt appropriately reflected the value of the business, particularly in light of the improved outlook for the oil and gas market and the recent strong order intake of PMC
- As a result, the Board has decided not to divest PMC at this time and will revisit strategic options for the business later in the year
- The current order book provides strong revenue cover for the remainder of FY23
- Whilst stronger performance is expected at PMC in H2 FY23, delivering full-year FY23 expectations will require strong improvements in:
 - Our operational performance
 - The reliability and performance of our supply chain partners

Refinancing

- **The Refinancing of the existing debt facilities of the Group has the following objectives:**
 - Repay Lloyds Bank in full
 - Provide working capital to support the strategic development of the Group
- **We have engaged with a number of prospective providers of asset-backed lending facilities**
- **These discussions have progressed slower than originally expected and have not concluded**
- **The ABL market is tightening with concern as to the impact of rising interest rates on residential and commercial property market valuations**
 - This is translating into a gradual but noticeable tightening of credit appetite, requiring stronger debt serviceability and reducing the level of available facilities
- **The Board continues to explore options for Refinancing, including specialist property and receivables lenders and special situation funders**

Lloyds Bank Facility


- The Lloyds Bank revolving credit facility has been amended with maturity date brought forward from 31 March 2024 to 31 December 2023
- Lloyds have agreed to waive financial covenant tests on 30 June 2023
- The Group is likely to require additional financing after 31 December 2023, dependent on operational and financial performance
- The Board has a reasonable expectation additional financing can be raised


Summary & Outlook

- The Group is well positioned in the defence and emerging hydrogen energy sectors and expects to benefit from recovery in the oil and gas market during the remainder of FY23 and across FY24
- The order book is robust underpinning stronger performance in H2 FY23 and good visibility into FY24
- Delivering expectations for full-year EBITDA will require further strong improvements in operational and supply chain performance
- Management team is focussed on delivering a strong Q4 to close FY23

Contact Us

 **Pressure Technologies plc | LinkedIn**

 **0333 015 0710**

 **www.pressuretechnologies.com**

 **PressureTechnologies@houston.co.uk**



About Us

Our Company Values



We put
people first



We innovate &
create the future



We work
together



We deliver to the
highest standard

Introduction to Pressure Technologies

Our Purpose

Our Purpose is to advance safety and reliability in demanding environments through technology, high quality engineering and the skills of our people.

Our Vision

Our Vision is to build a Company that is globally recognised within its markets as the leading provider of pressure containment and control products and services to customers who operate in highly-demanding, safety critical environments where the consequences of product failure could be catastrophic

Our Group

We are leaders in the design and manufacture of safety-critical components and systems serving global supply chains in defence, oil and gas, industrial and hydrogen energy markets



- Established in 1897
- Safety-critical gas containment systems
- Inspection and recertification services
- Global hydrogen, defence, oil and gas and industrial customers
- Growing presence in hydrogen energy market

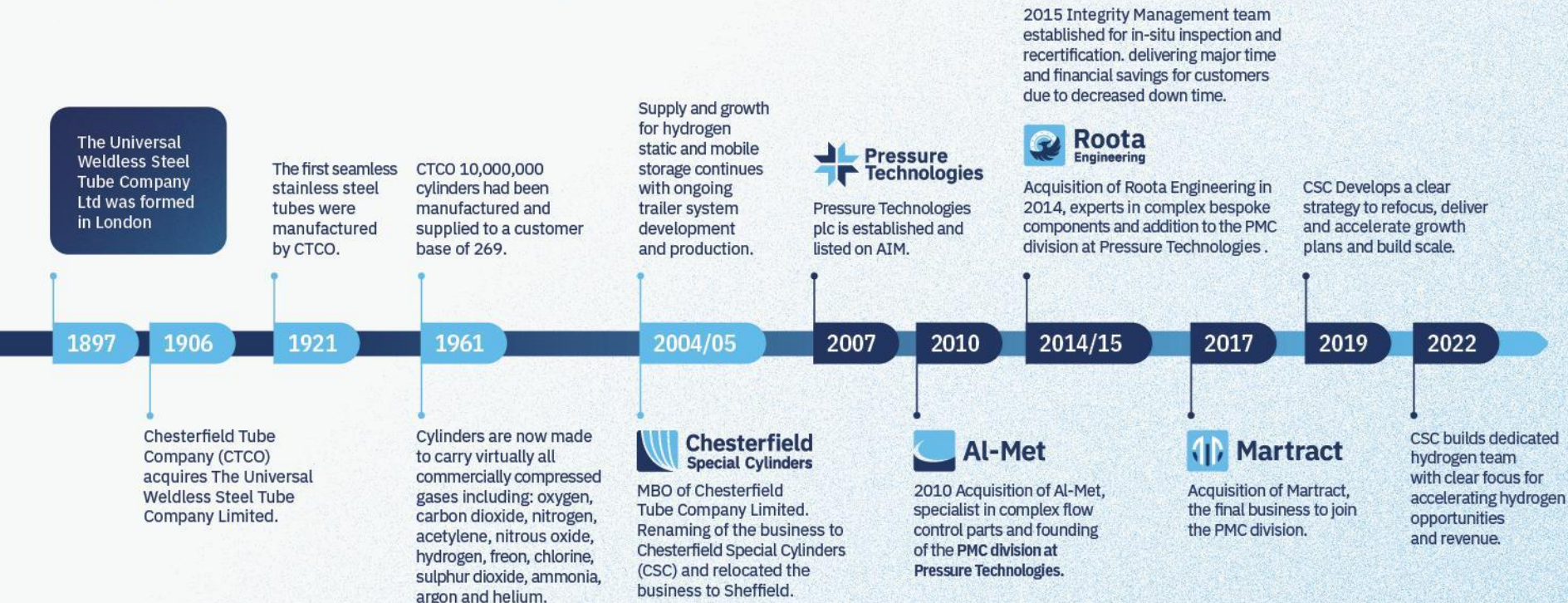
Precision Machined Components (PMC)



- Al-Met, Roota Engineering and Martract brands
- Highly specialised precision components
- Complex, safety-critical applications
- Drilling, well intervention, production flow control
- Global OEM customer base



Our history - 125 years in the making



What makes us unique?

125 years in the making

Decades of design, manufacturing and supply to worldwide markets



- UK manufacturer of cylinders, tubes and pressure vessels
- Experienced and skilled Engineering and Research & Development teams
- Manufacture and Certify to a range of codes, directives and in different jurisdictions (e.g. PED, TPED, ISO 9809, ISO 11120, ASME, AD2000, UK/EU/USA)

Trusted by our customers

Very strong presence in the hydrogen market in Europe and ROW



- Proven delivery with excellent customer base
- Collaborations with customers from conceptual design phases to completion to realise their projects
- Develop ready /turnkey solutions for EPCs

One stop shop

We design, manufacture and maintain world-leading bespoke pressure gas containment solutions



- Working from design stage to optimise and conduct through-life servicing
- Pioneered British Standard for in-situ testing with reduced equipment downtime

Our operational facilities - Pressure Technologies



1 Chesterfield Special Cylinders
Pressure Technologies group

2 Roota
Engineering

3 Martract

4 Al-Met

1. Chesterfield Special Cylinders and Pressure Technologies Head Office

Employees	125
Property	Meadowhall Road, Sheffield
Specialisms	High pressure gas containment cylinders and in-situ inspection and recertification

2. Roota Engineering

Employees	36
Property	Rotherham
Specialisms	Turning, Milling & Inspection

3. Martract

Employees	10
Property	Barton-upon-Humber
Specialisms	Grinding & lapping

4. Al-Met

Employees	36
Property	Pontyclun
Specialisms	Turning, Milling, Grinding, Inspection & Wire and Spark Erosion

PT Group
revenue 2021
£25.3M

Fuelling hydrogen storage for over 80 years

**Proven track
record for the
delivery of
many hydrogen
projects**

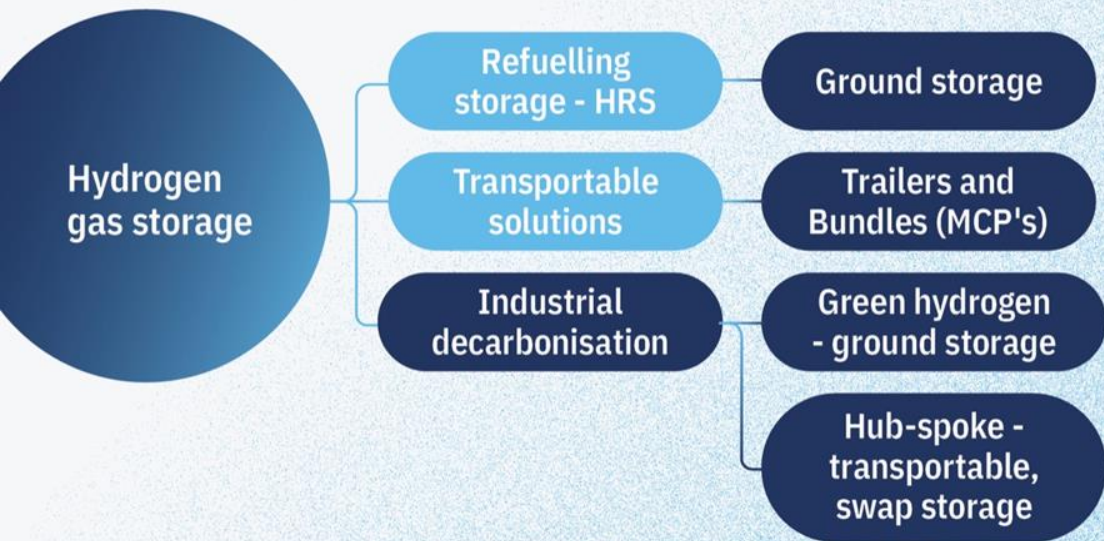
- Engaged with the world's leading hydrogen sector players
- Provided Type 1 pressure vessels for many HRSs, cylinders/tubes for commercial vehicles, trains and small marine vessels
- In excess of 20 projects delivered across the UK and Europe customers such as for Shell, Haskel, McPhy, ITM Power and Arcola (Ballard Motive Solutions)
- Valued and trusted by customers for advice and design of safety-critical applications



SIEMENS



Our ground & transportable end-end H₂ gas storage solutions



Chesterfield Special Cylinders ground storage