

Redhall Group plc



Preliminary
Results
2006

Team

- ❖ David Jackson – Chairman & Chief Executive
- ❖ Simon Foster – Deputy Chief Executive

History

- ❖ Booth established in 1875 in structural steel
- ❖ Listed since 1947
- ❖ Merged with Oakland Elevators in 1996
- ❖ Move to AIM in June 2003
- ❖ 1998-2001 Jordan businesses acquired
- ❖ Oakland Elevators sale for £7.7m in September 2003

Overview – Corporate Structure

Nuclear Engineering

Leading mechanical engineering contractor within the nuclear industry



Nuclear and Architectural Manufacturing

Fabricators of high grade safety stainless steel for nuclear, process and architectural industries



Specialist door and wall design and manufacture

Manufacturers of blast/fire resistant doors/wall systems, acoustic, tunnel and hangar doors



Engineering Facilities Maintenance

Facilities maintenance to the oil, gas and petro-chemical industries, also project works including tank refurbishment



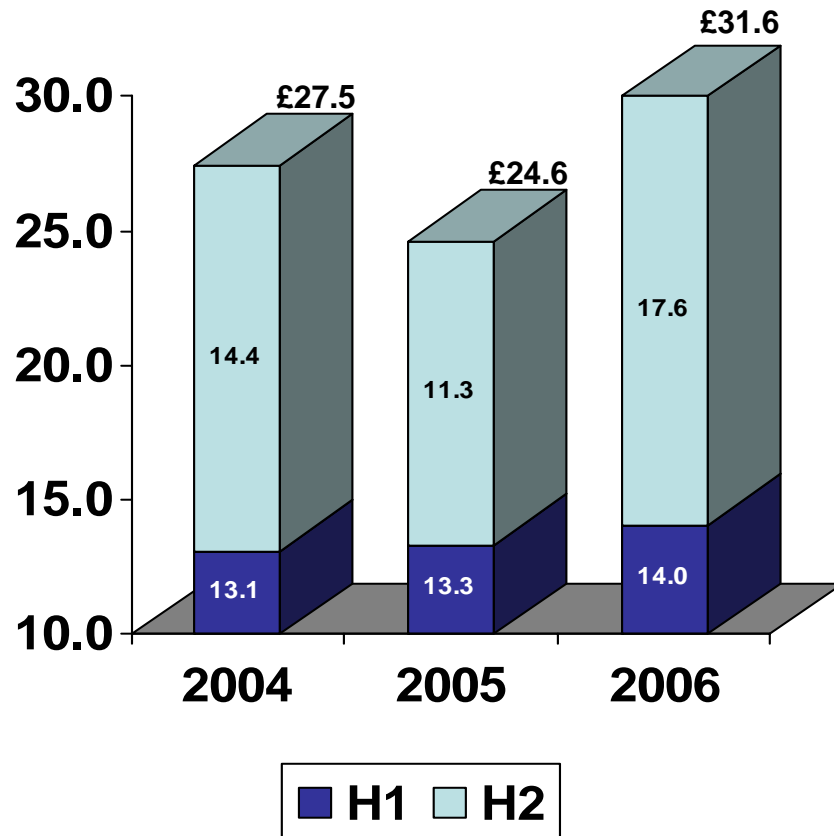
Overview - Highlights

- ❖ Turnaround successful
- ❖ Turnover up 29% at £31.6m
- ❖ Profit after tax £780k (2005: loss of £449k)*
- ❖ Earnings per share 5.77p (2005: loss per share 28.27p)
- ❖ Net cash of £700k (2005: net debt £88k)
- ❖ Repayment of £1.4m of convertible loan stock
- ❖ Reinstatement of dividend at 1.0p per share

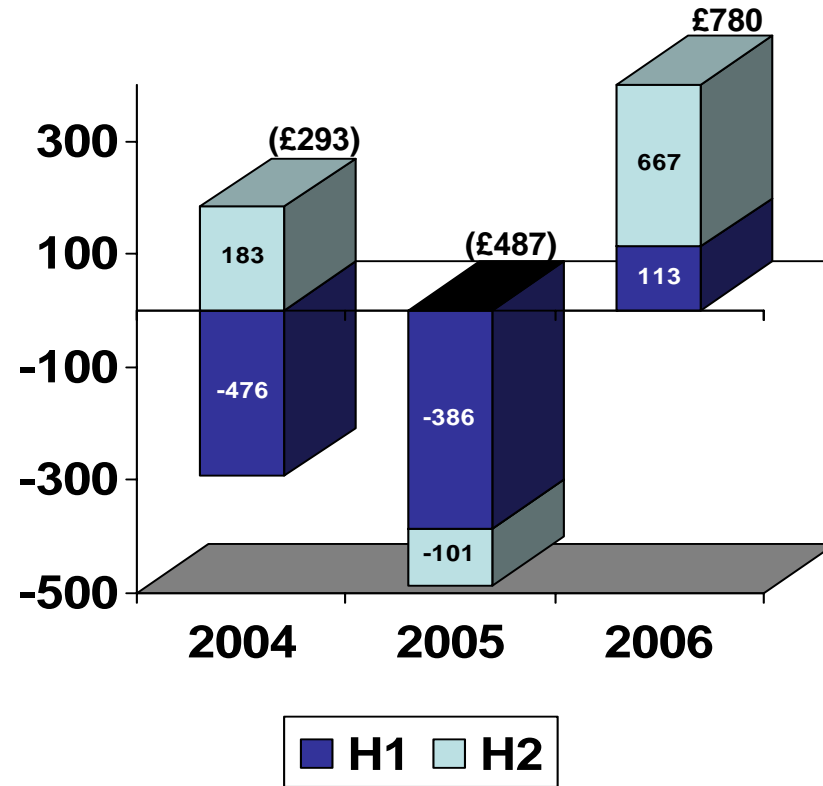
* Before exceptional items

Overview – Financial History

£m Turnover



£'000 Profit before tax*

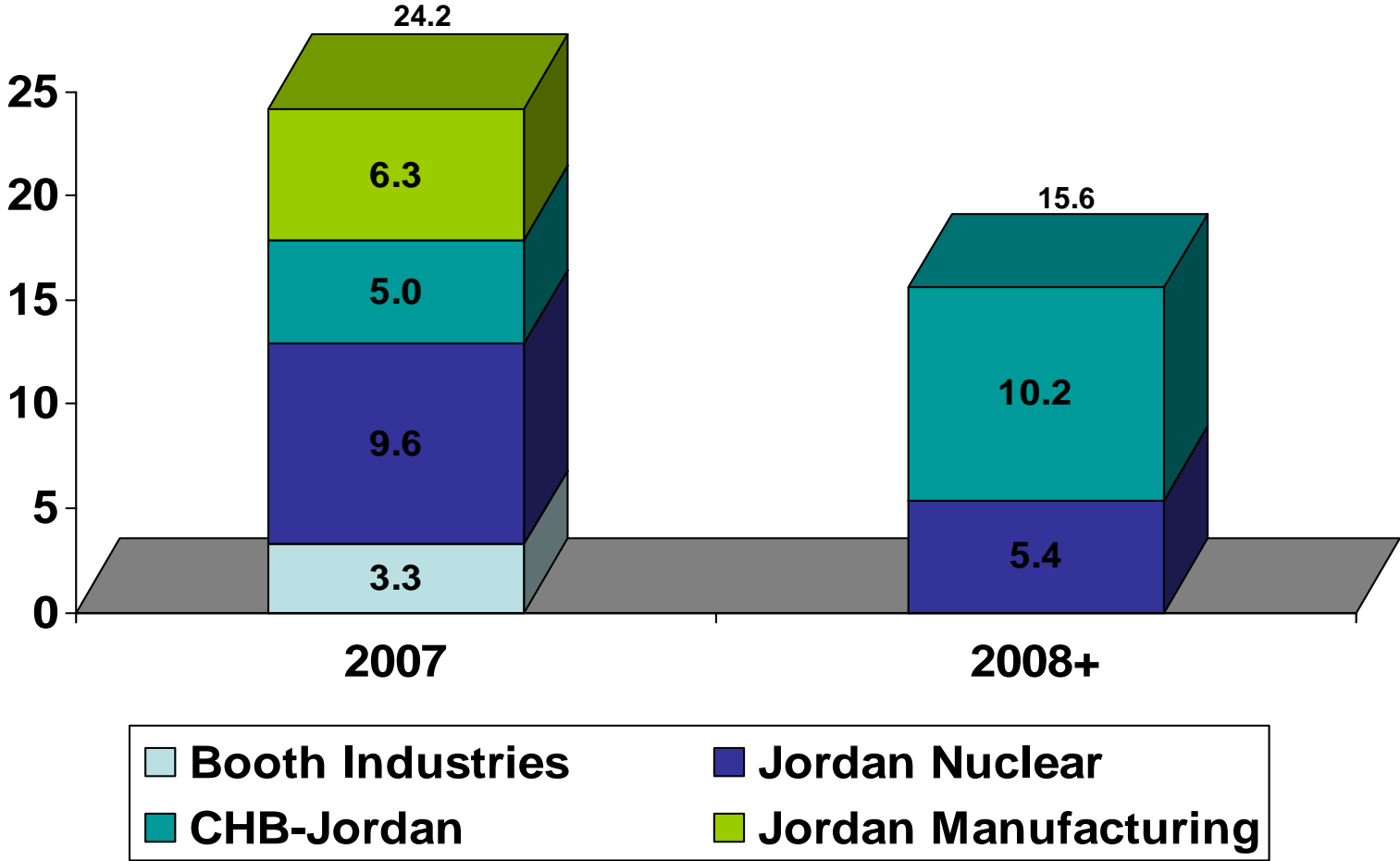


* Before property and corporate disposals and exceptional contract write-off in 2005

Overview – Segmental Analysis

£'000 Turnover y/e Sept	2006	2005	
❖ Booth Industries	7,846	7,131	+10%
❖ Jordan Manufacturing	7,273	2,281	+218%
❖ Jordan Nuclear	7,102	9,865	-28%
❖ CHB-Jordan Engineering	8,613	8,213	5%
❖ Ceasing business/exceptionals	784	(2,917)	-
	<hr/> 31,618	<hr/> 24,573	<hr/> +29%

Financials – Order Book



Manufacturing

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Manufacturing

Nuclear Manufacturing – Trading Highlights

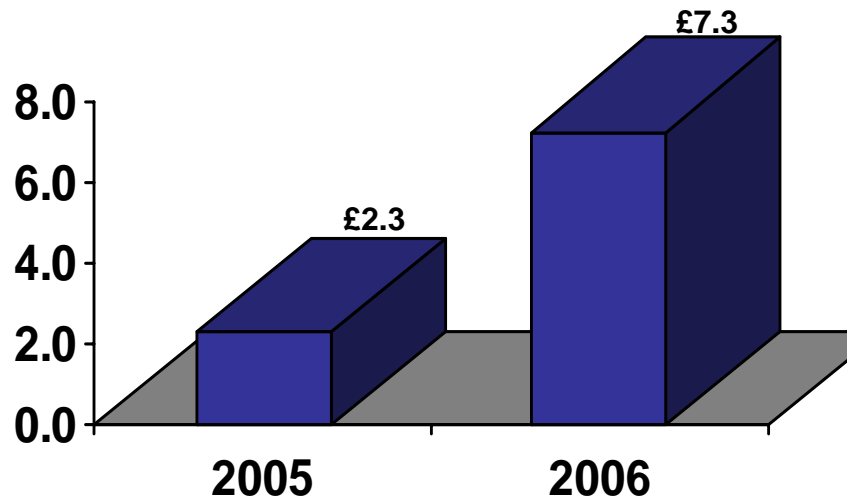
- ❖ Turnover up 218% with a return to operating profit
- ❖ Increased volumes reflect SPRS and recent diversification
- ❖ Gross margin improvement to 18.9% (2005: 10.7%) due to selective contract choice and factory volume
- ❖ New wins in architectural and process sectors

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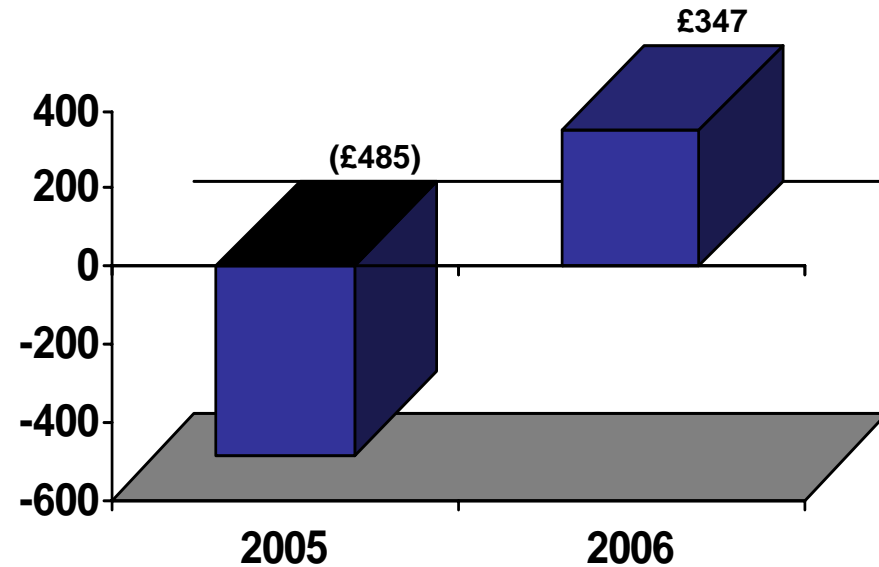
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Nuclear Manufacturing – Financial History

£m Turnover



£'000 Operating Profit



*Operating profit before plc management charges

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Nuclear Manufacturing - Prospects

- ❖ Renewed investment in nuclear
- ❖ Nuclear vessels contracts secured
- ❖ Combination of nuclear manufacturing and installation is a powerful USP
- ❖ Opportunities in architectural and process sectors

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Nuclear Engineering



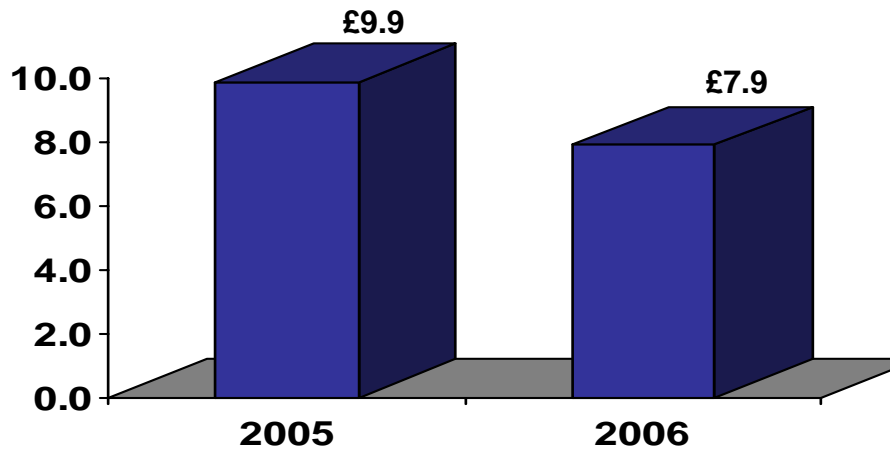
Nuclear Engineering – Trading Highlights

- ❖ Turnover fell 28%
- ❖ Delays due to NDA creation now reversing
- ❖ Strong H2 – decommissioning acceleration
- ❖ Resource doubled in H2
- ❖ Selective tendering to improve contract margin

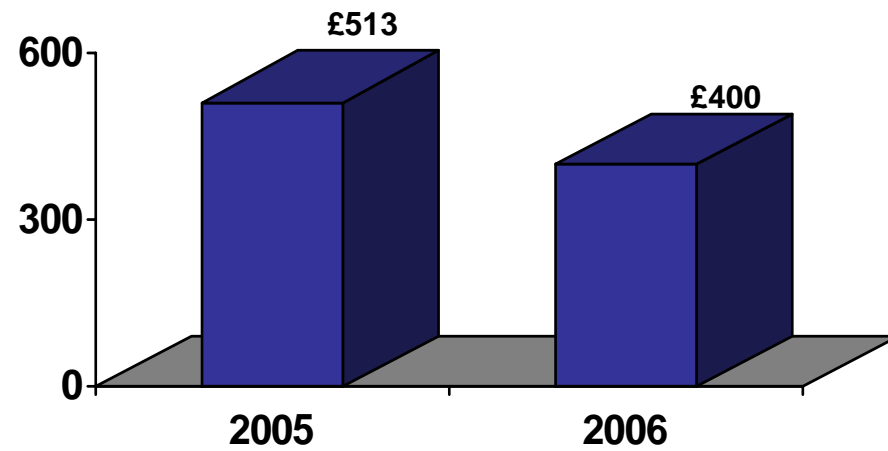


Nuclear Engineering – Financial History

£m Turnover



£'000 Operating Profit



*Operating profit before plc management charges

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Nuclear Engineering - Prospects

- ❖ 2 year (with 2 year option) decommissioning framework secured
- ❖ SPRS growing
- ❖ High level of tendering activity driven by acceleration of decommissioning
- ❖ Extended footprint to Transfynydd, Oldbury, Winfrith
- ❖ Aldermaston key target



Blast and Fire Protection

BOOTH

BOOTH INDUSTRIES LIMITED

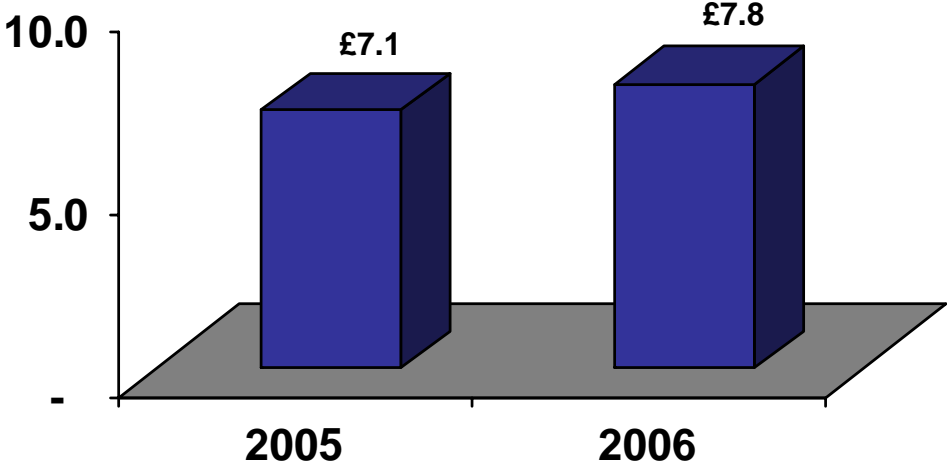
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Blast and Fire Protection – Trading Highlights

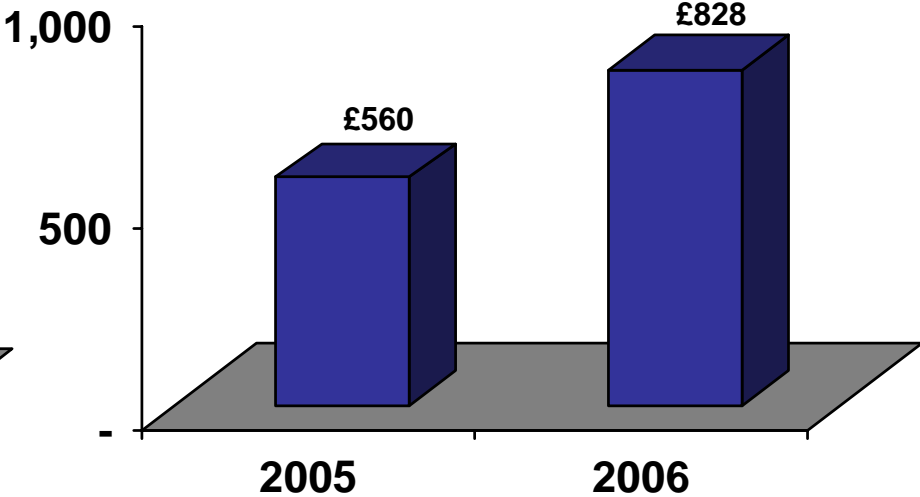
- ❖ Turnover up 10% to £7.8m with improving operating margins of 10.6% (2005: 7.9%)
- ❖ Successful £2.2m Dublin Port Tunnel completion
- ❖ Improved onshore activity
- ❖ Significant R&D in the period to diversify further into acoustic, tunnel doors and flood defence
- ❖ £1.2m Aker Kvaerner rigs contract secured

Blast and Fire Protection – Financial History

£m Turnover



£'000 Operating Profit



*Operating profit before plc management charges



Blast and Fire Protection – Prospects

- ❖ Change in safety standards onshore
- ❖ Return to investment in offshore oil and gas
- ❖ Potential for Aker Kvaerner growth
- ❖ Investment in EU Liquefied Natural Gas infrastructure
- ❖ Global interest in security products
- ❖ New products being developed

Engineering Facilities Maintenance

CHB-JORDAN

Engineering Facilities Maintenance – Trading Highlights

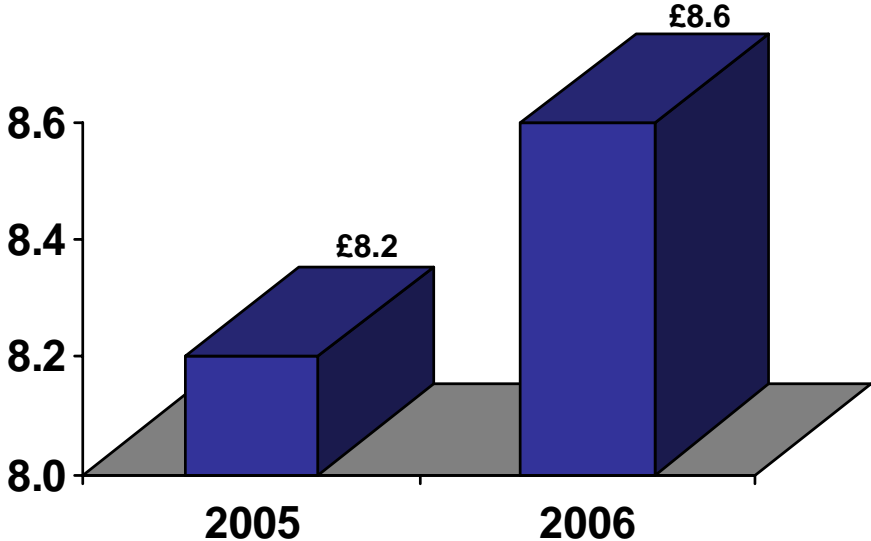
- ❖ Performed in line with expectations, turnover up 5%
- ❖ Operating margins improved to 3.1% (2005: 2.1%)
- ❖ Strong summer shutdown period
- ❖ Early success in project services development

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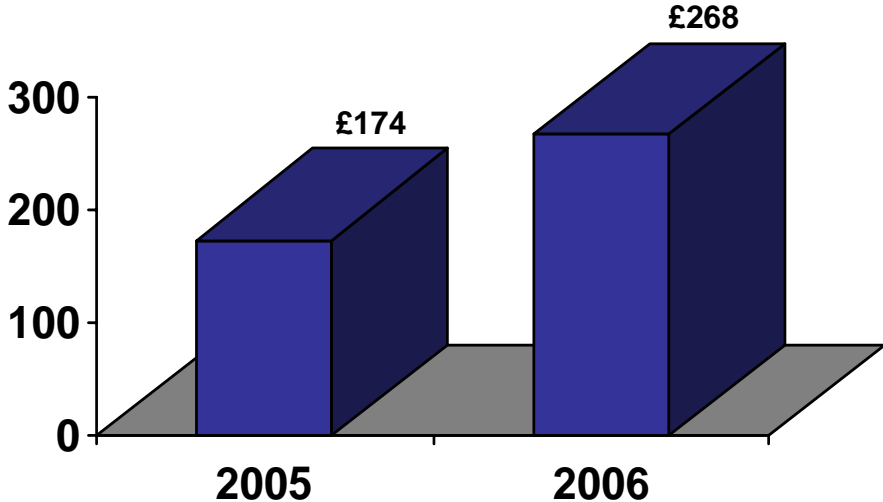
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Engineering Facilities Maintenance – Financial History

£m Turnover



£'000 Operating Profit



Operating profit before plc management charges

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Engineering Facilities Maintenance - Prospects

- ❖ Final negotiations for 3 year FM contract for global petro-chemical group
- ❖ Project services reintroduced on a selective basis
- ❖ Aldermaston clearance secured
- ❖ Development of North-East market

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Financials

Financials - Summary

£'000 Year ended	30 September 2006 £'000	30 September 2005 £'000
❖ Turnover	31,618	24,573
❖ Operating profit/(loss) before exceptional items and FRS17 charge	995	(133)
❖ Exceptional items	-	(3,326)
❖ FRS 17 charge	(62)	(90)
❖ Operating profit/(loss) on ordinary activities	933	(3,549)
❖ Profit on sale of land	-	148
❖ Interest:		
Financing	(48)	(143)
FRS 17	(113)	(121)
❖ Tax	8	(110)
❖ Profit/(loss) before tax	780	(3,775)
❖ Earnings/(loss) per share	5.77p	(28.27)p

Financials – Balance Sheet

£'000	September 2006	September 2005
	£000	£000
❖ Tangible fixed assets	2,543	2,444
❖ Current assets		
- Stocks	218	184
- Debtors	10,130	7,954
- Cash at bank	723	1,442
	<u>11,071</u>	<u>9,580</u>
❖ Current liabilities	<u>(8,751)</u>	<u>(7,306)</u>
❖ Net current assets	2,320	2,274
❖ Non current liabilities	<u>(8)</u>	<u>(1,390)</u>
❖ Net assets excluding pension scheme deficit	4,855	3,328
❖ Pension scheme deficit	<u>(2,871)</u>	<u>(3,345)</u>
❖ Net assets	<u>1,984</u>	<u>(17)</u>
	<u><u> </u></u>	<u><u> </u></u>

Financials – Cashflow

£'000	September 2006	September 2005
❖ Operating profit	933	(3,549)
❖ Depreciation	250	191
❖ Difference between pension charge and cash contributions	(271)	(230)
❖ Movement in working capital	(566)	3,797
❖ Loss/(Profit) on disposal of fixed assets	2	(3)
❖ Net interest	(319)	(138)
	<u>29</u>	<u>68</u>
❖ Purchase of fixed assets	(337)	(200)
❖ Disposal of fixed assets	11	277
❖ Deferred consideration on disposal of business	-	846
❖ Cash inflow before financing	(297)	991
❖ Cash outflow from financing	(422)	(739)
❖ Net cash inflow/(outflow)	<u>(719)</u>	<u>252</u>
❖ Net cash/(debt) balances	<u>701</u>	<u>(88)</u>

Elements Assisting Future Prospects

- ❖ Strength of Nuclear sector
- ❖ Much improved current trading
- ❖ High visibility of current year's turnover
- ❖ £40m orderbook
- ❖ Debt free
- ❖ Strong share price
- ❖ Good quality acquisitions identified
- ❖ Able to punch above our weight