

# Hayward Tyler

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## Hayward Tyler looks to new opportunity with Japanese deal

A deal with leading Japanese pump maker Ebara creates a new opportunity in a hitherto closed market for Hayward Tyler (LON:HAYT), Ewan Lloyd-Baker, the boss of the specialist British engineer, told Proactive.

The deal, which was struck post period, was announced as the firm posted its latest half year results, which, despite showing declines, were in line with expectations.

Lloyd-Baker said the deal meant the firm would provide key items to the Japanese group, namely boiler circulating pumps, which could be used to open as many as 40 new coal fired power stations over the next decade.

It's one of a number of recent deals, which include the recently completed acquisition of Peter Brotherhood - the manufacturer of steam turbines and gas compressors.

Hayward says it has good general visibility on its order pipeline and expects profits to be weighted in the second half after a muted first half.

Lower orders in the six months to September 30 meant revenues were down 9% to £21.8 million, compared to £24 million in the same period last year.

Pre tax profit was about flat at £1.8mln, while the trading operating profit was £2 million versus £2.3 million in 2014.

Due to a lower tax charge, adjusted EPS rose 19% to 3.87 pence (HI, 2015 3.26 pence).

Orders for the period came in at £26.6 million, against £27.6mln last year. Orders for aftermarket and original equipment manufacturing in the half were £13.8mln (1H2015: £17.7mln) and the firm highlighted that previous year orders were skewed somewhat towards aftermarket by the US\$10 million order from KHNP in South Korea.

Hayward told investors it had made progress against all its aims with the building of its Luton facility on track and on budget, set to be completed by the end of this year and expected to be fully operational by June 2016.

The company also reported an interim dividend of 0.552 pence per share compared to 0.525 pence last year, which will be paid on February 25 next year.

Lloyd-Baker added: "Over the last four years we have transformed Hayward Tyler into a forward-thinking, profitable market-leader in its specific niche markets.

**Price:** 89.00p

**Market Cap:** £40.50M

### 1 Year Share Price Graph



### Share Information

**Code:** HAYT

**Listing:** AIM

52 week	High	Low
	100p	63p

**Sector:** Engineering

**Website:** [www.haywardtyler.com](http://www.haywardtyler.com)

### Company Synopsis:

Hayward Tyler is one of the world's leading suppliers of electric motors and pumps. Whether the motors are dry or wet-wound, Hayward Tyler has a market leading reputation for providing mission critical products and services where the application is for:

High pressure

High temperature

Difficult to handle fluids.

### Author:

Giles Gwinnett

+44(0)1202770386

action@proactiveinvestors.com

He added: "...we anticipate the normal second-half weighting to deliver the overall growth in both revenue and profit for the year to meet management's expectations.

"This is likely to be driven in particular by a stronger performance from our US operation and a higher proportion of nuclear related spares. Overall the order outlook remains positive across our range of market segments, particularly in the conventional power market."

FinnCap analyst David Buxton noted the Japanese agreement, saying it was an opportunity for the company's super critical technology.

The shares have had a strong run following the well received Peter Brotherhood acquisition, he noted, and now trade on a Price to earnings of 11.4 times for 2015.

"This still appears cheap compared with many Industrials. Peter Brotherhood enhances mid-term growth, and commercial opportunities give upside potential."

The broker repeated a 113p target price, compared to a current price of 88p, down around 5% on the day.

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Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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