



Hayward Tyler

Mar 30th 2015

Hayward Tyler on course to meet expectations; unveils new contract wins

Specialist engineering group Hayward Tyler (LON:HAYT) disclosed £1.1mln of contract wins in an upbeat fiscal fourth quarter update.

Trading has been healthy across all of Hayward Tyler's markets in 2015, and the company said it successfully opened a new sales office in Shanghai to complement its existing service and overhaul facility in Kunshan, while the expansion of its Luton facility to meet anticipated increased demand remains on track.

The new contracts announced on Monday were both from the eastern hemisphere. A contract from Shanghai Boiler Works in China for the delivery of two boiler circulating pumps for the 1000 megawatt super-critical Beijiang power plant in Tianjin Province, Northern China, is worth more than £600,000. The pumps are due for delivery in October and November this year.

Meanwhile, in India, an after-market order due for delivery before the end of December and valued at more than £600,000, further supports the company's conventional power generation installed base in Chhattisgarh state, Hayward Tyler said.

Outside of the conventional power generation market, the company is hot on the trail of new contracts in the UK nuclear new build market, while in the oil & gas sector, the company is receiving significant interest from the industry as a result of the ability of its technology to secure greater efficiency and extraction from offshore wells.

"In spite of the tightening market conditions, the group continues to make solid progress across its chosen markets, which underpins management's expectation of meeting market expectations for the full year," said Ewan Lloyd-Baker, chief executive officer of Hayward Tyler.

House broker finnCap said the fourth quarter trading was a satisfactory one and points to healthy trading across its markets, in spite of tightening market conditions.

The broker is making no change to its fiscal 2015 (FY15) forecasts, as Hayward Tyler's management indicated it expected to meet full-year expectations, but finnCap said that based on those expectations, the shares look good value, especially in light of recent share price weakness.

"With maintained forecasts, the shares look good value, trading on a significant discount to many of its industrial equipment peers, on a P/E [price/earnings ratio] of 9.6x for the year just ending, dropping to 8.6x in 2016, or an EV/EBITDA [enterprise value/underlying earnings] of 6.3x," the broker said, as it reiterated its price target of 113p, which is based on a P/E fair value of 14 times projected earnings for fiscal 2016.

Shares in Hayward Tyler currently trade at 69p, down 1.25p on the day.

Price: 72.00p

Market Cap: £32.77M

1 Year Share Price Graph



Share Information

Code: HAYT

Listing: AIM

Sector: Engineering

Website: www.haywardtyler.com

Company Synopsis:

Hayward Tyler Group plc (HTG plc) is a niche engineering and manufacturing group. Through its main operating subsidiary Hayward Tyler Group Limited, the worldwide market leaders in boiler circulating pumps, its focus is on the energy sector.

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