



# Hayward Tyler

Tue

## UPDATE - Hayward Tyler posts best set of results as a public company

### ---ADDS MANAGEMENT AND BROKER COMMENTS, PLUS SHARE PRICE---

Revenue and profits were a shade ahead of expectations last year at specialist engineering group Hayward Tyler (LON:HAYT).

The group saw a significant increase in both original equipment sales and after-market revenues, and 88% of revenue was generated from customers based outside of the UK.

Power remained the group's largest target market, accounting for 59% of revenue, up from 51% the previous year. Nuclear was the next largest market (20% vs 16% in 2013/4) while the hard-pressed oil & gas sector's contribution to revenues declined to just 8% from 18% the year before.

The order intake was roughly equivalent to historical annual revenues, and though this was marginally lower than the board's target of 1.1 times historical revenues, the shortfall can be accounted for by a timing issue and is not reflective of a softening of markets, Hayward Tyler said.

Chief executive Ewan Lloyd-Baker looked back, not only on the year under review, but the full 200-year history of Hayward Tyler, a company that pioneered the development of the submersible electric motor, the glandless boiler circulating pump and a sub-sea fluid-filled electric motor capable of operating at depths of 3,000 metres.

The current decade has seen the group revitalised, with a significant amount of investment in modernising production facilities, and the momentum continued last year, with Lloyd-Baker saying the company had succeeded in delivering against its plans.

Speaking to Proactive Investors, the Hayward Tyler chief executive said it was "another good set of results" with "the right metrics going up, and the right metrics going down".

On top of that, management had delivered on its promises even while undertaking a massive investment programme at its Luton facility, where works on its Centre of Excellence are now well underway that will result in a near doubling of capacity.

**Price:** 82.50p

**Market Cap:** 3

#### 1 Year Share Price Graph



#### Share Information

**Code:** HAYT

**Listing:** AIM

<b>52 week</b>	<b>High</b>	<b>Low</b>
	93.5p	70.25p

**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.

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Lloyd-Baker said the investment would improve stock-turn and increase efficiencies, "but it's more than just the investment in plant; it's the people". The company has invested in about four weeks of training per employee over the last 12 months, he revealed.

Shares in the engineering firm were off 3.8% at 81.8p in the afternoon session, possibly as a result of concerns over the deterioration in the percentage of revenues derived from the oil and gas sector following the collapse in the oil price.

In an interview with Proactive Investors Lloyd-Baker noted that the recent landmark deal with FMC, the global leader in sub-sea systems, was done when the oil price was in the mid-fifties (dollars per barrel), and he believes that sub-sea is set to be one of the growth areas within the sector.

Hayward Tyler's expertise, allied with improved facilities at its Luton plant, make it the partner of choice when it comes to providing performance-critical motors to the likes of FMC, Lloyd-Baker maintains.

The Hayward Tyler boss was confident other deals would follow the FMC hook-up and that, over the medium term, 20-30% of Hayward Tyler's revenues would come from the oil & gas sector.

House broker finnCap said the numbers were broadly in line with its forecasts, and suggested that the shares are cheap.

"A strong H2 performance was seen in the after market operation, generating improved margins and adjusted EPS [earnings per share] growth of 16%. Significant investment is taking place at Luton, which - coupled with the potentially game-changing alliance with FMC Technologies and the improving power prospects - provides an encouraging outlook," the broker concluded.

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