

Results presentation

for the year ended 30 November 2012

Specialist filtration & environmental technology

Ben Stocks
Chief Executive

Chris Tyler
Finance Director

Summary

porvair

Consistent strategy delivering results

Consistent strategy



Niche positions
in growing, regulated markets

Long-term focus on
new product development
and intellectual property

2008 - 2012

11% CAGR
in revenue

£35m+
cash from operations

30%
return on operating
capital employed

In the year ended 30 November 2012

12%
revenue growth to £76.5m

38% EPS
growth to 10.1p

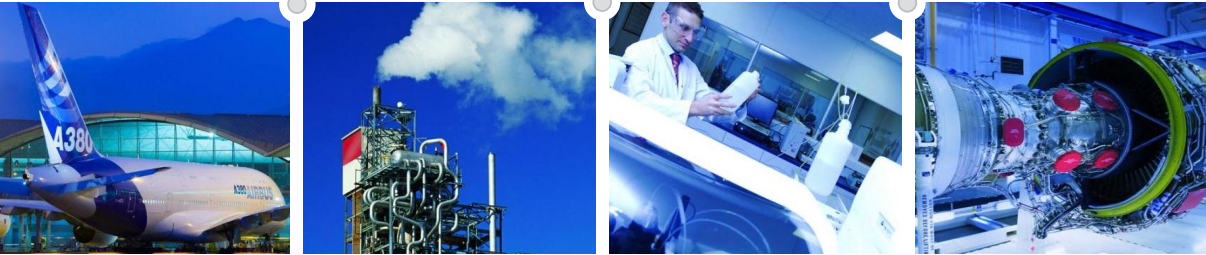
24%
Reduction in net debt to £3.9m

Specialist filtration

and environmental technology



Specialist filters are used to protect costly or complex downstream systems



Attractive business characteristics

Annuity demand:

- Consumables: 80%+
- Long life cycles
- Bespoke

Robust demand drivers:

- Secular trends
- Regulation/legislation
- Process reliability

Barriers to entry:

- Patent protection
- Quality accreditation
- Design rights

Consistent strategic

and operational objectives



Long-term growth from developing specialist filtration and environmental technology businesses both organically and by acquisition

1

A focus on regulated markets with long-term growth prospects

- Four key markets

2

Concerted new product development

- Now core to revenue growth

3

Geographic expansion to support key markets

4

Generate cash to invest in:

- Organic growth
- Acquisitions
- Dividends

11% revenue CAGR since 2008

Plenty of opportunity ahead

A focus on regulated markets

with long-term growth prospects

Markets	Regulation	Market Growth
 <p>Aviation</p>	<p>FAA, CAA, EASA and other specific accreditations</p>	<p>5.0% p.a. Growth in pax revenue miles 2010 - 2030 (Source: Boeing 2012)</p>
 <p>Energy and industrial process</p>	<p>International nuclear standards: NQA1, ASME, etc</p>	<p>11.5% p.a. Growth in gasification 2011 - 2016 (Source: US DOE 2010)</p>
 <p>Environmental laboratory supplies</p>	<p>Approved methods: EPA, SEPA, EU water directives</p>	<p>5.6% p.a. Growth in water analysis consumables 2011 - 2016 (Source: SDI Research 2012)</p>
 <p>Molten metals</p>	<p>ISO and customer accreditations; extensive qualification requirements</p>	<p>6.5% p.a. Growth in primary aluminium usage 2010 to 2019 (source: Alcoa 2011)</p>

Main markets and operating companies

Business division	Main operating companies	Principal markets	Approx share of Group sales
Microfiltration	Porvair Filtration Group	Aviation	20%
		Energy and industrial process	20%
	Seal Analytical	Environmental laboratory supplies	20%
Porvair Sciences			
Metals Filtration	SELEE Corp	Molten metals	40%

Strong market positions

and concerted new product development

Aviation



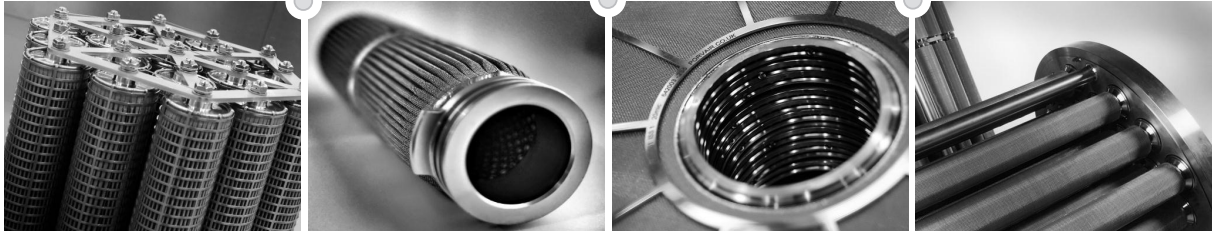
Niche positions	Growth drivers	Recent new products	Differentiation
<ul style="list-style-type: none"> • Fuel tank inerting • Coolant systems • Hydraulics 	<ul style="list-style-type: none"> • Aircraft build rates • Maintenance schedules • New programmes • Retrofit: inerting 	<ul style="list-style-type: none"> • Boeing, Airbus and other fuel tank inerting filters • A380 and 787 coolant filters • A350 systems • Airbus NEO 	<ul style="list-style-type: none"> • Design engineering • Range of media

Strong market positions

and concerted new product development



Energy and industrial process



Niche positions	Growth drivers	Recent new products	Differentiation
<ul style="list-style-type: none"> • Pulse jet systems • Hot gas and gasification • Nuclear remediation • Polymer production 	<ul style="list-style-type: none"> • Gasification build rates • Maintenance schedules • Nuclear clean-up • Energy efficiency and security 	<ul style="list-style-type: none"> • E-gas™: Posco • Thor filtration systems • UK Government remediation 	<ul style="list-style-type: none"> • Range of media • Hot gas handling

Strong market positions



and concerted new product development

Environmental laboratory supplies

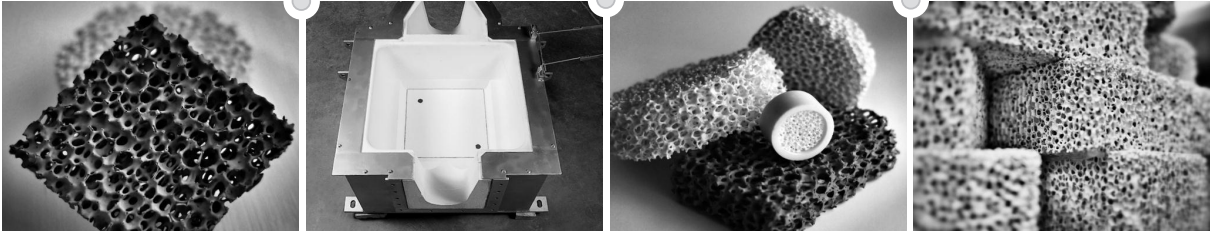


Niche positions	Growth drivers	Recent new products	Differentiation
<ul style="list-style-type: none"> • Analysis of inorganic chemicals in water • Associated consumables • Porous plastics 	<ul style="list-style-type: none"> • Regulated water testing • Higher environmental standards • Developing markets • Bioscience growth 	<ul style="list-style-type: none"> • Quattro 39 • AA1 • AQ1 • Bioscience filters and Chromatrap™ 	<ul style="list-style-type: none"> • Installed base • IP and detection limits • Porous plastics IP

Strong market positions

and concerted new product development

Molten metals



Niche positions	Growth drivers	Recent new products	Differentiation
<ul style="list-style-type: none"> Aluminium cast house filtration Gray and ductile iron filtration Super alloys 	<ul style="list-style-type: none"> Aluminium consumption US auto and light truck production Increased use of high grade and exotic alloys 	<ul style="list-style-type: none"> Selee CSX™ Selee IC™ Selee SA™ 	<ul style="list-style-type: none"> Patent suite Aluminium expertise

Geographic expansion to key markets:



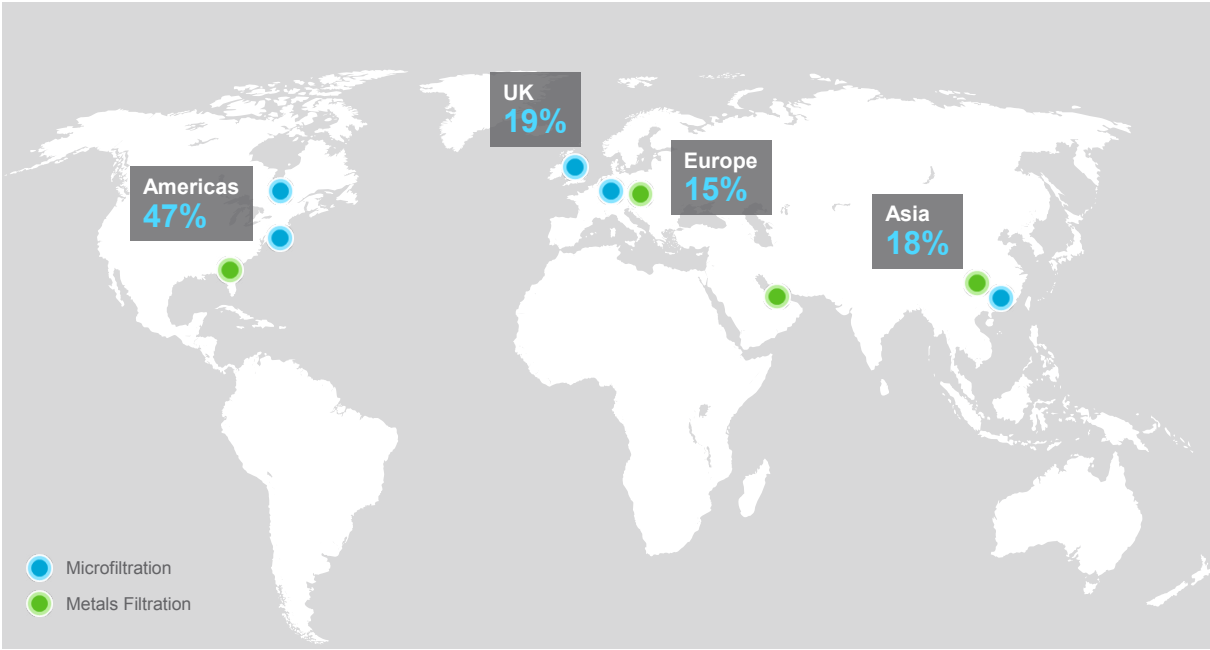
2008 to 2012 developments



Geographic expansion to key markets:

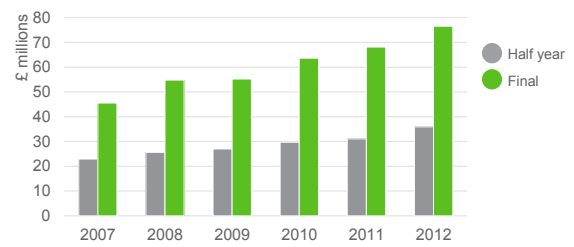
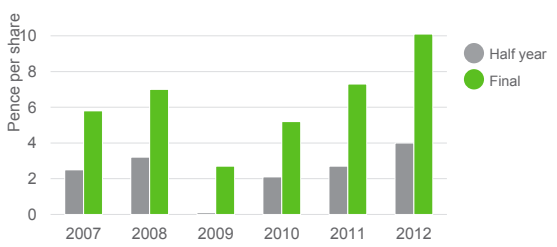


2008 to 2012 developments

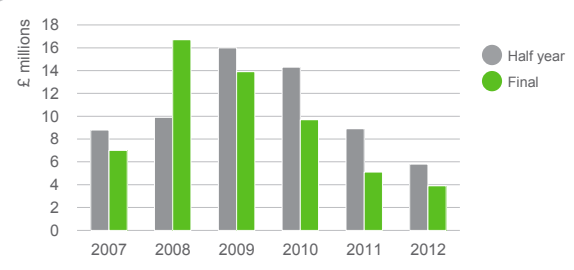
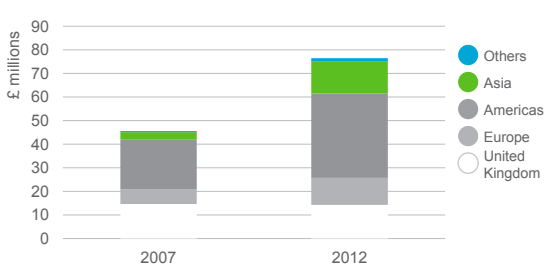


Consistent strategy: revenue growth and margin improvement

EPS growth trend established **11% revenue CAGR over five years**



Revenue growth coming from US and Asia – year to 30 Nov **Net debt reducing**



Record results:

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for the year ended 30 November 2012

Revenue up

12%

to £76.5m

Revenue up

8%

in Metals Filtration

Revenue up

15%

in Microfiltration

PBT up

40%

to £6.3m

EPS up

38%

to 10.1p

Net debt down

24%

at £3.9m

Income statement

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year ended 30 November 2012

	2012 £000	2011 £000
Revenue	76,455	69,090
Operating profit	7,205	5,307
Interest	(906)	(794)
Profit before tax	6,299	4,513
Tax	(2,017)	(1,414)
Profit after tax	4,282	3,099
EPS (basic)	10.1p	7.3p

Cash flow

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year ended 30 November 2012

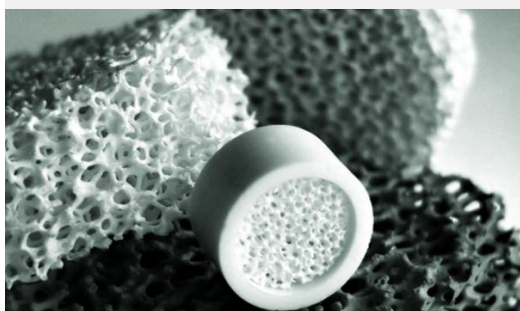
	2012 £000	2011 £000
Operating cash flow before working capital	9,446	8,302
Working capital movement	(283)	(165)
Interest	(518)	(544)
Tax	(1,238)	(1,223)
Capital expenditure	(1,928)	(1,354)
Net cash from operations	5,479	5,016
Acquisitions	(3,329)	-
Proceeds from issue of shares	41	457
Dividends paid	(1,023)	(976)
Exchange movements	53	87
Net debt at 1 December	(5,091)	(9,675)
Net debt at 30 November	(3,870)	(5,091)

Metals Filtration

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results and progress – year ended 30 November 2012

	2012 £000	2011 £000	
Revenue	28.0	25.9	● Revenue up 8%, operating profit up 63%
Operating profit	2.4	1.5	● Record results
			● £4.8m operating cash generated
			● Market share
			● Steady gains from patented products
			● Pell acquisition: promising know-how
			● Further new products being refined and tested
			● Margins
			● Continuous improvement in plant efficiencies



Microfiltration



results and progress – year ended 30 November 2012

	2012 £000	2011 £000
Revenue	48.5	42.2
Operating profit	6.7	5.6



Revenue up 15%, operating profit up 19%

- Record results
- PFG up 17% (underlying growth 5%)
- Seal Analytical up 13% (acquisitions fully integrated)

Aviation up 20%

- Broad spread of filtration applications

Energy

- POSCO first shipments
- £11.3m UK Government nuclear remediation contract

PFG inc

- Strong underlying growth

2013 – 2015 opportunities



market growth, market share gains and margin growth

	Aviation	Energy and industrial process	Laboratory supplies	Molten metals
Market growth	Regulated markets with long term growth prospects – long product lifecycles			
Market share gains	<ul style="list-style-type: none"> Inerting still growing Airbus A380 and Boeing 787 coolant just starting A350 from 2013 Airbus NEO programme 	<ul style="list-style-type: none"> POSCO \$10+m UK Gov't £11.3m Promising pipeline 	<ul style="list-style-type: none"> NPD: Quattro 39; discrete analyser design rights Cross selling from acquisitions Bioscience filter development 	<ul style="list-style-type: none"> Further market share gains from IP protected ranges Move to higher spec metals Initial orders for next wave of new products
Margin growth	<ul style="list-style-type: none"> US sales and manufacturing Operational improvements 	<ul style="list-style-type: none"> US sales and manufacturing Longer life hot gas filters 	<ul style="list-style-type: none"> Focus on in-house manufacture Improvements in supply chain 	<ul style="list-style-type: none"> China expansion Incremental product and process improvements
				

Summary

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and outlook

Strong growth in the year ended 30 November 2012

12%

Revenue growth

40%

Growth in profits
before tax

£3.5m

Invested in acquisitions

Outlook

**Niche
positions**

in growing,
regulated markets

Opportunities for
market share
and **margin**
improvements

Order books and
pipeline **promising**

The Board's outlook is positive

Results presentation

for the year ended 30 November 2012

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