

Results presentation

for the six months ended 31 May 2013

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

2007- 2012

11% CAGR
in revenue

£35m+
cash from operations

30%
return on operating
capital employed

In the six months ended 31 May 2013

8%
revenue growth to £38.6m

23% EPS
growth to 4.9p

22%
Reduction in net debt to £3.0m

Specialist filtration

and environmental technology

porvair

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

porvair

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 2007

Plenty of opportunity ahead

A focus on regulated markets



with long-term growth prospects

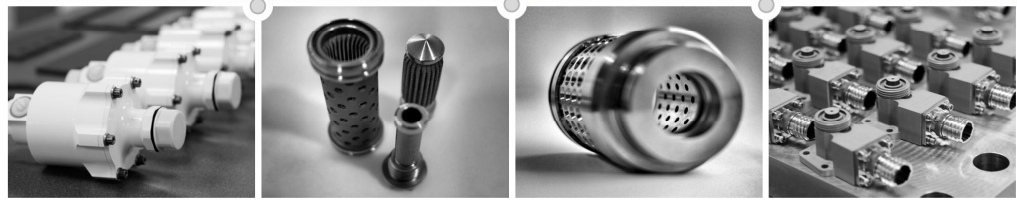
Markets	Regulation	Market Growth
 Aviation	FAA, CAA, EASA and other specific accreditations	5.0% p.a. Growth in pax revenue miles 2010 - 2030 (Source: Boeing 2012)
 Energy and industrial process	International nuclear standards: NQA1, ASME, etc	11.5% p.a. Growth in gasification 2011 - 2016 (Source: US DOE 2010)
 Environmental laboratory supplies	Approved methods: EPA, SEPA, EU water directives	5.6% p.a. Growth in water analysis consumables 2011 - 2016 (Source: SDI Research 2012)
 Molten metals	ISO and customer accreditations; extensive qualification requirements	6.5% p.a. Growth in primary aluminium usage 2010 to 2020 (source: Alcoa 2013)

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 Porvair Sciences	Environmental laboratory supplies	20%
Metals Filtration	SELEE Corp	Molten metals	40%

Strong market positions and concerted new product development

Aviation



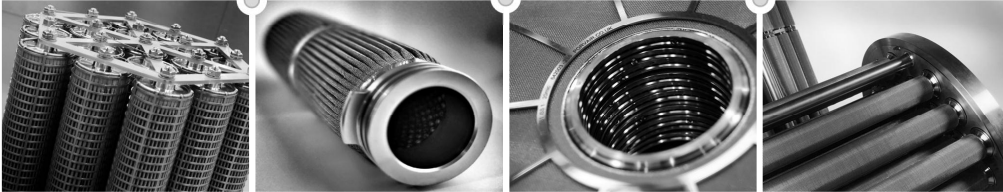
Niche positions	Growth drivers	Recent new products	Competitive advantage
<ul style="list-style-type: none"> • Fuel tank inerting • Coolant systems • Hydraulics 	<ul style="list-style-type: none"> • Aircraft build rates • Maintenance schedules • New programmes • Retrofit: inerting 	<ul style="list-style-type: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

Strong market positions



and concerted new product development

Energy and industrial process



Niche positions	Growth drivers	Recent new products	Competitive advantage
<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 • E-gas™: Reliance • E-gas™: SG Solutions • UK Government remediation 	<ul style="list-style-type: none"> • Installed base • Range of media • Design engineering: pulse jet systems • Design protection

Strong market positions



and concerted new product development

Environmental laboratory supplies



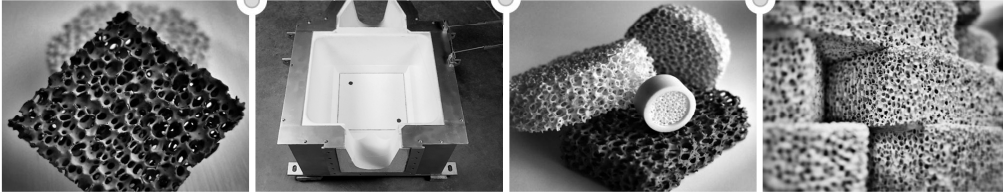
Niche positions	Growth drivers	Recent new products	Competitive advantage
<ul style="list-style-type: none"> • Analysis of inorganic chemicals in water • Associated consumables • Porous plastics 	<ul style="list-style-type: none"> • Regulated water testing • Higher environmental standards • Developing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

Strong market positions



and concerted new product development

Molten metals

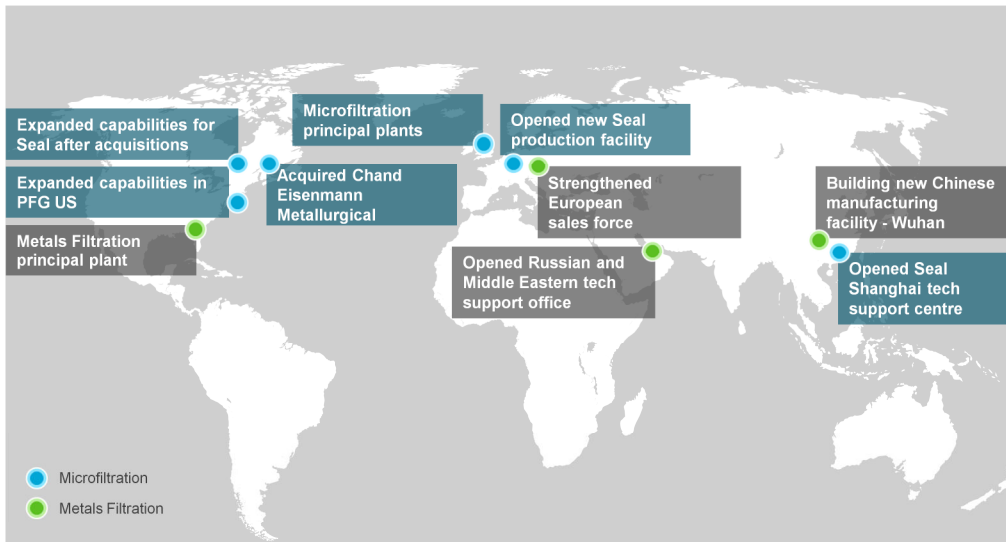


Niche positions	Growth drivers	Recent new products	Competitive advantage
<ul style="list-style-type: none"> Aluminium cast house filtration Gray and ductile iron filtration Super alloys 	<ul style="list-style-type: none"> Aluminium consumption US auto and light truck production Increased use of high grade and exotic alloys 	<ul style="list-style-type: none"> Selee CSX™ Selee IC™ Selee SA™ Range extensions 	<ul style="list-style-type: none"> Patent protection Metallurgical expertise US manufacture (for the Americas)

Geographic expansion to key markets:



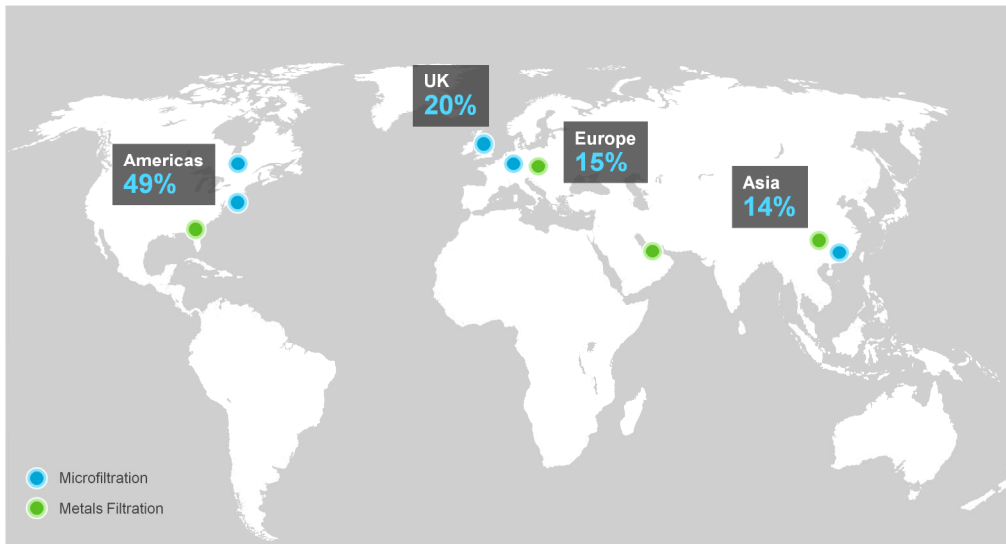
2008 to 2013 developments



Geographic expansion to key markets:

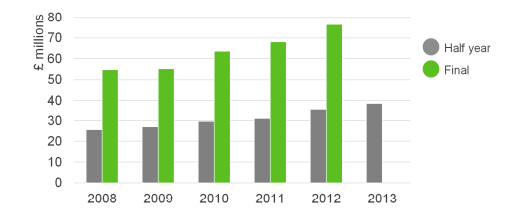
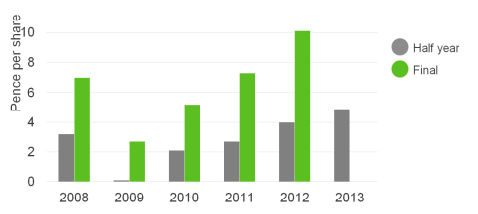


2013 revenue by destination

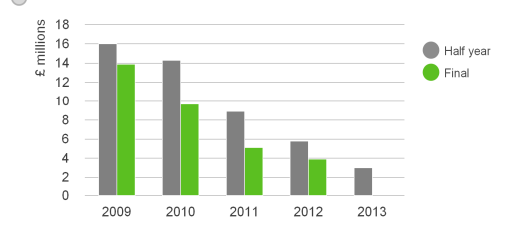
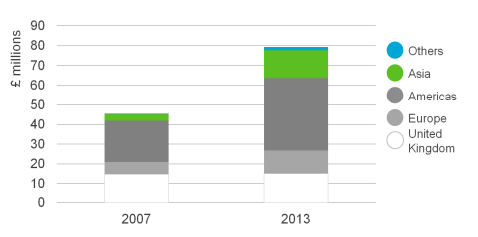


Consistent strategy: revenue growth and margin improvement

EPS growth trend established **11% revenue CAGR since 2007**



Revenue growth coming from US and Asia **Net debt reducing**



Encouraging performance

for the six months ended 31 May 2013

porvair

Revenue up

8%

to £38.6m

Revenue up

15%

in Microfiltration

Revenue lower

(4)%

in Metals Filtration

PBT up

27%

to £3.1m

EPS up

23%

to 4.9p

Net debt down

22%

at £3.0m

Income statement

porvair

six months ended 31 May 2013

	2013 £000	2012 £000
Revenue	38,604	35,866
Operating profit	3,460	2,817
Interest	(410)	(410)
Profit before tax	3,050	2,407
Tax	(951)	(718)
Profit after tax	2,099	1,689
EPS (basic)	4.9p	4.0p

Cash flow



six months ended 31 May 2013

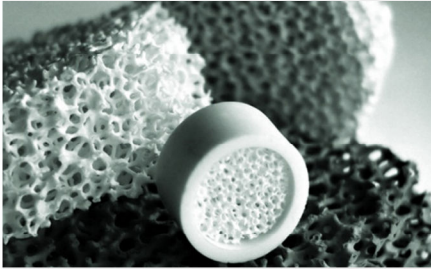
	2013 £000	2012 £000
Operating cash flow before working capital movements	4,616	3,724
Working capital movement	(2,650)	200
Interest	(185)	(269)
Tax	(838)	(345)
Capital expenditure (net of disposals)	(49)	(770)
Net cash from operations	894	2,540
Acquisitions	(63)	(3,076)
Proceeds from issue of shares	236	41
Exchange movements	(227)	(172)
Net debt at 1 December	(3,870)	(5,091)
Net debt at 31 May	(3,030)	(5,758)

Metals Filtration

porvair

results and progress – six months ended 31 May 2013

	2013 £000	2012 £000	
Revenue	14.1	14.6	Revenue 4% lower, operating margins maintained
Operating profit	1.1	1.2	<ul style="list-style-type: none">• Results below record 2012• Global aluminium pricing lower



Market share

- Steady gains from patented products
- Range extensions
- “Pell” process benefits

Margins

- Building new Chinese plant
- Continuous improvement in plant efficiencies

Microfiltration

porvair

results and progress – six months ended 31 May 2013

	2013 £000	2012 £000	
Revenue	24.5	21.3	Revenue up 15% , operating profit up 43%
Operating profit	3.5	2.4	Energy: large contracts


- POSCO; Reliance: underway; on track
- UK govt nuclear remediation: underway; on track
- Underlying orders robust

Aviation: steady growth

- Boeing 787 effect
- Inerting filter on track

US expansion: facilities; capabilities; skills

- Industrial; aerospace; Chand Eisenmann
- Seal Analytical



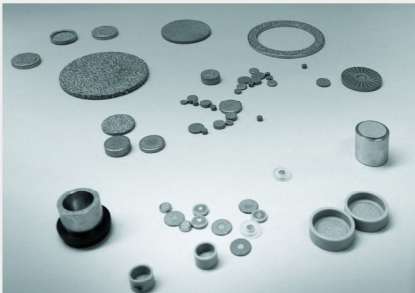
Microfiltration



Chand Eisenmann acquisition

\$5.5m trade and assets acquisition

- \$3.5m initial payment; \$2m deferred



Good bolt on for PFG inc

- \$4+m annual revenue
- Earnings enhancing

Caribou , Maine

- Management remaining with the business

Complementary manufacturing processes

- Product development opportunities

Complementary product ranges

- Cross selling opportunities

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 underway A350 from 2013 Airbus NEO programme 	<ul style="list-style-type: none"> Large contracts in place Pipeline promising Chand Eisenmann acquisition 	<ul style="list-style-type: none"> Steady NPD pipeline developed Acquisition cross selling Bioscience filtration opportunity 	<ul style="list-style-type: none"> Steady market share gains from IP protected ranges Product range extensions Initial orders for next generation of new products
Margin growth	<ul style="list-style-type: none"> US expansion Operational improvements 	<ul style="list-style-type: none"> US sales and manufacturing Longer life hot gas filters 	<ul style="list-style-type: none"> Analyser range designs acquired Value engineering programme 	<ul style="list-style-type: none"> China expansion Incremental product and process improvements
				

Summary

porvair

and outlook

Strong growth in the six months ended 31 May 2013

8%
revenue growth

27%
growth in profits
before tax

Two
new large contracts won

Outlook

Niche markets with
structural **growth**
drivers

Order books **healthy**
across the Group

Second half has
started well

The Board's outlook remains positive; management's expectations increased

Results presentation

for the six months ended 31 May 2013

Specialist filtration & environmental technology

Ben Stocks
Chief Executive

Chris Tyler
Finance Director