

# Annual Results 2020

JUNE 2021

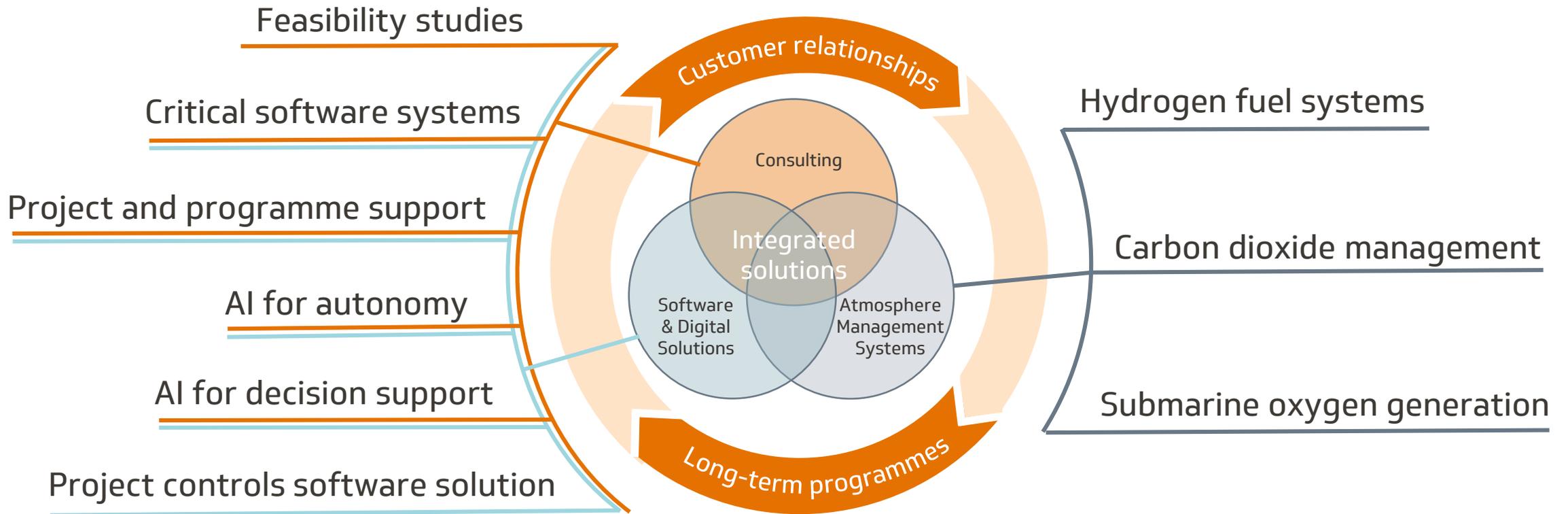
# Notice

- The information contained in this presentation document (the “presentation”, which term includes any information provided verbally in connection with this presentation document) does not constitute an offer or solicitation to hold, sell or invest in any security and should not be considered as investment advice or as a sufficient basis on which to make investment decisions. This presentation is being provided to you for information purposes only.
- Whilst this presentation has been prepared in good faith, neither TP Group plc (the “Company”) nor any of its group undertakings nor any of their respective directors, members, advisers, representatives, officers, agent, consultants or employees: (i) makes, or is authorised to make any representation, warranty or undertaking, express or implied, with respect to the information and opinions contained in it or accepts any responsibility or liability as to the accuracy, completeness or reasonableness of such information or opinions; or (ii) accepts any liability whatsoever for any loss howsoever arising, directly or indirectly, from use of or in connection with the information in this presentation.
- The Company is under no obligation to provide any additional information or to update or revise the information in this presentation or to correct any inaccuracies which may become apparent. This presentation may include certain forward-looking statements, beliefs or opinions. There can be no assurance that any of the results and events contemplated by any forward-looking statements contained in the information can be achieved or will, in fact, occur. No representation is made or any assurance, undertaking or indemnity is given that any such forward looking statements are correct or that they can be achieved.

# About TP Group

- TP Group is a consulting, software and technologies business, working to make the world a safer place.
- Our talented people are trusted worldwide to do difficult things well in mission-critical, business-critical and safety-critical situations.
- More than 400 highly skilled individuals in six European countries support complex programmes in the aerospace, defence and energy sectors.
- 2020 was reported as two segments, Consulting and Programme Services (CaPS) and Technology and Engineering (T&E).
- In 2021 we are evolving to work through three complementary value streams:
  - Consulting - professional services that allow our clients to understand their enterprise and the world in which they work, make informed decisions and act on them with confidence.
  - Software & Digital Solutions - using software to solve challenging problems in dynamic and complex environments.
  - Atmosphere Management Systems - life-support systems in critical workspaces, and hydrogen-based renewable energy solutions
- TP Group works globally with governments, institutions and leading commercial businesses to deliver solutions and systems for land, sea, air and space projects.

# What we do



# 2020 operational highlights

- Navigated the COVID-19 pandemic – a tough year with challenges for travel, resources and supply chain that eroded margins whilst business continued through key long-term contracts and relationships
- Established country operations in France
- Extended European presence
  - Extended long-term ESA framework agreement
  - New European framework contract at EuroControl
- Breakthrough AI system contracts
  - Autonomous vehicles for the United States DoD
  - Decision support and optimisation in the Middle East energy sector
- Acquired Osprey to extend our aerospace market position and capabilities complementary with the existing Consulting activity
- Disposed of TPG Engineering Limited as non-core to the Group strategy.
- Expressions of interest received from several multinational companies for the Group's maritime engineering business

# 2020 Key financial highlights

Group closing  
order book

**£69.3m**

2019: £56.8m

Group  
revenue

**£59.0m**

2019: £49.4m

Adj. operating  
profit<sup>1</sup>

**£3.7m**

2019: £6.2m

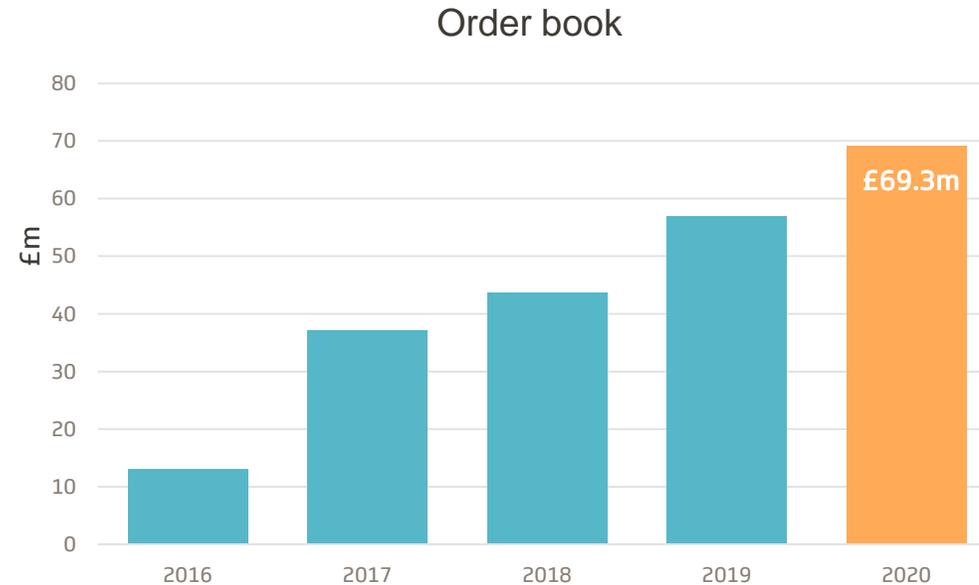
Closing  
cash

**£7.4m**

2019: £6.6m

- **Order intake up £9.0m to £71.5m (2019: £62.5m)** – with Osprey adding c.£7.2m including an opening order book of c.£5.3m
- **Closing order book up 22% to £69.3m** – (2019: £56.8m) provides significant visibility of planned 2021 revenues
- **Revenue up 20% to £59.0m** – organic growth of 9% with the balance coming from Osprey and the full year effect of Sapienza
- **Adjusted operating profit £3.7m (2019: £6.2m)** - margin erosion due to issues materially caused by the coronavirus (“COVID-19”) pandemic, and continuing investment across the Group to support growth initiatives
- **Closing cash balance of £7.4m** - after acquisition of Osprey, further investment in the business and the drawdown of the £7.0m HSBC banking facility

# Significant and growing order book

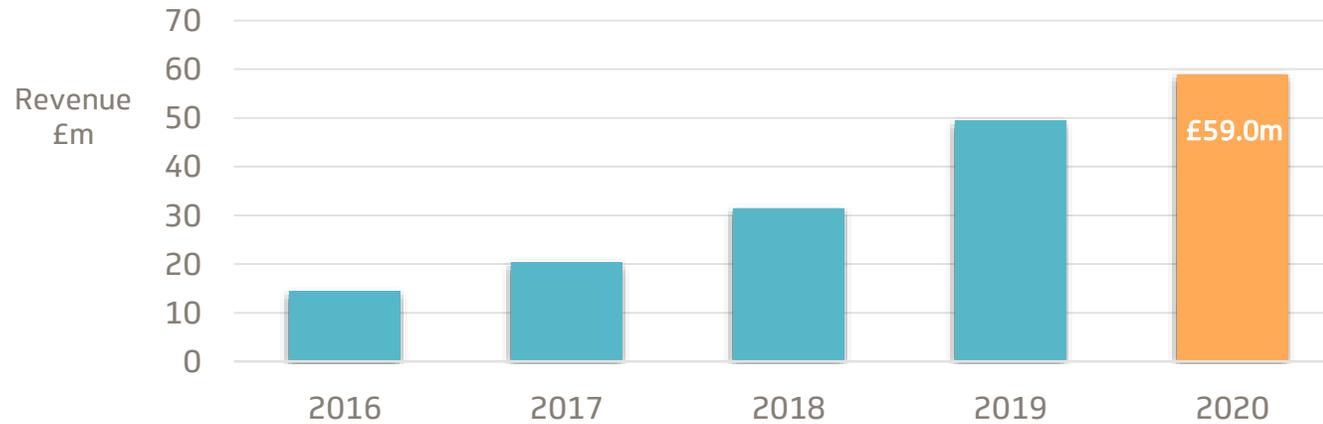


## Growing order book provides substantial confidence in forecast revenue plans

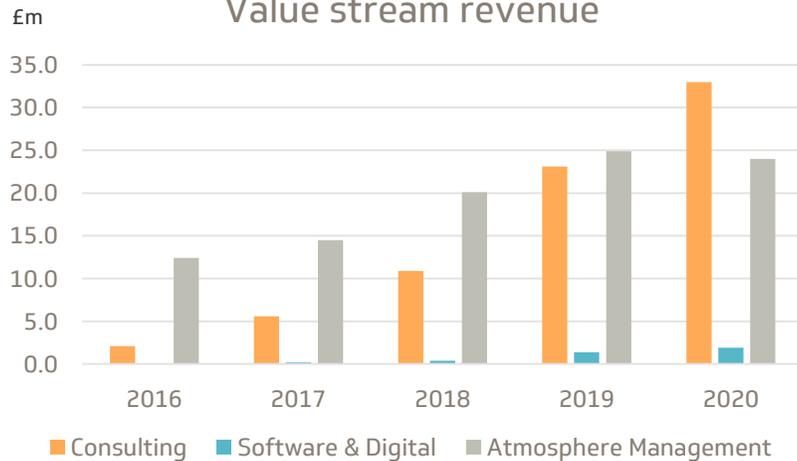
- Closing order book provides substantial coverage of 2021 and 2022 revenues
- Q1 2021 order wins >£14m
- Active sales pipeline >300m

# Business evolution

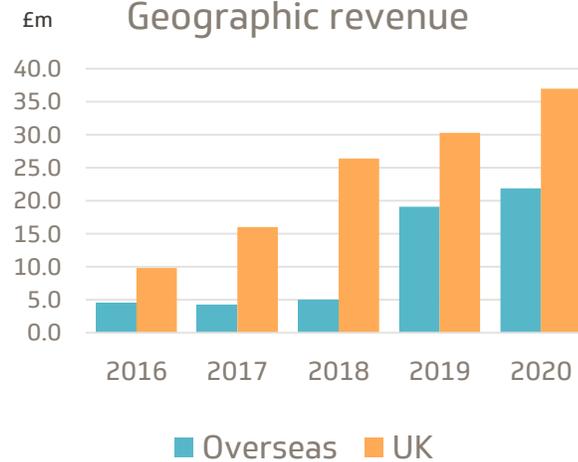
## Group revenue growth



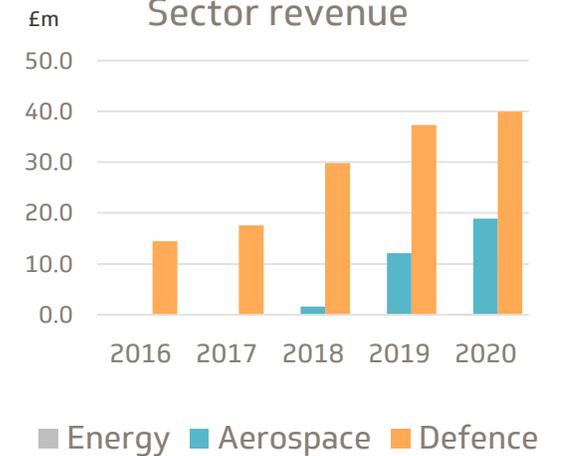
## Value stream revenue



## Geographic revenue



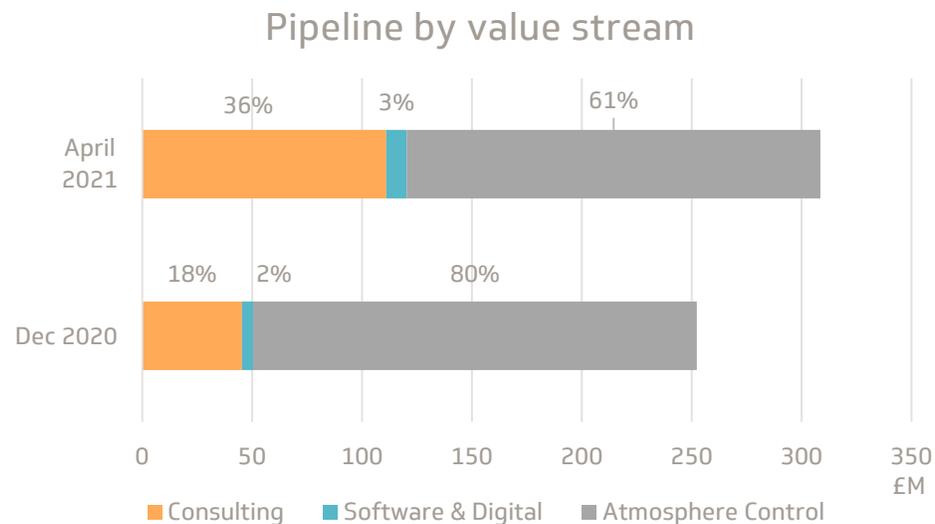
## Sector revenue



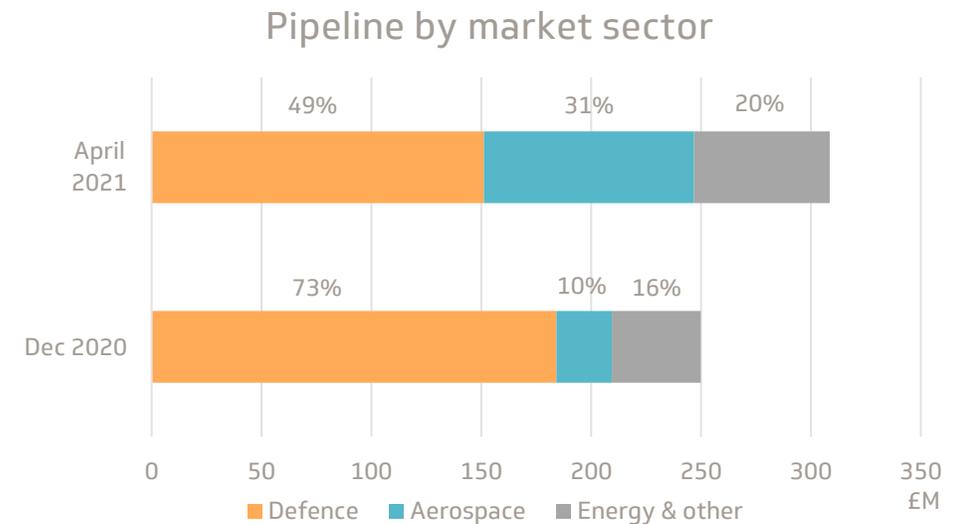
# Evolving the sales pipeline

- The Group sales pipeline has grown 20% to just over £300m since the end of 2020

The pipeline is growing most quickly for our Consulting activities

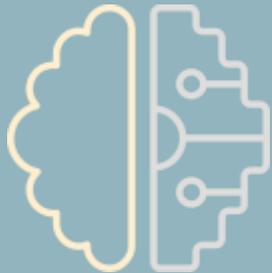


Balancing our positions across multiple sectors



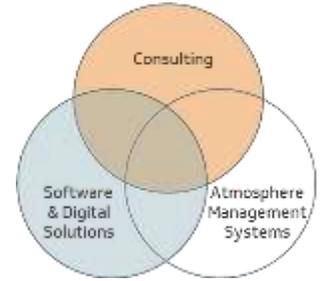
# Where we are going

We have built a differentiated position that links advanced AI and other critical software with strategic and project consulting to become the principal support company for critical change programmes.



We work with customers so they can understand the world around them, make good decisions, act upon them quickly and with confidence to achieve a successful outcome.

# Critical software solutions



- Delivered jointly by Consulting and Software & Digital Solutions
- Design, modelling and implementation of complex digital systems to achieve demanding mission objectives
- Military and civilian projects, often involving aerospace platforms where safety, function and performance are critically important
- Future solutions will provide digital twins that represent complex equipment for planning, training and operational support



Modelling satellite constellation data throughput and latency - SKYNET

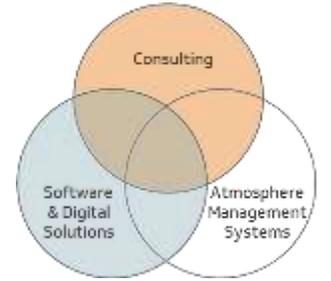


Flight deck integration and safety – Wildcat helicopter



Deployed computing power for local service delivery – European Army

# AI for decision support



- Delivered jointly by Consulting and Software & Digital Solutions
- Intelligent software with machine learning principles that works with dynamic data sources to make recommendations that evolve as circumstances change
- Projects in progress to allocate and optimise oil production resources, communications facilities and project resources for space missions
- New opportunities to build synthetic environments for space mission planning, immersive training methods and dynamic resource management in large facility maintenance and construction



Abu Dhabi – AI for upstream production systems optimisation

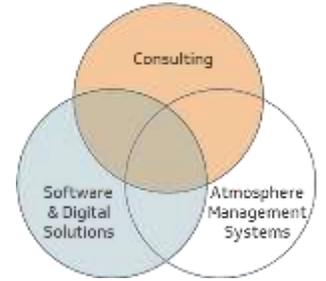


5G deployment for consumer use on trains – EU development project



Project resource optimisation – ESA and prime contractors

# AI for autonomous vehicles



- Delivered jointly by Consulting and Software & Digital Solutions
- Unique AI algorithms provide truly autonomous route planning and adjustment in real time and in changing situations
- Critical missions with multiple international defence forces to do more with smaller equipment and take humans out of harm's way
- Non-military opportunities emerging for satellite collision avoidance, environmental survey, mining, construction and pilotless air taxi services



National Oceanography Centre –  
unmanned submarines in congested  
harbour locations



US DoD  
autonomous multi-vehicle convoy



Truly autonomous route optimisation  
system for unmanned surface vessels

# Critical project support



- Delivered jointly by Consulting and Software & Digital Solutions
- People, skills, tools and methods that help customers deliver large, complex and critical projects or programmes with confidence
- Specialist skills in safety management, cost engineering, business case management, project controls and stakeholder management give TP Group an advantage in guiding customers through high-risk projects
- Developing ECLIPSE as the go-to project controls system for uses in new sectors



ECLIPSE at the heart of European space mission projects



UK MoD - £3bn programme to transform communications and data systems



Royal Navy - remote air traffic tower safety assurance services

# Oxygen, carbon and hydrogen systems



- Delivered by Atmosphere Management Systems
- Design, build and operation of complex systems
- Oxygen generation and carbon dioxide removal, initially developed for sub-sea applications and deployed on long-term programmes world wide
- Core technologies have been repurposed to generate ultra-pure hydrogen for use as fuels in transport systems



Submarine oxygen generation



Carbon dioxide management



Hydrogen fuel systems

# Summary and outlook

Building a global business through:

- **Focus on our differentiators** – build and exploit our competitive leadership gained by connecting advanced AI software with strategic consulting
- **Organic growth** - investing to develop further our excellent capabilities, systems and approaches through our world-class people around the world
- **Technology development** – accelerating innovation that is apart from our competitors, ahead of the curve and our customers' plans
- **International partnerships** – to extend our reach, technology and geographic presence

We have built excellent consulting, software, digital and engineering capabilities. We see substantial demand for our differentiated services and are well prepared for what lies ahead.

We look forwards with confidence towards the exciting opportunities before us.