

**PipeHawk PLC**  
**AGM 6<sup>th</sup> December 2021**

## Agenda:

- QM Systems
  - Overview 2019/20
  - Results 2020/21
  - Effect of Covid Pandemic
  - Key projects
  - New Product Introduction (NPI) and Contract Manufacturing
  - Facilities
- Thomson Engineering Design (TED)
  - Overview 2019/20
  - Results 2020/21
  - Key projects
  - Facilities



*Innovation in Automation*

## **Overview 2019/20**

- Revenue achieved c£5.9M (Previous best £4.5M 2018/19)
- Profit before tax and management charges c £558k (after tax c £770k)
- A great year
  - Excellent order intake combined with increased margins
  - Efficient use of labour

## **Results 2020/21**

- Revenue achieved c£3.9M (Previous £5.9M 2019/20)
- Profit before tax and management charges c £189k (after tax c £480k)
- Sales
  - Orders received 2020/21 - £5.3M
  - Carryover Orderbook 2020/21 to 2021/22 - £2.25M
- A challenging year for obvious reasons...
  - Effect of Pandemic

## **Effect of Covid Pandemic**

- Sales
  - March 2020 - July 2021 Order intake virtually stopped
  - End of Lockdown 1 Orders switched back on
  - January 2021 – April 2021 Order intake very slow
  - End of Lockdown 3 Orders switched back on
- Resource
  - Resource that could work from home did
  - Challenging given poor internet connectivity
  - Approx 60% of the team remained in the office / factory or on client sites
  - Difficult for employees in factory and on client sites given challenges faced with social distancing, masks etc
  - Few members of team have had Covid but no outbreak on site causing effect
  - All resource returned to office July 2020
  - Furlough scheme used where appropriate to support lulls in workload

## Key Projects

- Finalisation of Penso Carbon Fibre Cell





## Key Projects

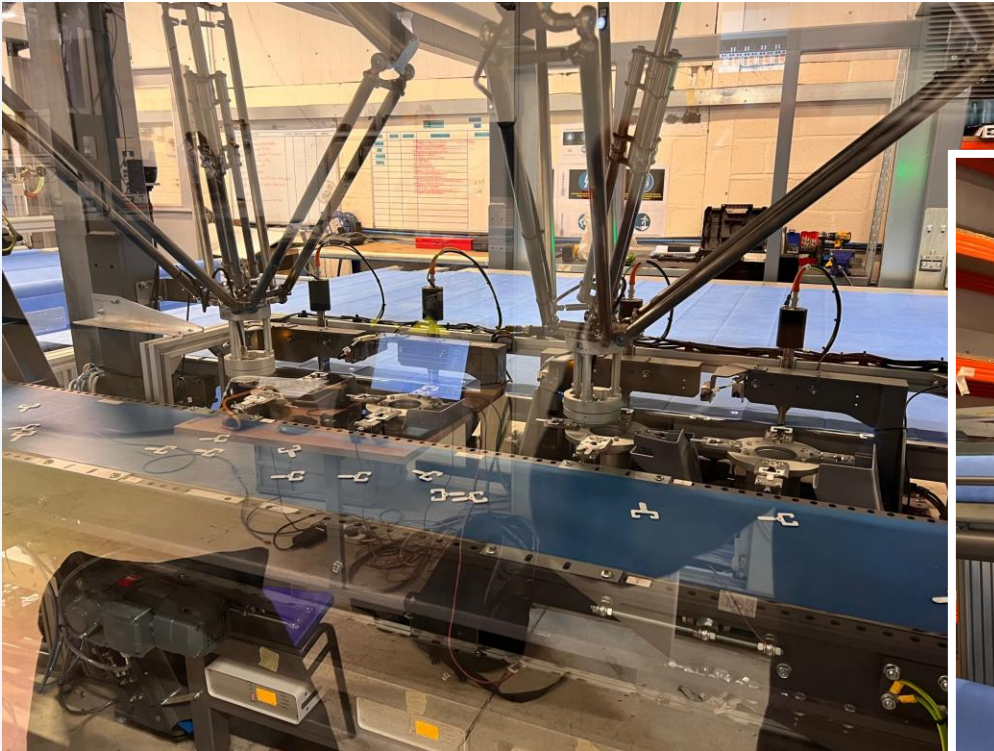
- Isoclad robotic CNC and handling cell





## Key Projects

- Marlux medical curtain manufacture





## Key Projects

- Caudwell Marine Production Cell



## **What Is QM Manufacturing**

- Newly formed facet of QM Systems Group
- An ideal opportunity to add to our existing services
- Rapid growth opportunity
- True long term client partnerships
- A truly turnkey solution

### **How does it compliment and benefit QM and the wider Group**

- We are already engaged early within projects
- We are already heavily involved in Manufacturing and Test Systems
- Smooths cashflow
- Rapid growth in revenue and profit opportunity
- Additional work for other PipeHawk group members
- Purchasing power

## Product Expansion

- Development of New Variants
- Product Diversification



## Manufacturing Engineering

- Virtual Build Events
- Process Failure Mode Effects Analysis
- Control Plans
- Process Optimisation



## Product Maturation

- Continuous Improvement
- Process Balancing
- Volume Uplift



## Component Sourcing



## Manufacturing

- Personnel Requirements
- Inspection/Quality Assurance/Continuous Improvement
- Packaging/Logistics
- ERP Interface
- MES System



## Design for Manufacture

- Product Development
- Rapid Prototyping

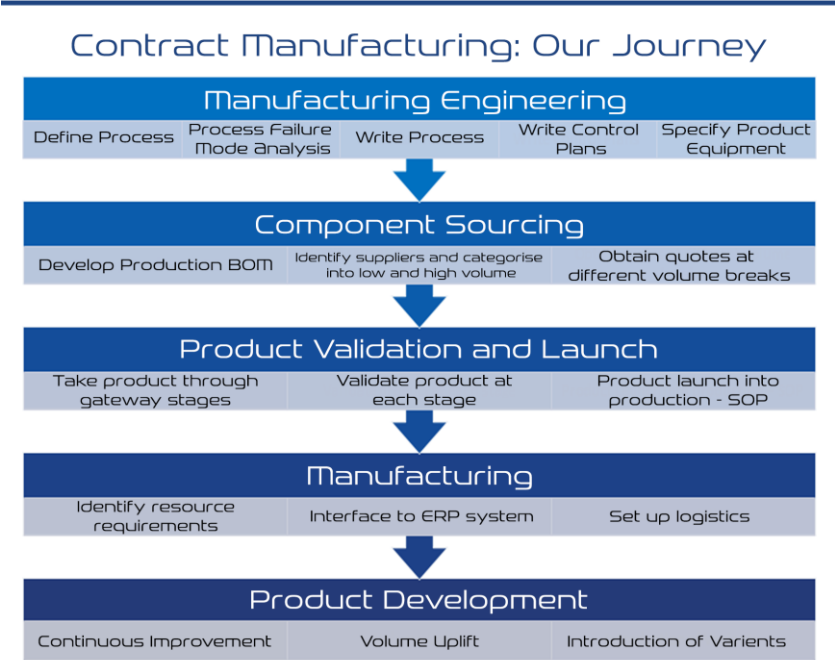


## Product Validation and Launch

- Concept Validation
- Design Validation
- Production Validation
- Start of Production







**QM Manufacturing are Contract Manufacturers based in the Midlands. We provide a turnkey NPI solution, including manufacturing engineering, design and manufacture of production equipment, through to staffing and distribution logistics.**

QM Manufacturing offer an end-to-end contract manufacturing service, working with clients to define the manufacturing process, reducing the cost and risk whilst ensuring quality and shortening the development cycle from proof of principle to manufacture.

At QM, we deliver all the NPI services required to take a product from concept through to production. Providing a flexible manufacturing solution that allows for volume expansion as product sales mature.

## **Progress**

- We have signed a contract with a Marine Partner to build their product from 2022 onwards
- We have signed a HoTs and received the order for the production equipment for a partnership with Ventive to manufacture a highly efficient heat recovery and heat pump system
- We are currently working on further opportunities and further announcements will be made in due course

- We have struggled for space for some time as machines size and project quantity grows
- Contract Manufacturing requires a significant increase in space
- We will soon be moving



Our new facility located on Hartlebury trading estate boasts:

- 45,000 Sq ft Facility
- Approx 8000 Sq Ft Office Space
- Segregated Stores area
- Large loading yard
- Two goods in/out bays
- Easy access for HGV's
- We hope to complete contracts shortly



**THOMSON  
ENGINEERING  
DESIGN**

A **QM** SYSTEMS COMPANY



## **Overview 2019/20**

- Revenue achieved c£945k (Previous best £755k 2018/19)
- Profit before tax and management charges c £16k (after tax c £75k)
- The year we turned to profit
  - Slow start to the year due to order intake
  - Second half excellent order intake combined with increased margins
  - Efficient use of Labour

## **Results 2020/21**

- Revenue achieved c1.2£M (Previous £945k 2019/20)
- Profit before tax and management charges c £165k (after tax c£227k)
- Sales
  - Orders received 2020/21 - £1.6M
  - Carryover Orderbook 2020/21 to 2021/22 - £557k
- An excellent year
  - Clearly some impact due to pandemic but this didn't depress orders

## Gantries.....



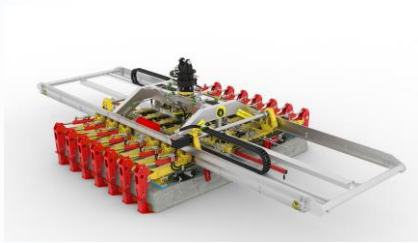


## Others.....





## Other Core Products



Sleeper Pack Grabs and Spreaders



E Clip De-Clipper



Manipulators



Rail Dragging and Threading



Manual Rail Manipulation





Our new facility located on the same estate 5 minutes walk from old facility:

- C 19,000 Sq ft Facility
- Approx 3500 Sq Ft Office Split across two units
- Large loading yard
- Four goods in/out bays
- Easy access for HGV's
- Contracts completed