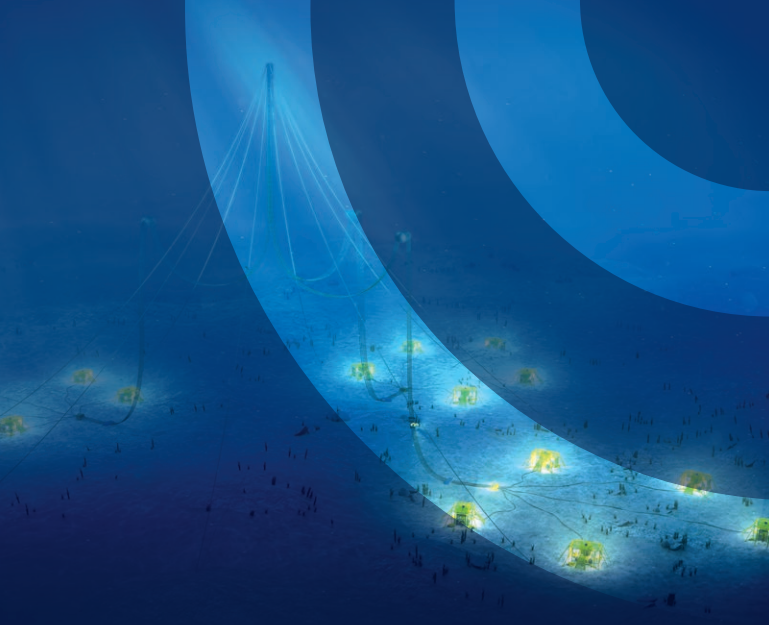


A vision for growth



Technical excellence, today and always

As an experienced growth leader, Perttu Louhiluoto joined Severn Group with a strategic gameplan. Knowing that Severn Glocon, LB Bentley, and ValvTechnologies each had a reputation for technical excellence, he set out to harness this as a foundation for growth.

“The ability to truly understand customer needs and provide the right solution is a superpower. Even when competition is tough, we stand out as the best choice for reliable, high-performance products. I’m here to channel that power towards areas with untapped growth potential.”

When he took on the Group CEO role in 2021, Perttu revitalised the senior team. He also took care to retain the individual identities of the three businesses.

“There are four concurrent business journeys: one for the Group and one for each of the businesses. From a Group perspective, the operating model is firmly embedded, and we are advancing on the next phase of the journey. Severn Glocon, LB Bentley, and ValvTechnologies are at various stages of development and face different challenges and opportunities. Nevertheless, we now have a shared Group vision and are starting to see progress in all areas. Divisional and executive leaders understand the goals and are investing in their people and facilities to deliver positive outcomes.

“There has been a lot of change for the businesses over the past two years, which can be unsettling. But we have come through the hardest part and the leaders are executing their respective plans with confidence. I’d like to thank the entire global workforce for the successes we’ve achieved so far.”

As well as setting the pace for organic growth, Perttu is continually evaluating acquisition opportunities.

“We are a growth hungry company and I’m very keen to extend our portfolio. Naturally, candidates must prove they match our high standards of engineering excellence, but we are starting to see some very promising developments.”

Perttu is from Helsinki, Finland, but has spent most of his adult life living and working in different parts of the world. Having held roles in Shanghai, Chicago, and Stockholm he’s now based in Oxford, UK.



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A cohesive finance function

It's 12 months since Akhil Chokra joined the Group as Chief Financial Officer. In that time, he's successfully resolved siloed working practices that were hindering collaboration.

"The transition from three separate legal entities to a single unified business enables us to work cohesively and effectively. It also puts us on a stronger and more credible financial footing. Combining revenues across the three businesses reframes the Group as a USD 0.3 billion company. This consolidation of finances gives us the power to negotiate better deals as we look to refinance our debt and raise funds to support business growth."

Akhil says the Group is in good financial health and, while there is always room for improvement, he is optimistic about the future.

"We are investing in equipment, facilities, R&D, and training, as well as paying competitive market rates. It's my job to ensure we have ready cash to continue our growth trajectory, unlocking further capital as necessary when acquisition opportunities arise."

When he's not managing the Group's finances, Akhil enjoys travelling and cricket. He's married with two children who are now at university.

“ The transition from three separate legal entities to a single unified business enables us to work cohesively and effectively. ”



People power

With a professional background including roles at easyJet and Arsenal Football Club, Karen Ann Josephides' human resources credentials are impressive. As the Group's Chief People Officer, she leads on everything related to employees, from learning and development to culture and change management.

"We are a 1,000-strong, globally dispersed team. Part of my job is to make sure everyone feels connected and benefits from fair and consistent working practices. This involves listening to what people need, and aligning that with business priorities, so everyone thrives as we work towards shared goals. During 2024, there will be significant improvements across communication, training, and professional development, as well as new measures to foster team spirit."

Karen Ann also heads up our environmental, social, governance (ESG) function. "This year, members of the executive committee have made personal ESG pledges with specific indicators and actions. ESG is a broad and diverse area, so homing in on important matters enables us to drive material progress." Before embarking on her HR career, Karen Ann studied archaeology at University of Durham. She remains deeply interested in the subject and is a Trustee for Cotswold Archaeology.



“ Everyone thrives as we work towards shared goals ”

Deep aftermarket insight

John Long joined Severn Glocon as Divisional President in September 2022 following 20 years at John Crane, a company specialising in engineered products and services. With extensive experience in the energy industries, he brings valuable insights and market intelligence to drive commercial growth in this space.

"During my time with John Crane I held international roles in the Czech Republic, Saudi Arabia, UAE, and Canada as well as the UK. So, while I haven't worked with valves before, I have managed operations for adjacent product categories in markets that matter to Severn Glocon. Having come from a much larger organisation, it's really energising to be part of a more dynamic team where decision making is agile and we have the ability to seize emerging opportunities."

Aftermarket growth will be central to Severn Glocon's strategy going forward, and John's proven capabilities here put the business in a strong position. "When it comes to the crunch, growth is dependent on our ability to deliver value. It's about getting close to customers, understanding their toughest valve challenges, then ensuring we resolve them efficiently and effectively. Over the past 18 months we've been laying foundations that make us more responsive to customers' specific and evolving needs. The next phase will see our new approaches coming to fruition, there are exciting times ahead."

Engineering excellence

Intelligence-led valve engineering has been central to Severn Glocon's ethos for decades. Today, we're extending and improving on that with modern, collaborative approaches fit for the digital age.

Our Engineering Centre of Excellence is a key aspect of this. Based in Brighouse, it's a global beacon of valve innovation and continual improvement, ensuring Severn Glocon retains its reputation for high-quality, high-integrity valve solutions for challenging applications. With all valve manufacture moving to our dedicated facilities in Chennai and Gloucester, we are pleased to confirm that the new home for the world-class Engineering Centre of Excellence will be at Crossley Mills, Dean Clough, Halifax.

Another recent development is Project Brimstone. Originally focused on creating a united approach to ongoing R&D for butterfly valves across all our locations, it now has a wider remit. The aim is to create opportunities for our brilliant international engineering teams to foster joined-up approaches to technical problem solving and innovation.



**VALVE CENTRE FOR
EXCELLENCE**



On course for a stronger future

There has been a high level of change at Severn Glocon over the past few months, which has been hard at times. Nevertheless, these developments play to the business' strengths and put us on a steady course for future growth and success.

Commercially, Saudi Arabia remains our biggest market. We continue to focus on growth in upstream oil and gas while also looking to extend our footprint in LNG and diversify into other sectors, including renewable energy.

Our Chennai facility is thriving, with a 300-strong team led by Mahendiran Selvaraj. A key business objective is to foster cohesion between the UK and Indian entities, and good progress has been made. There is now better synergy across operations, human resources, and legal matters, as well as engineering capabilities. Chennai is a vital and strategic part of the business, and it will have a dedicated spot in the next issue of employee News@Severn.

Another area where Severn Glocon has matured over the past year relates to commercial risk. With Stephen Fallon on board as General Counsel, we've revitalised our strategy for risk management and planning. A major aspect of this is the detailed evaluation of customers' contractual terms and conditions.

Recent years have seen many customers push responsibility down the supply chain. While this is an inevitable sign of the times, we are implementing strategic measures to keep the risk profile in tolerance as the business grows.

Finally, we have made significant investment in our biggest asset, the people that make Severn Glocon great. We're in the early stages of rolling out Karen Ann Josephides' Group-wide people strategy, from which everyone will benefit. Under Claire Brookes' leadership as Divisional HR Business Partner, training and other employee-centred matters are better than they've ever been.

Severn Glocon has experienced a profound cultural shift over the past 12 months. We're now on the other side of that and poised to maximise commercial opportunities in the aftermarket space. Our well-honed team is ready for action.



Raising the Bar on ESG

Eleanor Sherry was recruited as Head of ESG in October 2022. She brings valuable experience in equality, diversity, and inclusion (EDI) from her tenure at Arsenal Football Club and has relished helping the Group raise its ESG game.

You can make a difference!

An employee committee helps shape and deliver our ESG strategy. With subgroups focused on environmental impact, equitable society, and good governance, this approach has generated impressive results locally and at a Group level. Together, the participants are making a meaningful difference to the way we operate internally and our wider impact.

We're currently looking for new committee members across all locations. Whether you feel passionate about a specific area, want to drive positive change, or are simply interested in learning more about ESG, Eleanor would love to hear from you. Committee members get together on a Teams call once a month, with individual subgroup meetings also held monthly. Members are empowered to make improvements at a local level in the areas that matter to them. If you'd like to get on board, contact Eleanor (eleanor.sherry@severnvalve.com).

“When I joined, there were pockets of good work in specific areas of ESG, such as environmental initiatives at some facilities. However, there was no Group-wide strategy, so we had to start from the ground up auditing performance and setting targets. It's been really rewarding to see so many people across the business come together to drive success in this vital area.”



Introducing our Women's Network

The personal ESG pledge of Chief People Officer Karen Ann centres on gender equality. She has set herself a specific action to mentor females in the organisation and pledges to: promote gender equality across the Severn Group by providing equal opportunities, diverse representation, fair pay, and leadership roles for women. Delivering a positive and rewarding employee experience for all females in our ecosystem.



A dedicated network for women is also being established. Meetings will be held on a regular basis to discuss issues of interest while driving wider diversity and inclusion initiatives.

Themes raised for consideration so far include professional matters such as career development, mentoring, communication and assertiveness, and imposter syndrome. Additional topics to be covered range from parenting and family life to work-life balance, mental health and wellbeing, and menopause.

ESG Achievements and Targets

The Group's ongoing commercial growth goes together with ESG progress, which is audited annually by Apex as part of our reporting to Bluewater. This is a rigorous process where performance on key environmental, social, and governance matters is assessed against sector benchmarks.

An assessment in 2022 resulted in an average rating of 26 out of 100 across the three elements. Today we have moved the needle substantially, achieving an average rating of 67 out of 100 in the 2024 assessment.

This significant achievement is testament to the time, energy, and commitment of teams and individuals throughout the business. However, there is no room for complacency. Going forward, we need to address tougher challenges to shift our position from 'ESG excellence' to 'ESG leader' on the Apex rating system.

We have six ESG priorities:

- 01** Reduce our environmental impact and carbon footprint.
- 02** Work to build a culture where everyone connected to Severn feels an equal sense of belonging.
- 03** Ensure a safe working environment.
- 04** Foster ethical behaviours by providing policies, training and robust compliance programs.
- 05** Ensure we promote the importance of ESG in our supply chain and only engage with suppliers with the same sustainable values.
- 06** Engage our workforce to champion sustainability and see it as a fundamental part of everyone's role.

These priorities inform specific targets, some of which focus on highly complex areas. For instance, one of our environmental KPIs is to begin identifying and collecting data related to Scope 3 carbon emissions. This encompasses supply chain emissions outside of our direct control, so it requires innovative approaches and extensive collaboration with suppliers. We have also established KPIs surrounding diversity, equality, and inclusion, health and safety, and wellbeing. From a governance perspective, we are looking to produce our first annual sustainability report and implement a cybersecurity action plan.

These are just some of the KPIs for 2024, and we encourage you to get behind them. ESG is part of everyone's job role. It's about making the Group a better place to work, and ensuring the business is a responsible global citizen that we can all feel proud to be associated with.



Diving into subsea

After initially joining Severn Group as Chief Commercial Officer, Rhys Jones relished the opportunity to take on the Divisional President role at LB Bentley in January 2022. He's been involved with the valve industry for nearly 20 years and was vice-chair of the British Valve and Actuator Association (BVAA) for five years.



"It's been exciting to enter an area of the valve industry that I am familiar with, but which presents entirely new challenges too. I've also enjoyed getting to know the Filters and Dryers business line. Launched by LB Bentley's founders in 1972, it has enormous potential for further growth today."

The past two years have been challenging at times for LB Bentley. However, Rhys has applied his commercial acumen to steer the business in the right direction.

"Our team is talented and resilient, and now we have a laser-sharp focus on where we are going and how we'll get there. I have great confidence in this business. We have set ambitious targets, and we are determined to hit them. Right now, we're close to achieving the all-important milestone of operational consistency which will enable us to embrace further growth."

Our true north

LB Bentley's overarching business objective is to broaden its revenue base and expand capacity to deliver year-on-year growth. With this firmly in place as the 'true north' all departments and leaders have a shared goal, albeit with different functions to perform and outcomes to deliver.

One area that's progressing well centres on partnering with customers. The subsea division has a long-established partnership with Technip FMC which remains vitally important. However, we are also making good progress in customer expansion to broaden the earnings base. Winning and maintaining customer trust and satisfaction has always been central to LB Bentley's ethos. By keeping this mindset at the heart of what we do, we can prime the business for another 50 years of success.

New slab gate valve family

Innovation is a core strength of the LB Bentley business. In the coming months we expect some of the R&D team's recent work to come to fruition with a new family of subsea valves.

The first of four small-bore slab gate valves is currently undergoing qualification. It has been designed and built to satisfy stringent specifications of Brazilian oil and gas company Petrobras which has a strong heritage in deep and ultradeep waters. Once the first valve is qualified, the remaining three will follow the same design criteria. This exciting development represents an opportunity to make greater inroads to the South American market, where LB Bentley doesn't yet have a major presence.

“ Last year we achieved the highest order intake of our 50-year history, at £34 million. This is the result of sustained effort right across the business, which led to a 40% increase in sales and a 60% increase in overall earnings compared to 2022. ”



These slab gate valves will significantly enhance our portfolio, bringing prospects beyond those with Petrobras. Noteworthy aspects of the design include a stem-gate connection with an articulating joint arrangement (patent pending). The curvature of the rim contour of the gate aperture allows it to rock relative to the shear pin passing through it. This makes the valves stronger, more reliable, and more resilient than others on the market.

Awards and milestones

Last year we achieved the highest order intake of our 50-year history, at £34 million. This is the result of sustained effort right across the business, which led to a 40% increase in sales and a 60% increase in overall earnings compared to 2022.

Another highlight of 2023 was the official presentation of LB Bentley's Queen's Award for Enterprise, International Trade. This relates to our three-year trajectory of continuous growth in overseas sales between 2018 and 2020. The award is valid for five years and underlines the calibre of our business. It's especially valuable at this time as we look to expand and extend our international market presence.

Pushing technical boundaries

LB Bentley's engineering team has developed a bespoke membrane dryer to satisfy an extremely demanding defence sector application. A prototype was delivered to the customer, BAE Systems, last year. Orders have now been placed following the successful completion of testing to defence standards.

The units will be integrated with radar systems for deployment in harsh environments. They need to withstand a wind force of up to 67 metres per second and a temperature range of -30 to 50°C. Reliability and resilience of the equipment is vital, with a mean time between failure of at least 20,000 hours.

Terry Potts, Head of Engineering at LB Bentley, says "Meeting the required specifications was challenging, especially given the weight and space constraints combined with the need for additional functionality. However, with our engineers' focused effort and deep technical knowledge we have taken one of our core Filters and Dryers technologies to a new level of performance."



VALVTECHNOLOGIES

Innovation and expansion

There have been some exciting new additions to the ValvTechnologies product portfolio over the past 12 months. These include an inline repairable product for the power industry, meaning operators can disassemble valves for maintenance with minimal downtime. We also developed and licenced our first plastics refining product which opens a whole new market for the business. Another advancement centres on a coating technology developed in collaboration with the University of Houston (patent pending). We've made a significant investment in the R&D and prototyping for our own actuation product to support our growth in mining too, with the product launch expected later this year.

ValvTechnologies' enduring reputation for pushing boundaries with severe and critical service valves gives customers confidence in our ability to develop effective, highly engineered solutions for their most challenging and complex applications. Ours are not commodity products, but we always strive to ensure customers receive maximum value from their investment. Ongoing expansion in Chennai, India supports this goal.

Historically, our Chennai facility focused on the assembly and testing of small valves for customers in the region. More recently, the team has focused on broadening its capabilities so it can handle the full manufacturing process. Noteworthy achievements which facilitate this include onboarding new suppliers for machining and coating services as well as extending the local supply chain to encompass forgings, casting, and turnkey components. A dedicated lapping department has also been established at the Chennai facility. The next phase will see the insourcing of coating and grinding to further enhance self-sufficiency and efficiency.

Having achieved PED certification, the Chennai team is now working towards ISO 14001 and 45001 certifications for quality, safety, and environmental responsibility.

"We win and lose together"

ValvTechnologies' Divisional President Chad Bowers is a big advocate of collaborative leadership. Having started out as a machinist before progressing to production control, operations, then IT management he understands the value of trusting people to take responsibility for their own areas of expertise.

"The most critical aspect of my job is building motivated, highly functional teams. When this is in place, everything else follows. It's about working together, keeping our eyes on the targets, and striving to succeed. At the same time, it's important to recognise that we are human, and that sometimes things don't go to plan. Creating a safe space for people to admit when they got something wrong ensures transparency which helps us to continually improve."

This cultural ethos extends to the relationships Chad fosters with customers, who he considers part of the extended ValvTechnologies family.

"We must earn the trust of our customers, and finding ways to enhance our products to meet their evolving needs is just one part of the equation. We also need to be honest about the challenges we face and talk about how to tackle them together. This makes our partnerships deeper and stronger."

New achievements, new targets

The past 12 months have been a busy and successful time for ValvTechnologies. We hit the landmark turnover of USD 100 million and we're aiming even higher this year. Achieving our goals will require a high level of collaboration across sales, operations, and administration. Directors meet twice yearly to take stock and plan ahead. It's also an opportunity to share insights on territory and market trends. In January, we held a three-day meeting in Houston to align on initiatives for 2024. We'll regroup in August to review progress and make any necessary adjustments to our plans.

“ It's about working together, keeping our eyes on the targets, and striving to succeed. At the same time, it's important to recognise that we are human, and that sometimes things don't go to plan. ”



The Great Chilli Cook-off

With 292 team members at ValvTechnologies, the social events committee holds several events each year to build a sense of belonging and camaraderie across the organisation. A recent highlight was the chilli cook-off held in February. Seven people from various departments entered the competition with their own unique recipes. Tim Bell, Warehouse Coordinator, was crowned the overall winner, and several participants cooked an extra batch so second shift employees could also enjoy the event.



Your newsletter

Employee News@Severn is back, and it will be published quarterly. It's your publication, so tell us what you'd like to read about – from staff profiles and business success stories to social activities or ESG developments – and we'll investigate. We'd also love to hear your ideas for stories or ways to make the newsletter more inclusive and accessible to everyone. Contact Group Communications Manager Natalie Clarke to make suggestions (natalie.clarke@severnvalve.com).

Peer-to-peer nominations

Have you been impressed by one of your colleagues lately? Perhaps they go out of their way to keep customers happy or take time to ensure the team is motivated and engaged. Maybe they've pushed themselves to try new things or overcome personal challenges at work. If you think someone deserves recognition, let us know via the peer-to-peer nomination scheme.

Will you make an ESG pledge?

Members of the executive committee have made personal ESG pledges this year. But ESG is a whole-team effort, and many small steps can make a bigger difference. Would you like to join us and make a pledge of your own? It can relate to your personal or professional life, and Head of ESG Eleanor Sherry would love to hear about it (eleanor.sherry@severnvalve.com).



WE
WANT
TO HEAR
FROM
YOU