



Specialist Energy Group

May 3rd 2011

Specialist Energy shares soar on news of potential takeover

Shares in Specialist Energy Group (LON:SEGR) shot up over 20 percent this afternoon as it revealed that it might be taken over.

The engineering group for the nuclear power industry told investors that it has received certain approaches that may lead to an offer for the company. However it stressed that talks are at an early stage and there can be no certainty that any potential transaction will be concluded.

On AIM the shares advanced 15 pence a share, 20.6 percent, to change hands at 88 pence each.

The identity of the potential suitor was not disclosed in the statement. Similarly SEGR did not give any other details of any potential transaction.

The firms primary business Hayward Tyler has been performing well of late, with a high level of new orders being received in 2011. In last months annual results the group revealed a 52 percent uplift in operating profits to £3.6 million, it also halved net debt to £6.7 million.

Hayward Tyler is one of Britains oldest engineering firms, and builds boiler circulating pumps, or BCPs, used in the power generation sector.

The groups improving performance has attracted attention from investors, particularly those in the engineering industry.

SEGRs largest shareholder McNally Bharat Engineering (MBE) a large Indian turnkey engineering firm has been building at stake in the company since September 2010 when it took an initial 10 percent interest.

Through a number of transactions since then MBE has increased its stake to 22.74 percent (about 8 million shares).

The Indian firm is a major builder of power plants on the sub-continent.

SEGR chief executive Ewan Lloyd-Baker recently told Proactive Investors that there has been an ongoing dialogue with MBE with a view to working in India together.

We are having discussions and dialogues with a number of businesses about potential opportunities from an operational perspective. But it helps when someone believes in the story enough to build up a 20 per cent stake, Lloyd-Baker said on 4 April.

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Price: 85p

Market Cap: £M

1 Year Share Price Graph



Share Information

Code: SEGR

Listing: AIM

Sector: Engineering

Website: segroupplc.com

Company Synopsis:

Specialist Energy Group plc (SEG plc) is a niche engineering and manufacturing group. Through its main operating subsidiary Hayward Tyler Group Limited, the worldwide market leaders in boiler circulating pumps, its focus is on the energy sector.

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