

A detailed photograph of a complex industrial valve assembly, likely a globe valve, with various pipes, flanges, and a handwheel. The assembly is made of polished metal and is set against a background of other industrial equipment.

**VELAN**

Annual report 2020



70 years of valve  
manufacturing

# Velan Annual General Meeting

July 9<sup>th</sup>, 2020

**VELAN**

Quality that lasts.

# Agenda

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1. A milestone year
2. F20 and first quarter F21 financial results and our response to COVID-19
3. V20 transformation: Progressing well and ahead of schedule
4. Key market highlights and innovation picking up steam
5. Conclusion

# Our 70th anniversary coincides with the year we will have significantly redefined our business, readying it for the future

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- Fiscal year 2020 began with one of the Velan's most significant announcements in its history, the V20 plan, aiming to make the Company more agile and laser-focussed on serving our customers
- As the deployment efforts of the V20 plan grew in momentum, the Company was able to deliver improved adjusted results, recovering from a weak first quarter
- Once again, our European operations stood out, outperforming the industry both in terms of bookings (record backlog in Italy) and profitability (France, strong as usual)
- ...and then the global economy was shattered by COVID-19!

**Thanks to the progress in transforming the Company, and to several other remarkable breakthroughs (in innovation for example), Velan is now far better equipped and more resilient to navigate through the storm and to rebound when the economy recovers**

# Tom's message about our 70th...

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*«Dear Fellow Shareholders,  
This year marks the 70<sup>th</sup> anniversary of our company which was founded by my father, AK Velan, in 1950. He started his company one year after arriving in Canada and right from his initial start-up, he had a vision of becoming a global manufacturing company built on engineering and manufacturing expertise. The spirit of his entrepreneurship and great passion for industrial valves resonates with our people and in every valve we make...»*

(Extract from Annual message to shareholders in 2020 annual report)



*Tom Velan, Chairman of the Board*

# Valve World magazine: a feature article highlighting Velan's 70 years of excellence



«One constant has been customers with applications where technology, design and performance are critical to the process. We have developed many products designed for these critical services: from the U.S. Navy, CERN (the European Organization for Nuclear Research), the ITER project in France - the world's largest experimental fusion reactor - and many tough processes in oil & gas extraction, refining and petrochemicals, mining, and more»

- Tom Velan, Chairman of the Board

«Today, Velan is more modernized in its ways of managing the business than it was just a few years ago. This [V20] has been an ongoing transformation to alter its plant footprint, re-structure the businesses and plant organizations through consolidation and concentration of products, transfer of commodity products to more cost-effective manufacturing, reducing lead times by reducing non-strategic machining and the continued modernization of all systems...

Velan is an enduring company because of our capacity to change and adapt, and all of our employees should be proud of that»

- Yves Leduc, CEO

<https://www.valve-world.net/pdf/202006.pdf>

**VELAN**

# Sixty-five years of earning the trust of the US Navy

- Patented by AK Velan in 1953, the steam trap valve was selected by the US Navy
- When the USS Enterprise was launched in 1961 (first nuclear aircraft carrier), Velan was the Navy's main supplier of steam trap, as well as other types of valves
- This sparked a valued relationship which has grown over decades as Velan's offer today includes a continuously expanding range of valves and services, and our engineers are now an integral part of the Navy's development programs and shipyard activities in Virginia



# AK Velan and his son Tom had already visited Russia and China in 1972: a visionary trip that explains our success in those two countries today



# Noteworthy changes to senior management, bolstering our leadership capacity

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**Bruno Carbonaro,**  
**President of Velan Inc**  
(joined in 2019)



**Réjean Ostiguy,**  
**New CFO**  
(joined in 2019)



**John Ball,**  
**Exiting as CFO,**  
**remaining as**  
**EVP Global**  
**Finance**  
(joined in 2005)



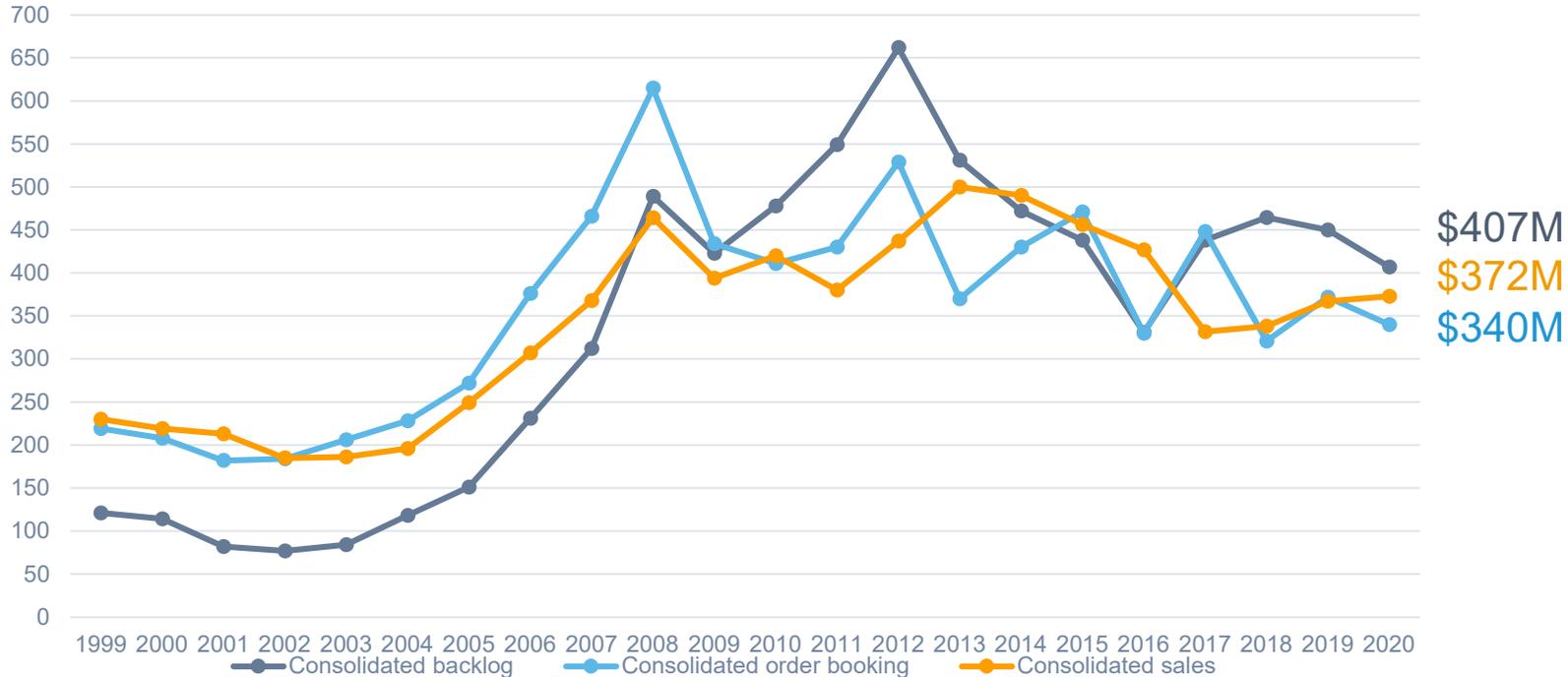
**Yves Lauzé,**  
**New VP**  
**Corporate**  
**Engineering**  
(joined in 2005)

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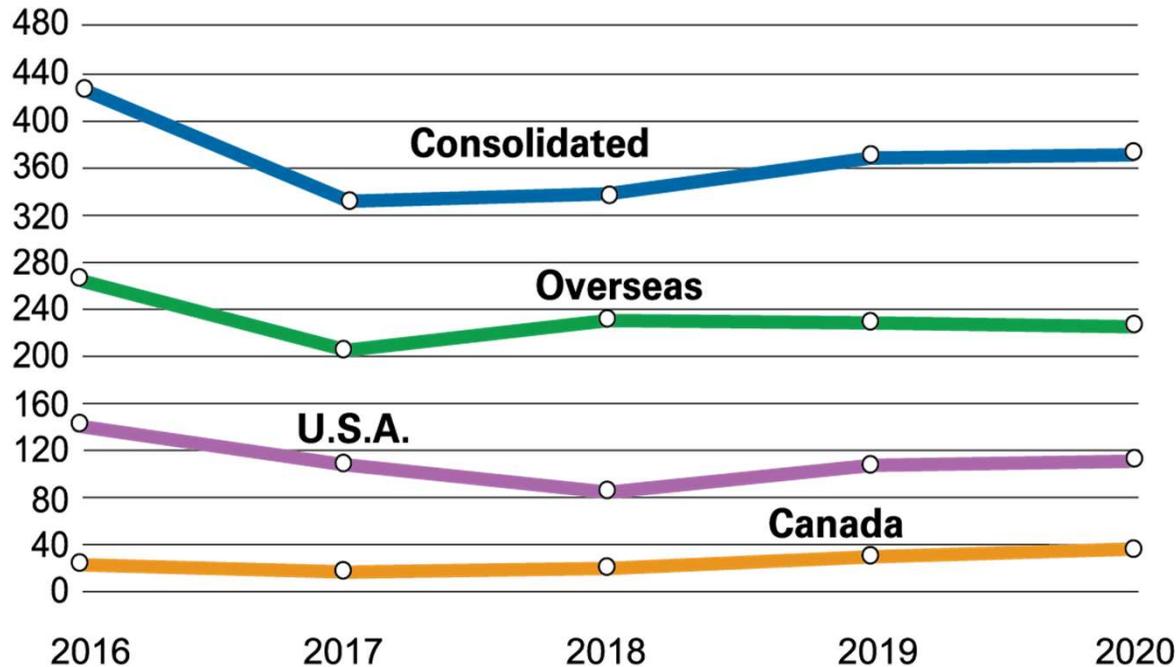
# Consolidated sales were \$371.6M in FY2020, increasing 1.3% from \$366.9M in FY2019



\* Sales for fiscal years prior to 2011 are translated to USD at the current rate applicable for each year

# Our consolidated sales are well balanced across regions

Sales by region (in millions of \$)



<b>United States</b>	<b>30%</b>
<b>Canada</b>	<b>10%</b>
<b>Europe</b>	<b>19%</b>
<b>Pacific Rim/Asia</b>	<b>38%</b>
<b>Africa/Middle East</b>	<b>3%</b>

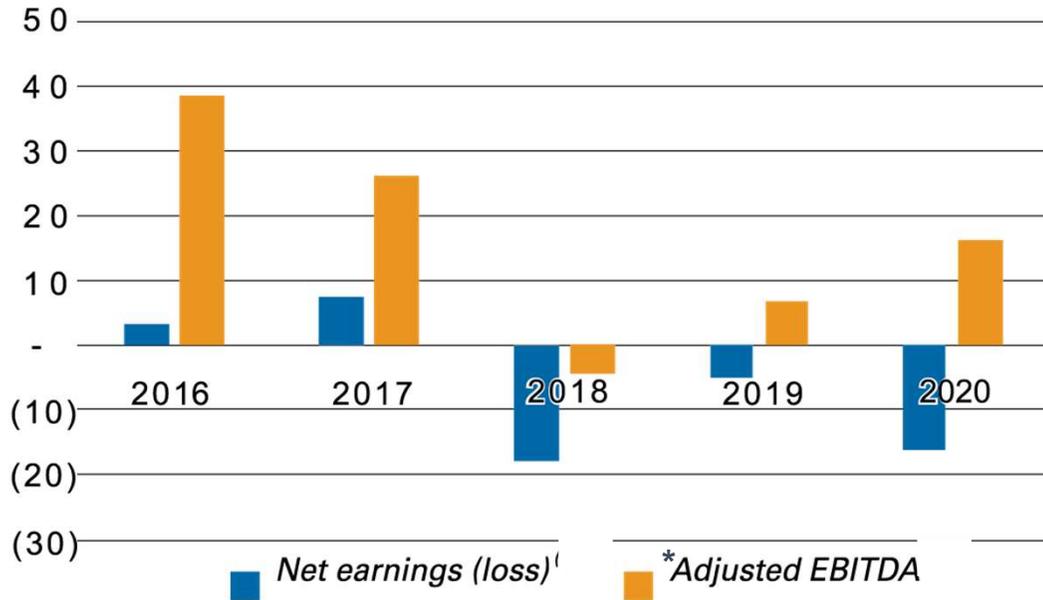
➔ Record bookings and backlog at our Italian operations (Velan ABV)

➔ Excellent bookings and business in South East Asia and China

➔ Maintained global leadership position in nuclear

# The company more than doubled its results in FY2020, recovering from a very weak first quarter

Net earnings & Adjusted earnings before taxes and depreciation\*



Sales	426,9M	331,8M	337,9M	366,9M	371,6M
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- Adjusted EBITDA for FY2020 amounted to \$16.1M, more than double last year's result of \$7.1M
- Net loss for FY2020 of \$16.4 million, which was negatively impacted by non-recurring charges:
  - \$8.2M non-cash tax adjustment to de-recognize a portion of unused tax losses
  - \$9.6M spent in the Company's transformation initiative, V20

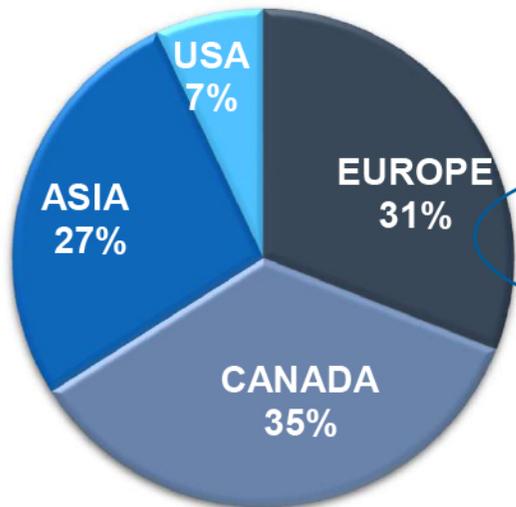
...without which, net loss would have been of \$1.2M, compared to last year's \$4.9M

## Factors explaining improved operating results:

- Reduced admin costs
- Improved margins
- Growing benefits of V20 program

# Global valve manufacturing with 13 plants in 9 countries, over 1700 employees

Head office  
Velan Inc.  
Montreal, QC Canada



Employees across continents



Velan Inc.  
Montreal, QC  
Canada  
Plant 1 and 5



Velan Inc.  
Montreal, QC  
Canada  
Plant 2 and 7



Velan Valve Corp.  
Williston, VT  
USA  
Plant 3



Velan Inc.  
Granby, QC  
Canada  
Plant 4 and 6



Velan S.A.S.  
Lyon,  
France



Segault S.A.  
Mennecy,  
France



Velan Válvulas  
Ind. Lda.  
Lisbon,  
Portugal



Velan ABV S.r.l.  
Lucca, Italy  
Plant 1



Velan Ltd.  
Ansan City,  
South Korea  
Plant 1



Velan Ltd.  
Ansan City,  
South Korea  
Plant 2



Velan Valvac  
Mfg. Co., Ltd.  
Taichung,  
Taiwan



Velan Valve  
(Suzhou) Co., Ltd.  
Suzhou, China



Velan Valves  
India Private Ltd.,  
Coimbatore, India

Plant 2 to be disposed in the final step of the North American plants' consolidation

# Strong Balance Sheet as at May 31, 2020 (Unaudited)

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**Total equity**

■ US\$ 283.9 million (C\$18.13/share)

**Total assets**

■ US\$ 525.6 million

**Net cash**

■ US\$ 44.6 million

**Total long-term debt**

■ US\$ 18.4 million

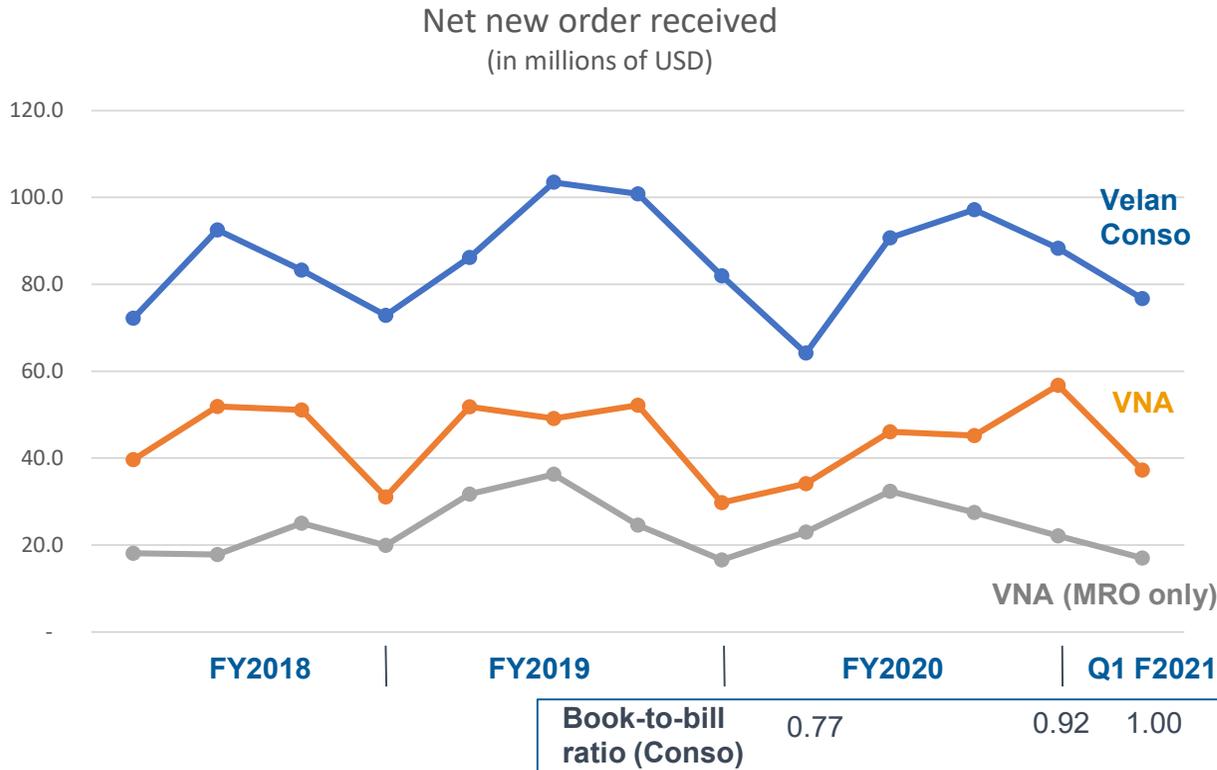
## Thanks to its status as equipment provider in essential industries, Velan was able to mitigate the impact of the global crisis and deliver improved Q1 results

	Q1- FY2021	Q1- FY2020
Sales	\$76.7M	\$83.8M
Adjusted EBITDA	\$3.8M	\$(3.8M)
% of sales	5.0%	-4.5%

- The decreased sales volume for the quarter is primarily attributable to the negative impact caused by the COVID-19 pandemic, which affected our global supply chain, mainly in India
  - Gross margin % up 480 basis points, driven largely by margin improvement initiatives, a favourable mix as well as labour and overhead savings stemming from the Company's restructuring and transformation initiatives. The company also benefited from salary relief obtained thanks to its qualification for the Canada Emergency Wage Subsidy ("CEWS").
- 
- Bookings \$76.7m, up 19.5% from the same quarter last year
  - Backlog of \$410.3M (basically flat over the last year) and balance sheet with net cash \$44.6M. Net cash increase for the quarter of \$13.6M is primarily due to positive non-cash working cap movements highlighted by a significant reduction of accounts receivable.

## Bookings have declined slightly since the beginning of the year (but increased over last year), as the global recession is impacting some areas of our business

- Q1 F2021 bookings were \$76.7M, an increase of 19.5% from prior year.



- Nuclear, Severe Service, Project manufacturing still seeing healthy booking activities...
- ....offset by MRO/After-market, an area likely to be most impacted, as distributors react to low oil price by reducing their stocking orders

# Faced with the economic uncertainty, Velan is strengthening its balance sheet and financial resilience

## 1- Cash action plan

- Accelerate collection of accounts receivable
  - Seek credit insurance to mitigate non-payment risk
  - Ask for deposit for non-insured customers
  - Launch inventory reduction initiative with \$8M target
  - Develop CAPEX approval process
- *On going*
  - *On going*
  - *On going*
  - *Starting*
  - *Upcoming*

## 2- New credit

- Secure \$22.5 from BDC (asset mortgage)
  - Secure \$65 line of credit to finance working capital
- *Done*
  - *Done*

## 3- V20 initiative

- Sale of Plant 2/7 and capture of plant 2-7 overhead savings on closure (6 months ahead of original plan)
  - V20 budget significantly reduced vs original plan
  - Launch several cost reduction initiative (hiring freeze, no travel, delayed raise, low performers, etc)
  - Implement temporary salary reduction (Board, top management, all North American employees)
- *Upcoming*
  - *Done*
  - *In process*
  - *Done*

## 4- Improve margin

- Filter quotes to select higher margin projects
  - Push on spares sales
- *On going*
  - *On going*
  - *On going*



# Covid-19

Our response and the economic crisis

# The COVID-19 outbreak caught our attention early, given the locations of our global footprint...

## North America

- Canada (3)
- USA (1 + 1 DC)

Over 1,700 employees  
worldwide

Fiscal year 2020

## Europe

- France (2)
- Northern Italy (1)
- Portugal (1)
- Germany (1 DC)

## South east Asia

- China (1)
- Korea (2)
- Taiwan (1)
- India (1)



# ...and so we were ready to react when the COVID-19 hit the global economy

## Protecting our employees

- Redact and deploy protocols for shop floor, remote and sales employees, responding to scenarios such as positive cases on location, reopening and changing governmental regulations
- Dedicated HSE and HR led response team
- Increased frequency of sanitizing and disinfection of common high traffic surfaces
- Procurement of procedure masks and face shields
- Strict visitor protocols in force
- Remote work support through mental health resources intranet section

## Essential status and integrity of our supply chain

- Company was able to get clearance in most jurisdictions under essential industry status and as such, was able to pursue operations, with COVID impact limited to:
  - Supply chain interruptions, mainly in India, and for two weeks in March, in Italy as well
  - Travel restrictions slowing the flow of pre-shipment inspections, mainly in France
- Supply chain risk is monitored on a weekly basis and alternative sources are developed in case COVID outbreaks cause further disruptions

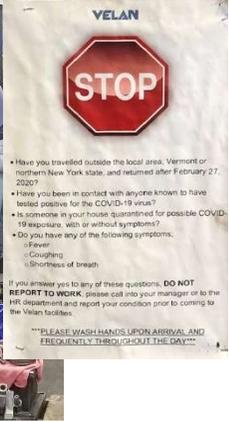
## Mitigation measures

- Governance established:
  - Covid-19 Response team daily meetings to assess situation in all VNA plants
  - Weekly post-covid planning committee
  - Weekly reporting to Crisis Executive Committee (CEC)
- Established continuous improvement cycle: Plant audits, reports, improvements
- Significant communications efforts, including weekly CEO and President videos to global employees

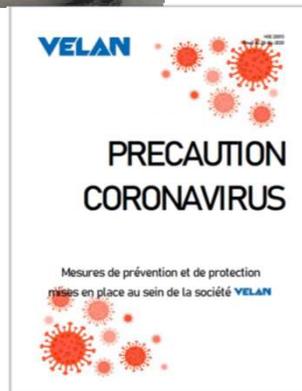
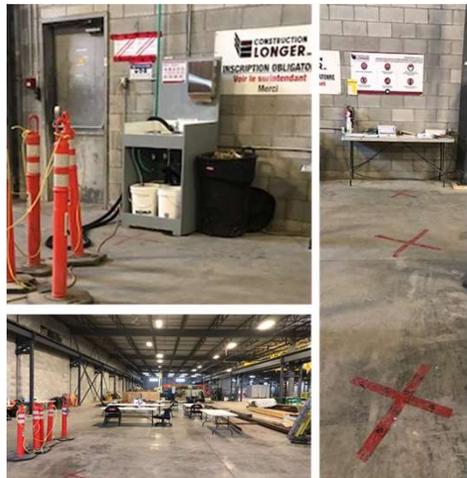
# Velan's Covid-19 global response



**\*\*STOP\*\***  
 ONLY (2) PEOPLE  
 ALLOWED IN THIS  
 OFFICE AT ONE  
 TIME!!!!  
 (SOCIAL DISTANCING)  
 THANK YOU!!



# Velan's Covid global response – more photos



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# Our V20 transformation plan: an overview

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## V20

«As the industry changed, it became increasingly difficult to deliver our value proposition to our customers effectively. So, we had to change our business model to better leverage our assets and strengths»  
- Yves Leduc, CEO

1. Increase the focus on our customers
2. Re-organize our manufacturing footprint
3. A leaner, faster production model
4. Transfer “commodity” products to lower cost sites
5. Modernize our systems & processes

*The V20 plan is articulated around 5 priorities*

«Everything about V20 revolves around improving the end-user experience»

# Drive growth through five strategic businesses, two of which already existed, and the three others re-centering our North American operations



MRO



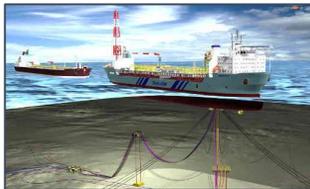
Project



Severe



Nuclear



Upstream /  
Midstream

1. Increase the focus on our customers

2. Re-organize our manufacturing footprint

3. Leaner, faster production model, reduced dependency on in-house machining

4. Transfer “commodity” products to lower cost sites

5. Modernize our systems & processes

- *Velan resources being gradually re-organized around 5 businesses: MRO, Project Manufacturing, Severe Services & Navy, and the already existing Nuclear (France) and Upstream/Midstream Oil & Gas (Italy)*
- *This approach is already bearing fruits<sup>1</sup>:*
  - ✓ *Severe Service and Project bookings up, thanks to increased focus*
  - ✓ *MRO opening new channels in Europe and Asia*
  - ✓ *Upstream revenues (Italy) increased*
  - ✓ *Project Manufacturing RFQ triaging increasing margins*
  - ✓ *Nuclear bolstering its market leadership*

 **On track**

# Consolidate the four North American plants into three, creating more specialized manufacturing centers



Lyon, France



Montreal, Canada



Mennecy, France



Lucca, Italy



Coimbatore, India



Suzhou, China



Granby, Canada



Williston, VT, U.S.



Coimbatore, India



Ansan City, South Korea



Taichung, Taiwan



Ansan City, South Korea



Suzhou, China



Lisbon, Portugal

1. Increase the focus on our customers

2. Re-organize our manufacturing footprint

3. Leaner, faster production model, reduced dependency on in-house machining

4. Transfer “commodity” products to lower cost sites

5. Modernize our systems & processes

- Granby plant focusing on multi turns, core products to the Project Manufacturing business
  - Granby expansion on track
  - Union agreement secured
- Montreal plant 1-5 focusing on quarter turn products, core to Severe business
  - Union agreement secured
- Montreal plant 2-7 closure well underway
  - 5 months ahead of schedule
- Williston plant (Vermont) to become a center of excellence for nuclear and navy valves
- Low cost plants (ex: India, Portugal, Korea, Taiwan) producing an increasing share of commodity valves
- China plant leveraged by Upstream/midstream business to alleviate capacity issue in Italian plant and to lower costs

 **On track**

# Shift NA plants towards a leaner, less vertically integrated model centered on production cells



1. Increase the focus on our customers
2. Re-organize our manufacturing footprint
3. Leaner, faster production model, reduced dependency on in-house machining
4. Transfer “commodity” products to lower cost sites
5. Modernize our systems & processes

- *Velan manufacturing sites to focus on mission critical activities, machining, assembly & testing, and leverage existing global supplier network for increased pre-machining*
  - *First suppliers’ contracts have yielded savings notably above plan*
  - *Reduced manufacturing overhead and asset intensity*
- *Internal activities will shift to cell manufacturing to simplify and accelerate production flow*
  - *Pilots have shown that cycle times will significantly be reduced*

 **On track**

# Transfer all non-nuclear and non-navy small forged valves, as well as MRO pressure-seal valves, to our state-of-the-art Indian facility



1. Increase the focus on our customers
2. Re-organize our manufacturing footprint
3. Leaner, faster production model, reduced dependency on in-house machining
4. Transfer “commodity” products to lower cost sites
5. Modernize our systems & processes

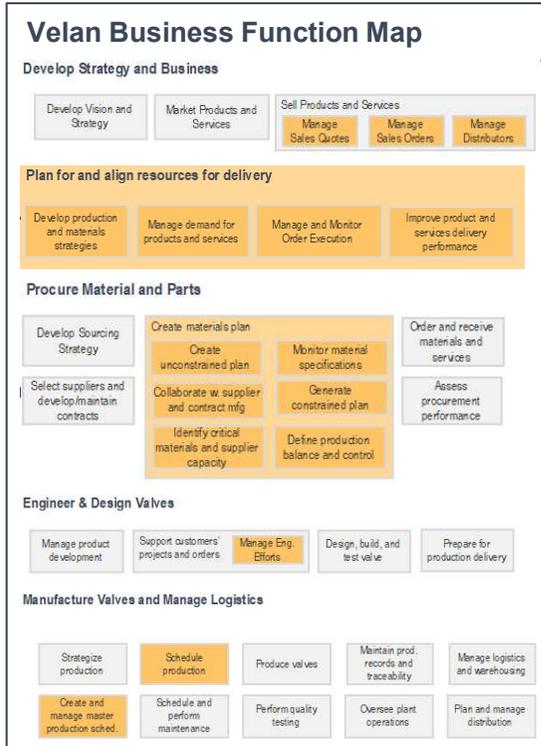
- Several low margin products made in Montréal are being transferred to India.



- We will achieve significant margin improvement up across the product line.

 **On track**

# Invest in systems to modernize processes and improve customer service



1. Increase the focus on our customers
2. Re-organize our manufacturing footprint
3. Leaner, faster production model, reduced dependency on in-house machining
4. Transfer “commodity” products to lower cost sites
5. Modernize our systems & processes

- *Velan has a roadmap to improve all major processes on which the firm runs*
- VPM
  - *In-house project management system to increase project visibility and on-time delivery (“OTD”)*
    - ➔ **Dramatic improvements in delivery performance, noticed by customers**
- ERP
  - *Deployment of ERP system in Italy and France, allowing data sharing*
- IPPC
  - *Integrated planning system, covering order intake to product delivery*
- CPQ
  - *Enables front office to respond quickly and accurately to customer specifications. Channels information downstream*
- CRM
  - *Facilitates customer management and helps generate customer intimacy.*
- Finance 2.0
  - *Fundamental to better understand and allocate costs to design and manufacturing processes*

 **On track**

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# Market Highlights

# Our 5 strategic businesses



## ■ MRO & After-Market

Manufacturing centers  
and DC: **India, Korea,  
Portugal, Vel Tex**



## ■ Project

Manufacturing centers:  
**Plant 4-6 Granby and  
Plant 3 Williston**



## ■ Severe Service & Navy

Manufacturing centers:  
**Plant 1-5 Montreal,  
Plant 3 Williston, Portugal**



# Our 5 strategic businesses



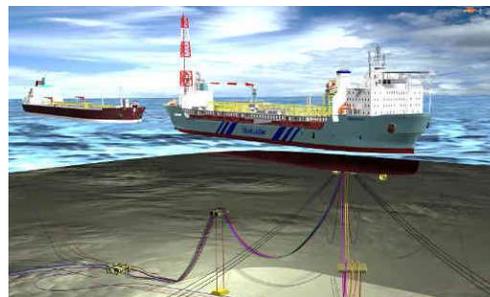
- **Nuclear & special applications**

Manufacturing centers:  
**Lyon SAS and Segault (France), and Williston (Vermont)**



- **Upstream & midstream oil and gas**

Manufacturing centers:  
**Velan ABV (Italy),  
Velan (China)**





# MRO and After-market

Centers of gravity: India, Korea,  
Portugal, VelTex

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# Projects

Centers of gravity: Plant 4-6 Granby and  
Plant 3 Williston

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# Order for Florida Power & Light Project: FP & L Bundle, USA

- Location: Florida (USA)
- Application: HP and HRH Main steam stop valves
- End user: FP & L - Sanford, Manatee  
Port Everglades, Riviera Beach,  
Cape Canaveral, and Turkey Point
- Velan scope: **94**, F91 Parallel slide gate and  
Y-pattern stop check valves  
Sizes: 12–24”  
Classes 900–2500

***Valves being replaced include the competitors' valves***



# Order for Florida Power & Light Project: FP & L Bundle, USA



All valves are Parallel slide gate and Y-pattern stop checks with F91, Type 2 forgings that meet the latest EPRI buttering layers and hardfacing requirements

# Order for NTPC Limited

## Project: GE Power, India

- Location: Ramagundam, Telangana  
Andhra Pradesh, India
- Application: Super Critical (SC)  
Coal fired power generation  
2 x 800 MW
- End user: NTPC Limited
- Velan scope: **36**, Pressure seal valves  
Up to 24" Class 3500  
**716**, Cast steel valves  
Up to 36", Class 600



GE POWER



VELAN

# Shenghong Refining & Chemical Project: 1.1MT/A Ethane Plant, China

- Location: Lianyungang City, Jiangsu Province, China
- Application: Ethane plant
- End user: China Huanqiu Contracting & Engineering Corp.
- Velan scope: **75**, Pressure seal wedge gate, Y-type globe, & Stop check valves  
Sizes: 1–24", Classes 2500  
All Alloy 91 material, cast & forged



中国寰球工程公司

CHINA HUANQIU CONTRACTING & ENGINEERING CORPORATION



VELAN

# Order for HPCL - Mittal Energy Ltd, India

## Project: Downstream petrochemical, India

- Location: Guru Gobind Singh Refinery  
Bathinda, Punjab, India
- Application: Polymer addition ethylene & HDPE units  
HC Slurry, Diluted TEA Catalyst
- End user: HPCL-Mittal Energy Ltd
- Velan scope: **3,132** of Small forged cryogenic valves  
**1,045** of Cast cryogenic valves



**VELAN**

# Order for NTPC Limited Project: GE Power, India



**Cast steel valves manufactured and ready for shipment**

# Cryogenic valves order for OT Industries

## Project: SLOVNAFT Refinery, Slovakia

- Location: Bratislava, Slovakia
- Application: Cryogenic valves for Ethylene storage tank  
Temperature to  $-196^{\circ}\text{C}$
- End user: SLOVNAFT Refinery
- Velan scope: **465**, Cryogenic gate, globe, & check valves  
Size: up to 8"  
According to API 600, API 602, and API 623 standards



# Cryogenic valves order for OT Industries

## Project: SLOVNAFT Refinery, Slovakia



**Slovnaft**  
MEMBER OF MOL GROUP



**OT**  
INDUSTRIES

**VELAN**

# Order for HPCL - Mittal Energy Ltd, India

## Project: Downstream petrochemical, India

- Valves tested in Velan India's cryogenic test facility





# Severe Service & Navy

Centers of gravity: Plant 1-5 Montreal, Plant  
3 Williston, Portugal

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Quality that lasts.

# Order for JSC Gazpromneft Project: Refinery, Delayed Coking Unit, Russia

- Location: Omsk, Russia
- Application: Delayed coking unit
- Contractor : Tecnimont Italy
- End user: JSC Gazpromneft
- Velan scope: **32**, Actuated R-series ball valves  
Sizes: 6–32”  
Classes: 300–900



*R-series in bottom of the fractionator in-service*



***The 32” Class 300 will be the largest Securaseal metal-seated ball valve manufactured by Velan***

# Order for Encordia

## Project: PetroChina, Guangdong, China

- Location: Lianyungang City, Jiangsu Province, China
- Application: Oil refinery and petrochemical
- End user: China Huanqiu Contracting & Engineering Corp.
- Velan scope: **16**, Automated overhead vapor and blowdown coker ball valves  
Sizes: 24 and 30" Class 300  
Material: C12



# Orders for HPAL (Nickel) Mining valves with Cable Drive actuators and VEL8 coating

- Location: Indonesia
- Application: High Pressure Acid Leaching
- End users: PT QMB New Energy Materials, mainly owned by Tsingshan steel and Hanwa Battery
- Velan scope: **46**, Securaseal Metal-seated ball Titanium and Duplex valves  
Sizes: 1–12”, Class 600  
  
32 of the valves provided with spring return Cable Drive actuators



VEL-CL  
Proprietary  
2007 blend

Vs.



VEL-8  
Novel  
optimized blend



# Nuclear & special applications

Center of gravity: Lyon SAS and Segault

# Order for SNPEC

## Project: Lufeng Nuclear power plant Units 1 & 2, China

- Location: Lufeng Nuclear power plant  
Guangdong province, China
- Application: CAP1000 PWR reactor  
Nuclear power generation  
2 x 1250 MW
- End user: CGN
- Velan scope: **58**, Nuclear class 1, 2, and 3  
Air operated globe valves  
Lot PV14A  
Up to 8", Class 2500



# Order for FEF

## Project: Liquid Hydrogen Production Plant, USA

- Location: California, USA
- Application: Liquid hydrogen production
- End user: First Element Fuels (FEF)
- Engineering: Air Liquide
- Owner & operator: Air Liquide
- Velan scope: **48**, Cryogenic globe valves  
Sizes: 1/2 – 4"



 **Air Liquide**  
creative oxygen

FE FUEL

**VELAN**

# Order for Indian Space Research Organisation Project: Space Launch Program, India

- Location: ISRO Propulsion Complex, Mahendragiri, Tamil Nadu, India
- Application: Semicryogenic Integrated Engine Test Facility
- End user: Indian Space Research Organisation
- Engineering: TATA Projects Ltd (India)  
Cryogenmash (Russia)
- Velan scope: 106 High pressure cryogenic globe control valves up to 16" to Class 2800



# Velan SAS & Segault: French Nuclear Navy

- The Suffren the last nuclear submarine in the French fleet, made its first dive on the high seas with hundreds of Velan SAS and Segault valves on board.



**The first in a series of six new generation nuclear attack submarines**



# Upstream & Midstream oil & gas

Center of gravity: Velan ABV & Velan China

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# Order for MODEC

## Project: MV-31 FPSO, Brazil

- Location: Offshore Brazil
- Application: FPSO Topside
- End user: Petrobras
- Velan scope: **Total 1,012**
  - 38.** Actuated compact ball valves  
Up to 10" and API 10,000
  - 550,** Manual compact ball valves  
Up to 20" and API 10,000 & 3" API 15,000
  - 122,** Manual DBB compact ball valves  
Up to 16" and API 10,000
  - 289,** Actuated compact ball valves  
Up to 30" and API 10,000 & 3" API 15,000
  - 13,** Manual rotary control valves  
Up to 16" and API 900



# Order for MODEC & SOFEC Project: MV-34 FPSO, Mexico

- 24" ASME 150 Automatic Axial no-slam check nozzle design ready for shipment





# Product innovation

“Velan’s next phase of growth will involve increased activity in new product development, and FY2020 was marked by several new product introductions; following are a few examples”

# Velan's first ever 34" Class 1500 forged pressure seal parallel slide valve – a project that only Velan would take on

- Two 24" and two 34" valves for main steam isolation weighing 36,000 lbs
- For an olefins plant in Southern Texas.

*Although the designs were new and posed many technical challenges, the valve was delivered on-time under tight deadlines, thanks to VPM\* governance*



\*VPM: Velan Project Management, a system and process launched after two years of development, delivering substantial improvements in order-to-delivery performance

# Expanding severe service capabilities through active investments in innovation

Firetesting resulted in  
100% pass rate



Five Velan valves were fire tested to 3 latest API and ISO standards: All valves passed in the first trial and also on non-preferred seat

VEL-8 coating technology  
& new cable drive actuator



Our new Vel-8 coating survived +6 months of field testing in the most severe HPAI application where typical coating life is ~3 months

Logic control panels



World's only company with the latest electronic hardware/software controlling all its critical valves in a coker unit

**VELAN**

# Agenda

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1. A milestone year
2. F20 and first quarter F21 financial results and our response to COVID-19
3. V20 transformation: Progressing well and ahead of schedule
4. Key market highlights and innovation picking up steam
5. Conclusion

# Conclusion

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- The Company is capturing the benefits of the V20 plan, its modernized operations and systems, its much more focussed approach to market and end-user customers, and in many ways, is already deeply transformed
- The combination of our actions, including our swift response to the COVID crisis, make the Company lighter, more agile and resilient to great shocks
- We continue to improve the work environment, learning fast how to run our manufacturing operations in the midst of a pandemic, putting the safety of our employees and customers first
- With a strong balance sheet and improving margins, we intend on capturing opportunities that will emerge from an industry that will inevitably be re-shaped by the crisis

**There is disruption ahead but our employees have already proven their capacity in handling enormous change: their resolve bolsters our confidence in the future**