

28 February 2024

AB Dynamics plc

Half Year Pre-Close Trading Update

AB Dynamics plc ("AB Dynamics", the "Company" or the "Group"), the designer, manufacturer and supplier of advanced testing, simulation and measurement products to the global transport market, issues the following pre-close trading update for the six-month period ending 29 February 2024, to coincide with the Annual General Meeting being held today at 11.00am.

Current trading

Trading for the first six months of the year has been positive, with overall performance consistent with the Board's expectation. As a result, the Group expects to deliver first half revenue growth of c. 5% to c. £51m.

The Group continues to drive benefits from the investment made in its commercial and operational infrastructure, which together with the revenue growth, are expected to result in an improved adjusted operating margin over the same period in FY 2023.

Testing Products has continued to experience good demand in the first half, with particularly strong growth in ADAS platforms. As expected, the Testing Services business has returned to growth in both the Group's US and China based operations. Both sectors have good commercial momentum into the second half of the financial year.

As expected, performance in the Simulation sector will be weighted towards the second half of the financial year, as a series of simulator systems manufactured during the first half are delivered to customers after the period end.

ABD Solutions continues to make good progress, with several full-scale commercial opportunities for the Indigo Drive retrofit automation system in the near-term pipeline.

Financial position

The balance sheet remains robust with net cash at 29 February 2024 expected to be c. £27m (28 February 2023: £21.3m, 31 August 2023: £32.0m), after the final deferred consideration payment of £5.7m for the acquisition of Ansible Motion.

The Group's strong cash position and ongoing cash generation leave it well positioned to continue to prudently invest in organic growth and further value enhancing acquisitions.

Outlook

The Group delivered strong order intake during the first half and has a solid order book, providing good visibility into the second half of the year. The Board remains confident that the Group will make further financial and strategic progress this year, with its expectations for FY 2024 performance unchanged at this stage. Future growth prospects remain supported by long-term structural and regulatory growth drivers in active safety, autonomous systems and the automation of vehicle applications.

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