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FOR IMMEDIATE RELEASE

25 July 2024



PENNANT INTERNATIONAL GROUP PLC

(the "Company", the "Group")

Trading Update

Pennant International Group plc (AIM: PEN), the systems support and training solutions company, is pleased to provide a trading update for the six months ended 30 June 2024 (the "**H1 2024**").

Unaudited financial summary

Subject to review, the Group currently expects to report performance in H1 2024 as follows.

- Revenues of £7.4 million (H1 2023: £7.1 million);
- Increased gross margin of 48% (H1 2023: 47%);
- Adjusted EBITDA ⁽¹⁾ of £0.9 million (H1 2023: EBITDA of £0.8 million);
- Adjusted EBITA ⁽²⁾ of £0.6 million (H1 2023: EBITA of £0.5 million);
- Net debt at 30 June 2024 of £1.6 million (H1 2023: £1.9 million).

Strategic Software Investment

Further to the Company's announcement of 14 May 2024 (the "**May Update**"), investment continues in the Group's proprietary integrated software suite, which has now been branded 'Auxilium', with circa £0.7 million invested during the First Half. Unveiling of the suite to industry will take place during Q4 2024, with release of the full suite expected by year-end. Further details on Auxilium can be found here: [IPS Solutions - Pennant International Group plc \(pennantplc.com\)](https://www.pennantplc.com)

Order Intake

As outlined in the May Update, the Group is continuing to progress several material sales prospects with a view to converting these into orders in the second half of the year. The timing and quantum of these potential awards remains subject to contract and, in certain cases, the completion of processes at defence department and prime contractor level.

The Board notes the UK Strategic Defence Review recently announced by the new Labour government, and is pleased to see that the new government has committed to increasing UK defence spending to 2.5% of GDP.

Chief Executive Officer, Philip Walker commented:

"I am pleased to report ongoing progress in the business, and in particular, the investment in and development of our new Auxilium software suite, which we expect to launch in the second half of this financial year."

1. *Earnings before interest, tax, depreciation and amortization and prior to circa £0.4 million of exceptional professional and other costs associated with aborted corporate activity and share placing fees. Profit relating to the purchase and sale of a leased property of circa £0.2 million is also excluded.*
2. *Earnings before interest tax and amortization ("EBITA") and prior to circa £0.4 million of exceptional professional and other costs associated with aborted corporate activity and share placing fees. Profit relating to the purchase and sale of a leased property of circa £0.2 million is also excluded.*

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Notes to editors:

Pennant International Group plc (AIM: PEN) is a technology driven, leading global provider of system support services, technical services, and training solutions. It supports its global customer base in the design, development, operation, maintenance, and training of complex assets, to maximise operational and maintenance efficiency.

Its key markets include Aerospace, Defence and Rail, and adjacent safety-critical markets such as Shipping, Nuclear and Space.

The Group addresses the market through three key business lines:

- **Systems support:** software tools designed to help clients: manage and use complex data; ensure equipment availability at optimal cost; and comply with industry standards. Its Integrated Product Support (IPS) and Integrated Logistics Support (ILS) software and services equips customers with powerful market-leading toolsets to manage, model and utilise complex equipment data.
- **Training solutions:** provide hardware, software and virtual solutions, critical skills training for maintainers and operators of aircraft, ships and land systems.
- **Technical services:** support all Pennant's software and training solutions including consultancy, support and maintenance, training and bespoke development.

The Company's full product suite encompasses consultancy, technical documentation, rail services, training services, and bespoke engineering solutions.

Pennant is strategically focused on sustainable recurring revenue and profitability growth, shifting its model towards high margin software and services. Against a climate of rising defence budgets and the burgeoning technological complexity of military, aviation and rail platforms, the demand for these solutions is expected to grow substantially.

Headquartered in Cheltenham, UK, the Group operates worldwide, with offices in Europe, North America and Indo-Pacific, serving markets with high barriers to entry often in regulated industries.

[Pennant - Maximising Operational Efficiency - YouTube](#)

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