

26 September 2024

**AB Dynamics plc**  
**Pre-close Trading Update**  
**Acquisition of Bolab Systems GmbH**

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 trading update in advance of the publication of its results for the year ended 31 August 2024 ("FY 2024").

**Trading update**

The Group performed strongly during the second half of the year, delivering significant organic growth. The Board expects full year revenue to exceed £110m and with robust margin performance through the second half, full year adjusted operating profit is anticipated to be ahead of current market expectations<sup>1</sup>.

Testing Products has continued to experience strong demand, with good growth in driving robots and ADAS platforms.

The Testing Services business has returned to growth following the removal of external impediments that adversely impacted the prior year. In the Group's US operation, we saw improved access to vehicles for testing and in the Chinese based operation there was a relaxation of pandemic restrictions.

Revenue in the Simulation business also showed a modest increase, with a number of simulator system deliveries in the second half of the year.

Order intake continues to be strong, providing good momentum and visibility as the business enters FY 2025.

**Financial position**

The Group maintained its track record of strong operating cash conversion, with net cash at 31 August 2024 of £28.6m (2023: £32.0m).

**Acquisition of Bolab Systems GmbH**

The Group also announces that it completed the acquisition of Bolab Systems GmbH ("Bolab") on 25 September 2024 for an initial consideration of €5.0m (£4.2m) (the "Acquisition").

Bolab is a niche automotive power electronics testing products business. Founded in 2012 and based near Stuttgart, Germany, it supplies low-voltage and high-voltage equipment for testing automotive sub-systems and components for conventional, hybrid and electric vehicles.

The acquisition supports the expansion of the Group's capabilities in the Testing Products business and provides further alignment with the structural growth drivers in the sector.

**Financial considerations of the Acquisition**

The maximum consideration payable for Bolab is €11.0m (£9.3m), comprising an initial cash consideration of €5.0m (£4.2m) and contingent consideration of up to €6.0m (£5.1m). The Acquisition has been completed on a cash-free, debt-free basis with the initial cash consideration funded from the Group's existing cash resources. Contingent consideration of up to €6.0m (£5.1m) will be payable in cash across two tranches for the two years following completion, subject to meeting certain performance criteria for each year.

Bolab has a good track record of profitable growth. Based on unaudited accounts, in the year ended 31 December 2023, Bolab generated revenue of €3.4m (2022: €2.5m) and operating profit of €0.6m (2022: €0.4m). Net assets at 31 December 2023 were €1.1m.

The Board expects that the Acquisition will be earnings enhancing in FY 2025 with annualised revenue forecast to be approximately €4.0m (£3.2m) and forecast adjusted operating profit of approximately €0.8m (£0.7m).

Bolab is being acquired from its founder, who will remain in the business.

<sup>1</sup> Company compiled analyst expectations for the year ended 31 August 2024 is for adjusted operating profit in the range of £17.3m to £18.8m.

**Enquiries:**

Dr James Routh, Chief Executive Officer

Sarah Matthews-DeMers, Chief Financial Officer

**Peel Hunt LLP (Nominated Adviser and Joint Broker)** 0207 418 8900

Mike Bell  
Ed Allsopp

**Stifel Nicolaus Europe Limited (Joint Broker)** 0207 710 7600

Matthew Blawat  
Harry Billen

**Teneo** 0207 353 4200

James Macey White  
Matt Low

The person responsible for arranging the release of this information is David Forbes, Company Secretary.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTDEFLZKLBBBD