

21 October 2024

Hardide plc
("Hardide", the "Group" or the "Company")

Year end trading update

Hardide plc (AIM: HDD), the provider of advanced surface treatment solutions is pleased to announce an update on trading for the financial year ended 30 September 2024 ("FY24").

Hardide expects to report revenue of £4.7m for the year (FY23 £5.5m). As anticipated, second half ("H2") trading was stronger than the first half ("H1") with H2 sales of £2.6m, compared with H1 of £2.1m, despite some delays in new business work now expected in the first half of the new financial year.

Adjusted EBITDA* is anticipated to be close to break even for the year (FY23: -£0.1m). The improved trading momentum in H2, combined with the benefit of margin improvement and cost reduction actions taken earlier in the year, enabled the Group to generate an anticipated adjusted EBITDA* positive result of c.£0.4m in H2, at an adjusted EBITDA margin of c.15% (H2 23: EBITDA break even).

The Group's cash balance at 30 September 2024 was £0.7m (H1 24: £0.7m). Hardide began to trade at net cash positive levels towards the end of the financial year, as expected.

The cash break-even point of the Group is now at just over £5.0m of revenue per year, a significant reduction compared with previous years due to management's profit improvement and overhead reduction initiatives.

Matt Hamlin, CEO commented:

"We are working hard on sales and business development activities to support the Group's strategy of accelerating revenue growth, and taking a more entrepreneurial and holistic approach in identifying and assessing market opportunities, with particular focus on:

- areas where we offer customers true differentiation: typically, improved product life cycles in challenging operating environments, together with non-line of sight coating capability;
- better utilisation of existing spare capacity, driving returns from our well invested asset base; and
- prioritising opportunities that will realise additional revenues and profit in the short to medium term.

Whilst some of our traditional base load oil and gas business came to an end in FY24 and some OEMs continue to seek to reduce inventory holdings, we expect to see a strong recovery in revenues in FY25. We already have visibility of new work from the aerospace sector and anticipate growing revenues from our enhanced product range launched six months ago.

This is an exciting time to have joined Hardide as CEO, with the business now increasingly well positioned to deliver profitable growth."

Notes:

Hardide expects to announce audited results for FY24 in late January 2025. All figures relating to FY24 provided above are unaudited.

* Adjusted EBITDA is defined as: Earnings before interest, tax, depreciation and amortisation and, in FY24, non-recurring restructuring costs.

Enquiries:

Hardide plc

Matt Hamlin (CEO) Tel: +44 (0)1869 353830

Andrew Magson (Non-Executive Chair)

Cavendish Capital Markets Ltd - Nominated Adviser and Broker

Henrik Persson / Abigail Kelly (Corporate Finance) Tel: +44 (0) 2072 200 500

Jasper Berry / Dale Bellis (Sales)

Notes to editors:

www.Hardide.com

Hardide develops, manufactures and applies advanced technology tungsten carbide/tungsten metal matrix coatings to a wide range of engineering components. Its patented technology is unique in combining in one material, a mix of toughness and resistance to abrasion, erosion and corrosion; together with the ability to coat accurately interior surfaces and complex geometries. The material is proven to offer dramatic improvements in component life, particularly when applied to components that operate in very aggressive environments. This results in cost savings through reduced downtime and increased operational efficiency as well as a reduced carbon footprint. Customers include leading companies operating in the energy sectors, valve and pump manufacturing, industrial gas turbine, precision engineering and aerospace industries.

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