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Titon Holdings PLC
16 December 2024

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This announcement contains inside information for the purposes of Article 7 of the UK version of the Market Abuse Regulation (EU) No.596/2014, which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018.

16 December 2024

Titon Holdings Plc

Completion of Disposal of Interests in South Korean Operations and Update on FY24 Results

Completion of Disposal of Interests in South Korean Operations

Titon Holdings Plc ("Titon", the "Group" or the "Company") is pleased to announce that, further to the Company's announcement on 24 October 2024, it has received the cash proceeds for the disposal of its interests in its 51% owned South Korean subsidiary company, Titon Korea Co. Ltd, and its 49% owned South Korean associate company, Browntech Sales Co. Limited, (together, the "Disposal") following the satisfaction of the applicable conditions to the Disposal.

As a result of the Disposal, the Group ceases to have an operating and reportable South Korean business segment. The net cash consideration received after Korean securities and capital tax and costs related to the transaction, was £710,178.

Update on financial results for the year ended 30 September 2024 ("FY24")

On 24 October 2024, the Company provided a trading update on its UK operations (which included all operations except South Korea), stating that before exceptional items, loss before tax for the year ended 30 September 2024 was slightly better than forecast. The Group now confirms that the South Korean entity also performed marginally ahead of the Group's expectations.

As part of its year-end audit process, the Board has reviewed the current inventory balance, applying the Group's inventory valuation policy which makes provision for slow-moving and obsolete inventory. During the Covid pandemic, under previous leadership, the business ordered a significant amount of excess inventory to counteract extended supply lead times. Whilst heightened purchasing activity was justifiable during the global supply chain crisis, the Group believes that it is now necessary to address and recalibrate the purchasing strategy. Accordingly, on further review and considering the decline in trading conditions and performance expectations over the past year, the Group expects to make a one-off, non-cash inventory write off, of approximately £1.3m in its results for FY24. The Group continues to believe that it will potentially be able to utilise and realise value from this inventory, particularly when trading activity recovers, but it considers it appropriate and prudent to write-off this slower moving inventory. This write-off is expected to be treated as an exceptional item in the FY24 results but is still subject to audit.

The Group expects to report its final results for FY24 in January 2025.

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