

29 January 2025



**CT Automotive Group plc**  
("CT Automotive" or the "Group")

### **Trading Update**

#### **Highly Resilient Performance despite challenged Automotive Market**

CT Automotive, a leading designer, developer and supplier of interior components to the global automotive industry, is pleased to announce the following trading update for the twelve months ended 31 December 2024.

Despite a challenging final quarter of the year for the automotive industry, the Group expects to deliver a highly resilient performance for 2024, with revenue no less than 117m\*, adjusted PBT no less than 8.6m\*, broadly in line with market expectations\*\*. Due to strong cash management, net debt at 31 December was slightly better than expected at 7.5m\*\*\*.

Q4 2024 saw major OEMs seeking to destock, driven by higher interest rates and concerns over government set EV quotas. The Group took measures to offset the impact of these wider market headwinds to some extent through: margin efficiency programmes implemented across all operational sites; the Group's agnostic position between ICE and electric vehicles; and a continuing drive across the business to secure further significant operational efficiencies through automation and digitalisation initiatives, with a specific focus on AI.

#### *Contract Wins*

CT Automotive is pleased to announce several significant new contracts wins in the second half of FY24, across multiple OEMs, representing a key step in our strategic growth plan. These new contracts include programs valued at approximately 12 million annually, with production commencing later this year in our Mexico facility.

These contract wins demonstrate CT Automotive's ability to deliver competitive and innovative solutions to leading automotive OEMs. Importantly, they align with our strategic objective of driving revenue growth while leveraging operational efficiencies to enhance profitability.

Our Mexican facility, which operates on a fixed cost structure, is particularly well-positioned to benefit from further growth. The facility can accommodate three times its current revenue without requiring additional investment in property or overhead.

#### *Outlook*

The automotive industry continues to face significant challenges. Legacy automakers are experiencing declining market share in China, a region that has historically contributed a substantial portion of their overall profitability. However, this trend has no material impact on CT Automotive, as we are not actively engaged in the Chinese market for legacy automakers.

Furthermore, the rise of Chinese EV companies establishing plants in Europe and America presents additional competitive pressures, compelling legacy automakers to focus intensively on improving profitability.

These industry dynamics play strongly into the hands of CT Automotive. The Group is committed to driving costs down through significant innovation, we are uniquely positioned to deliver the lowest manufacturing costs in our product categories. This focus enables us to aggressively target OEMs that are under immense pressure to find solutions to reduce costs and remain competitive in the global market against Chinese competitors.

Recognising this opportunity, CT Automotive has made significant investments in its sales function, expanding the team to

capitalise on these market conditions. While the global marketplace may seem challenging for the Group in the short term, we view this as a perfect environment to fuel growth, leveraging our cost-efficient, highly automated, and advanced manufacturing capabilities to support OEMs in achieving their goals.

Currently, CT Automotive represents just a small fraction of this market sector, but the opportunity exists now to grow our market share significantly in conditions that perfectly align with CT's business model. Therefore, despite tough industry conditions, given the contract wins mentioned above, we expect 2025 to produce at least mid-single digit revenue growth together with further margin expansion.

**Simon Phillips, Chief Executive Officer of CT Automotive, said** "Despite challenging times where the industry has seen reduced volumes, CT Automotive has leveraged AI, digitization, and automation to maintain strong profitability. Historically, CT Automotive has achieved substantial year-on-year CAGR growth. After completing large-scale digitization and automation, our focus has now shifted back to increasing top-line revenue.

We have expanded our sales function significantly, adopting a far more targeted and strategic approach, leveraging both existing and new customer bases. This is part of our aggressive strategy to win new business and increase platform content across models.

In today's market, where legacy automakers face significant profitability challenges, CT Automotive's low-cost model positions us perfectly to capture increased market share during this period of industry transformation.

Our forward plan ensures that fixed costs remain stable while increased sales directly enhance gross profit, pushing profitability to the bottom line."

*(\*unaudited and on a constant currency basis)*

*(\*\*Immediately prior to this announcement, Singers Capital Markets estimates for FY2024 were Sales 119.1m and Adj PBT 9.3m)*

*(\*\*\*Net debt pre IFRS 16)*

#### **Notice of Results**

The Group expects to announce its results for the twelve months ended 31 December 2024 by the end of April 2025.

#### **Enquiries:**

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#### **Notes to editors**

CT Automotive is engaged in the design, development and manufacture of bespoke automotive interior finishes (for example, dashboard panels and fascia finishes) and kinematic assemblies (for example, air registers, arm rests, deployable cup holders and storage systems), as well as their associated tooling, for the world's leading automotive original equipment suppliers ("OEMs") and global Tier One manufacturers.

The Group is headquartered in the UK with a low cost manufacturing footprint. Key production facilities are located in Shenzhen and Ganzhou, China complemented by additional manufacturing facilities in Mexico, Türkiye and Czechia.

CT Automotive's operating model enables it to pursue a price leadership strategy, supplying high quality parts to customers at a lower overall landed cost than competitors. This has helped the Group build a high-quality portfolio of OEM customers, both directly and via Tier One suppliers including Forvia and Marelli. End customers include volume manufacturers, such as Nissan, Ford, GM and Volkswagen Audi Group, and premium luxury car brands such as Bentley and Lamborghini. In addition, the Group supplies all our customer base with a range of products for PHEV and BEV platforms and supplies electric car manufacturers, including Rivian and a US based major EV OEM.

The Group currently supplies component part types to over 57 different models for 22 OEMs. Since its formation, the Group has been one of the very few new entrants to the market, which is characterised by high barriers to entry.

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