RNS Number : 6528H
CT Automotive Group PLC
07 May 2025

The following amendment has been made to the Final Results announcement released on 7 May 2025 at 07:00 under RNS No 6500H.

FY23 Adjusted EBITDA was misstated in the Financial Highlights table as 6.1m. The correct figure is 16.1m

All other details remain unchanged.

7 May 2025

CT AUTOMOTIVE

CT Automotive Group PLC

("CT Automotive" or the "Group")

Technology Adoption Drives Significant and Sustainable Margin Improvement

CT Automotive, a leading designer, developer and supplier of interior components to the global automotive industry, today announces its results for the year ended 31 December 2024 ("FY24").

CEO Simon Phillips commented:

"Our response to the headwinds facing the auto industry in 2024 was to focus on what was within our control, namely strengthening our business and streamlining our operations. Foremost amongst our achievements was the 600 basis points improvement in our gross margin from 22% to 28% driven by our successful adoption of key digitisation and automation strategies. This enabled us to achieve a 5% increase in adjusted profits before tax to 8.7 million despite revenues reducing as anticipated by 16% as the pent-up consumer demand post-COVID that had driven sales in 2023 began to subside, leading OEMs to reduce inventories.

Looking ahead, in a rapidly evolving and uncertain geopolitical landscape we are maintaining a cautious approach. At the same time, as one of the industry's most efficient, reliable and cost-effective manufacturers we also believe the current unsettled environment will create some opportunities for us to help our customers find efficiencies and long-term solutions for their future production plans."

In the short film below, CEO Simon Phillips answers 5 key questions on trading and outlook:

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Financial highlights*

	FY24 m	FY23 m	% Change
Revenue	**119.7**	143.0	(16%)
Gross profit	**33.1**	30.9	7%
Gross profit margin	**28%**	22%	+600bps
Adjusted EBITDA**	**16.3**	16.1	1%
Adjusted PBT**	**8.7**	8.3	5%
Reported PBT	**7.5**	5.9	26%
Adjusted Earnings per share	**11.8c**	11.3c	5%
Net debt***	**6.2**	3.8	(63%)

**The above figures are derived from continuing operations only*

*** Adjusted for non-cash foreign exchange translation losses of 1.2m (FY23:nil) and non-recurring items of nil (FY23:2.4m) as explained in Notes 4 and 12 below*

**** Net debt excludes IFRS 16 lease liabilities*

FY24 Financial Highlights

- Year on year revenue decreased to 119.7 million (FY23: 143.0 million) following industry-wide realignment of production as OEMs destocked to normal levels following the pent-up consumer demand post-COVID that had driven sales in 2023
    - Tooling revenues increased by 9% to 12.0 million (FY23: 10.9 million) on an improved margin
    - Production revenue reduced by 18% to 107.7 million (FY23: 132.0 million)
- Gross profit margin increased by 600 basis points to 28% (FY23: 22%) driven by continued integration of AI, automation, and digitisation strategies alongside cost efficiencies gained across all manufacturing platforms.
- Adjusted EBITDA increased by 0.2 million against the prior year to 16.3 million, which highlights the resilience of the business to continue to operate efficiently under tough industry conditions.
- Adjusted PBT was 8.7 million (FY23: 8.3 million) driven by margin efficiencies, lower fixed costs and lower borrowing costs.
- Net debt was 6.2 million (FY23: 3.8 million), aligning with our expectations as we concentrated on realigning vendor payment terms and following our investment of 3.2 million in capital expenditures to further drive growth.

FY24 Operational Highlights

- Solid operational performance, with all manufacturing centres in China, Mexico and Türkiye improving their efficiency and driving the Group's overall gross margin performance.
- In China, there was further consolidation of manufacturing facilities, with production now being concentrated in Ganzhou.
- Türkiye remains at full capacity despite a difficult political and economic backdrop.
- Mexico is well-positioned, with ongoing business from the US. Production is expected to step-up in 2025 as new programmes launch.
- In 2024, eight significant new contracts were won valued at 38 million annually with production scheduled to begin at our facilities in Mexico and China in the second half of 2025 and into 2026.

Current Trading, Tariffs and Outlook

- Trading in the first quarter of 2025 was in line with management expectations benefitting from ongoing operational efficiencies and the commencement of new production programmes.
- Naturally, the outlook for the business has become more complex with the uncertainty caused by tariffs and the extent to which this may impact customer production plans and global supply chains.
- Importantly, the Group had already proactively near-shored a number of production programmes supplying the US, with products manufactured in its Chinese facilities transferring to Mexico.
- While tariffs present challenges, they also create opportunities. In Q1 2025, customers chose to relocate three new programmes to CT Automotive to be produced in our Mexico facility, primarily to mitigate the potential impact of tariffs adding approx. 10 million of annual revenue.
- CT Automotive will continue to focus on the factors within its control, remaining agile and responsive to commercial opportunities, while accelerating the rollout of AI, automation, and digitisation across the business. These initiatives are central to driving further margin improvement and establishing a highly cost-efficient platform to support future growth.
- Overall, the market environment has become significantly more uncertain however, the Board believes the business remains in a robust position and on track to deliver mid-single digit revenue growth together with further margin expansion in FY25.

Investor Presentation

Simon Phillips, Chief Executive Officer and Salman Mohammed, Chief Financial Officer, will provide a live presentation relating to the Full Year Results via Investor Meet Company on 8 May 2025, 10:00 BST.

Investors can sign up to Investor Meet Company for free and add to meet CT AUTOMOTIVE GROUP PLC via:

https://www.investormeetcompany.com/ct-automotive-group-plc/register-investor

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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 manufacturers ("OEMs") and global Tier One manufacturers.


Air registers


Wrapped assemblies


Light guides


Mechanical assemblies


Decorative finishes


HVAC

The Group is headquartered in the UK with a low cost manufacturing footprint. Key production facilities are located in Shenzhen and Ganzhou, China with additional manufacturing facilities in Mexico and Türkiye and distribution facilities and assembly lines in Europe, Asia and the US. The Company has a low cost design and administrative centre in India.

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 55 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.

CHAIR'S STATEMENT

Overview

Against the backdrop of an automotive market in transition, I am pleased to present a robust performance by CT Automotive for the 12 months to 31 December 2024. As anticipated, car manufacturing volumes across the industry reduced in 2024, especially in the fourth quarter. Nevertheless, the Group capitalised on its investment in AI, digitisation and automation to significantly increase gross profit margins leading to an 5% increase in adjusted PBT.

Amid ongoing market volatility there are opportunities that play to CT Automotive's strengths. The emergence of Chinese OEMs establishing plants outside of China is putting pressure on established OEMs to focus intensively on improving profitability. As an agile operator with the ability to deliver low manufacturing costs in our product ranges, CT Automotive is positioned to deliver solutions to automakers under pressure to find cost savings.

Strategically well placed

CT Automotive remains strategically well-placed supplying 22 major OEMs globally. We view this as a good position to build from. Customers include premium brands such as Lamborghini and Bentley, volume producers such as Nissan and Ford and pure Electric Vehicle (EVs) brands such as Rivian. The volume of work for each customer varies but the potential to expand is made significantly easier by having an existing relationship.

Critical to this is being powertrain agnostic. CT Automotive manufactures high quality components for all vehicle types including Battery Electric Vehicles (BEV), Plug-in Hybrid Electric Vehicles (PHEV) and Internal Combustion Engines vehicles (ICE). The absence of power-train bias means that industry trends such as the speed of transition to EV, does not overly impact our business and instead the Company is positioned to flex to prevailing trends and demand requirements.

Core to the Company is our relentless commitment to reducing manufacturing costs, providing OEMs with the opportunity to meet their financial targets and in turn, achieving our own. Our ongoing investment in large-scale digitisation and automation in 2024 has significantly bolstered our cost-efficient, highly automated, and advanced manufacturing capabilities. We are confident this strengthened competitive position will help drive new business wins and increase participation in tenders across our existing customer base.

Geographically, the Group is strategically positioned across three key locations, China, Türkiye, and Mexico, enabling us to deliver optimal tax and cost efficiency for our customers. Our Mexico facility, which opened in 2022, has been a significant success, playing a crucial role in securing several new business wins in the second half of FY24 across a number of OEMs and more recently in attracting new business from customers looking to reduce tariff exposure. We continue to assess the best locations globally from which to serve our customers and remain agile to relocate should that be in the best interests of the OEMs we support.

Changing Geopolitical environment

The US government's new approach to trade and the introduction of global trade tariffs are reshaping the dynamics of world markets. It remains too early to determine the full impact, as the situation is still rapidly evolving and is yet to stabilise. The Company has already near-shored several production programmes supplying the US with products previously manufactured in its Chinese facilities transferring to Mexico.

CT Automotive generates approximately 25 million in annual sales tied to the U.S. market, with 15 million currently produced in China and 10 million from Mexico. The majority of the remaining Chinese manufactured product is due to transfer to Mexico this year.

All applicable tariffs are either directly or indirectly passed on to our customers, though they still influence the broader economic landscape. Nine of the eleven vehicles sold into the US which we support are manufactured there, meaning these vehicles are not subject to the 25% import tariff on complete units.

Some Japanese automakers currently dual-source complete vehicles for the U.S. market from both Japan and US based plants. As a result of tariff pressure, they are increasingly shifting output to their US facilities, which has led to a net increase in demand for CT Mexico's production. The key risks CT faces from tariffs include a potential reduction in consumer demand due to higher vehicle prices, and supply chain disruptions that may impact production flow and delivery reliability. With so many moving parts it is too early to predict how the automotive market will fare, therefore from a Company perspective, we will continue to focus on the areas we can control, whilst closely monitoring the situation as it unfolds and react accordingly.

Board Changes

During 2024, we welcomed Salman Mohammed to the Board as Chief Financial Officer, replacing Anna Brown who stepped down from the role in October 2024. Salman was promoted from within the business having previously held the role of Group Financial Director and is a strong addition to the wider Executive team. At the end of the financial year, Francesca Ecsery, Non-Executive Director, stepped down from her role due to other commitments. Following Francesca's departure from the Board, Geraint Davies has been appointed as Senior Independent Director.

We are grateful for both Anna and Francesca's contribution and wish them well for the future.

Financial Performance

In FY24 the Group delivered a robust financial performance, maintaining strong profitability despite the challenges of reduced manufacturing volumes across the industry. The Group mitigated the impact of broader market headwinds through margin efficiency programs at all operational sites, its powertrain-agnostic position between ICE and EVs, and ongoing efforts to drive operational efficiencies via automation, digitisation, and a specific focus on AI.

As expected, production volumes declined in line with the broader automotive industry with total revenues 16% lower to 119.7 million (FY23: 143.0 million). This was made up of 107.7 million of production revenue and 12.0 million of tooling revenue.

The Group again delivered significant gross margin improvement from 22% to 28%. Despite the reduction in revenues, cost controls and operational efficiencies enabled the Company to increase adjusted profitability to 8.7 million (FY23: 8.3 million). Reported EPS increased by 3% to 10.4c (FY23: 10.1c) on continuing operations.

Cash Management remained a key focus in Q4 due to the downturn in the automotive industry, which led to net debt at 31 December increasing to 6.2 million versus 5.8 million at 30 June 2024 (excluding IFRS 16 lease liabilities).

In October, the Group entered into a new debt facility to refinance its existing working capital facility, providing total funding of up to 20 million and extending out to October 2027. The new agreement is with FGI Worldwide LLC and provides the flexibility to support the Group's future growth.

I am immensely proud of our performance in 2024 and I believe we are well positioned going forwards.

CEO'S STATEMENT

Introduction

Trading in 2024 was shaped by three key external factors: high interest rates, ongoing economic uncertainty, and the normalisation of production post-COVID. The pent-up consumer demand that had driven sales in 2023 began to subside, leading OEMs to reduce inventories. These were all factors outside the Group's control. In response, we focused on what we could control, specifically, cost of sales and optimising our fixed cost base. This strategy proved highly effective, as we leveraged efficiencies gained through the integration of AI, automation, and digitization. As a result, the Group achieved a significant improvement in gross profit margin, driving profitability even amid the sales slowdown.

Looking ahead to 2025, several factors are driving transformation within the automotive sector including the ongoing shift to electric vehicles (EVs), the rise of new Chinese automakers, and the recent introduction of tariffs. As a drivetrain-agnostic manufacturer, our products are compatible with all vehicle types, and on balance, we stand to benefit from the transition to hybrid and EV platforms, which typically require higher product content. While the impact of tariffs is still unfolding, our ability to shift production to Mexico, combined with the flexibility and lean structure of CT Automotive, positions us well to manage any impact and potentially to capture market share.

Expansion of Sales Reach and Expertise

In 2024, a primary objective was to become one of the lowest-cost manufacturers in our industry, which we have now achieved. From this position the Company is well placed to offer cost effective solutions in our product categories and is using this advantage to win new customer orders.

To that end, the Company significantly invested in the sales function globally, extending its reach and expertise. Targeting OEMs and Tier 1 suppliers, the expanded sales team is showcasing the Company's competitive pricing structures, while maintaining the highest levels of quality and service.

In 2024, eight significant new contracts were won, across a number of OEM's, representing a key step in our strategic growth plan. These new contracts include programmes valued at 38m annually with production spread across our Mexico and Chinese production facilities commencing in H2 2025 and 2026.

In Q1 2025, customers decided to transfer three existing production programs to CT Automotive to commence production in our Mexico facility, primarily to mitigate tariff exposure and due to CT Automotive's proven capability to quickly replicate production lines. All three programmes are scheduled to begin production in late 2025 and contribute approx. 10 million to annual revenue.

AI Transforming CT Automotive

AI is driving a profound transformation across our business, delivering tangible benefits from production planning to human resources. The primary and most immediate impact is cost reduction, with some applications achieving return on investment in under a year. Using AI-driven decision making, the Group is able to react to challenges and opportunities faster than ever before, ensuring a faster response to customer demands.

A prime example of AI in action is in our AI-powered production planning for injection moulding. Previously, this process involved a team of six people in our Chinese manufacturing sites but is now a fully AI automated process. This significantly reduced our changeover times, improved consistency and cut direct labour by 35%, saving circa 1 million during 2024. We are currently engaged in feasibility studies to implement AI-driven production planning into our facilities in Türkiye and Mexico. Similarly, in quality control, AI has eliminated human error and provided consistent, reliable results in a fraction of the time, resulting in lower overheads, faster execution, and a higher standard of service for our customers.

China

This region delivered a stable performance in FY24, with strong demand particularly from Japan and Europe. As part of the Company's ongoing cost-reduction efforts, our manufacturing operations in China are now primarily concentrated at our Ganzhou plant, which benefits from lower labour costs. In Shenzhen tooling capabilities have been enhanced with new machinery reducing reliance on third party suppliers.

Türkiye

In Türkiye hyperinflation and volatile currency fluctuations persist, creating a challenging landscape for operations. Despite this, our manufacturing site in Gebze remains at full capacity. Looking ahead, we are actively exploring ways to enhance both the prospects and capacity of our manufacturing base in this region.

Mexico

Mexico is a key location for the Company. Established in 2022, the manufacturing plant is ideally situated for near-shoring production for North American OEM's allowing us to reduce costs and react more quickly to changes in customer production programmes. Customers who have chosen to transfer production to Mexico to date have not altered their plans following the change in US Government. In 2024, we secured new contracts that will bring 20 million in annual production to Mexico, highlighting the sites appeal and cost-effective production capabilities. To meet the growing demand projected for 2026 and beyond, additional investment will be required to expand operations.

Quality control

Customer satisfaction in the automotive industry requires the consistent delivery of high-quality products. Working with and gaining the trust of nearly all the world's largest OEMs would not be possible without rigorous internal quality control systems. Throughout the production process, there are continuous quality checks and our adoption of automated AI production processes ensures high quality consistency of product. Reflecting the performance levels achieved in quality control, our Mexico plant was certified under the IATF 16949:2016 standard in August 2024. The China and Türkiye plants were recertified under this standard in FY21.

Sustainability

CT Automotive is fully dedicated to sustainability and corporate social responsibility, monitoring the environmental impact of our operations and seeking ways to reduce our electricity usage, waste and water. In 2024, as part of furthering our commitment to sustainability, we were pleased to receive the Eco Vadis Silver Award. Placing us in the top 15% of companies assessed by Eco Vadis, we scored highly in Environment, Ethics, Labour and Human rights and Sustainable Procurement.

Our People

As always, I would like to recognise the excellent efforts from all our teams across the globe. In total, the business employs c.1,900 people and I would like to thank all of them for their contribution to the performance of the business in 2024 and for their ongoing commitment. We are able to be a dynamic and agile business due to the ability of our people to adapt and embrace change quickly, which has been and will continue to be, a central part of our success.

Current trading, tariffs and outlook

Trading in the first quarter of 2025 was positive benefitting from ongoing operational efficiencies and the commencement of new production programmes.

Naturally, the outlook for the business has become more complex with the uncertainty caused by tariffs and the extent to which this may impact customer production plans and global supply chains.

Importantly, the Group had already proactively near-shored a number of production programmes supplying the US, with products manufactured in its Chinese facilities transferring to Mexico.

While tariffs present challenges, they also create opportunities. In Q1 2025, customers chose to relocate three new programmes to CT to be produced in our Mexico facility to mitigate the potential impact of tariffs adding approx. 10 million of annual revenue.

CT Automotive will continue to focus on the factors within its control, remaining agile and responsive to commercial opportunities, while accelerating the rollout of AI, automation, and digitisation across the business. These initiatives are central to driving further margin improvement and establishing a highly cost-efficient platform to support future growth.

Overall, the market environment has become significantly more uncertain however, the Board believes the business remains in a robust position and on track to deliver mid-single digit revenue growth together with further margin expansion in FY25.

FINANCIAL REVIEW

Overview

Margin management remained the key priority in FY24 with the focus on cost efficiencies across all our manufacturing platforms. These efforts were rewarded with gross profit margin increasing to 28% from 22% driven primarily by the integration of AI, automation and digitization and reducing our direct workforce by 17%.

Group revenue decreased year-on-year to 119.7 million (2023: 143 million) as the pent-up consumer demand post-COVID that had driven sales in 2023 began to subside, leading OEMs to reduce inventories.

Adjusted EBITDA increased by 0.2 million against the prior year to 16.3 million which highlights the resilience of the business in tough industry conditions.

Adjusted profit before tax rose by 5%, reaching 8.7 million compared to 8.3 million in FY23. This improvement was driven by margin efficiencies and lower fixed costs.

Basic earnings per share increased by 3% to 10.4c

Currency movements negatively impacted PBT by 1.8 million (FY23: 0.9 million gain). The currency movements were split between "cash impacting movements" of 0.6 million (FY23: 0.9 million gain) and "foreign exchange translation losses" of 1.2 million (FY23: nil). We continue to hedge our currency exposure between USD and CNY as part of our strategy to remove volatility vs future forecasts. Adjusted EBITDA and Adjusted profit before tax in FY24 only exclude "foreign exchange translation losses".

Revenues and Margins

Production revenue declined by 18% to 107.7 million, down from 132.0 million in FY23, as production volumes adjusted in the first half of FY24 to better align with consumer demand. The challenge persisted into Q4, with major OEMs opting to reduce inventory levels in response to rising interest rates and concerns regarding government-imposed EV quotas. Compared to the average run rate for Q1 to Q3, Q4 revenues dropped by 3.5 million. This decrease adversely affected margins, as a larger proportion of semi-fixed costs had to be absorbed.

In contrast, tooling revenue rose by 9.5% to 12.0 million, up from 10.9 million in FY23, boasting a favourable 30% margin. This growth positions tooling as a critical factor in driving future production revenue.

Despite the reduction in overall revenue, gross profit increased to 33.1 million from 30.9 million in 2023, and gross margins improved to 28%, compared to 22% in the previous year. This improvement reflects a dedicated focus on cost efficiencies across our manufacturing platforms, achieved through the strategic integration of AI, automation, and digitization, which collectively enabled the Group to enhance profitability amid industry-wide volume reductions.

Distribution and Administrative Expenses

Distribution and Administrative Expenses

On a reported basis distribution and administrative costs rose by 5%. Within administrative expenses, we incurred 1.8 million in foreign exchange losses compared to a gain of 0.9 million in FY23. Excluding these currency impacts, distribution and administrative costs decreased by 7% primarily through lower distribution costs in line with revenue, a reduction in our administrative workforce of 8% and lower depreciation and amortisation costs as the useful life of assets was reassessed following a review of all fixed assets across the group.

Total currency-related losses included in administrative expenses amounted to 1.8 million, compared to a 0.9 million gain in FY23. This included 1.2 million in non cash foreign exchange translation losses (FY23: nil), along with an additional 0.6 million loss (following a 0.9 million gain) attributed to revaluation of foreign currency bank accounts and forward hedges.

EBITDA and operating result

Adjusted EBITDA increased by 0.2 million to 16.3million. Throughout the year, our focus centred on enhancing margin efficiencies to navigate industry realignment and cement our position as a leading cost-effective manufacturer in the automotive components sector. We continuously seek to improve processes through technology adoption, aiming to enhance customer experiences.

Taxation

In FY24, the Group recognized a tax credit of 0.2 million, compared to a credit of 0.6 million in FY23. This year's tax credit results primarily from the utilization of prior year losses in the UK and China and adjustments reducing prior year tax accruals.

The Group employs a transfer pricing policy based on residual profit allocation, which assigns a risk level to each entity within the Group. Under this policy, profits are allocated to entities where key decisions are made, as these entities typically carry a higher risk profile. Notably, our Mexican facility is currently excluded from this policy, as it is regarded as a new entity with a fixed cost base designed to support future revenue growth, making it loss making. This arrangement undergoes an annual review to ensure its continued relevance and alignment with the Group's strategic objectives.

Discontinued operations

In FY24, the Group successfully completed the liquidation process of Chinatool Automotive Systems Limited (CAS), a decision initially announced in FY22 due to challenges posed by severe labour shortages and inflationary pressures on energy costs and wages. This strategic move resulted in a gain of 0.8 million attributed to the discontinued operation, compared to a 0.2 million loss in FY23. The gain primarily arose from the write-back of balance sheet items held prior to the announcement of the liquidation.

Profit from continuing operations and EPS

Adjusted profit before tax increased to 8.7 million from 8.3 million in FY23. The reported profit before tax also saw a rise, reaching 7.5 million compared to 5.9 million in FY23. This improvement reflects the Group's robust financial performance amid challenging conditions. Notably, non-recurring costs in FY24 were nil, compared to 2.4 million in FY23, as the net impact of hyperinflation in Türkiye was negligible.

Reported profit after tax from continuing operations climbed to 7.6 million, up from 6.6 million in the previous year. As a result, reported basic earnings per share (EPS) from continuing operations improved to 10.4 cents, up from 10.1 cents in FY23.

Non-recurring items

During FY24 non-recurring items representing a net cost of nil (FY23: 2.4 million), highlighting the enhanced control environment across the Group and the swift response of senior management to emerging situations.

Capital structure, working capital and interest

Since the end of December 2023, the Group's net asset value has increased significantly to 26.2 million, up from 17.0 million. This growth has been supported by an increase in net current assets, which rose from 4.3 million to 13.9 million.

Despite the challenging trading conditions in Q4, characterized by reduced industry demand, the Group strategically focused on improving its financial position. Trade receivables decreased as a result of these conditions, alongside a concerted effort to reduce trade payables by 5.0 million, thereby strengthening the Group's working capital.

The Group has continued to manage its working capital prudently, effectively utilizing available debt facilities and cash generated from operations. As of December 31, 2024, cash and cash equivalents stood at 3.6 million, compared to 9.4 million in FY23.

Net debt as of December 31, 2024, was 6.2 million, up from 3.8 million in FY23, and was notably higher due to the timing of the December payroll payments in China, amounting to 1.7 million, which were paid in early January 2024. On a comparable basis, net debt FY23 would have been 5.5 million. After applying IFRS 16 accounting standards for right-of-use assets related to current and non-current lease liabilities, net debt further adjusts to 13.5 million, compared to 12.7 million in the previous year.

Cash flow

The Group continues to demonstrate its strong cash-generating capability, achieving net cash from operations before investments in working capital of 16.1 million in FY24, compared to 14.6 million in the previous year. Of this amount, 8.5 million was reinvested into working capital, compared to 6.5 million in FY23.

Several factors influenced the working capital dynamics this year:

- **Trade and Other Receivables:** There was a decrease of 5.8 million, primarily due to lower revenue in Q4 and the timing of tooling revenue recognition at year-end.

- **Inventories:** Increased by 1.2 million, reflecting strategic inventory builds in Mexico to support upcoming program launches anticipated in FY25.

- **Trade and Other Payables:** Decreased by 13.2 million as the Group addressed overdue vendor payments accumulated during the COVID-19 pandemic in China and adjusted for the net impact of deferred revenue timing on tooling projects.

Consequently, cash generated from operations was marginally lower than the previous year, totalling 7.6 million compared to 8.1 million in FY23.

Throughout the year, the Group paid 2.1 million in interest costs related to borrowings and lease liabilities, a decrease from 2.5 million in FY23. This reduction was due to a 3.3 million decrease in borrowings.

In alignment with its strategic vision for future growth, the Group invested 3.2 million in property, plant, and equipment, focusing on opportunities that enhance operational capabilities. This investment included advancements in robotics, which contributed to improved margin efficiencies throughout FY24.

FGI Facility

On October 11, 2024, the Group transitioned its borrowing facilities from HSBC trade loans and invoice financing to a new three-year agreement with FGI Worldwide LLC (FGI), set to conclude in October 2027. This strategic move offers enhanced financial flexibility by providing borrowing solutions in two key areas of the balance sheet:

1. **Inventory Financing:** Focused on inventory transfers from China to the UK and USA.

2. **Accounts Receivables Financing:** Covering the accounts receivables of the Group's facilities in the UK, USA, and Mexico. Notably, facilities in China and Türkiye are excluded from this borrowing arrangement.

Under the terms of the FGI facility, the Group is required to maintain a Fixed Cost Cover Ratio (FCCR) of at least 1.5x on a trailing twelve-month basis. As of December 31, 2024, the Group reported an FCCR of 1.9x, demonstrating substantial headroom above the minimum requirement. This robust performance underscores the Group's prudent financial management and operational efficiency.

The Group is committed to maintaining compliance with this covenant and submits updated FCCR calculations to FGI on a monthly basis. Additionally, comprehensive stress testing of future financial forecasts indicates significant headroom, assuring the Group's ability to comfortably sustain the ratio above the stipulated threshold, supporting ongoing financial stability and strategic growth initiatives.

Going Concern

The Directors believe that the Group is well placed to manage its business risks and having assessed the Group's business activities and factors likely to affect future performance, including a review of forecasts and predictions, taking account of reasonable possible changes in trading performances and available borrowing facilities, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next twelve months following the date of approval of the financial statements.

Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Refer to note 1 of accounting policies below.

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the year ended 31 December 2024

	Notes	2024 '000	2023 '000
Continuing operations:			
Revenue	3	119,748	142,974
Cost of sales		(86,644)	(112,118)
Gross profit		33,104	30,856
Distribution expenses		(2,206)	(3,150)
Other operating income		717	807
Administrative expenses		(22,059)	(20,041)
EBITDA (before non-recurring items)		15,024	16,090
Depreciation		(5,315)	(4,950)
Amortisation		(153)	(294)
Non-recurring items	4	-	(2,374)
Operating profit		9,556	8,472
Finance income		49	-
Finance expenses		(2,130)	(2,535)
Profit before tax		7,475	5,937
Taxation credit		166	616
Profit for the year from continuing operations		7,641	6,553
Discontinued operations			
Profit/(loss) for the year from discontinued operations		808	(238)
Profit for the year attributable to equity shareholders		8,449	6,315
Profit attributable to:			
Owners of the Company		8,650	6,313
Non-controlling interests		(201)	2
		8,449	6,315
Other comprehensive income / (loss)			
Items that are / may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations		715	(1,426)
Other comprehensive Income/(loss) for the year, net of income tax		715	(1,426)
Total comprehensive income for the year		9,164	4,889
Total earnings per share			
From continuing operations:			
Basic earnings per share	5	10.4c	10.1c
Diluted earnings per share	5	10.0c	9.7c
From continuing and discontinued operations:			
Basic earnings per share	5	11.5c	9.7c
Diluted earnings per share	5	11.1c	9.4c

Consolidated Balance Sheet
As at 31 December 2024

	Notes	2024 '000	2023 '000
Assets			
Non-current assets			
Goodwill		1,259	1,259
Intangible assets		207	314
Property, plant and equipment	6	7,644	7,089
Right of use assets		6,750	7,895
Deferred tax assets		1,627	1,571
		17,487	18,128
Current assets			

Current assets

Inventories		27,676	25,997
Tax receivable		223	261
Trade and other receivables		25,667	30,578
Cash and cash equivalents		3,628	9,440
		57,194	66,276
Current liabilities			
Trade and other payables		(30,203)	(43,390)
Other interest-bearing loans and borrowings	7	(9,860)	(13,198)
Derivative financial liabilities		(49)	(52)
Corporate tax payable		(1,060)	(1,847)
Current lease liabilities		(2,109)	(3,492)
		(43,281)	(61,979)
Non-current liabilities			
Non-current lease liabilities		(5,222)	(5,458)
		(5,222)	(5,458)
Net assets		26,178	16,967
Equity attributable to owners of the Company			
Share capital	9	484	484
Share premium	9	63,696	63,696
LTIP reserve	9	51	4
Translation reserve	9	(682)	(1,397)
Accumulated Deficit	9	(1,420)	(10,070)
Merger reserve	9	(35,812)	(35,812)
		26,317	16,905
Non-controlling interest	9	(139)	62
Total equity		26,178	16,967

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital	Share premium	LTIP reserve	Translation reserve	Accumulated deficit	Mergers reserve	Total equity before NCI	Non-controlling interest	Total Equity
	000	000	000	000	000	000	000	000	000
At 1 January 2023	**342**	**54,717**	**-**	**(347)**	**(16,323)**	**(35,812)**	**2,577**	**-**	**2,577**
Total Comprehensive Income for the year									
Profit for the year	-	-	-	-	6,313	-	6,313	2	6,315
Recognition of LTIP reserve	-	-	4	-	-	-	4	-	4
Foreign currency translation	-	-	-	(1,050)	-	-	(1,050)	-	(1,049)
Total comprehensive income/loss for the year	-	-	4	(1,050)	6,313	-	5,267	2	5,269
Transaction with equity:									
Share issue	142	9,488	-	-	-	-	9,630	-	9,630
Issuance cost	-	(510)	-	-	-	-	(510)	-	(510)
Share issue in CT-Mexico	-	-	-	-	(60)	-	(60)	60	-
	142	8,978	-	-	(60)	-	9,060	60	9,120
At 31 December 2023 and at 1 January 2024	**484**	**63,696**	**4**	**(1,397)**	**(10,070)**	**(35,812)**	**16,905**	**62**	**16,967**
Total Comprehensive Income for the year									
Profit for the year	-	-	-	-	8,650	-	8,650	(201)	8,449
Foreign currency translation	-	-	-	715	-	-	715	-	715

Total comprehensive income/loss for the year	-	-	-	715	8650	-	9,365	(201)	9,164
Transaction with equity:									
Recognition of LTIP reserve	-	-	47	-	-	-	47	-	47
	-	-	47	-	-	-	47	-	47
At 31 December 2024	**484**	**63,696**	**51**	**(682)**	**(1,420)**	**(35,812)**	**26,317**	**(139)**	**26,178**

.Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 '000	2023 '000
Cash flows from operating activities		
Profit from continuing operations	7,641	6,553
Profit/(loss) from discontinued operations	808	(238)
Profit for the year after tax	8,449	6,315
Adjustments for:		
Depreciation	5,315	4,950
Amortisation	153	294
Interest expense	2,130	2,535
Interest income	(49)	-
Net fair value (profits) recognised in profit or loss	(3)	(714)
Share based payment charge	47	4
Loss on disposal of fixed assets	402	1,136
Taxation (credit)	(166)	(616)
Hyperinflation impact on operating profit	(210)	683
	16,028	14,587
Decrease/(Increase) in trade and other receivables	5,825	(4,620)
(Increase)/Decrease in inventories	(1,157)	641
(Decrease) in trade and other payables	(13,155)	(2,530)
Tax paid	(677)	(41)
Net cash generated from operating activities	6,904	8,037
Cash flows from investing activities		
Purchase of intangible assets	(62)	(96)
Purchase of property, plant and equipment	(3,138)	(3,114)
Sale of tangible fixed assets	171	-
Interest received	49	-
Net cash used in investing activities	(2,980)	(3,210)
Cash flows from financing activities		
Gross proceeds from Share issue	-	9,630
Payment of professional fees related to share issue	-	(509)
Repayment of lease liabilities - Principle	(4,059)	(3,005)
Repayment of lease liabilities - Interest	(1,062)	(586)
Interest paid on borrowings	(1,068)	(1,949)
(Repayment) of trade loans	(9,000)	(578)
(Repayment) of invoice finance	(4,018)	(2,924)
Drawdown of borrowing	9,567	-
Net cash (used in)/generated from financing activities	(9,640)	79
Net (decrease)/ increase in cash and cash equivalents	(5,716)	4,906
Cash and cash equivalents at beginning of year	9,440	4,471
Effect of exchange rate fluctuations on cash held	(96)	63
Cash and cash equivalents at end of year (see Note 21)	3,628	9,440

1. General overview and accounting policies

CT Automotive Group Plc (the "Company") is a public Company limited by shares listed on the Alternative Investment Market (AIM) and incorporated and domiciled in England and Wales under the Companies Act 2006. The registered number is 10451211 and the registered address and principal place of business is 1000 Lakeside North Harbour, Western Road, Portsmouth, PO6 3EN.

The Company's functional and reporting currency is USD as the Group's revenue and working capital facilities are also predominantly denominated and/or received in USD.

The final results (referred to as the 'final results') consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The final results have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Measurement convention

The final results are prepared on the historical cost basis except for the results of the foreign operations in Turkiye which are subject to hyperinflationary accounting, and derivative financial instruments which are stated at fair value.

Going Concern

The Directors have assessed the Group's business activities and the factors likely to affect future performance in light of the current and anticipated trading conditions. In making their assessment the Directors have reviewed the Group's latest budget, current trading, available current banking debt facilities and considered the likely impact of reasonably possible downside sensitivities in performance and the likely impact of potential mitigating actions.

The Directors are confident that, after taking into account existing cash and available debt facilities, the Group has adequate resources in place to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. In making their assessment the Directors have stress tested the forecast cash flows of the business.

For the purposes of stress testing, the Directors modelled a base case, several downside scenarios, a combined downside scenario and a set of mitigating actions to the combined downside scenario. The base case was modelled on a prudent basis, assuming revenues based on the production schedules and cost estimates. Positive cash headroom is maintained under the base case scenario. Taking into account the economic outlook, expected interest rates and geopolitical events, the Directors have identified certain specific key risks to the base case assumptions and have modelled the scenarios as follows:

- Reduction in revenue risk: the entire automotive market suffers a downturn of 20% in revenue, reflecting the currently challenged and influx automotive industry;
- Increased cost of sales risk: reflecting the impact of inflation in cost of sales raising by 10% and inability to recover the increase in costs from customers;
- Stockholding risk: reflecting a scenario caused by the disruption in customer schedules due to prolonged conflicts in the Red Sea or other plausible disruptions resulting in the need to hold more than normal stock levels required in the distribution centres;

In addition, the Directors have modelled a combined downside scenario and considered several controllable mitigating actions. The mitigating action modelled are overhead reductions, removal of bonus payments, reduction in capital expenditure and delaying tax payments. Such mitigating actions are within Management's control and the business closely monitors appropriate lead indicators to implement these actions in sufficient time to achieve the required cash preservation impact. Additional mitigating actions which have not been modelled but are available for Management to deploy, if required, are negotiating with customers on reduced customer payment terms and extending supplier payment terms with vendors.

In any of the scenarios noted above the combined impact of the above downside assumptions, the stress testing model, incorporating the above principal mitigation, demonstrates that the business is able to maintain a positive cash balance throughout the entire going concern review period considered.

The Group currently has borrowing facilities linked to inventories and accounts receivables through FGI Worldwide LLC. The facility is due to expire on 10 October 2027. Covenants regarding maintaining a Fixed Cost Cover Ratio of 1.5x are tested monthly. Forecast FCCR ratios under the above-mentioned stress tests show that we maintain headroom in all scenarios with the relevant mitigations in place.

As a result of the above considerations, the Directors consider that the Group has adequate resources in place for at least 12 months from the date of the approval of FY24 financial statements and have therefore adopted the going concern basis of accounting in preparing the Final Results.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experiences may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In preparing these financial statements, the Directors made the following judgements:

Deferred tax asset recognition and recoverability

A deferred tax asset has been recognised as at 31 December 2024 at a value of 1.63m. Of this deferred tax asset, 229k arises on interGroup transactions related to provision of unrealised profits in tooling revenue. The remaining deferred tax asset has been recognised in relation to brought forward tax losses in the UK parent company, whereby there are estimated probable future taxable profits against which the Group anticipates utilising these losses. The Group has taken into consideration the future prospects and potential for utilizing these deferred tax assets while not recognizing assets against all available tax losses, ensuring the Group's future financial position and its capacity to utilize such losses is appropriately reflected.

Other key sources of estimation uncertainty:

Inventories provision

Inventory is carried at the lower of cost and net realisable value. Provisions are made to write down obsolete inventories to net realisable value. The provision is 661,843 at 31 December 2024 (2023: 1,194,000).

Non-Controlling Interests:

The Company owned 100% of CT Automotive Systems DE, Mexico subsidiary as at 31 December 2022. On 23 November 2023, 10% of the shares in the subsidiary were sold to Simon Phillips, CEO and Scott McKenzie, COO resulting in a non-controlling interest in the Group's consolidated financial statements. The Group has exercised judgement in evaluating the control it exercises over the Mexican subsidiary after the change in ownership. Based on their evaluation, the Group has concluded that the profits of the Mexican entity will be split between the owners of the Group and non-controlling interests based on the percentage ownership of the subsidiary. On the date of the transfer of ownership, the entity held a net liability of 598,604 of which 10% is attributable to the non-controlling interests at 59,860. The issuance of new equity to the non-controlling interest resulted in a profit of 54,000. In 2024 the share of the loss attributable to non-controlling interest was 201,000. The non-controlling interests are recorded separately in the Statement of Profit or Loss, the Statement of Balance Sheet and the Statement of Changes in Equity.

Expected credit loss

Bad debt provision

The Group had included a bad debt provision of 310,000 during the year. This provision reflects management's assessment of the collectability of accounts receivable based on historical collection patterns, current economic conditions, and specific customer circumstances. The evaluation involves a careful analysis of outstanding receivables and the estimation of potential credit losses that may arise from defaults. By proactively setting aside this provision, the Group aims to present a more accurate representation of its financial position and ensure compliance with relevant accounting standards. This approach underscores the Group's commitment to maintaining financial integrity while effectively managing credit risk.

Recoverability of VAT in foreign jurisdictions

The Group has outstanding VAT receivables totalling £2.4m. Management has assessed the situation based on prevailing regulations, historical recovery rates, and ongoing discussions with relevant tax authorities. Although there may be inherent uncertainties due to potential changes in local tax laws or administrative procedures, it is currently expected that the outstanding VAT amount will be fully recovered by mid-2026. This estimate has been evaluated to ensure alignment with applicable accounting standards and to represent the financial position as of the reporting date.

Uncertain tax positions

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Hyperinflation

The Group exercises significant judgement in determining the impact of the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries in such countries is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- prices are quoted in a relatively stable foreign currency;
- sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- interest rates, wages and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the financial statements of a Group entity becomes necessary. Following management's assessment, the Group's subsidiary in Türkiye has been, and continues to be accounted for as an entity operating in a hyperinflationary economy. The results, cash flows and financial position of Chinatool Otomotiv Sanayi Tic. Limited Sti. have been expressed in terms of the measuring units current at the reporting date.

The movement in the general price index in the reporting period was 44.38% (2023: 54.5%).

In applying IAS 29 to the financial reporting of the subsidiary incorporated in Türkiye, it is crucial to note that a deliberate judgement has been exercised in the treatment of indexation agreements that impact consolidated profit or loss. The impact is included as a finance expense in FY24 for 40,000 (FY23: 146,000 included in non-recurring expenses) These specific agreements have been intentionally ignored in the calculations, aligning with the guidelines set forth in IAS 29, and maintains continuity with the prior year detailed calculations and commentary.

IAS 29 does note that non-monetary (balance sheet) items that are linked to indexation agreements have the rates stipulated within the agreements applied, rather than a general price index, although the same allowance/ exception is not provided for items of profit or loss.

3. Segment Information

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the management team including the Chief Executive Officer and Chief Financial Officer. The segmental analysis is based on the information that the management team uses internally for the purpose of evaluating the performance of operating segments and determining resource allocation between segments.

The Group has 3 strategic divisions which are its reportable segments.

The Group has the below main divisions:

1) Tooling - Design, development and sale of tooling for the automotive industry.
2) Production - Manufacturing and distributing serial production kinematic interior parts for the automotive industry.
3) Head office - Manages Group financing and capital management.

The Group evaluates segmental performance on the basis of revenue and profit or loss from operations calculated in accordance with IFRS.

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently in the current and prior year. The inter-segment sales in 2024 were nil (FY23): nil.

2024	**Tooling '000**	**Production '000**	**Head Office '000**	**Total '000**
Revenue				
Total revenue from external customers	11,967	107,781	-	119,748

Revenue from other operating segments				
Depreciation and amortisation	-	(5,468)	-	(5,468)
Finance expense	-	(2,084)	(46)	(2,130)
Segment Profit/(Loss)	3,591	12,185	(8,301)	7,475
Group Profit before tax and discontinued operations				7,475

2024	**Tooling '000**	**Production '000**	**Head Office '000**	**Total '000**
Additions to non-current assets	-	3,138	-	3,138
Reporting segment assets	963	72,872	846	74,681
Reportable segment liabilities	(2,570)	(44,351)	(1,582)	(48,503)

2023	**Tooling '000**	**Production '000**	**Head Office '000**	**Total '000**
Revenue				
Total revenue from external customers	10,928	132,046	-	142,974
Revenue from other operating segments				
Depreciation and amortisation	-	(5,244)	-	(5,244)
Finance expense	-	(2,485)	(50)	(2,535)
Segment Profit/(Loss)	3,885	9,145	(7,093)	5,937
Group Profit before tax and discontinued operations				5,937

2023	**Tooling '000**	**Production '000**	**Head Office '000**	**Total '000**
Additions to non-current assets	-	3,114	-	3,114
Reporting segment assets	4,239	79,902	263	84,404
Reportable segment liabilities	(2,770)	(60,748)	(919)	(64,437)

	External revenue by location of customers		**Non-current assets by location of assets**	
	2024 '000	**2023 '000**	**2024 '000**	**2023 '000**
Europe	42,565	49,965	1,639	1,455
North America	31,977	39,856	3,446	2,437
Asia Pacific	15,652	22,657	9,635	10,466
United Kingdom	25,680	24,743	2,455	2,143
Rest of the world	3,874	5,753	312	1627
	119,748	142,974	17,487	18,128

Due to the nature of the automotive industry becoming increasingly consolidated with mergers, acquisitions and strategic alliances, the number of customers under separate control is decreasing whilst the size of such customers is increasing.

Analysis of concentration of customers, above 10% of Group revenue:

In 2024 the Group had 3 major customers representing 45.5m (38%), 22m (18%) and 9.2m (7.6%) of Group revenue.

In 2023 the Group had 3 major customers representing 60.7m (43%), 19m (13%) and 17.6m (12%) of Group revenue.

4. Non-recurring items

	2024 '000	2023 '000
Impact of Hyperinflation	-	683
One off working capital write offs (net)	-	494
Redundancy Costs	-	71
Costs from historic tooling projects	-	849
Covid related business disruption charges	-	277
	-	2,374

Non-recurring items are items, which, due to their one-off, non-trading and non-underlying nature, have been separately classified by the Directors in order to draw them to the attention of the reader and allow for greater understanding of the operating performance of the Group. Impact of hyperinflation is trivial in FY24 and included in the profit or loss statement, but not called out separately as a non-recurring item.

Items included in non-recurring costs in the prior year:

- Effective from 1 January 2022, the Group has applied IAS 29, Financial Reporting in Hyperinflationary Economies for its subsidiary in Türkiye. The impact of applying this standard in respect of 2023 results was a charge of 683,000 and is considered as non-trading.
- The Group carried out an exercise to improve reporting and governance. This has resulted in a review of historic balances on the payables and receivables ledgers that has resulted in a 584,000 income. Additionally, there was a review of inventory balances that resulted in the identification of 1,078,000 of stock that was unable to generate a realisable value. The net impact resulted in a write off for 494,000 and is considered as a one-off item.
- One-off redundancy costs of 71,000 were incurred during the first half of 2023 in relation to optimising our manufacturing footprint in China and Türkiye.
- One-off historic costs of 849,000 were written off in the reporting period in relation to previously completed tooling projects.
- The Group made non-recurring customer payments of 277,000 as a compensation for Covid-related business disruption.

5. Earnings per share

From continuing and discontinued operations:

	2024 Number	2023 Number
Weighted average number of equity shares	73,597,548	65,191,848
Earnings, being profit after tax	8,449,000	6,315,000
	Cents	Cents
Earnings per share	11.5	9.7
Diluted Earnings per share	11.1	9.4

In 2024 and 2023 there were share options outstanding that could have a dilutive effect on earnings per share in the future.

From continuing operations:

	2024 Number	2023 Number
Weighted average number of equity shares	73,597,548	65,191,848

Earnings, being profit after tax before discontinued operations	7,641,000	6,553,000

	Cents	Cents
Earnings per share	10.4	10.1
Diluted Earnings per share	10.0	9.7

From discontinued operations:

	2024 Cents	2023 Cents
Basic and diluted earnings/(loss) per share	1.1	(0.4)
Diluted Earnings/(loss) per share	1.1	(0.4)

6. Property, plant and equipment

	Plant and equipment '000	Fixtures and fittings '000	Motor vehicles '000	Total '000
Cost at 31 Dec 22	14,454	3,100	268	17,822
Additions (Restated)	1,859	350	7	2,216
Disposals (Restated)	(2,565)	(621)	(27)	(3,213)
Effect of hyperinflation (Restated)	342	195	-	537
Effect of movement in foreign exchange (Restated)	(42)	(442)	(6)	(490)
Cost at 31 Dec 23 (Restated)	**14,048**	**2,582**	**242**	**16,872**
Additions	2,342	760	36	3,138
Disposals	(1,692)	(275)	(164)	(2,131)
Effect of hyperinflation	290	127	-	417
Effect of movement in foreign exchange	(372)	(147)	(2)	(521)
Cost at 31 Dec 24	**14,616**	**3,047**	**112**	**17,775**
Accumulated depreciation at 31 Dec 22	(6,692)	(3,782)	(196)	(10,670)
Charge for the year (Restated)	(1,498)	(347)	(53)	(1,898)
On disposals (Restated)	295	2,126	27	2,448
Effect of hyperinflation (Restated)	(346)	(168)	-	(514)
Effect of movement in foreign exchange (Restated)	576	270	5	851
Accumulated depreciation at 31 Dec 23 (Restated)	**(7,665)**	**(1,901)**	**(217)**	**(9,783)**
Charge for the year	(1,125)	(246)	(12)	(1,383)
On disposals	1,315	142	139	1,596
Effect of hyperinflation	(273)	(122)	-	(395)
Effects of movements in foreign exchange	(121)	(40)	(5)	(166)
At 31 Dec 24	**(7,869)**	**(2,167)**	**(95)**	**(10,131)**
Carrying amount				
At 31 Dec 23	6,383	681	25	7,089
At 31 Dec 24	6,747	880	17	7,644

Management identified an error with regards to the presentation of the property, plant and equipment note in the prior period and as a result it has been restated. The total cost at 31 December 2023 has decreased by 1,703,000 and total accumulated depreciation has decreased by 1,703,000. The restatement is purely a classification error between cost and accumulated depreciation with no impact on the carrying amount

7. Borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group and Company's exposure to interest rate and foreign currency risk, see Note 25.

	2024	2023
	'000	'000
Current liabilities		
Current portion of secured bank loans	9,860	-
Current portion of Trade Loans	-	9,005
Invoice finance	-	4,193
	9,860	13,198
Total	9,860	13,198

On October 11 2024, the Group moved its borrowing facilities from HSBC to FGI worldwide LLC (FGI). FGI provides a revolving credit facility and secures its borrowing on inventory and trade receivables of Chinatool UK Limited and IMS- Chinatool JV, LLC. In addition FGI provides an over advance facility of USD 750,000, repayable every 6 months. The over advance facility was fully utilised at 31 Dec 2024.

Invoice finance balances were secured against trade receivables. Trade loans were secured against inventories.

The currency profile of the Group's loans and borrowings is as follows:

	2024	2023
	'000	'000
USD	8,827	7,779
EUR	1,033	5,277
RMB	-	142
	9,860	13,198

	Currency	Margin	Contracted maturity	Carrying amount 31 December 2024 '000	Carrying amount 31 December 2023 '000
Secured bank loan	EUR/USD	3.10%	2027	9,110	-
Over advance	USD	5.85%	2025	750	-
Trade loans	EUR/USD	4.04%	2024	-	9,005
Invoice finance	EUR/USD/RMB	3.75%	2024	-	4,193
				9,860	13,198

Terms and debt repayments

2024

The borrowing facility with FGI allows prepayment on inventory and trade receivables of Chinatool UK Limited and IMS-Chinatool JV, LLC after deductions of certain reserves which are calculated weekly. The facility is a revolving facility as customers pay directly to FGI.

The over advance facility is repayable every six months and the Group can redraw these funds partially or in full as per requirements.

2023

Invoice finance facility was secured against trade receivables. Trade loans were secured against inventories

The unsecured bank overdraft was repayable on demand and had no set repayment schedules.

8. Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

Under the terms of the FGI facility, the Group is required to maintain a Fixed Cost Cover Ratio (FCCR) of at least 1.5x on a trailing twelve-month basis. As of December 31, 2024, the Group reported an FCCR of 1.9x, demonstrating substantial headroom above the minimum requirement.

9. Capital and reserves

	2024	2023
	'000	'000
Share capital		
Allotted, called up and fully paid		
73,597,548 (2023: 73,597,548) Ordinary shares of £0.005 each	484	484
Shares classified in shareholders' funds	484	484

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company.

On 27 April 2023 the Group undertook a fundraise and achieved total gross proceeds of 9,630,000 (before transaction costs of 509,000).

Share premium

The share premium represents the value subscribed for share capital in excess of nominal value.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in a foreign subsidiary.

Merger reserve

The merger reserve comprises of the consideration paid by the Company when it acquired 100% of the share capital of China Tool Projects UK Limited on 6 April 2017, the former Group Company. The transaction is not considered to be a business combination as the new top Company formed is not considered a business under the definition in IFRS 3. Therefore, this transaction does not fall under the scope of IFRS 3 and book value accounting has been applied.

As a result, the consideration paid by the Company, being a combination of cash and the issue of Loan Notes, is now held in a Merger Reserve.

Accumulated deficit

Accumulated deficit represents all other net gains and losses not recognised elsewhere.

Non-controlling interests

Non-controlling interest represent the equity in subsidiaries that is not attributable to the shareholders of the Group.

10. Contingent Liabilities

The Group operates in overseas jurisdictions and is required to participate in various government-sponsored employee benefit plans, including social insurance, housing funds, and other welfare-oriented obligations, contributing specified percentages of employee salaries, bonuses, and allowances up to a maximum amount set by local authorities. Authorities in some jurisdictions have not consistently enforced the employee benefit plan requirements, given the different levels of economic development in different areas. We cannot confirm that our practices will be deemed to be in compliance with the above-mentioned employee benefit plan requirements in all aspects. The authorities may require us to pay, or in the case of any shortfalls, to cover the required social insurance and housing fund contributions. We may also become subject to fines and legal sanctions due to any failure to make social insurance and housing fund contributions for our employees. If we are subject to late fees or fines in relation to the underpaid employee benefits, our financial condition and results of operations may be adversely affected. We may also be subject to regulatory investigations and other penalties if our other employment practices are deemed to be in violation of local laws and regulations. We do not believe it is probable that there is an outflow of resources and therefore have not recorded a provision for the uncertain positions in relation to these plans. At the date of approving the financial statements, management consider the probability of significant outflows from the above risks to be low

11. Events after the reporting period

Following the year end, on 20 February 2025 the Company's wholly owned Chinese subsidiary (Chinatool Automotive Mould Systems Limited (CMSSZ) entered into an agreement with Automotive Kinetic Systems Limited (AKSL), a company which is wholly owned by Simon Phillips. Under the terms of the agreement AKSL made a loan to CMSSZ of US 300,000 repayable within 12 months at an interest rate of 12.4% per annum.

There are no other events after the reporting period affecting these financial statements.

12. Alternative performance measures

The Annual Report includes Alternative Performance Measures (APMs) which are considered by Management to better allow the readers of the accounts to understand the underlying performance of the Group. A number of these APMs are used by Management to measure the KPIs of the Group as outlined within the Financial Review above. The Board also monitors these APMs to assess financial performance throughout the year.

The APMs used in the Annual Report include:

- Adjusted EBITDA - calculated as EBITDA adjusted for non-recurring items and foreign exchange translation (loss)/gain
- Adjusted EBITDA margin - calculated as adjusted EBITDA divided by revenue in the year
- Adjusted profit before tax - calculated as profit before tax adjusted for non-recurring items and foreign exchange translation (loss)/gain
- Adjusted profit before tax margin - calculated as adjusted profit before tax divided by revenue in the year

EBITDA is calculated based using Operating profit before interest, taxes, depreciation and amortisation.

APMs are calculated on EBITDA and profit before tax for continuing operations only

Detail of each of the non-recurring items is disclosed in Note 4

Adjusted EBITDA and Adjusted EBITDA margin	**2024** **'000**	**2023** **'000**
Adjusted EBITDA from continuing operations	16,268	16,090
Adjusted EBITDA margin	13.59%	11.25%
Non-underlying & non-recurring items		
- Impact of Hyperinflation	-	(683)
- One-off working capital write offs (net)	-	(494)
- Redundancy Costs	-	(71)
- Costs from historic tooling projects	-	(849)
- COVID related business disruption charges	-	(277)
- Non cash translation foreign exchange losses	(1,244)	-
EBITDA	15,024	13,716
EBITDA margin	12.54%	9.59%

Adjusted profit before tax and adjusted profit before tax margin	**2024** **'000**	**2023** **'000**
Adjusted profit before tax	8,719	8,311
Adjusted profit before tax margin	7.28%	5.81%
Non-underlying items		
- Impact of hyperinflation	-	(683)
- One-off working capital writes offs (net)	-	(494)
- Redundancy Costs	-	(71)
- Costs from historic tooling projects	-	(849)
- COVID related business disruption charges	-	(277)
- Non cash translation foreign exchange losses	(1,244)	-
Profit before tax	7,475	5,937
Profit before tax margin	6.24%	4.15%

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