DELIVERING OUR GROWTH PLAN

AB Dynamics plc

Results presentation
Year ended 31 August 2025

Agenda

Highlights

Financial results

Update on our growth strategy

- Organic growth drivers
- Margin expansion
- M&A

Wrap up

Sarah Matthews-DeMers,
Chief Financial Officer
Chief Executive Officer designate

Ed Haycock,
Director of Financial Reporting

Highlights

Sarah Matthews-DeMers,
Chief Financial Officer
Chief Executive Officer designate

A strong start to delivering our growth plan with 15% increase in operating profit

Revenue growth

- Double-digit revenue growth in H1 followed by a more challenging H2 driven by macroeconomic disruption
- Customer activity improved towards the end of the year, closing order book £32m
- Product development and new product launches completed in line with technology roadmap
- Simulator contract win for recently launched S3 Spin

Margin expansion

- Operating profit and EPS slightly ahead of expectations for FY 2025:
  - 15% growth in operating profit
  - Operating margin up 210 bps to 20.3%
- Achieved through operational improvements and revenue mix
  - Operational improvements embedded, mix not expected to recur in FY 2026
- Supports medium-term sustainable margin target of greater than 20%

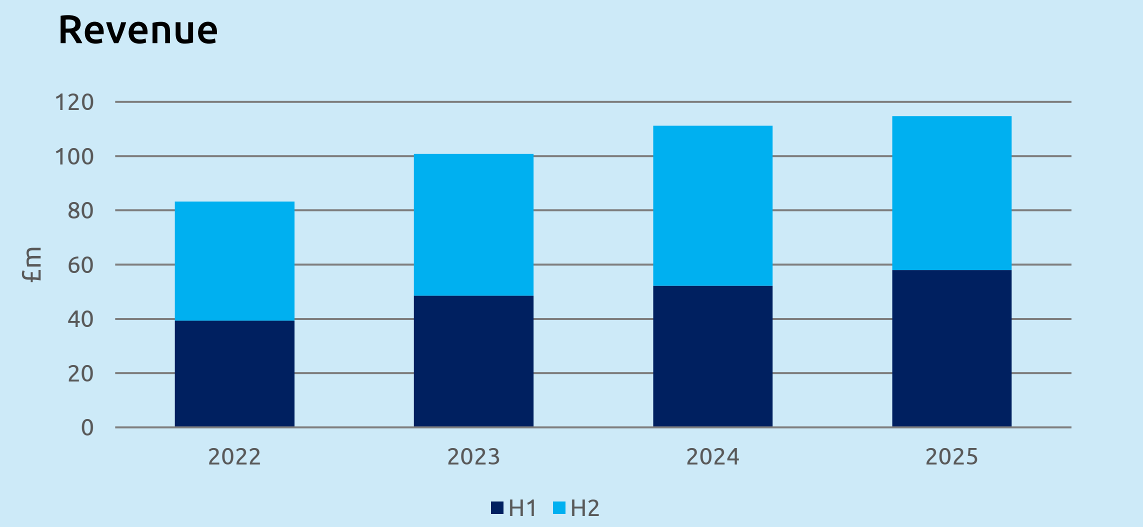
Acquisitions

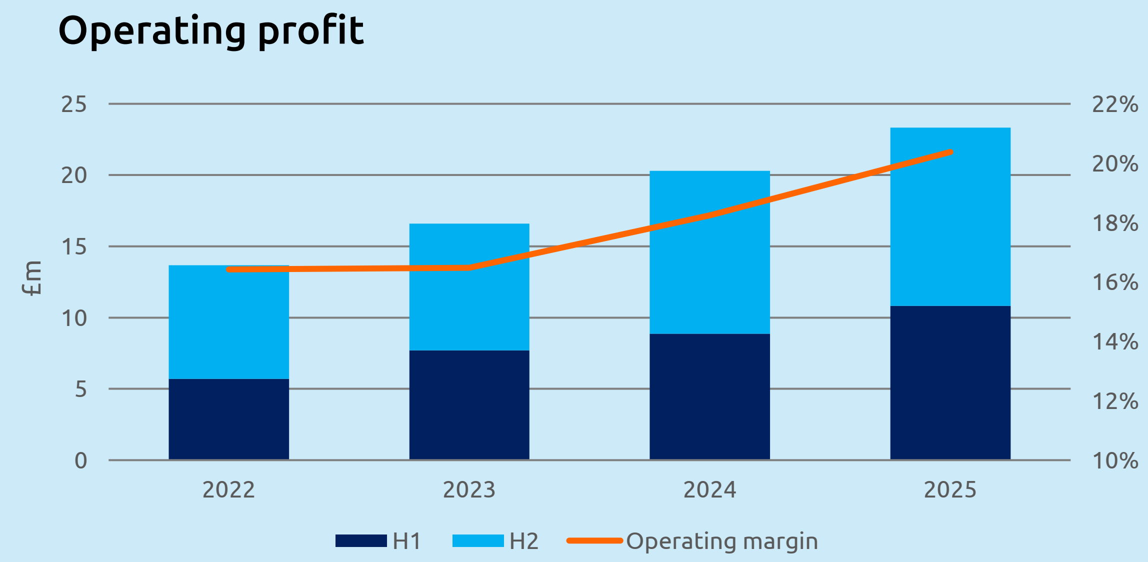
- Bolab acquisition completed, integration progressing as planned and performance in line with expectations
- Strong in-year cash generation leaves net cash of £41.4m supporting further organic and inorganic investment

Financial results

Ed Haycock,
Director of Financial Reporting

Strong financial performance



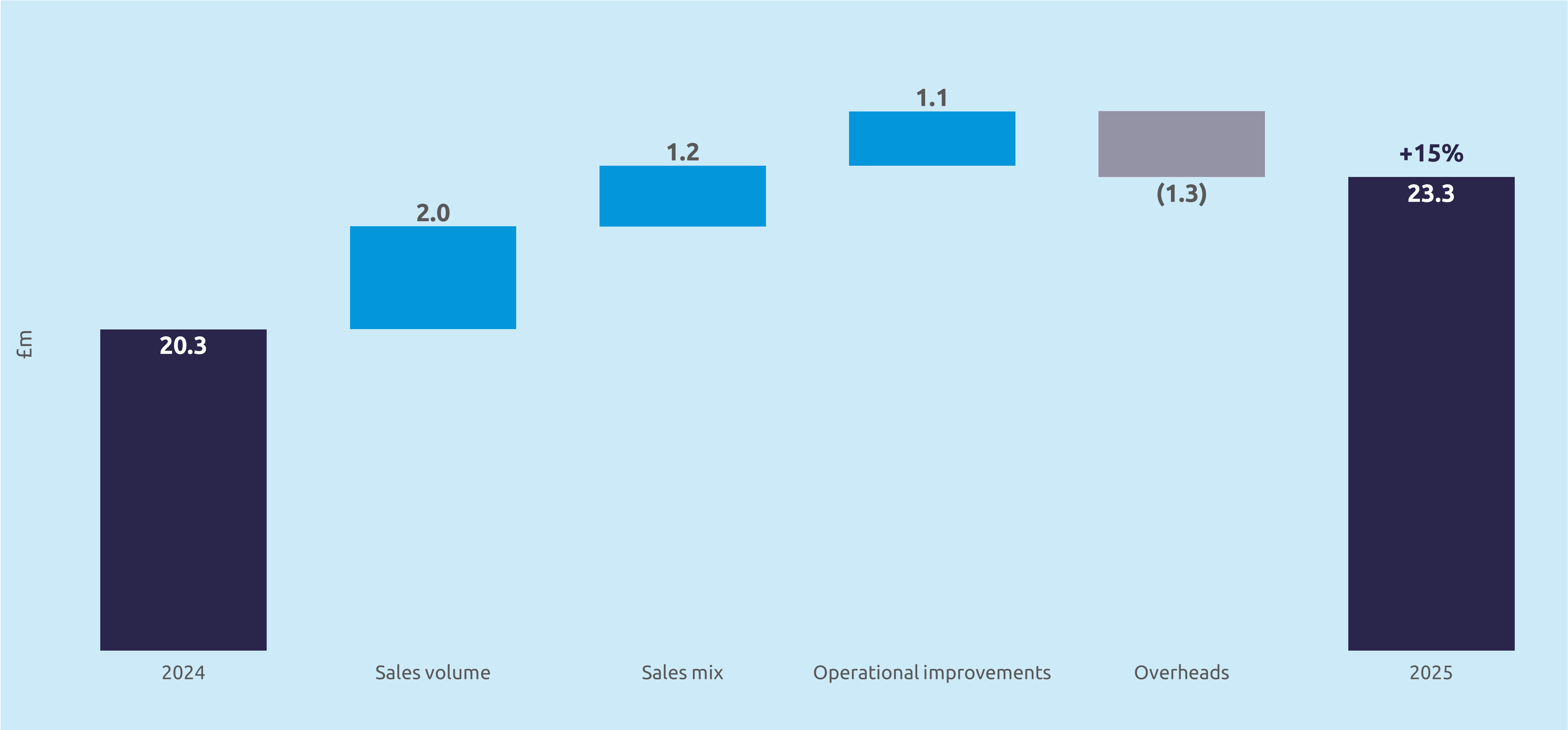


	2025	2024	Change
Revenue	**£114.7m**	£111.3m	**↑ 3%**
Adjusted* operating profit	**£23.3m**	£20.3m	**↑15%**
Adjusted* operating margin	**20.3%**	18.2%	**↑ 210 bps**
Adjusted* diluted EPS	**80.3p**	70.0p	**↑ 15%**
Cash conversion	**106%**	115%	
Order book	**£32.0m**	£30.3m	**↑ 6%**

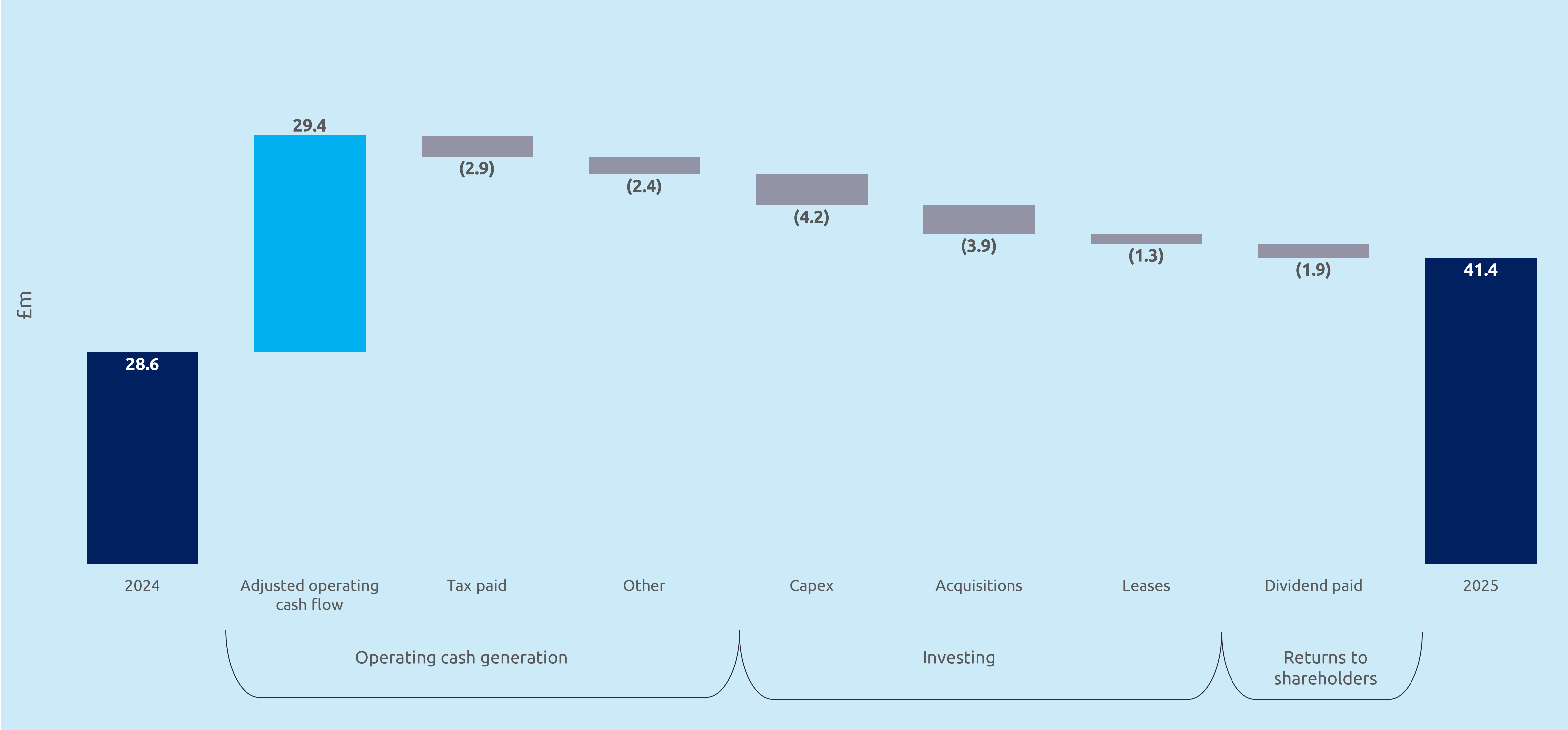
- Revenue up 3% with strong growth in Testing Products offset by timing difference in simulator orders
- Operating profit up 15% to £23.3m
- Operating margin expansion, up 210 bps to 20.3%, as a result of operational improvements and revenue mix
- Effective tax rate of 18% (2024: 19%)
- Diluted EPS up 15% to 80.3p
- Final dividend up 20% to 6.36p
- Cash conversion of 106% with a three-year average of 112%
- Closing order book of £32m provides good visibility into 2026

** Before amortisation of acquired intangibles, acquisition related charges and exceptional items.*

Adjusted operating profit



Net cash



** Adjusting items have been reclassified into the appropriate cash flow categories.*

Testing Products

	2025	2024	Change
Revenue	**£74.3m**	£69.4m	**↑ 7%**
EBITDA	**£19.4m**	£15.5m	**↑ 25%**
EBITDA margin	**26.1%**	22.3%	**↑ 380 bps**
Adjusted operating profit	**£16.9m**	£13.2m	**↑ 28%**
Adjusted operating margin	**22.7%**	19.0%	**↑ 370 bps**

Highlights

- Strong growth in driving robots offset by lower SPMM revenue
- Market drivers continue to support track testing activity levels
- Margin improvement driven by operational efficiencies, together with mix

Testing Services

	2025	2024	Change
Revenue	**£18.0m**	£16.7m	**↑ 8%**
EBITDA	**£5.8m**	£5.3m	**↑ 9%**
EBITDA margin	**32.2%**	31.7%	**↑ 50 bps**
Adjusted operating profit	**£4.4m**	£4.2m	**↑ 5%**
Adjusted operating margin	**24.4%**	25.1%	**↓ 70 bps**

Highlights

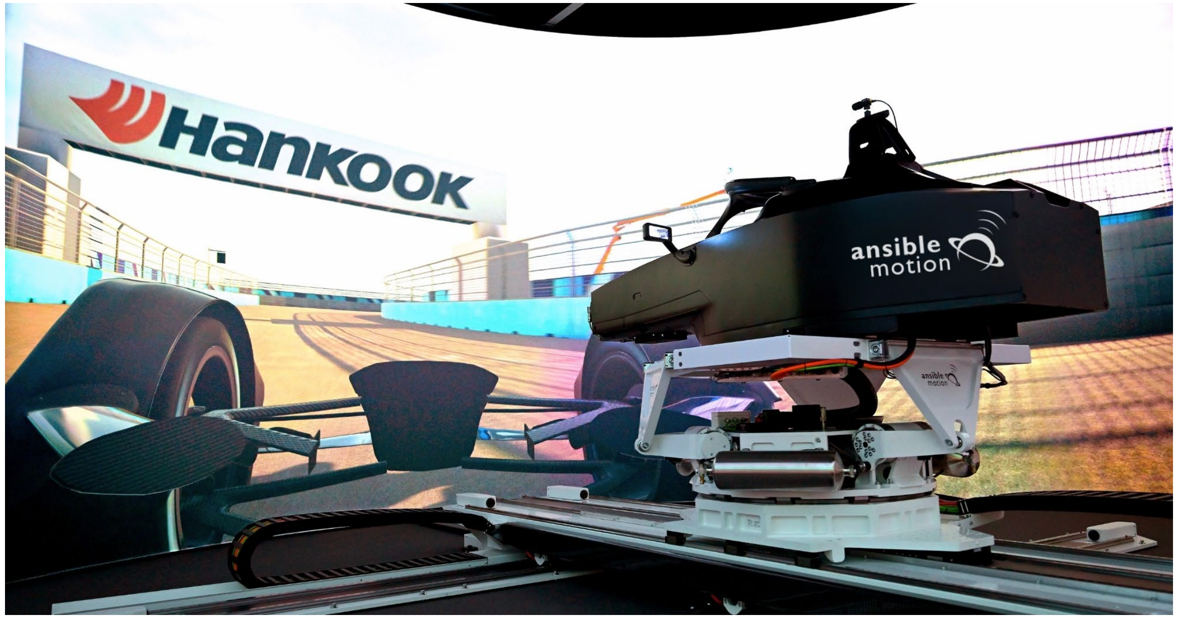
- US testing services growth in both mileage accumulation and track testing
- New customer wins including established US OEMs and new entrants
- Renewal of long-term testing services contract in China, for delivery in FY 2026 and beyond

Simulation

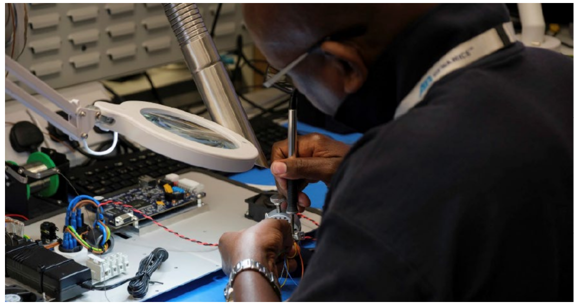
	2025	2024	Change
Revenue	**£22.4m**	£25.2m	**↓ 11%**
EBITDA	**£5.5m**	£7.5m	**↓ 27%**
EBITDA margin	**24.6%**	29.8%	**↓ 520 bps**
Adjusted operating profit	**£5.0m**	£7.0m	**↓ 29%**
Adjusted operating margin	**22.3%**	27.8%	**↓ 550 bps**

Highlights

- Revenue decrease driven by timing of simulator order intake in the final quarter of the year
- Market launch of Delta S3 Spin simulator product, with first order received late in the year
- High value simulator sales are individually material and timing of order intake impacts reported results



Key financial enablers



Great people

553
Global employees

200+
Qualified engineers and technicians

c90%
Retention rate

Cash conversion

112%
Last three-year average

100%
Aim to continue at this level through the cycle

Strong balance sheet

c£40m
Cash positive

£20m
RCF extended to February 2028

c£55m
Debt capacity of 2x EBITDA

Capital allocation

Organic R&D and capex

M&A

Dividends

Capital allocation

1. Organic R&D and capex

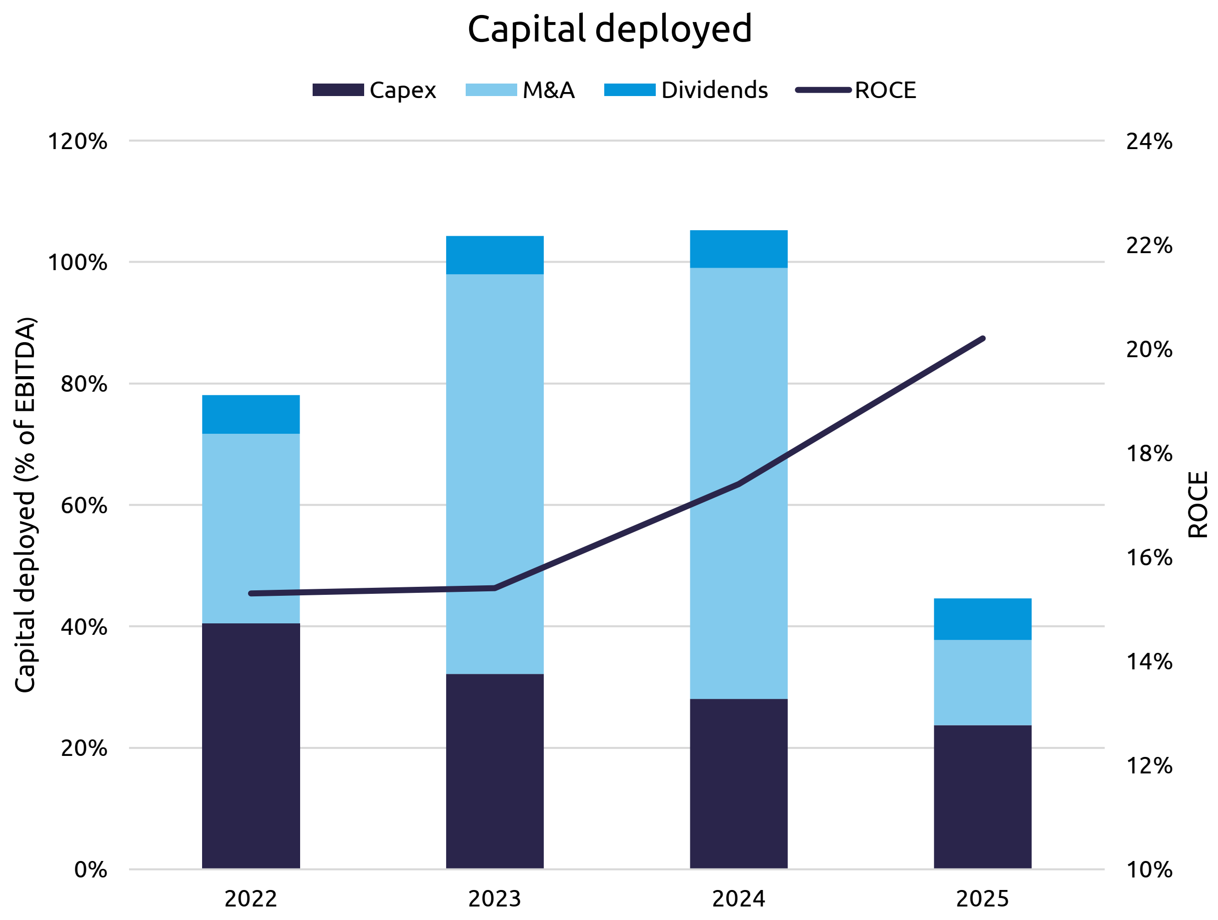
- New product development
- Capacity and production growth
- ERP system investment driving margin improvement

2. M&A

- Targeted acquisitions
- EPS accretive

3. Dividends

- Progressive dividend policy
- Share buybacks only considered if holding surplus cash and acquisition multiples become unattractive



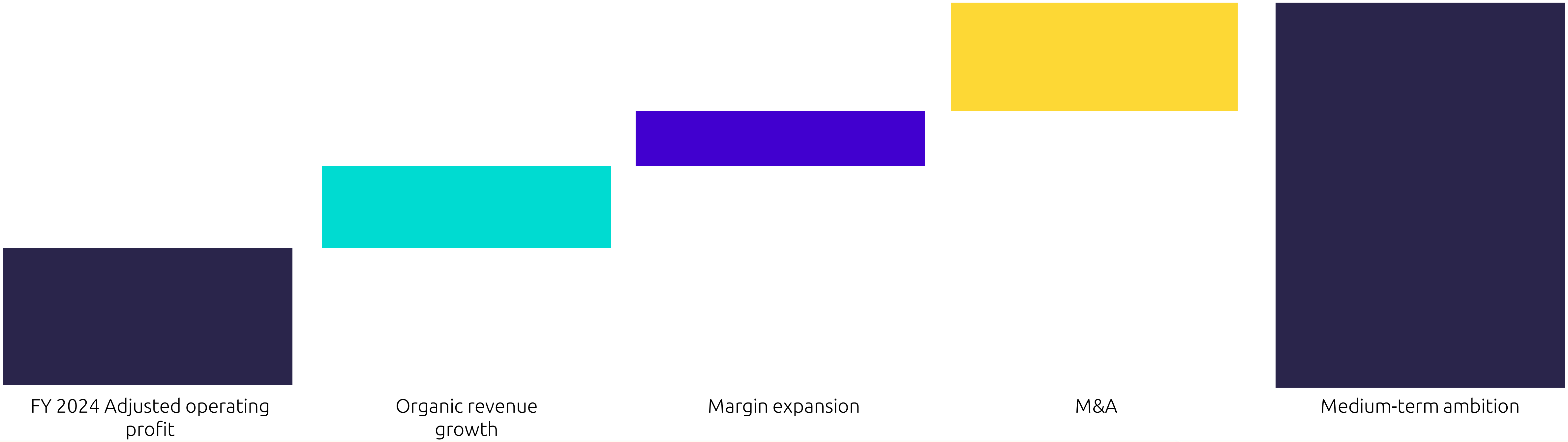
Update on our growth strategy

Sarah Matthews-DeMers,
Chief Financial Officer
Chief Executive Officer designate

Medium-term growth ambition

Our ambition is to **double revenue** and **triple operating profit** over the medium term

Medium-term ambition	10% revenue growth	Targeting >20% operating margin	Investment in acquisitions
H1 2025	+11%	Up 160 bps to 18.6%	Bolab acquired
FY 2025	+3%	Up 210 bps to 20.3%	Pipeline continues to progress



Organic growth drivers

Organic growth drivers

New vehicle models

- Increasing number of models requiring development and certification
- Increasing drive for cost efficiency and speed to market

New powertrains

- Increasing number of powertrains
- New EV model launches expected to increase significantly in the long term

Consumer ratings

- Growing complexity and number of tests
- Expansion of NCAPs in non-mature markets and into new vehicle categories

Regulation

- Improving safety technology
- Increasing regulation globally

FY 2025 MARKET UPDATE

- Impact of tariffs causing disruption, but OEMs remain committed to R&D
- Traditional OEMs focusing on reducing speed to market to counter Chinese new entrants, via simulation
- More moderate growth for EVs means ICE and hybrid vehicles are expected to be available for longer
- New US regulation and Euro NCAP protocols require significant development work by OEMs

KEY TAKEAWAY: OUR MARKET DRIVERS SUPPORT DOUBLE-DIGIT REVENUE GROWTH IN THE MEDIUM TERM

- **We are:**
  - **OEM agnostic, with over 150 different customers**
  - **Geographically diverse**
  - **Powertrain agnostic**
- **We sell into R&D functions therefore production volumes are not directly relevant to us**
- **Adoption of simulation by OEMs will continue to grow**

Margin expansion

Margin expansion

A programme of incremental improvements underpinned by our new ERP

Three opportunities . . .

- **Scale**
- **Simplify**
- **Standardise**

Across three core focus areas

- **Operational gearing**
- **Improved supply chain**
- **Efficiency and effectiveness**

Operational improvements of £1.1m delivered

How was this achieved?

- Supplier Quality Management System implemented
- Reduction in direct labour input times through planning and layout improvements
- Product configuration options and components rationalised

Impact:

- Reduced rework and wastage
- Contributed to operating margin improvement

ERP platform

Culture

M&A

Inorganic growth driver – M&A

A strong financial framework delivering value enhancing M&A

- Strong track record of delivering and integrating value-enhancing acquisitions
- Our M&A pipeline is healthy and based on clear criteria
- We have the resources in place to execute
- We target profitable, cash generative businesses capable of achieving strong ROI, which are EPS accretive
- Typically targets will offer new product or service capabilities that can be cross-sold through our existing sales channels and relationships
- Highly disciplined approach to deal execution and post-acquisition integration

	2025 update	
50 opportunities	Acquisition of Bolab completed	✓
25 focused relationships	Integrated into our Testing Products segment	✓
Up to 4 active discussions **Preferred approach: transact off-market**	Withdrew from further transaction as a result of due diligence findings, while continuing to build relationships with a number of targets	✓

Wrap up

Sarah Matthews-DeMers,
Chief Financial Officer
Chief Executive Officer designate

Summary and outlook

2025 summary

- Double-digit revenue growth in H1
- H2 growth impacted by tariffs, FX and macroeconomic market challenges
- Strong profit growth driven by margin expansion from a combination of operational improvements and revenue mix
- Diluted EPS growth of 15% and dividend growth of 20%
- Strong cash conversion

2026 outlook

- OEM agnostic, powertrain agnostic and sells into automotive R&D, providing resilience
- The Group is geographically diversified and supplies market-leading products which are critical to our customers' future success
- Order book of £32m (FY 2024: £30m)
- Whilst mindful that short-term macroeconomic disruption may continue into the first half of FY 2026, the Board expects adjusted operating profit for FY 2026 to be in line with current expectations[1], with an expected bias towards H2
- Future growth prospects remain supported by long-term structural and regulatory growth drivers, underpinning our medium-term financial objectives[2]

Operating profit growth

15%

Operating margin

20.3%

Cash conversion

106%

1 See appendix 7 for current expectations.

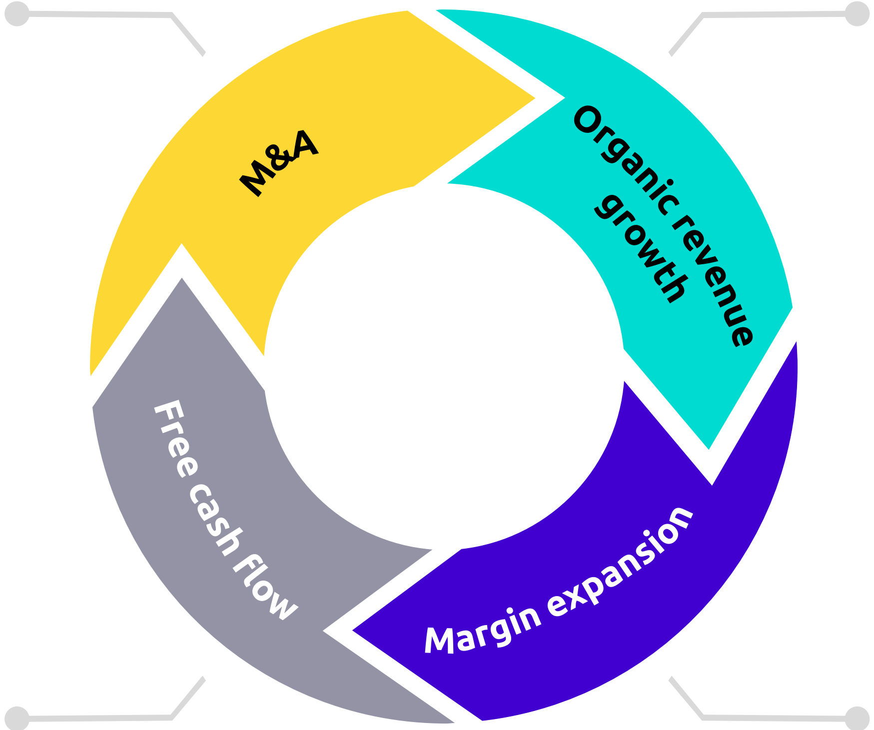
2 See appendix 1 for medium-term financial objectives.

Summary of growth strategy and value creation plan

Our ambition is to double revenue and triple operating profit against FY 2024 baseline

Good pipeline of acquisition opportunities which could be funded from c£40m year end cash

Long-term structural and regulatory market drivers remain supportive of continued growth



Free cash flow provides strategic optionality

Operational improvement initiatives support margin expansion

Appendices

Appendix 1: Medium-term financial assumptions and objectives

Medium-term targets:

Revenue (CAGR) 10% organic	**Adjusted operating margin** >20%
Operating cash conversion 100% through cycle	**Net debt to EBITDA** Up to 1.0x

Other financial guidance:

Capex % of revenue 5% – 6%	**R&D % of revenue** Circa 5% (partly customer funded)
FX 10% stronger GBP = -5% revenue and profit	**Group underlying effective tax rate** 21% – 23%

This information was first published in our FY 2024 results presentation in November 2024 and is repeated for reference.

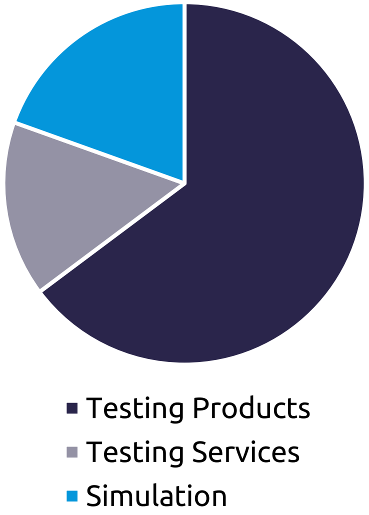
Appendix 2: Income statement

	2025	2024	Change
Revenue	**£114.7m**	£111.3m	**↑ 3%**
Gross margin	**62.0%**	59.6%	**↑ 240 bps**
Adjusted* EBITDA	**£27.8m**	£24.2m	**↑ 15%**
Adjusted* operating profit	**£23.3m**	£20.3m	**↑ 15%**
Adjusted* operating margin	**20.3%**	18.2%	**↑ 210 bps**
Adjusted* tax rate	**18.3%**	18.5%	**↓ 20 bps**
Adjusted* diluted earnings per share	**80.3p**	70.0p	**↑ 15%**
Total dividend per share	**9.16p**	7.63p	**↑ 20%**
Adjusted* cash flow from operations	**£29.4m**	£27.9m	**↑ 5%**
Cash conversion*	**106%**	115%	

** Before amortisation of acquired intangibles, acquisition related charges and exceptional items.*

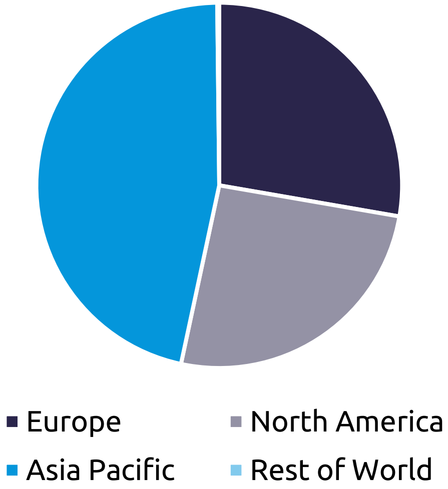
Appendix 3: Revenue detail

Revenue by segment



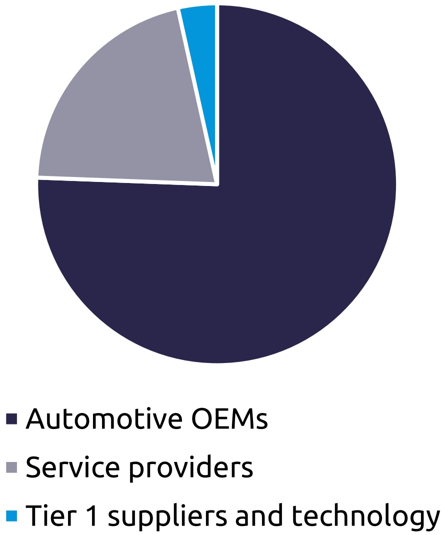
	Revenue (£m)	% of revenue
Testing Products	74.3	65
Testing Services	18.0	16
Simulation	22.4	19

Revenue by geography



	Revenue (£m)	% of revenue
Europe	31.8	28
North America	29.4	26
Asia Pacific	53.3	46
Rest of World	0.2	0

Revenue by customer category



	Revenue (£m)	% of revenue
Automotive OEMs	86.7	76
Service providers	24.0	21
Tier 1 suppliers and technology	4.0	3

Appendix 4: Constant currency

Constant currency analysis	**2025 as reported £m**	**2025 restated at 2024 rates £m**	2024 £m	Change %
Revenue	**114.7**	**116.1**	111.3	+4%
Adjusted operating profit	**23.3**	**23.5**	20.3	+16%

Average exchange rate	**2025**	2024
US dollar	**1.30**	1.26
Euro	**1.19**	1.17
Japanese yen	**193**	191

		Impact of GBP strengthening by 10% on:	
Sensitivity analysis	**% of revenue**	Revenue £m	Operating profit £m
US dollar	**21%**	**2.2**	**0.5**
Euro	**21%**	**2.2**	**0.5**
Japanese yen	**11%**	**1.2**	**0.2**
Total	**53%**	**5.6**	**1.2**

- Future guidance based on \$1.30, €1.19, ¥193

Appendix 5: Alternative performance measures

	Profit impact		Cash flow impact	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Amortisation of acquired intangibles	**6.2**	6.4	**—**	—
Acquisition related costs	**0.5**	0.2	**0.5**	0.2
ERP development costs	**1.1**	1.0	**1.1**	1.0
Acquisition related finance costs	**0.5**	0.4	**—**	—
Total adjustments	**8.3**	8.0	**1.6**	1.2

Appendix 6: Balance sheet

	2025 £m	2024 £m
Goodwill and intangibles	**77.5**	78.4
Property, plant and equipment	**32.0**	32.5
Fixed assets	**109.5**	110.9
Working capital	**4.0**	3.6
Assets held for sale	**1.9**	1.9
Net cash	**41.4**	28.6
Net current assets	**47.3**	34.1
Deferred tax liabilities	**(9.7)**	(7.5)
Contingent consideration	**(7.2)**	(6.2)
Net assets	**139.9**	131.3

- Balance sheet remains robust demonstrating the Group's resilience to macroeconomic pressures
- Net cash position allows the Group to focus on its strategy for long-term sustainable growth
- Revolving credit facility increased to £20m during the period. Runs to February 2028, with options to extend for up to a further two years

Appendix 7: Market consensus

- The Group is aware of eight analysts publishing independent research on the Group
- The Group has compiled consensus data* from the research it has been made aware of. The mean is set out below:

	FY 2026	FY 2027
Adjusted operating profit (£m)	24.5	26.9
Adjusted earnings per share (diluted) (pence)	80.0	87.4
Gross cash (£m)	39.8	49.4

** Compilation of data only, does not represent the Group's views of projections.*

Appendix 8: Organic growth drivers – high quality long-term customer relationships

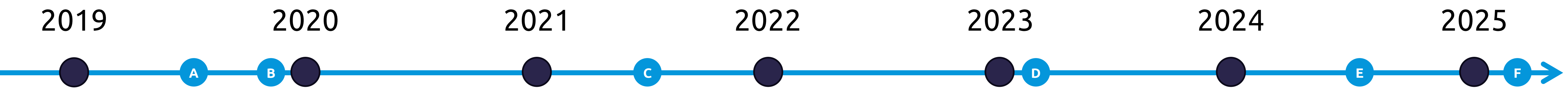
Customer experience with ABD throughout the development cycle from concept design to launch

	1 Concept design	2 Sub-system design	3 Sub-system testing	4 Prototype ADAS testing	5 Durability testing	6 Type approval	7 On-road testing	8 NCAP testing
Customer type	OEM	Tier 1 supplier OEM	Tier 1 supplier OEM	OEM Service provider Tier 1 supplier	OEM Service provider	Ratings body/ regulator	OEM	Ratings body
What we do	• Simulation • Human factors • SPMM benchmark	• SPMM data • Simulation	• Testing Products • Testing Services	• Testing Products • Testing Services	• Testing Products • Testing Services	• Testing Products	• Testing Services	• Testing Products
Teams involved	AB DYNAMICS ansible motion rFpro DRI	AB DYNAMICS BOLAB ansible motion rFpro	AB DYNAMICS DRI BOLAB	AB DYNAMICS DRI	AB DYNAMICS VTS	AB DYNAMICS DRI	VadoTech	AB DYNAMICS

This information was first published in our FY 2024 results presentation in November 2024 and is repeated for reference.

Appendix 9: Acquisition timeline

The team is experienced in successfully executing and integrating transactions



A – rFpro

Simulation software and digital twins, used to accelerate vehicle development including testing and validation of assistance systems, autonomy and vehicle dynamics

B – DRI

Full-scale track testing services plus R&D services and consultancy in the areas of dynamics, human-machine interaction, ergonomics, driver assistance and autonomy

C – VadoTech

Pre-production and production quality assurance testing including comprehensive vehicle, component and function testing on public roads and closed test tracks

D – ansible motion

Driver-in-loop motion platforms for motorsport and vehicle development and research

E – VTS

Provider of vehicle testing services for powertrain development through mileage accumulation and environmental testing of vehicles for product durability, performance and compliance

F – BOLAB

Supplier of automotive power electronics testing systems, for testing automotive sub-systems and components for conventional, hybrid and electric vehicles

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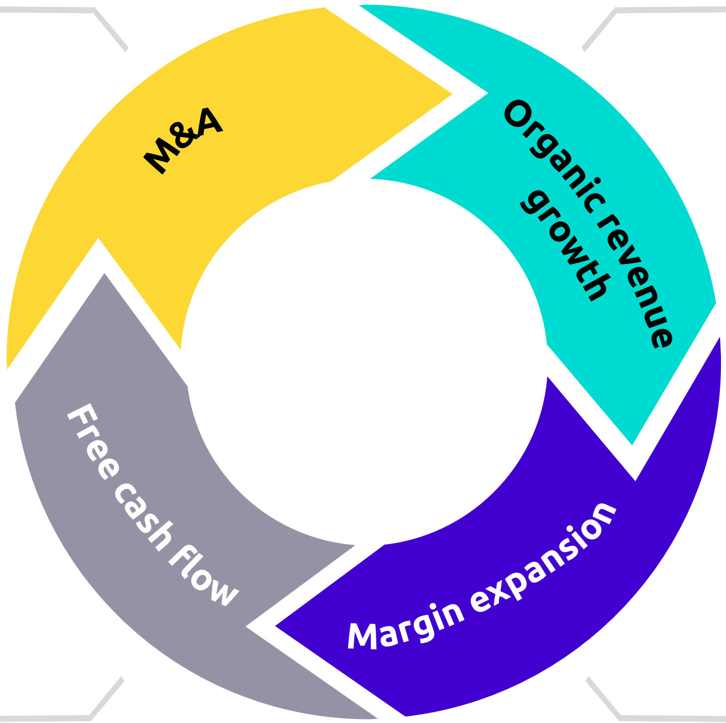
Appendix 10: Summary of growth strategy and value creation

Our ambition is to double revenue and triple operating profit against FY 2024 baseline

~£30-50m
Acquisition spend per year
self-funded

10%
Organic growth



~100%
Cash conversion

>20%
Adjusted operating margin

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Thank you

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