

26 April 2016

AB Dynamics plc
("ABD" or the "Company" or the "Group")

Interim Results for the 6 months ended 29 February 2016

AB Dynamics plc (AIM:ABDP), a designer, manufacturer and supplier of advanced testing systems and measurement products to the global automotive industry, is pleased to announce its Interim Results for the six month period to 29 February 2016.

Financial Highlights

- Revenues increased 34% to £10.11 million (H1 2015: £7.56 million)
- Profit before tax increased 50% to £2.26 million (H1 2015: £1.51 million)
- Net cash at 29 February 2016 of £10.15 million (H1 2015: £7.03 million)
- Interim dividend increased 10% to 1.21p per ordinary share (H1 2015: 1.1p)

Operational Highlights

- Further expansion of the Company's Support Engineering in Japan and Germany
- Dedicated Robot assembly area now in one location
- New Driver In Loop Simulator tie up with Williams Advanced Engineering
- Two additional Steering Robots developed to meeting future demand
- Achieved 12 sales of the Company's advanced Guided Soft Target
- New factory – work on infrastructure underway

Tim Rogers, Managing Director of AB Dynamics, commented:

"The Group continues to perform well with increased sales in Europe and Asia and our strategic alliance with Williams is an exciting development that will enable us to develop new products and solutions for our automotive customers.

We have a good forward order book for the remainder of the year and we remain confident in the Group's ability to manage future growth. We are pleased to announce that the Directors are declaring an interim dividend of 1.21p per ordinary share."

For further information please contact:

AB Dynamics plc	01225 860 200
Tim Rogers, Managing Director	
Tony Best, Chairman	
Cairn Financial Advisers LLP (Nomad)	0207 148 7900
Tony Rawlinson	
Liam Murray	
Cantor Fitzgerald Europe (Broker)	0207 894 7000
David Foreman	
Phil Davies	
Newgate (PR)	0207 653 9850
Adam Lloyd	
Helena Bogle	

Managing Director's and Chairman's Statement

We are pleased to report on a successful first half of the financial year for AB Dynamics. Continued strong performance resulted in profit before tax for the half year to 29 February 2016, of £2.26 million (2015: £1.51 million) an increase of 50% and revenues of £10.11 million (2015: £7.56 million) an increase of 34% over the prior year's first half. Cash at the period end was £10.15 million (2015: £7.03 million).

The Group continues to enjoy strong demand for its products and services, with both its established and newly developed range of products driving the growth in revenues. Favourable currency conditions and further improvements to our manufacturing infrastructure and supply side have also improved operating margins.

The Company continues to invest and expand its design, manufacturing and support capacity, with two additional manufacturing units coming on line this year bringing our total floor area to 23,551 ft² (10,000 ft² in 2012). A parallel investment in manpower now sees the Company reaching a landmark of 76 employees. Concurrently, good progress is being made in the design and build of our new facility which is targeted for completion during 2017. The building will improve significantly the working environment and bring our UK operations together again under one roof, creating the necessary headroom for future growth. The investment in the new factory will be funded entirely from the Group's existing facilities over the next six months as the build program gathers momentum.

Our key markets in China, Europe, Korea and Japan remain strong and we see continued spend on R&D by the global automotive industry, notably in the areas of active safety systems and improved vehicle dynamics, where the Group's products are particularly suited.

The Board considers new product development and creation as key to the Group's continued growth. Not only will it bring us a new group of customers, but those customers can help us discover additional avenues for product expansion. We have embarked on a number of new development programs the most recent of which being the collaboration agreement with Williams Advanced Engineering for a novel Driver in Loop Simulator which will help our car customers develop safer and better cars by combining the driver with computational car modelling. This will complement our SPMM machine which is primarily used to generate the data to populate the aforementioned models.

We have a good forward order book for the remainder of the year and we remain confident in the Group's ability to manage future growth.

We are pleased to announce that the Directors are declaring an interim dividend of 1.21p per ordinary share. The ex-dividend date will be 5 May with a record date of 6 May and payment date 20 May 2016.

Anthony Best
Chairman
26 April 2016

Tim Rogers
Managing Director
26 April 2016

AB Dynamics plc

Unaudited consolidated statement of comprehensive income

for the six months ended 29 February 2016

		Unaudited 6 months ended 29 February 2016 £	Unaudited 6 months ended 28 February 2015 £	Audited Year ended 31 August 2015 £
<i>Notes</i>				
Revenue		10,108,702	7,559,015	16,522,627
Cost of sales		(7,070,977)	(5,275,393)	(11,172,617)
Gross profit		3,037,725	2,283,622	5,350,010
Administrative expenses		(786,865)	(757,955)	(1,609,448)
Operating profit		2,250,860	1,525,667	3,740,562
Net finance income and (costs)		11,656	(19,275)	76,432
Profit before taxation		2,262,516	1,506,392	3,816,994
Income tax expense		(437,837)	(241,686)	(570,986)
Profit after taxation and total comprehensive income for the period		1,824,679	1,264,706	3,246,008
Earnings per share-Basic	2	10.53p	7.53p	19.16p
Earnings per share-Diluted	2	10.27p	7.12p	18.26p

AB Dynamics plc

Unaudited consolidated statement of financial position

for the six months ended 29 February 2016

	Unaudited 29 February 2016 £	Unaudited 28 February 2015 £	Audited 31 August 2015 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1,959,887	1,441,445	1,727,349
Deferred tax assets	138,235	-	48,548
	2,098,122	1,441,445	1,775,897
CURRENT ASSETS			
Inventories	2,949,435	2,445,096	2,541,704
Trade receivables	2,836,729	3,008,620	2,825,148
Other receivables, deposits and prepayments	638,905	372,491	464,462
Amount owing by contract customers	550,805	959,518	1,301,169
Derivative financial instruments	315	-	33,743
Cash and cash equivalents	10,145,882	7,027,164	7,967,808
	17,122,071	13,812,889	15,134,034
TOTAL ASSETS	19,220,193	15,254,334	16,909,931
EQUITY AND LIABILITIES			
Called up share capital	173,344	168,357	173,344
Share premium account	2,540,711	2,436,910	2,540,711
Reconstruction reserve	(11,284,500)	(11,284,500)	(11,284,500)
Merger relief reserve	11,390,000	11,390,000	11,390,000
Retained earnings	12,483,120	8,687,650	10,830,329
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY AND TOTAL EQUITY	15,302,675	11,398,417	13,649,884
NON-CURRENT LIABILITIES			
Deferred tax liabilities	-	133,731	-
CURRENT LIABILITIES			
Trade and other payables	3,571,362	3,420,627	3,089,487
Derivative financial instrument	-	41,790	-
Provision for taxation	346,156	259,769	170,560
	3,917,518	3,722,186	3,260,047
TOTAL LIABILITIES	3,917,518	3,855,917	3,260,047
TOTAL EQUITY AND LIABILITIES	19,220,193	15,254,334	16,909,931

AB Dynamics plc

Unaudited statement of changes in equity

for the six months ended 29 February 2016

	Share capital	Share premium	Merger relief reserve	Reconstruction reserve	Retained profits	Total equity
	£	£	£	£	£	£
At 31 August 2015	173,344	2,540,711	11,390,000	(11,284,500)	10,830,329	13,649,884
Share based payment expense	-	-	-	-	3,237	3,237
Deferred Tax on Share Options	-	-	-	-	110,892	110,892
Profit after taxation and Total comprehensive Income for the financial year	-	-	-	-	1,824,679	1,824,679
Dividend paid	-	-	-	-	(286,017)	(286,017)
Issue of shares, net of share issue costs	-	-	-	-	-	-
At 29 February 2016	173,344	2,540,711	11,390,000	(11,284,500)	12,483,120	15,302,675
At 31 August 2014	167,757	2,385,910	11,390,000	(11,284,500)	7,666,718	10,325,885
Share based payment expense	-	-	-	-	7,861	7,861
Profit after taxation and Total comprehensive Income for the financial year	-	-	-	-	1,264,706	1,264,706
Dividend paid	-	-	-	-	(251,635)	(251,635)
Issue of shares, net of share issue costs	600	51,000	-	-	-	51,600
At 28 February 2015	168,357	2,436,910	11,390,000	(11,284,500)	8,687,650	11,398,417
At 31 August 2014	167,757	2,385,910	11,390,000	(11,284,500)	7,666,718	10,325,885
Share based payment expense	-	-	-	-	13,410	13,410
Deferred Tax on Share Options	-	-	-	-	168,387	168,387
Profit after taxation and Total comprehensive Income for the financial year	-	-	-	-	3,246,008	3,246,008
Tax impact of exercised Share Options	-	-	-	-	172,632	172,632
Dividend paid	-	-	-	-	(436,826)	(436,826)
Issue of shares, net of share issue costs	5,587	154,801	-	-	-	160,388
At 31 August 2015	173,344	2,540,711	11,390,000	(11,284,500)	10,830,329	13,649,884

AB Dynamics plc

Unaudited cash flow statement

for the six months ended 29 February 2016

	Unaudited 6 months ended 29 February 2016 £	Unaudited 6 months ended 28 February 2015 £	Audited Year ended 31 August 2015 £
Cash flow from operating activities			
Profit before taxation	2,262,516	1,506,392	3,816,994
Adjustments for:-			
Depreciation of property, plant and equipment	105,342	86,036	183,836
Loss on sale of property, plant and equipment	391	-	42
Finance income and costs	33,428	41,790	(33,743)
Interest income	(45,084)	(22,515)	(42,689)
Share based payment	3,237	7,861	13,410
Operating cash flows, before working capital changes	2,359,830	1,619,564	3,937,850
Decrease/(increase) in inventories	(407,731)	(446,265)	(542,873)
Decrease/(increase) in trade and other receivables	564,338	1,133,330	883,180
(Decrease)/increase in other payables	481,875	506,784	175,644
Cash flow (used in) / from operations	2,998,312	2,813,413	4,453,801
Interest received	45,084	22,515	42,689
Income tax paid	(241,034)	(197,437)	(457,206)
Net cash flow (used in) / from operating activities	2,802,362	2,638,491	4,039,284
Cash flow used in investing activities			
Purchase of property, plant and equipment	(338,271)	(307,498)	(691,244)
Sale of property, plant and equipment	-	-	-
Net cash flow used in investing activities	(338,271)	(307,498)	(691,244)
Cash flow used in financing activities			
Dividends paid	(286,017)	(251,635)	(436,826)
Proceeds from issue of share capital, net of share issue costs	-	51,600	160,388
Net cash flow from/(used in) financing activities	(286,017)	(200,035)	(276,438)
Net (decrease) / increase in cash and cash equivalents	2,178,074	2,130,958	3,071,602
Cash and cash equivalents at beginning of period	7,967,808	4,896,206	4,896,206
Cash and cash equivalents at end of period	10,145,882	7,027,164	7,967,808

AB Dynamics plc

Notes to the unaudited interim report

for the six months ended 29 February 2016

1. Basis of preparation

The Company is a public limited company limited by shares and incorporated under the UK Companies Act. The Company is domiciled in the United Kingdom and the registered office and principal place of business is Holt Road, Bradford upon Avon, Wiltshire, BA15 1AJ.

The principal activity is the specialised area of design and manufacture of test equipment for vehicle suspension, steering, noise and vibration. The Company also offers a range of services which include analysis, design, prototype manufacture, testing and development.

The interim financial information has been prepared in accordance with the basis of the accounting policies set out in the annual report and accounts for the year ended 31 August 2015, which have been prepared in accordance with International Financial Reporting Standards as adopted for use by the European Union. The interim accounts are unaudited and do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The same accounting policies, presentation and methods of computation have been followed in this unaudited interim financial information as those which were applied in the preparation of the Group's annual statements for the year ended 31 August 2015, upon which the auditors issued an unqualified opinion, and which have been delivered to the registrar of companies.

The interim financial information has been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ended 31 August 2016. Any new standards that will be adopted in full for the first time in the year-end financial statements did not have a material impact on this interim financial information.

The interim financial information for the six months ended 29 February 2016 was approved by the Board on 25 April 2016.

The Directors are declaring an interim dividend of 1.21p per ordinary share. The ex-dividend date will be 5 May, the record date 6 May and the payment date 20 May 2016.

AB Dynamics plc

Notes to the unaudited interim report

for the six months ended 29 February 2016

2. Earnings per share

The calculation of earnings per share is based on the following earnings and number of shares:

	Unaudited 6 months ended 29 February 2016 £	Unaudited 6 months ended 28 February 2015 £	Audited Year ended 31 August 2015 £
Profit after tax attributable to owners of the Company	1,824,679	1,264,706	3,246,008
<i>Weighted average number of shares</i>			
Basic	17,334,406	16,804,480	16,940,438
Diluted	17,772,645	17,772,645	17,772,645
<i>Earnings per share</i>			
Basic	10.53 pence	7.53 pence	19.16 pence
Diluted	10.27 pence	7.12 pence	18.26 pence

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Notes to the unaudited interim report

for the six months ended 29 February 2016

3. Analysis of revenue by geographical area and major customers

Material revenues attributable to individual foreign countries are as follows:

	Unaudited 6 months ended February 2016 £	Unaudited 6 months ended February 2015 £	Audited Year ended August 2015 £
United Kingdom	86,993	198,041	498,948
Rest of the European Union	3,209,516	2,632,580	4,537,758
North America	1,145,398	742,440	1,588,822
Rest of the World	5,666,795	3,985,954	9,897,099
	<u>10,108,702</u>	<u>7,559,015</u>	<u>16,522,627</u>

There were no material non-current assets located outside the United Kingdom.

Revenues are derived from the following:

Revenue from sale of goods	7,837,098	5,984,379	11,670,526
Revenue from construction contracts	2,271,604	1,574,636	4,852,101
	<u>10,108,702</u>	<u>7,559,015</u>	<u>16,522,627</u>