



2016 Interim Results

Knowledge, design, product and service

The Business

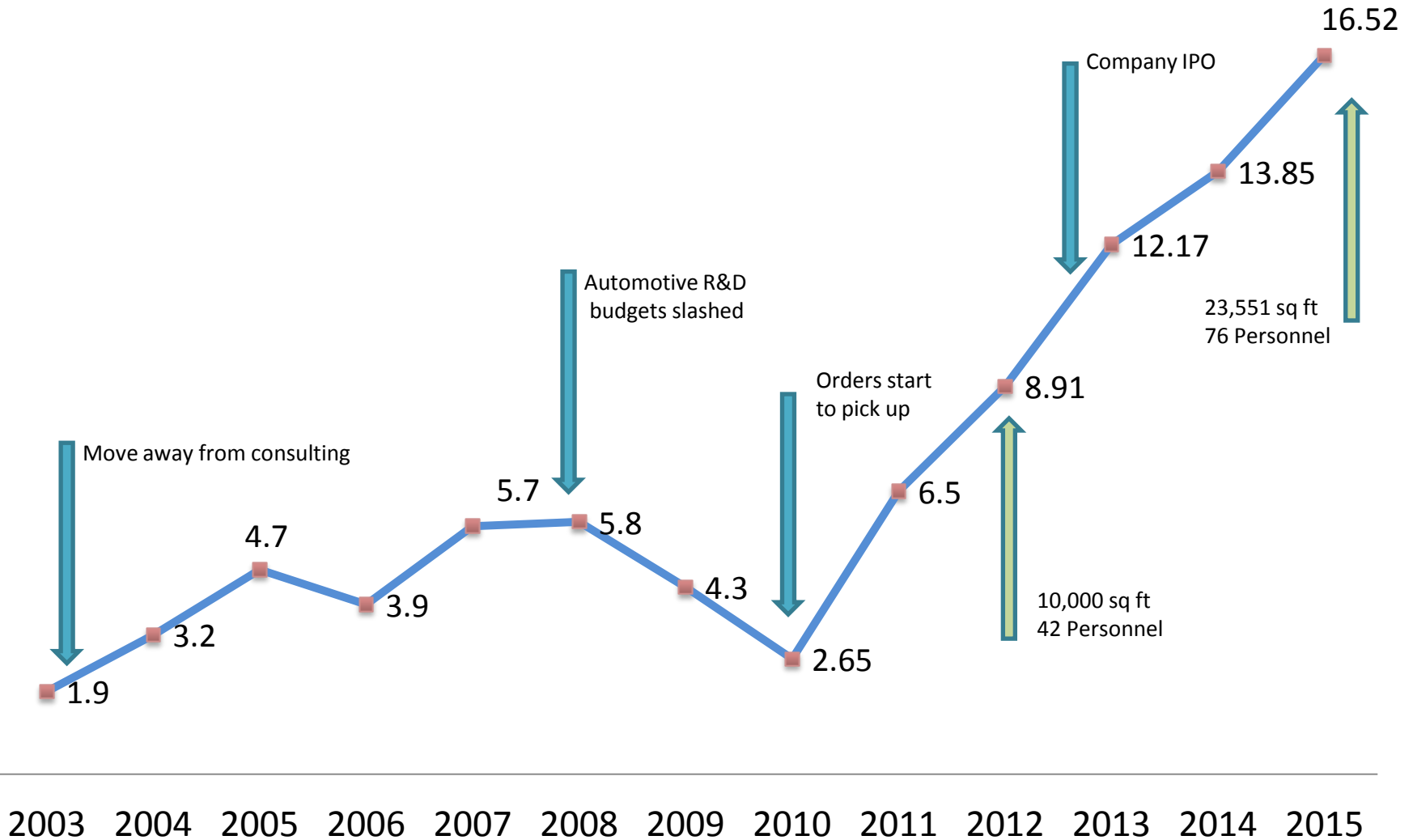


AB Dynamics designs, manufactures and supplies advanced testing and measurement products to the global automotive industry for vehicle suspension, brakes and steering systems

- Founded in 1982 in Bradford on Avon
- Listed on AIM in May 2013
- Track record of significant profit growth
- Over 95% of sales non UK
- Strong focus on producing high end/ high quality products
- Customers include R&D divisions of world leading automotive companies
- Over 70 employees



Historical Revenue £m



Highlights



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 (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 companies advanced Guided Soft Target
- New factory – work on infrastructure underway

Executive Board



Anthony Best, Executive Chairman

- Tony has worked for Rolls-Royce, Avon Rubber and Moulton Developments
- He founded Anthony Best Dynamics in 1982
- He is a Fellow of the Royal Academy of Engineering, Fellow of the Institution of Mechanical Engineers and is on the Court of the Worshipful Company of Engineers



Tim Rogers, Managing Director

- Tim has extensive experience within the engineering and chemical sector
- He has public board experience managing companies as CEO in NASDAQ and AIM listed companies
- Mr Rogers joined the Group in October 2012
- Tim studied engineering at Oxford Brookes University and has a strong grounding in mechanical and production engineering



Robert Hart, Finance Director

- Robert joined the Group in 2008 as Commercial Manager and is primarily responsible for all financial aspects of the business
- He has prior experience of working at public companies; he was a Commercial Financial Analyst at First Group plc, before joining Unite Group Plc, as Financial Controller of the manufacturing division
- Rob has an BSc in Mathematics and Computing from The University of East Anglia and is a Fellow of the Association of Chartered Certified Accountants



Growth Drivers

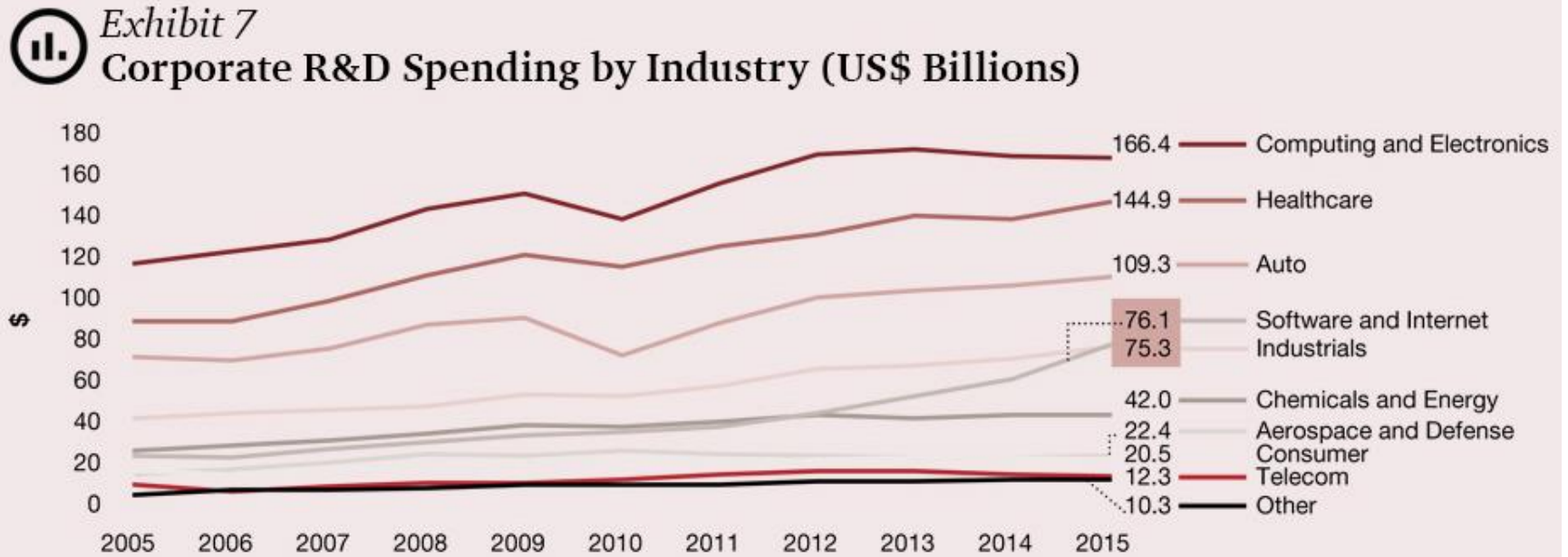


- **ABD is experiencing growth from a number of key market drivers:**
 - Global safety standards in driving demand for ADAS testing technology
 - Global automotive R&D spending still increasing year on year
 - Increasing use of Computer Aided Design (CAD) and simulation modelling - virtual model sign off
- **ABD continues to drive growth through investment in key areas:**
 - Creating production capacity with new 32,957 sq ft facility coming on line in 2017
 - Improving the regional customer technical support notably in Japan, Germany and China
 - Ongoing recruitment of high calibre personnel
- **New product development, leverage of funds for:**
 - Development of new driverless test track applications – Automated Proving Grounds
 - Development of new Lab Testing Technology – Driver in Loop Simulator technology
 - Building of the new facility, expansion of R&D capabilities
- **Explore complementary new technologies – organically and through acquisition**

Our Sector



Global Automotive Industry R&D Spend



Source: Strategy& 2015 Global Innovation 1000 analysis, Bloomberg data, Capital IQ data
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Our Customers



All of the top twenty automotive manufacturers routinely use the Group's products

ABD's Key products



Track Testing - Driver Assistance System (ADAS) testing and Vehicle dynamics testing on the track

Guided Soft Target Vehicles



Pedestrian Targets



Steering Robots – Driverless systems



Laboratory Test equipment - Steering system, Kinematics and Compliance testing and Simulation

Steering Rack Test Machine SSTM



Suspension Parameter Measuring Machine



Driver in Loop Simulator





Operations

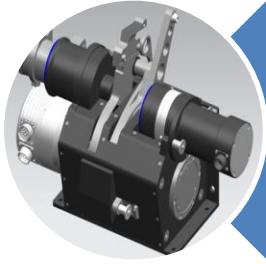
Global Reach



Our capabilities



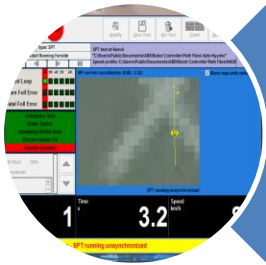
.... Design



Mechanical



Electronics/Electrical



Software

Our capabilities



.... Manufacture and Assembly

- Total facilities space of over 23,551 sq ft across three sites
- Dedicated Electronics assembly and test area
- Dedicated Electrical cabinet build and test area
- Work shop – Turning, Milling and Grinding
- Large Mechanical build space – Lab Testing equipment
- Large modern meeting space and 3 training rooms
- NEW FACTORY 32,957 sq ft on line in 2017

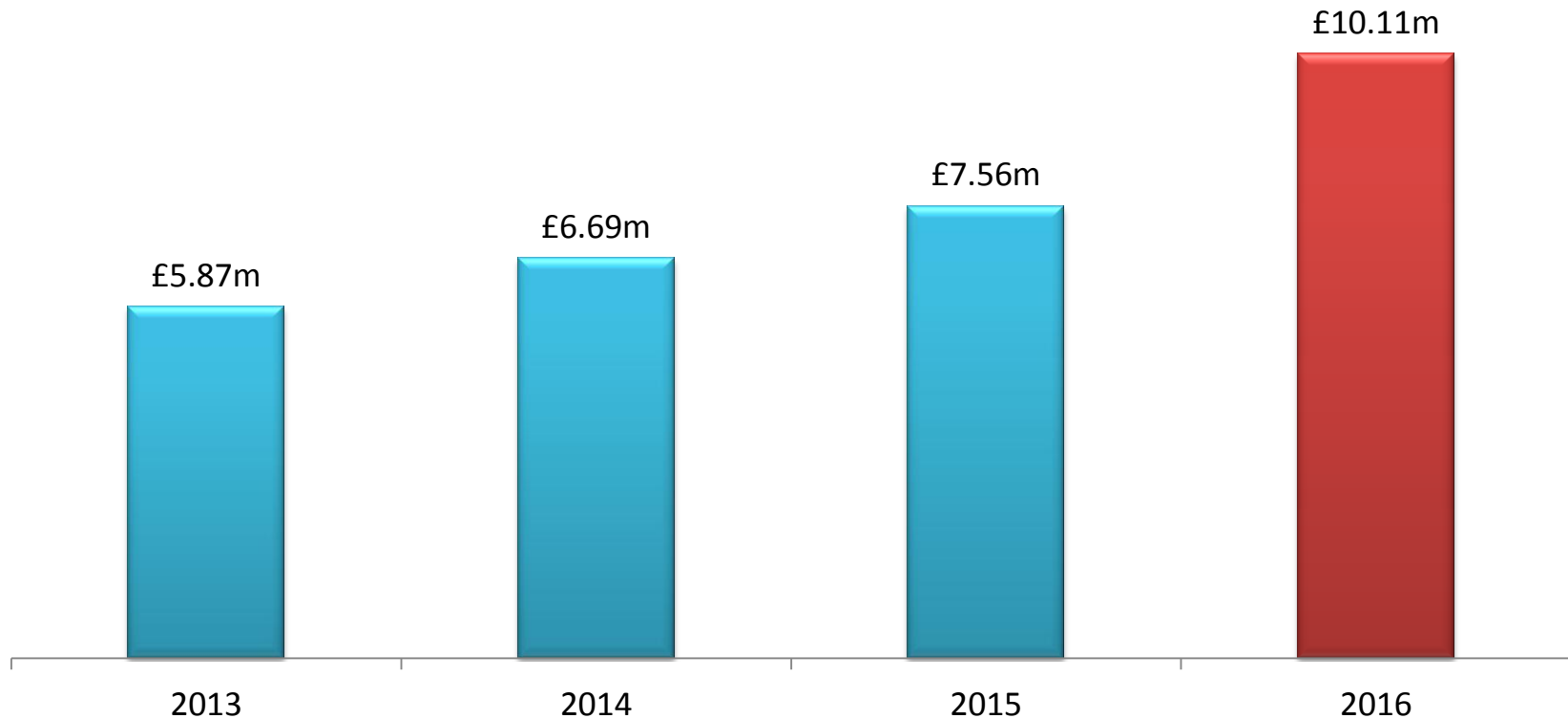


Financial Highlights

Revenue



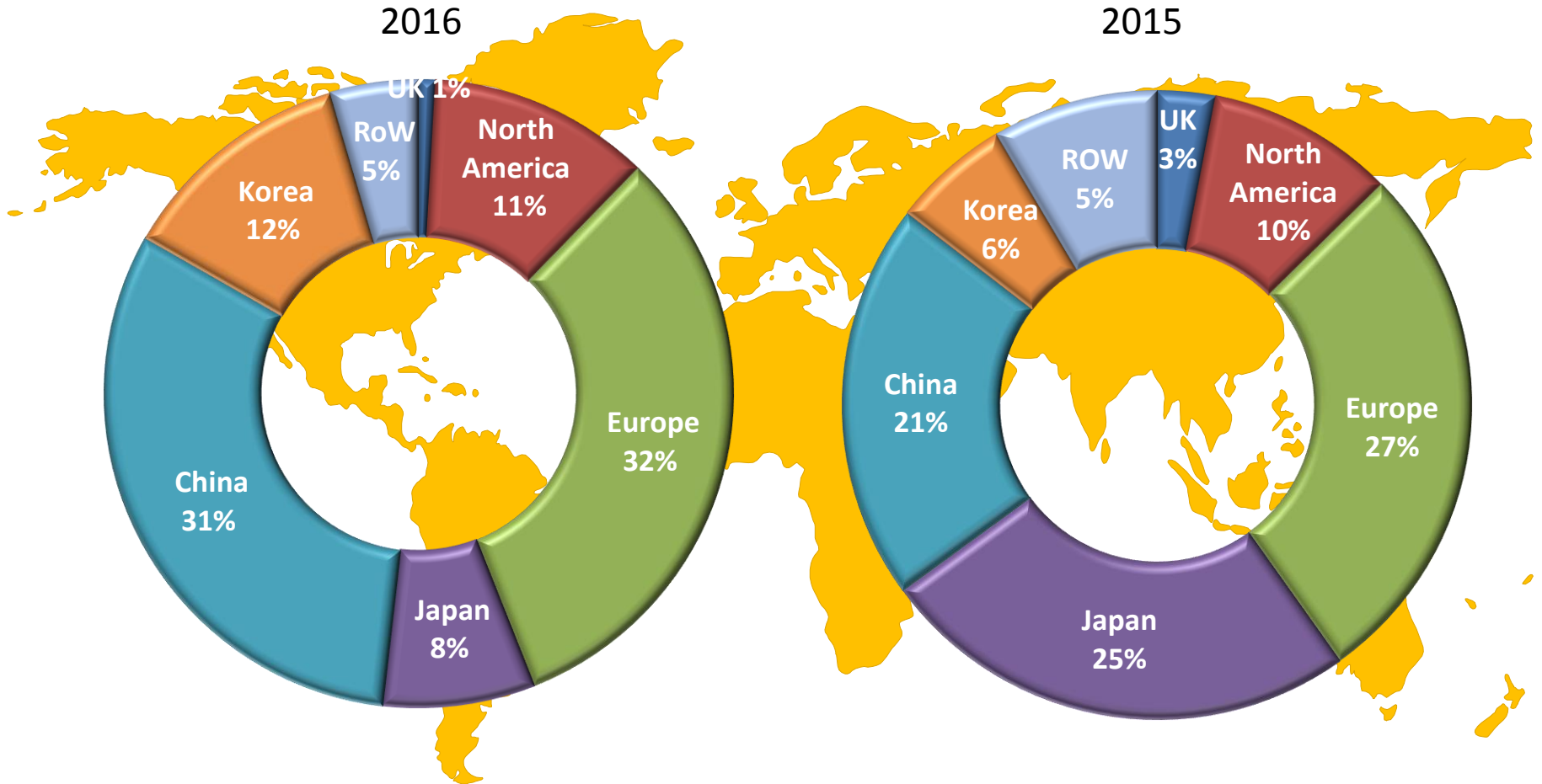
Revenue for the six months to 29 February 2016 increased by 34% to £10.11m



Analysis of Revenue

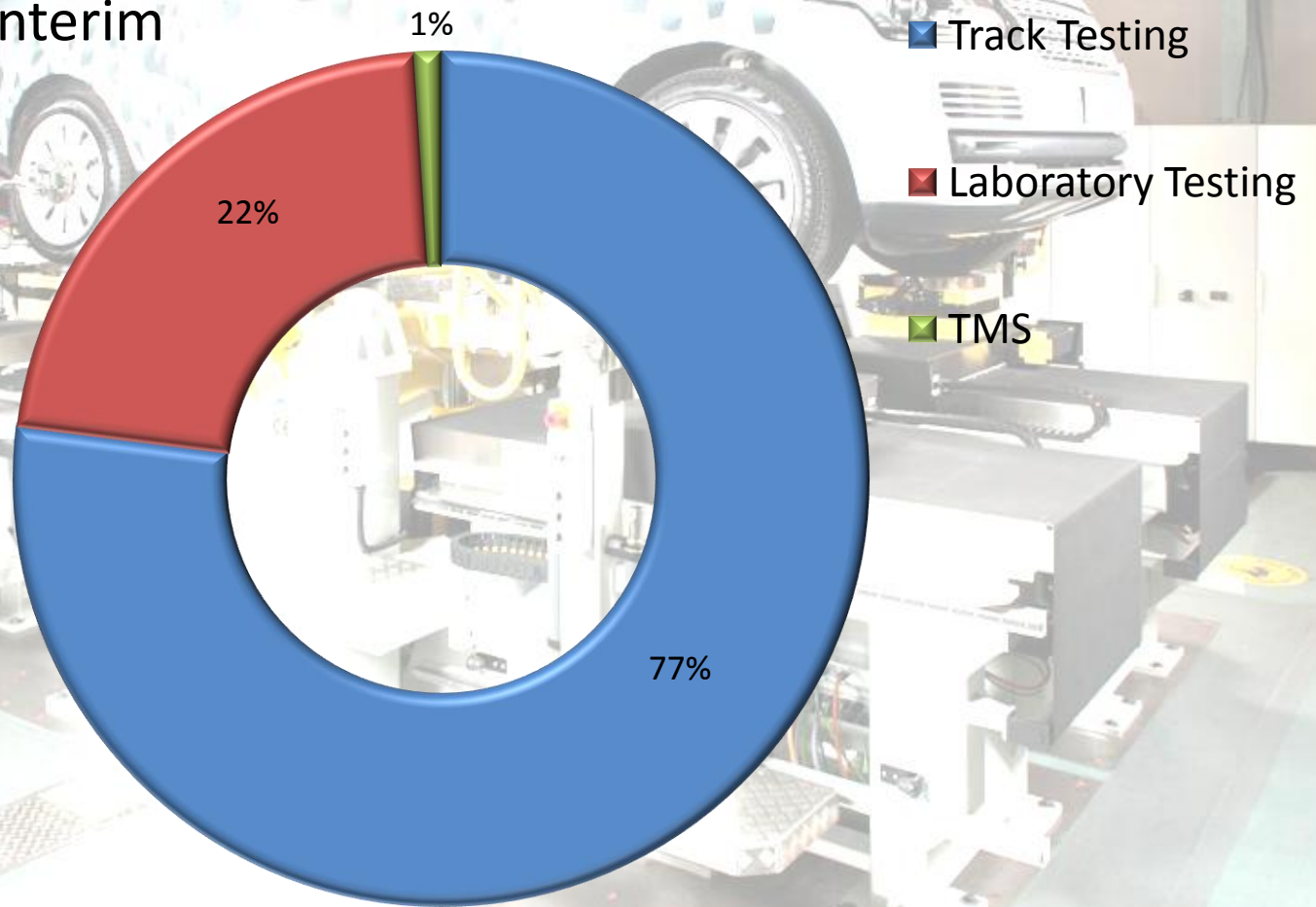


.....by Geographical Area £10.11m



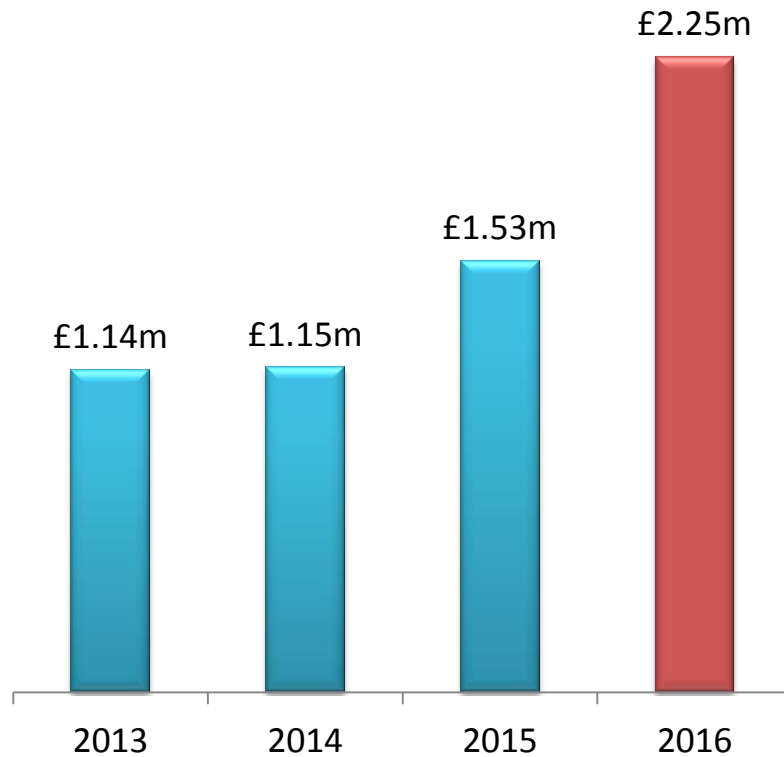
Analysis of Revenue

.....by Product Area %
similar to 2015 Interim

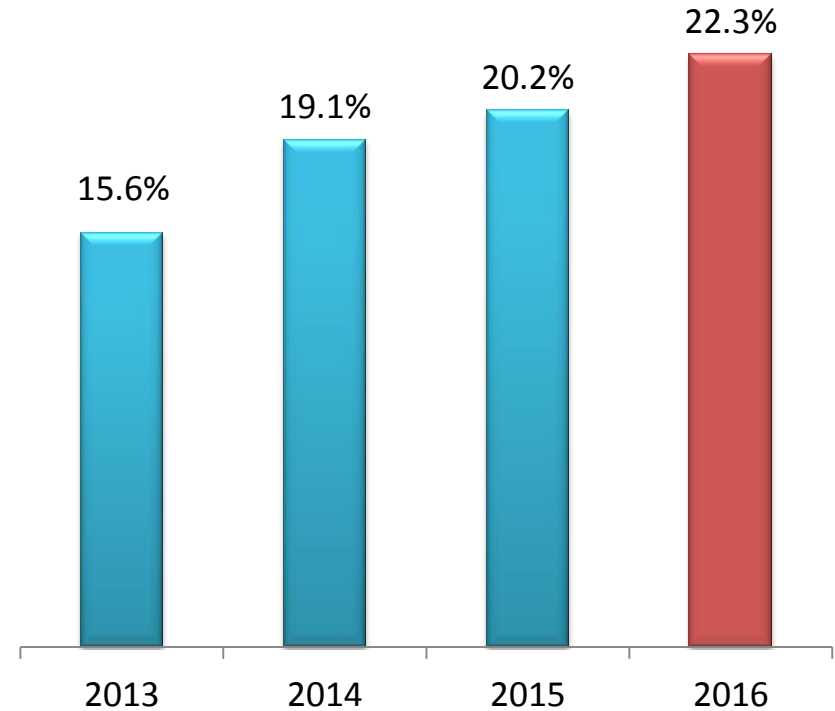


Operating Profit

Six months to 29 February 2016



Operating profit increased 47%

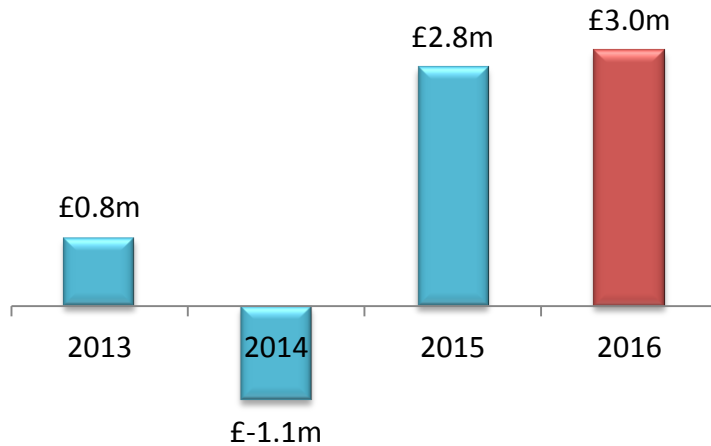


Operating profit margin increased 10%

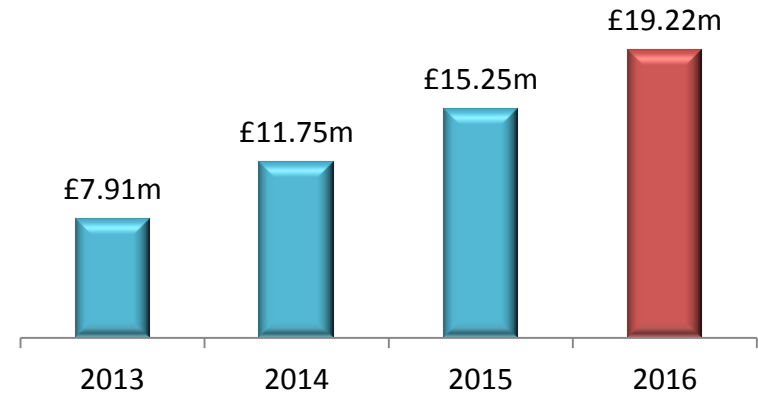
Interim Financials



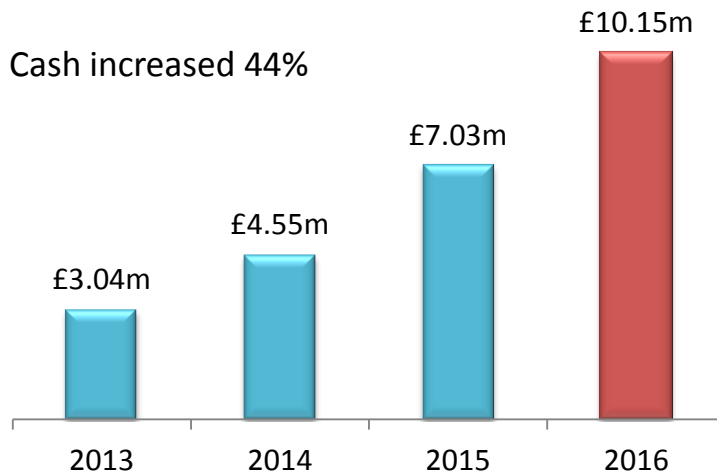
Cash flow from operations



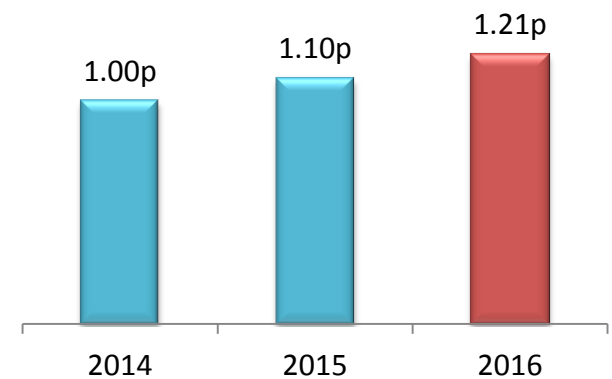
Total assets increased 26%



Cash increased 44%



Interim dividend per share





Appendices

Income Statement



	Unaudited 6 months ended 29 February 2016	Unaudited 6 months ended 28 February 2015	Audited Year ended 31 August 2015
	£	£	£
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	10.53p	7.53p	19.16p
Earnings per share-Diluted	10.27p	7.12p	18.26p

Balance Sheet



	Unaudited 29 February 16 £	Unaudited 28 February 15 £	Audited 31 August 15 £
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

Cash Flow



	Unaudited 6 months ended 29 February 16 £	Unaudited 6 months ended 28 February 15 £	Audited Year ended 31 August 15 £
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

Proposed New Facility



NEW FACTORY 32,957 sq ft on line in 2017

Proposed Relocation



Located in Bradford on Avon

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