

AB
Dynamics

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



Executive Team



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 sector
- He has public board experience managing companies as CEO and Executive VP of Clean Diesel Technologies, Inc
- 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



2015 Highlights



Financial Highlights

Revenues increased 19.3% to £16.52 million (2014: £13.85 million)

Operating Profit increased 41% to £3.74 million (2014: £2.65 million)

Net Cash at 28 February 2015 of £7.97million (2014: £4.89 million)

Final dividend of 1.65p per ordinary share, 2.75p for the year

Operational Highlights

Secured an additional 3,100 ft² of space to meet demand

Completed a comprehensive upgrade of our product software platform.

Received the first Brazilian order for SPMM

Achieved another record for sales of Track Testing products worldwide

New factory build on track for completion early 2017

Growth Drivers

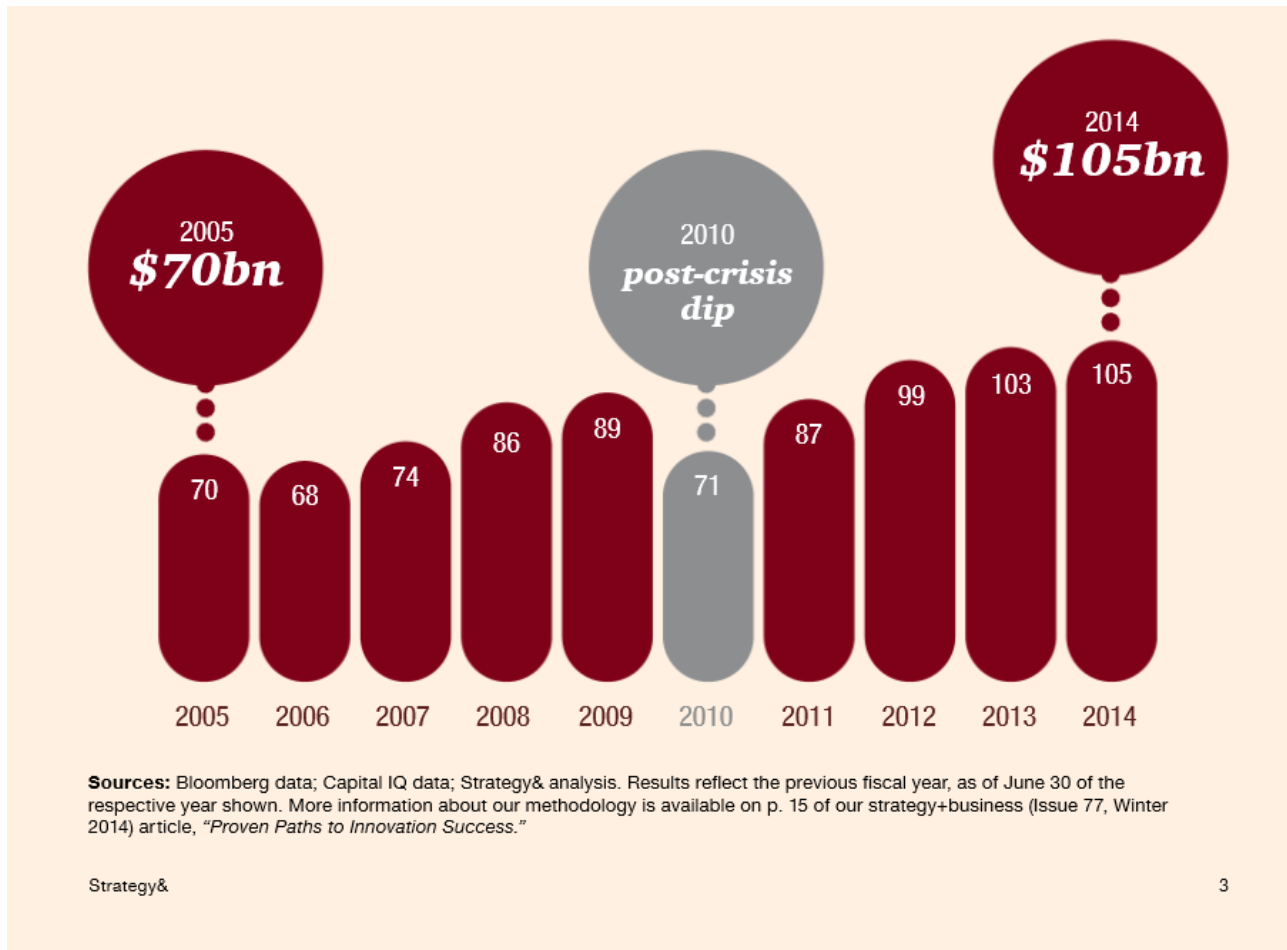


- **ABD is experiencing growth from a number of key market drivers:**
 - EuroNCap Standards in Europe driving growth globally for ADAS testing technology
 - Global spending on automotive R&D spending at all time high
 - Winning new automotive customers from China
- **ABD continues to drive growth through investment in key areas:**
 - Additional production capacity 3,100 sq feet of additional office and factory space secured in 2015
 - Build New factory expected towards the beginning of 2017
 - Developing Regional support centres, New presence in Japan – AB Dynamics MF Japan Ltd
 - Recruitment of high calibre personnel
- **New product development, leverage of funds for:**
 - Development of new driverless test track applications
 - **Development of new advanced lab testing technology**
 - Building of the new facility expansion of capabilities
- **Explore complementary new technologies – organically and through acquisition**

Our Sector



Global Automotive Industry R&D Spend



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 testing and Kinematics and Compliance testing

Steering Rack Test Machine SSTM



Suspension Parameter Measuring Machine SPM








Operations and Capabilities

Global Reach

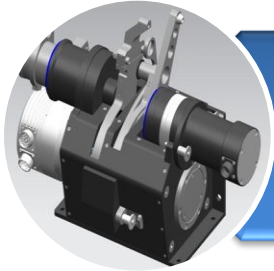


-  Distributors
-  Regional Support
-  Head Quarters

Our capabilities



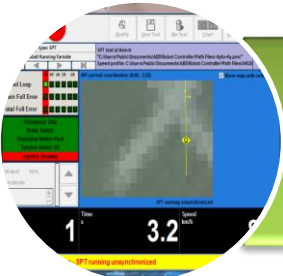
.... Design



Mechanical



Electronics/Electrical



Software

Our capabilities



...Manufacture and Assembly

- Total facilities space of over 20,000 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 stream early 2017

ABD possesses unrivalled technology and know-how



Proposed New Facility



NEW FACTORY 32,957 sq ft on stream early 2017

Proposed Relocation



Located in Bradford on Avon

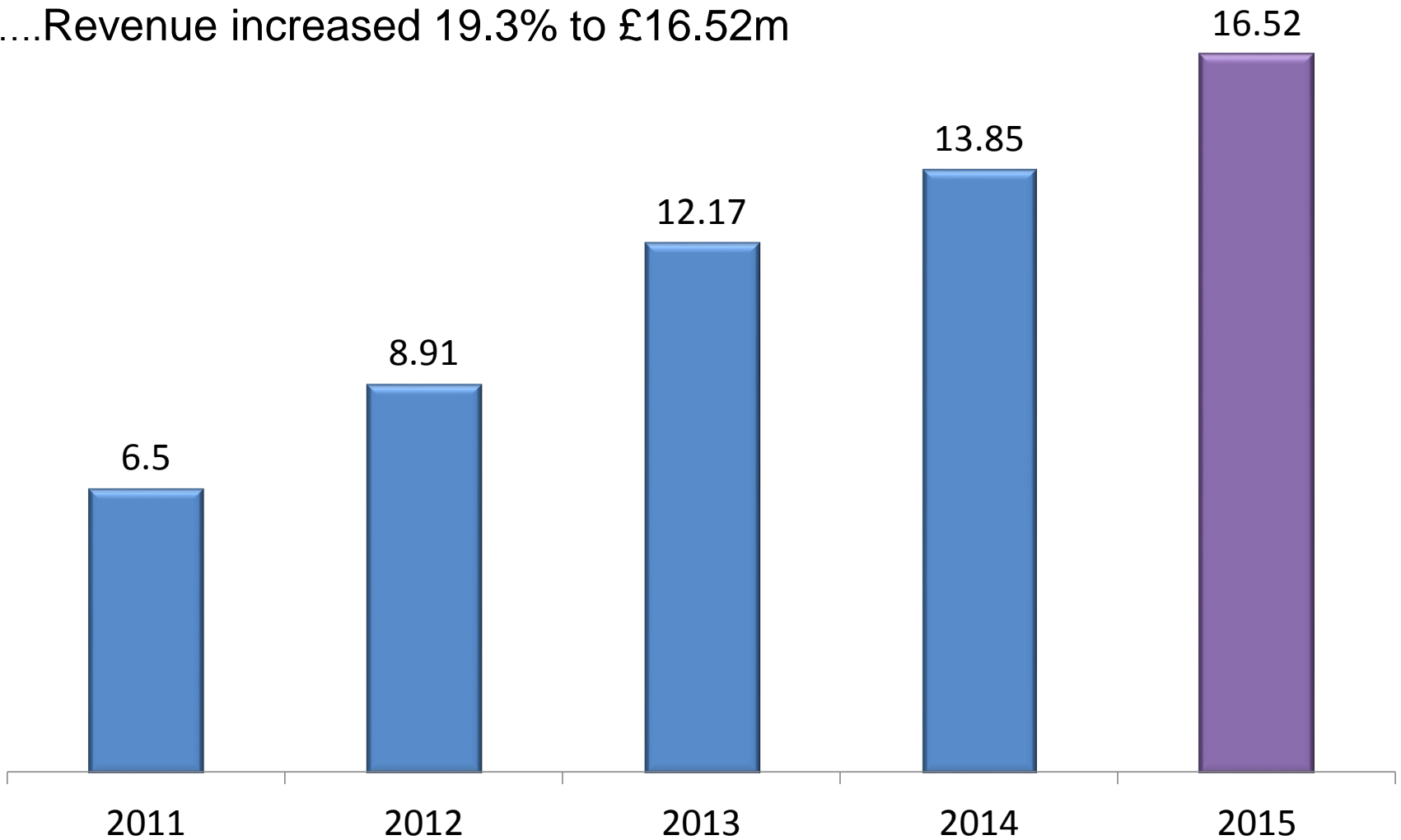


Financial Highlights



Revenue £m

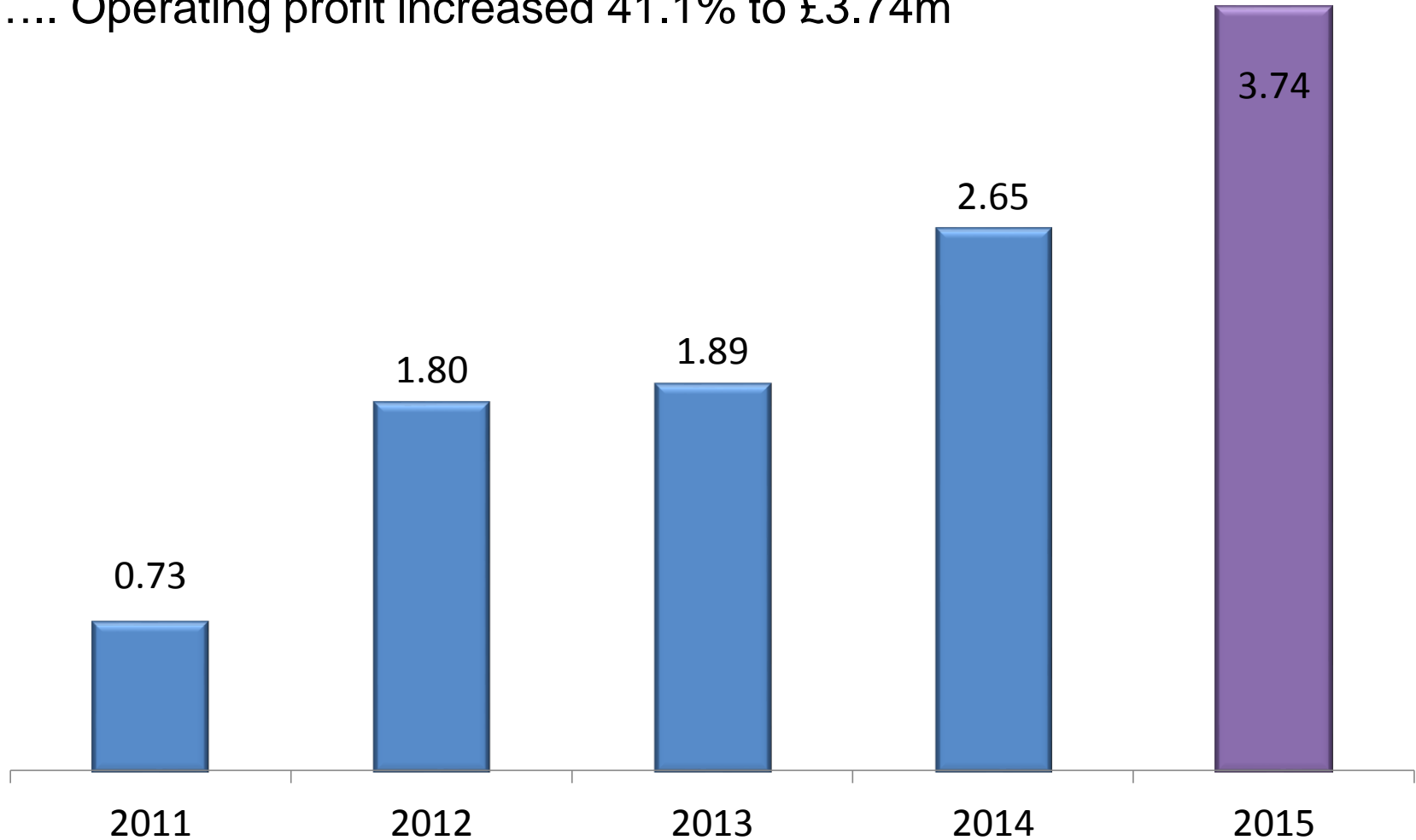
....Revenue increased 19.3% to £16.52m



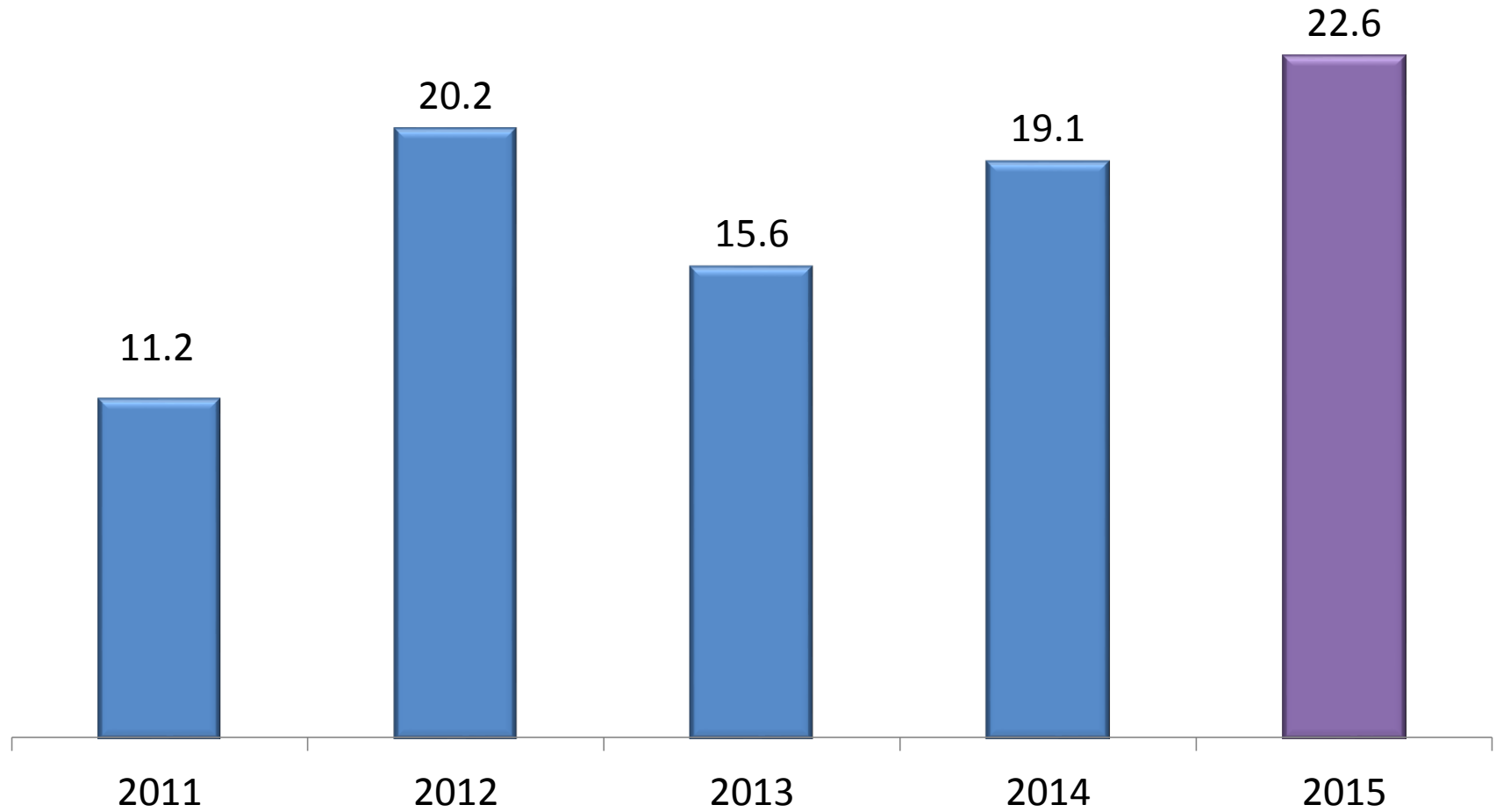
Operating Profit £m



..... Operating profit increased 41.1% to £3.74m



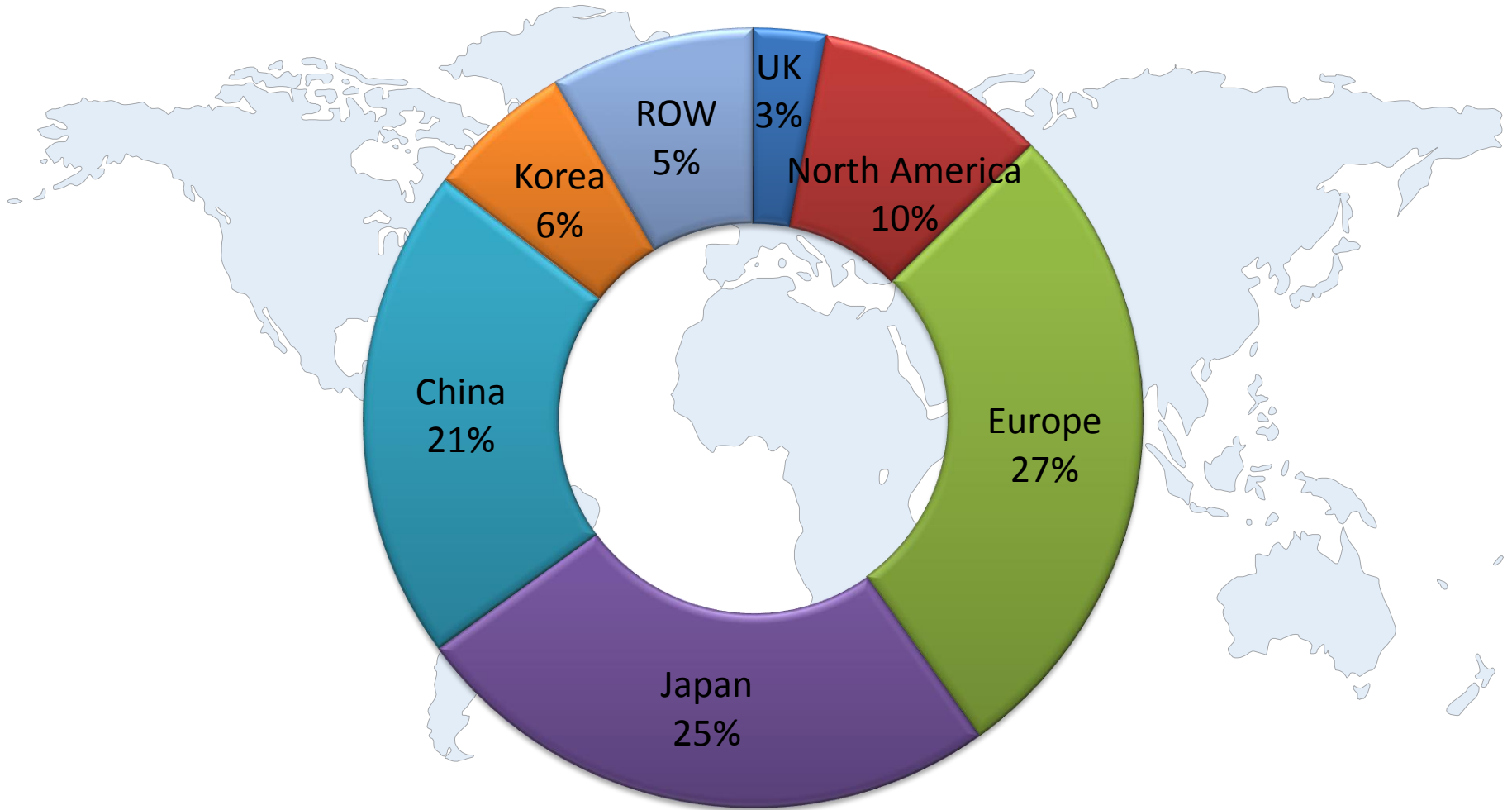
Operating Profit Margin %



Analysis of Revenue



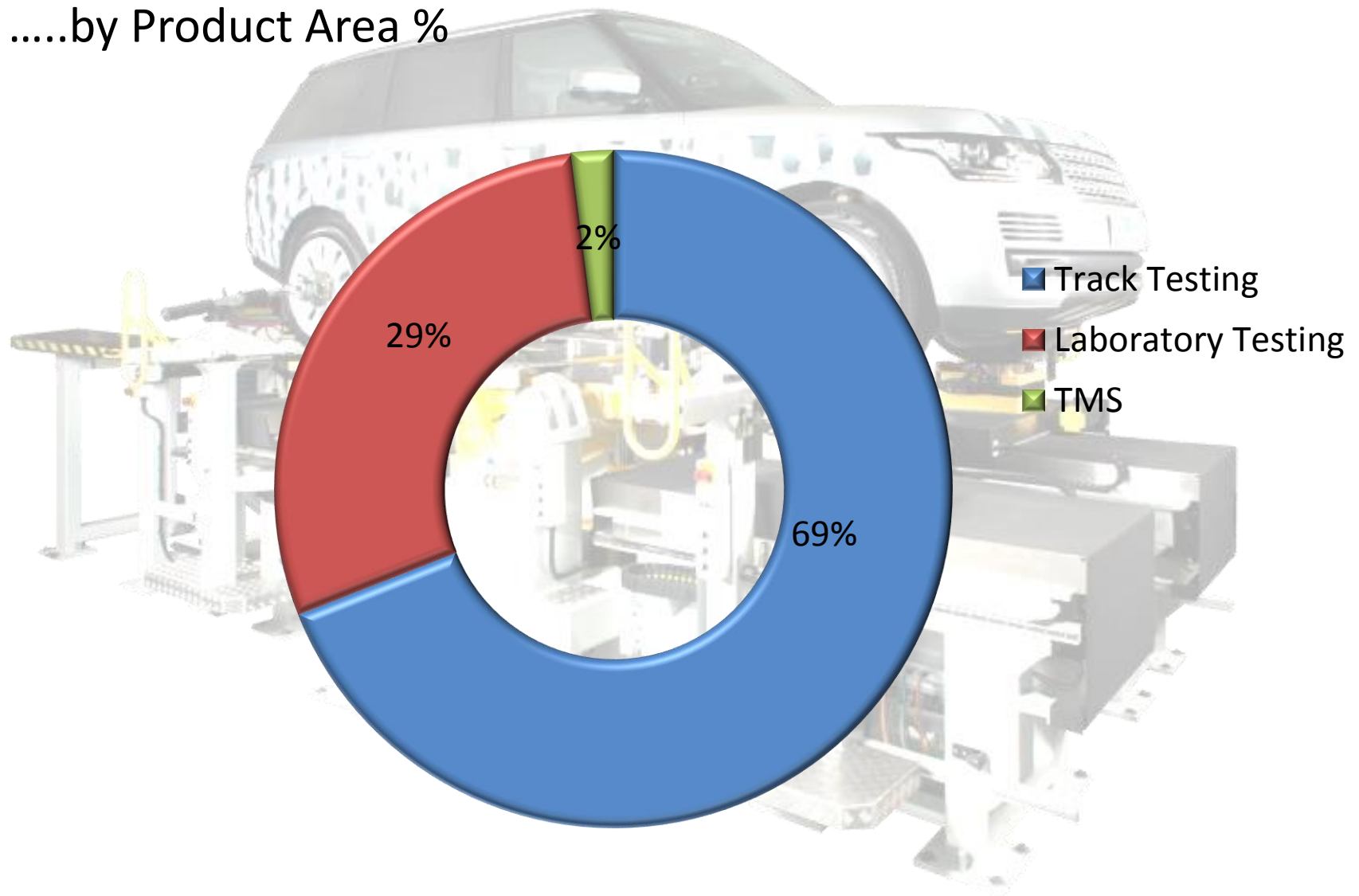
.....by Geographical Area %



Analysis of Revenue



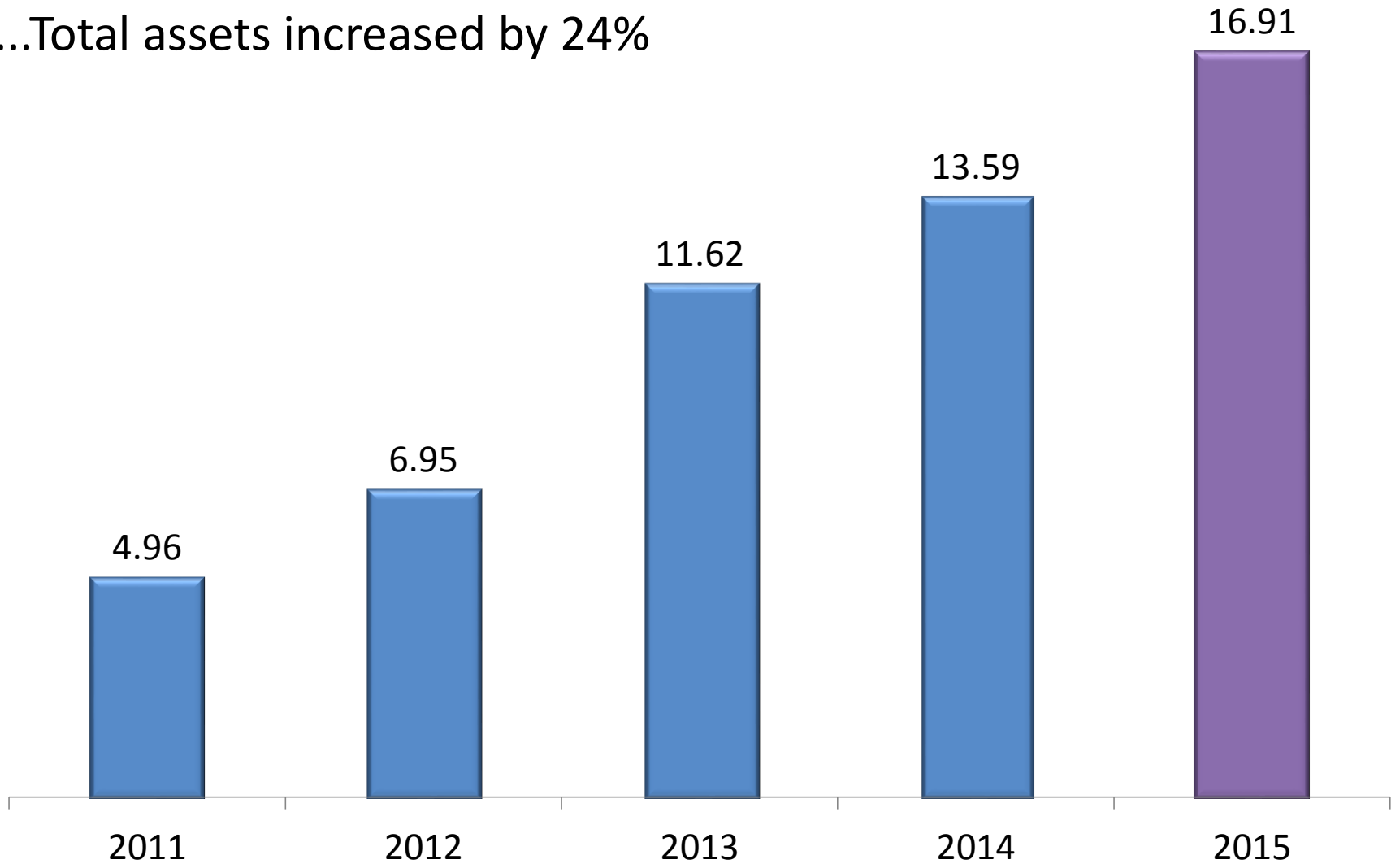
.....by Product Area %



Total Assets



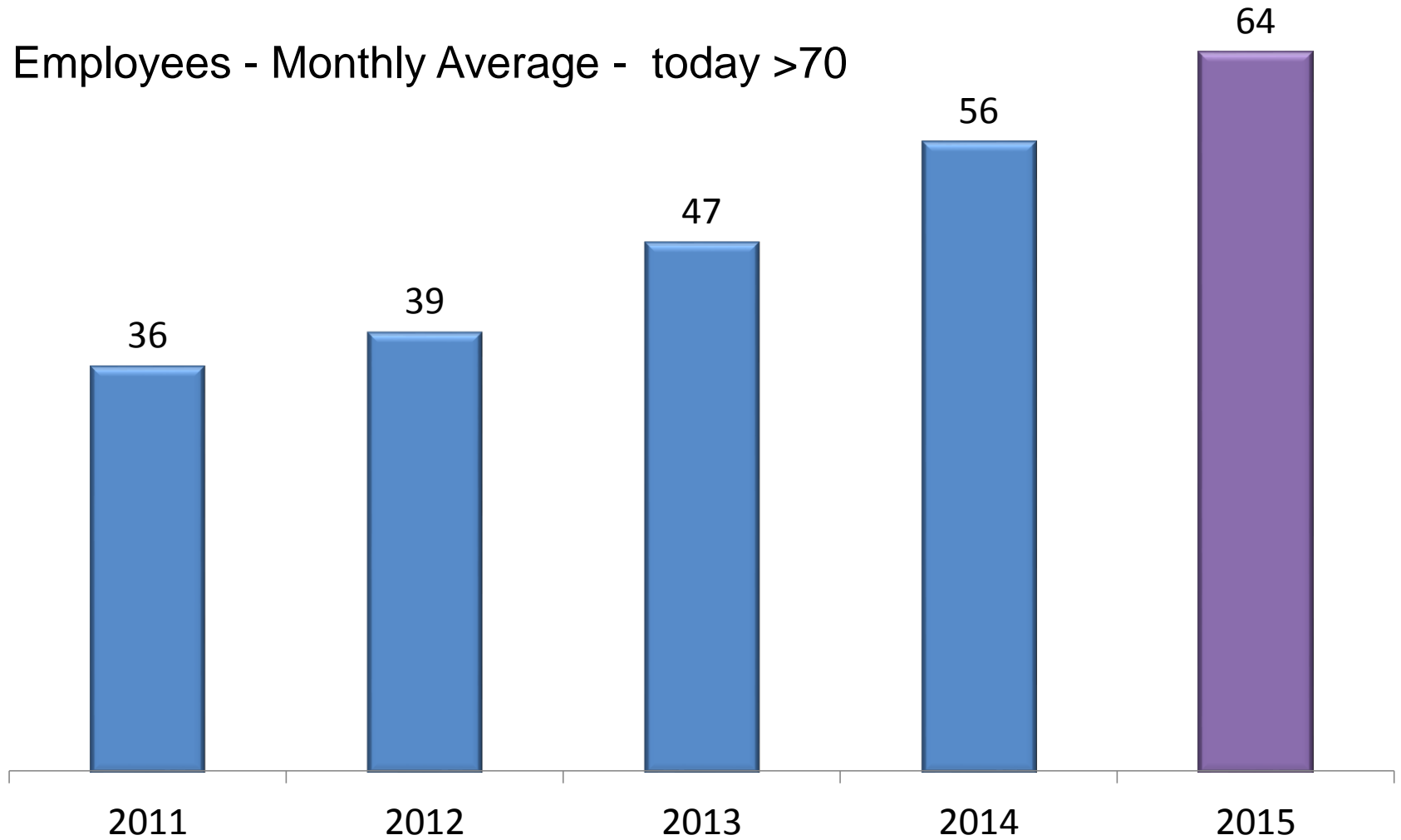
.....Total assets increased by 24%



Employees



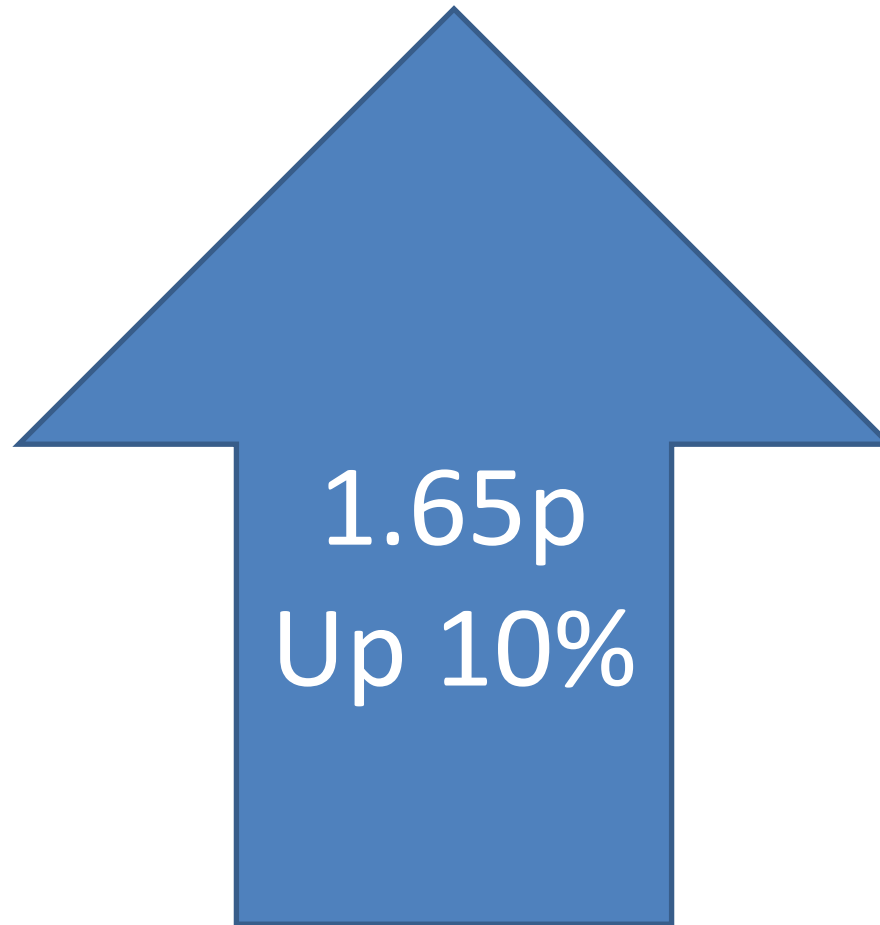
Employees - Monthly Average - today >70



Dividend



Final dividend per share





Appendices

Consolidated statement of comprehensive income



	Year ended 31 August 2015	Year ended 31 August 2014
	£	£
Revenue	16,522,627	13,846,562
Cost of sales	(11,172,617)	(9,816,570)
Gross profit	5,350,010	4,029,992
Administrative expenses	(1,609,448)	(1,378,718)
Operating profit	3,740,562	2,651,274
Finance income	76,432	25,692
Profit before taxation	3,816,994	2,676,966
Corporation tax expense	(570,986)	(525,055)
Profit after taxation	3,246,008	2,151,911
Other comprehensive income	-	-
Total comprehensive income for the year attributed to equity holders	3,246,008	2,151,911
Earnings per share - Basic (pence)	19.16p	13.08p
Earnings per share - Diluted (pence)	18.26p	12.11p

Consolidated statement of financial position



	2015 £	2014 £
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,727,349	1,219,983
Deferred tax assets	48,548	-
	<u>1,775,897</u>	<u>1,219,983</u>
CURRENT ASSETS		
Inventories	2,541,704	1,998,831
Trade receivables	2,825,148	4,339,755
Other receivables, deposits and prepayments	464,462	185,007
Amount owing by contract customers	1,301,169	949,197
Derivative financial instruments	33,743	-
Cash and cash equivalents	7,967,808	4,896,206
	<u>15,134,034</u>	<u>12,368,996</u>
TOTAL ASSETS	<u>16,909,931</u>	<u>13,588,979</u>
EQUITY AND LIABILITIES		
Share capital	173,344	167,757
Share premium	2,540,711	2,385,910
Reconstruction reserve	(11,284,500)	(11,284,500)
Merger relief reserve	11,390,000	11,390,000
Retained profits	10,830,329	7,666,718
Total equity attributable to owners of the Company and total equity	<u>13,649,884</u>	<u>10,325,885</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	79,273
CURRENT LIABILITIES		
Trade and other payables and accruals	3,089,487	2,913,843
Provision for taxation	170,560	269,978
	<u>3,260,047</u>	<u>3,183,821</u>
TOTAL LIABILITIES	<u>3,260,047</u>	<u>3,263,094</u>
TOTAL EQUITY AND LIABILITIES	<u>16,909,931</u>	<u>13,588,979</u>



	2015 £	2014 £
Cash flow from operating activities		
Profit before taxation	3,816,994	2,676,966
Adjustments for:-		
Depreciation of property, plant and equipment	183,836	135,645
Loss on sale of property, plant and equipment	42	257
Fair value gains on derivative instruments	(33,743)	-
Interest income	(42,689)	(25,692)
Share based payment	13,410	27,861
	<hr/>	<hr/>
Operating profit before working capital changes	3,937,850	2,815,037
Increase in inventories	(542,873)	(512,441)
Decrease / (increase) in trade and other receivables	883,180	(2,337,786)
Increase / (decrease) in trade and other payables and accruals	175,644	(249,250)
	<hr/>	<hr/>
Cash flow from operations	4,453,801	(284,440)
Interest received	42,689	25,692
Income tax paid	(457,206)	(416,046)
	<hr/>	<hr/>
Net cash flow from operating activities	4,039,284	(674,794)
	<hr/>	<hr/>
Cash flow from investing activities		
Purchase of property, plant and equipment	(691,244)	(344,942)
Sale of property, plant and equipment	-	1,167
	<hr/>	<hr/>
Cash flow used in investing activities	(691,244)	(343,775)
	<hr/>	<hr/>
Cash flow from financing activities		
Dividends paid	(436,826)	(163,470)
Proceeds from issue of share capital, net of share issue costs	160,388	88,069
	<hr/>	<hr/>
Net cash flow used in financing activities	(276,438)	(75,401)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	3,071,602	(1,093,970)
	<hr/>	<hr/>
Cash and cash equivalents at beginning of the financial year	4,896,206	5,990,176
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Cash and cash equivalents at end of the financial year	7,967,808	4,896,206

Consolidated statement of cash flow

Share Information

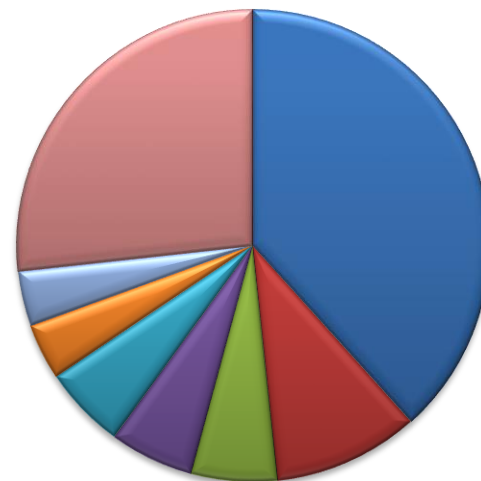
(as at 06.11.15)

Key Statistics

Share Price	275.5p
Market	AIM
Ticker	ABDP
Market Cap	£47.8.0m
Ord. Shares in Issue	16.78m



Significant Shareholders



- Anthony Best (33.4%)
- Anne Middleton (9.9%)
- Miton Group (5.9%)
- Naemi Best (5.8%)



AB Dynamics

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