



## PENNANT INTERNATIONAL GROUP PLC

### Trading Update & Notice of Interim Results

#### Positive trading momentum maintained; Strong Q2 order intake

Pennant International Group plc (AIM:PEN), the IPS software and services company, is pleased to provide a trading update for the six months ended 30 June 2023 (the “**First Half**”) in line with management expectations. The Company expects to publish its Interim Results on 27 September 2023.

#### Financial summary

A preliminary unaudited assessment of the Group’s trading for the First Half indicates:

- revenues of £7.1 million (H1 2022: £6.9 million) of which circa 56% are recurring (H1 2022: 65%);
- gross margin of 47% (H1 2022: 41%);
- 46% of revenues generated from software licensing and associated activities (H1 2022: 52%);
- earnings before interest, taxation and amortisation (EBITA) of £0.5 million (H1 2022: EBITA of £0.1 million);
- earnings before interest, taxation, depreciation and amortisation (EBITDA) of £0.8 million (H1 2022: EBITDA of £0.4 million);
- net debt at period end of £1.9 million (H1 2022: £4.1 million);
- three-year order book at period end of £25 million (H1 2022: £27 million).

*Note: the above results are stated before circa £0.1 million of exceptional transaction and integration costs associated with the acquisition of Track Access Productions Limited.*

#### Major programme update

The Company continues to make good progress on its contract with Boeing Defence United Kingdom Limited (BDUK) for the UK Apache upgrade programme, and has successfully passed six out of eight scheduled engineering design reviews, passing four during the First Half. The contract remains on track for completion in September 2024.

#### Acquisition update

The integration of Track Access Productions Limited (“TAP”) into the business has been successfully completed following the acquisition announced on 13 April 2023, bolstering the Group’s ‘third pillar’ of rail products and services.

TAP is delivering revenues in line with management expectations. Pennant’s combined ‘Track Access’ business – comprising TAP and Track Access Services – had a successful First Half in respect of order intake and is on course to deliver turnover of approximately £900,000 for the year ending 31 December 2023, generating an operating profit of approximately £400,000 for the unit.

#### Order intake

Further to the announcement of 13 June 2023, which detailed new contract wins, order intake towards the end of the First Half was strong, with £5.2 million of new orders received since April 2023 (for total orders during the First Half of £6.5 million). This trend has continued with a new contract worth AUD\$1.2 million over 12 months secured in early July.

**Chief Executive Officer, Philip Walker commented:** *“Positive trading momentum has been maintained during the period, including the winning of several significant contracts and further EBITA growth. The successful integration of TAP has further broadened our rail customer base, diversified our offering and enhanced the Group’s recurring revenues.”*

*“We continue to focus on increasing revenues from software and technical services, and further bolstering our robust order book.”*

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (“MAR”). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

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