

ASX ANNOUNCEMENT

28 February 2024

## Interim FY24 H1 Results Announcement

Advanced Braking Technology Ltd (ASX: ABV) ('ABT' or 'the Company' or 'the ABT Group'), the pre-eminent supplier of fail-safe brakes for commercial vehicles in Australia, provides an overview of the 1st Half (H1) FY24 results period.

### H1 FY24 Highlights

- **Revenue from ordinary activities** of \$7.81m, up 7.8% on previous corresponding period (pcp)
- **Revenue from continuing operations\*** of \$6.99m, up 11.6% on pcp
- **Gross margin** of 51.4% an increase compared to pcp of 50.4%
- **Net Profit** result of \$0.79m
- **EBITDA** result of \$1.03m
- **Cash position of \$1.95m**

"ABT has made progress in driving growth of our core products and international market development during the first half of FY24. Our home market also performed strongly, supported by ABT's team of specialists who understand the needs of our valuable customers. ABT's ongoing investment in R&D remains key to our DNA and our innovation roadmap aims to solution for both light and heavy vehicle fleets. During this half we have invested in new light vehicle innovation in developing a SIBS brake for the popular Toyota Hilux and continued to progress our ABT SIBS heavy truck product development Other areas of innovation for ABT focus on autonomy, collision avoidance, electric vehicles and a number of safety technologies rapidly emerging across mining and heavy industries. We continue to actively assess strategic growth opportunities to drive both scale and revenue diversification. I would like to acknowledge and commend the hard work and dedication of the talented ABT team on these half year results. Thank you."

Andrew Booth, Chief Executive Officer.

### Strategy and Market Review

The mining industry is facing pressure to be more efficient, deliver more minerals for the energy transition, and to achieve that in a more sustainable way. Mining operators continue to make progress on a range of ESG, climate change and license to operate risks but are under pressure to do even more.<sup>1</sup>

ABT's strategic roadmap responds to this by designing, and producing innovative braking solutions with the commitment to promoting sustainable business practices that protect our customers' people, assets and the environment. This roadmap aims to deliver market share growth via deepening our mining market penetration of our core and new product innovation.

<sup>1</sup> Risks and opportunities for mining and metals in 2024 | EY - Global

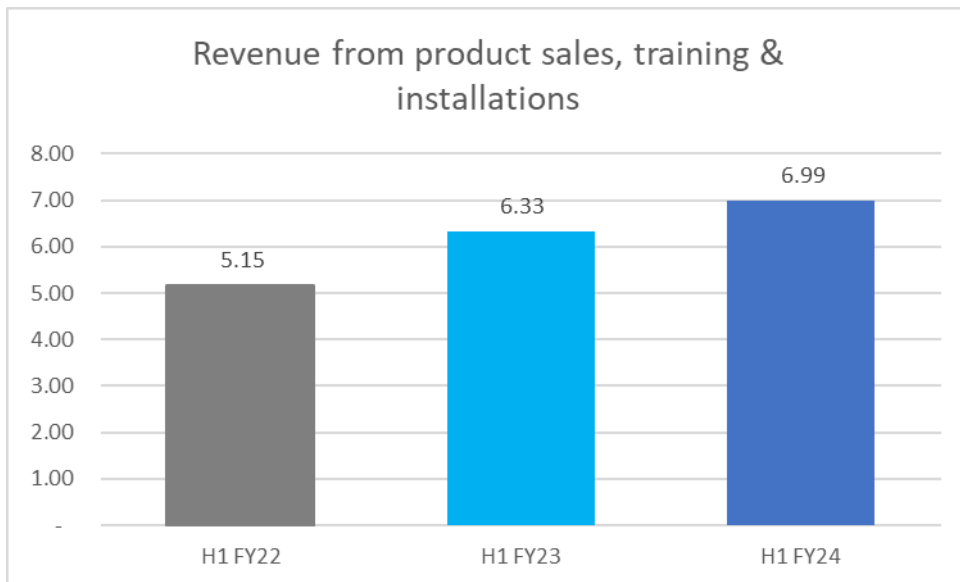
\* revenue from continuing operations excludes income from externally and internally funded R&D activities.

Our year-to-date revenue performance has been underpinned by achieving growth in ABT’s share of the international market, and subsequently have seen an increase in both new customer acquisition and the overall value of our contracts. This includes market development yielding growth in regions including North America, Asia and Africa. ABT’s domestic market also performed strongly with a focus on providing unsurpassed technical and sales support as the leading brand in Failsafe braking systems for commercial fleets. And we have successfully implemented a number of strategic partnerships that have enhanced our distribution capabilities and expanded our geographic reach.

Our FY24 Strategic roadmap encompasses strategies designed to achieve ABT’s short term as well as medium term objectives. Light commercial fleet innovation remains a core focus for ABT as the mining sector continues to leverage technology to deliver environment, safety and governance targets. Currently, ABT are developing a fail-safe brake solution for the Toyota Hilux, that has been customer-led in South Africa. The SIBS Hilux design is an evolution of the proven ABT SIBS Landcruiser brake offering Mine Fleet Operators similar benefits which include ABT’s market leading Failsafe technology, as well as Total Cost of Ownership benefit over the useful life of the vehicle of Circa 23% <sup>2</sup> when compared to a standard brake. This demonstrates to our customers a positive return on investment in an ABT SIBS brake. Toyota Hilux is a popular light vehicle choice for all mining environments. In South Africa fail safe brakes are mandated for all light vehicles operating underground unlike in Australia. ABT’s competitive point of difference is reflected in its strong brand reputation, quality and aftersales service and technical support.

During the quarter, ABT progressed key development projects including the Heavy Vehicle (HV) Sealed Integrated Brake (SIBS) range which targets road trucks ‘mine spec’d for underground mine operations.

**Financial Update**



The Company’s revenue from ordinary activities for the period was \$7,805m (FY23: \$7,239m) with a profit before income tax of \$0.788m (FY23: \$0.774m). Revenue from ordinary activities includes revenue from continuing operations and revenue from other activities. Gross margin for revenue from continuing operations for the period was 51.4% (FY23: 50.4%)

Expenses to 31 December 2023 were \$3.558m (H1 FY23: \$3.000m), representing a 18.6% increase. The cost increase is in line with the strategic roadmap execution through continuing to invest in resources towards the creation and enhancement of new technologies, products and processes through research

<sup>2</sup> Source: Advanced Braking Technology Total Cost of Ownership Model.

and development (R&D) Investment in R&D is important for the Company to remain competitive, foster innovation and drive long term growth.

As at 31 December 2023, cash and receivables were \$3.927m (June 2023: \$3.987m). Net cash generated in operating activities during the period was \$0.162m (FY23: \$0.662m).

**Outlook**

While there are still uncertainties and challenges in the broader economic environment, we believe that ABT is well-positioned to navigate these headwinds successfully. Thus looking ahead, we remain optimistic about ABT's FY24 year end. We will continue to focus on driving innovation, expanding our market presence, and improving operational efficiency to deliver sustainable long-term growth.

This release is authorised by the Board of Directors.

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**About Advanced Braking Technology**

Advanced Braking Technology Ltd (ABT) designs, manufactures and distributes its innovative braking solutions worldwide. From its head office in Perth, Western Australia, ABT continues to develop its product portfolio for a diverse range of industries that have a strong requirement for safety and environmental responsibility, including the mining, defence, civil construction and waste management industries.

ABT's innovative braking solutions are well known for their unparalleled safety, improved productivity, zero emissions and durability in the world's harshest conditions. As its reputation has grown, demand for ABT's brakes has expanded internationally with its braking solutions being used in all seven continents across the globe.