

## ASX ANNOUNCEMENT

29 August 2024

### FY24 Results Announcement

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

#### FY24 Highlights

Summary Financial Results	FY24	FY23	Change
Revenue from ordinary activities	\$16.46m	\$14.69m	12.01%
Revenue from continuing operations	\$15.29m	\$14.15m	8.04%
Gross Margin	51.4%	50.2%	2.39%
Total expenses	\$7.32m	\$6.17m	18.71%
Net assets	\$8.86m	\$6.94m	27.6%
EBITDA	\$1.8m	\$1.5m	20.09%
Net profit after tax	\$1.70m	\$1.47m	15.62%
Cash and cash equivalents	\$2.41m	\$2.05m	17.58%

During FY24, the Company progressed the execution of the 2026 Strategic Roadmap. Including:

- Sustained double-digit revenue and NPAT growth;
- Strengthening financial and working capital position year-on-year sales growth, yielding positive cash flow from operations for the year;
- Unwavering focus on the execution of our customer engagement in our home market of Australia as well as ABT's key international markets
- Leveraging our core failsafe product IP as well as capitalising on our perpetual R&D investment with commercialised innovation;
- Strengthening our partnerships with suppliers both existing and new to ensure ample production capacity to meet the demands of the growing industrial safety market;
- Developed the new Failsafe Sealed Integrated Brake Systems (SIBS) for the popular TOYOTA Hilux light vehicle revenue diversification and scale opportunities.

Andrew Booth, Chief Executive Officer stated, "The ABT team completed FY24 with new records realised in Revenue, Profitability and Productivity and I am extremely proud of these achievements. Equally, we are commencing FY25 with unprecedented levels of opportunity and unabated focus on continuous growth and I am confident of ABT achieving new heights in this exciting year ahead."

### **Financial Summary**

The Company reported financial results for the year end 30 June 2024, with revenue from ordinary activities of \$16.46m (FY23: \$14.69m), which represents an 12% increase on the prior year. The net profit for the year of \$1.70m (FY23: \$1.47m) was achieved through an increase in sales revenue and controlled expense.

The Company reports a balance sheet with cash and receivables of \$5.41m (FY23: \$3.99m). Net assets as at 30 June 2024 have increased 28% on FY23 balances. Cash balance of \$2.41m, is up from the \$2.05m at 30 June 2023.

### **Revenue**

As an Original Equipment Manufacturer (OEM), ABT's revenue model includes the sale of the Failsafe Brake System (plus Installation where applicable) followed by trailing sales revenue generated from Spare Parts and Consumables for the operating life of the vehicle (Average 3 Year Life).

Revenue from continuing operations in FY24 of \$15.29m (FY22: \$14.15m) was achieved primarily from sales of the Company's core Failsafe products and associated spares and consumables predominantly into the mining industry.

The gross margin for revenue from continuing operations for FY24 is 51.4% (FY23: 50.2%).

The estimated Research and Development (R&D) tax incentive refund for the year of \$947k (FY23: \$480k) is higher than prior years. The company continues to invest in new product development which will deliver revenue diversification and scale opportunities.

During FY24, ABT received funds of \$27.5K (FY22: \$7K) in relation to a government grants.

### **Cash**

The cash balance of \$2.41m (FY22: \$2.05m) has increased on prior year due to higher revenue, and the Company reports a positive operating cash flow of \$0.3m (FY23: \$0.9m). The Company continues to take a proactive approach to minimise disruption of delivery to customers by purchasing inventory in advance and holding higher stock levels than previously required. The Company has a solid sales pipeline of opportunities on which to place orders on, and as the Company looks to strengthen operations and build business resilience, the importance of supply chain risk management is more apparent than ever. This is a prudent and mandatory investment in securing the opportunity sales pipeline.

### **Expenses**

Expenses for FY24 totalled \$7.32m (FY23: \$6.17) representing a 18% increase on prior year. The increases in expenses are in line with the Company's 2026 strategic horizon to support a step change in growth.

Total expenses are 48% of revenue from continuing operations (FY23: 47%) and aligned to the revenue growth achieved through the year.

### Strategy implementation and product development

ABT continues to focus on the ongoing execution of its strategic roadmap with sustained financial and operational performance during FY25.

The growth strategy will be implemented through:

Organic growth via focused sales and marketing engagement with ABT's international customer base;

- Product innovation at pace and interoperable with technology advancement
- SIBS product development to support broader vehicle application
- Supply chain expansion to support step change growth and scale
- Continuous improvement focus on delivering customer, quality and cost enhancement
- Inorganic growth through implementing our Joint Ventures, Partnering and Acquisitions strategy

Diversification is a key strategic theme in FY24 through the following:

- Our product offering;
- Our customer base;
- The geographic locations in which our products are found; and
- Our network of partners: Suppliers, Installation and Service Providers, and International Distributors.

With a focus on leveraging our core Sealed Integrated Brake System SIBS intellectual property and existing product range as well as capitalising on our perpetual R&D investment, the Company is positioned to grow sales during FY25 to a broader range of customers and geographic regions. The diversification of vehicle variants to which these products can be fitted is based on market intelligence and understanding the fleet and asset management requirements of the customer, with a diligent focus on investment return benchmarks.

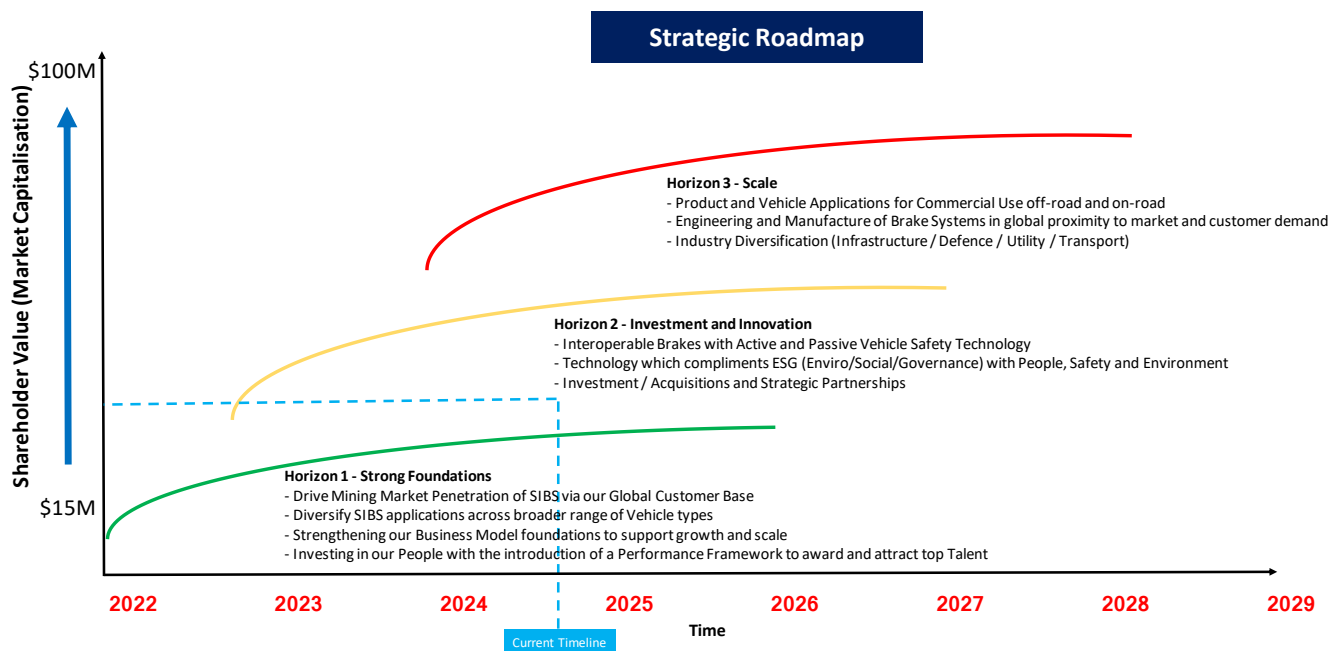
An example of this diversification is the launch of the Failsafe Sealed Integrated Brake System SIBS for the popular TOYOTA Hilux Light Vehicle. The ABT SIBS Hilux will offer Mine Fleet Operators similar benefits to our proven TOYOTA Landcruiser SIBS, including ABT's leading Failsafe technology, as well as Total Cost of Ownership benefit over the useful life of the vehicle of Circa 23% when compared to a standard brake. This demonstrates to our customers a positive return on investment in an ABT SIBS brake. The Hilux is a popular vehicle for mining applications in developing regions such as South Africa, Asia and South America where awareness in safety systems is growing.

ABT maintains a growing focus on the heavy vehicle market, which includes operators using heavy rigid road-trucks for mining as well as additional heavy ancillary mining equipment and we continue to engage with key mining operators to validate heavy vehicle brake solutions. This diverse fleet of vehicles ranges from heavy rigid trucks through to telehandlers, loaders and other ancillary fleet vehicles as safety, environmental concerns and reduce fleet operating costs remain a focus for mine operators. Smaller, faster, more fuel-efficient vehicles to deliver environmental & productivity gains is a consistent trend

across the sector. ABT are engaged with a number of major mining operators both in Australia and Internationally to validate a range of heavy vehicle brake solutions.

Brake safety systems are highly complementary to collision avoidance technology in mining. Vehicle Collision Avoidance Technology is rapidly emerging across mining operations globally to address the risk of human injury and fatality from vehicle interactions. Each year, between 30-40% of mining industry deaths are attributable to failures of vehicle interaction controls and of these about half involve pedestrians (EMESRT) Collision Avoidance Level 9 intervenes and overrides the driver and when combined with Failsafe Braking, provides complementary safety intervention systems which save lives. ABT's strategic innovation focus in this Collision Avoidance Systems (CAS) space offers significant growth opportunity via increasing applications as a leading safety OEM brand in the mining market.

## 2027 Strategic Horizon



## Dividend Policy

The Board has determined that, subject to satisfactory results for FY 25 and capital requirements, the company will consider paying dividends. To this effect, Advanced Braking Technology intends to put in place a Dividend Reinvestment Plan.

Full Year Investor Webinar ABT will provide an investor webinar to provide an overview of the business, discuss the full year results and the outlook.

Date: Thursday, 19 September 2024 Time: 1:00pm AEST

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.

[www.advancedbraking.com](http://www.advancedbraking.com)