

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.

25 January 2024

Petards Group plc

("Petards" or the "Group")

Trading update

Petards Group plc (AIM: PEG), the AIM quoted developer of advanced security and surveillance systems, provides a trading update for the financial year ended 31 December 2023 ("FY23").

The Group's trading performance significantly improved in the second half of the year, although the Board anticipates trading for the full year ended 31 December 2023 will be below expectations announced at the time of its interim results on 26 September 2023.

The Group expects to report (all figures are unaudited):

- Group revenues of circa £9.4 million (FY22: £10.9 million), with the second half of FY23 contributing £5.0 million.
- Total net funds¹ at 31 December 2023 of £1.2 million with no bank debt (FY22: £1.7 million).

Revenues for FY23 are likely to be around 3% lower than market expectations which will have an effect on the FY23 reported results. FY23 gross profit margins are expected to be slightly above the 47.3% reported in the interim results announced on 26 September 2023.

Cash balances were slightly below the Board's expectations, due to a customer payment of £0.3 million expected pre-year end but not being received until 2 January 2024.

In the final quarter of FY23, management continued to rebalance the Group's operating cost base. One-off reorganisation costs incurred in that period, together with other actions taken are expected to deliver annual savings in excess of £0.4 million going forward.

The Group remains well financed with a strong debt-free balance sheet, a substantial proportion of which is held in cash, and an un-drawn £2.5 million overdraft facility. The Board is confident that the Group is in a good position to take advantage of the opportunities it has already identified in the sectors in which it operates and expects to deliver improved trading in the year ahead.

¹ Total net funds comprise cash and cash equivalents less interest bearing loans and borrowings.

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