RNS Number : 8274S
Equipmake Holdings PLC
10 January 2025

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EQUIPMAKE HOLDINGS PLC
("Equipmake" or the "Company")

RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

Equipmake, a market leader in engineering-driven differentiated electrification technologies, products and solutions across the automotive, truck, bus and speciality vehicle industries, is pleased to announce its unaudited results for the six-month period ended 30 November 2024 ("H1 FY25").

Financial Highlights

- Half year revenue (including grants) up by 19% to £2.47m.
- Half year revenue from EV components of £253,587, an 80% year-on-year increase.
- Improvement in gross margins for repowered vehicles to -47%, from -75% in the full year to May 2024. Ongoing cost reduction initiatives are expected to deliver further margin improvements in the second half of the year.
- Operating losses before exceptionals of £3.95m, (H1 24: loss of £2.97m), in line with expectations.
- Bus repowering services have been materially scaled down with ongoing annualised cost saving of about £2m

  Bus repowering services provided the Company with an excellent early opportunity to deploy its products into real world, customer-driven environments, showcasing the quality and efficiency of Equipmake's offering. However, at low volumes it was not possible to generate sustainable gross margins from this business. It has, however, been a strategically important shop window for a higher-margin Drivetrain and EV Components supply business, in a variety of operating domains including public transport, industrial and aerospace.
- Significant cost-reduction initiatives including a manufacturing improvements programme and materially lower-cost battery and component sourcing.
- Contracted order book1 of £11m as of 9th January 2025.
- Raised approximately £3m through a Placing and Subscription in October 2024.
- Cash as of 30 November 2024 was £2.04m (30 November 2023: £3.91m).

Operational Highlights

- Achieved further traction in Drivetrain and EV Components Supply to OEM and Tier 1 customers, including:

  Argentina's first, domestically manufactured, electric bus which entered operation in Buenos Aires;

  An initial order for five Zero Emission Drivetrains ("ZEDs") from South American bus manufacturer Agrale S.A. ("Agrale");

An order from Agrale to supply specialised parts to support the development of a prototype electric/ethanol hybrid lightweight bus; and

Signing a manufacturing and supply agreement for ZEDs with Textron (a Fortune 500 company), a leading global manufacturer of airport ground support vehicles.

- Contract secured with leading UK Tour Bus operator, Golden Tours, to repower ten Volvo B5 London tour busses.
- Doubled the continuous power output of HTM-3500 motor, reinforcing Equipmake's strong position in the rapidly expanding global market for electrification technology.
- Continued discussions with a major automotive supplier in relation to it licencing the Group's functional safety technology and systems integration capability for its commercial vehicle business. It is envisaged this licensing agreement would total $6 million (equivalent to approximately £4.6 million) of milestone payments over two years, as well as future volume-based royalty revenues.

Post Period End

- December 2024: Commenced a Strategic Review and Formal Sale Process, as the Company did not have confirmation from the potential licensee, or any other potential licensee, as to when licences currently under negotiation would be entered into, if at all.
- December 2024: ZED system approved for bus and coach repowering under the UK Energy Saving Trust's Zero Emission Vehicle Repower Accreditation Scheme ("ZEVRAS").
- Jon Beasley will be stepping down from his role as an Independent Non-Executive Director of the Company for personal reasons, effective prior to the Company's Annual General Meeting on 15 January 2025. The Board extends its gratitude to Jon for his contribution over the past two and a half years.

[1]The contracted orderbook is orders that have been contracted but where revenue has not been recognised.

Commenting of the results, Ian Foley, CEO of Equipmake said:*"H1 FY25 has been a period of significant progress for Equipmake as we shifted our focus towards higher margin Drivetrain and EV Components business and laid the foundations for long-term profitability and growth. By scaling back our bus repowering activities and moving away from lower margin business units, we are starting to leverage the credibility and success that our technology has gained in real-world applications. This strategic shift is further bolstered by the exciting new partnerships we are developing with leading global OEMs and Tier 1 customers, such as Textron and Agrale.*

"During the period we have taken significant steps to enhance operational efficiencies and reduce costs, but the strategic review and formal sale process we are now undertaking are necessary steps to ensure we can capitalise on the growing demand for our electrification technologies. I remain confident that Equipmake's innovative solutions and the strong relationships we are cultivating will enable us to secure a pathway to sustainable growth and long-term value creation for all stakeholders."

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

	Note	Period Ended 30 November 2024 (Unaudited) £	Period Ended 30 November 2023 (Unaudited) £	Year Ended 31 May 2024 (Audited) £
Revenue	2	2,470,874	2,072,750	8,068,348
Cost of sales		(3,305,861)	(1,949,576)	(10,697,440)
Gross profit		(834,986)	123,174	(2,620,092)
Administrative expenses		(3,245,792)	(3,267,845)	(5,794,323)
Other operating income		128,601	196,801	509,681
Share based payment charge		0	(35,414)	(45,000)
Exceptional items		(336,752)	-	(1,034,029)
Operating loss		(4,288,930)	(2,974,701)	(9,092,763)
Interest receivable and similar income		7,561	35,414	54,303
Interest payable and similar expenses		(30,645)	(20,786)	(48,787)
Loss before taxation		(4,312,014)	(2,960,073)	(9,087,246)
Tax on loss	3	(11,250)	(17,862)	(112,753)
Loss for the period		(4,323,264)	(2,977,935)	(9,200,000)
Total comprehensive income for the period		(4,323,264)	(2,977,935)	(9,200,000)
Loss for the period attributable to:				
Non controlling interests				
Owners of the parent Company		(4,323,264)	(2,977,935)	(9,200,000)
		(4,323,264)	(2,977,935)	(9,200,000)
Basic loss per share in pence	5	(0.4)	(0.3)	(0.95)

INTERIM CONSOLIDATED BALANCE SHEET

AS AT 30 NOVEMBER 2024

	Note	30 November 2024 (Unaudited) £	30 November 2023 (Unaudited) £	31 May 2024 (Audited) £
Fixed assets				
Intangible assets		1,571,362	1,390,816	1,243,017
Tangible assets		1,555,382	1,286,999	1,647,350
		3,126,744	2,677,815	2,890,367
Current assets				
Stocks		3,581,616	4,743,020	3,554,641
Debtors: amounts falling due within one year		2,905,992	2,418,113	4,165,054
Cash at bank and in hand		2,043,838	3,913,331	2,480,124
		8,531,446	11,074,464	10,199,819
Creditors: amounts falling due within one year		(4,059,642)	(2,514,085)	(3,786,940)
Net current (liabilities)/assets		4,471,804	8,560,379	6,412,879
Total assets less current liabilities		7,598,548	11,238,194	9,303,246
Creditors: amounts falling due after more than one year		(307,834)	(385,772)	(307,834)
Provisions for liabilities				
Onerous contracts provision		(41,000)	-	(358,000)
Net (liabilities)/assets		7,249,714	10,852,422	8,637,412
Capital and reserves				
Called up share capital	4	112,007	95,101	102,007
Share premium		26,035,512	19,128,427	23,098,012
Other reserves		6,842,851	5,748,311	6,842,851
Profit and loss account		(25,740,656)	(15,195,796)	(21,405,458)
Share-based payments reserve		0	1,076,379	-
Equity attributable to owners of the parent Company		7,249,714	10,852,422	8,637,412
Non controlling interests		-	-	-
		7,249,714	10,852,422	8,637,412

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

	Called up share capital	Share premium	Other reserves	Profit and loss account	Share-based payments reserve	attr to ov Co
	£	£	£	£	£	
At 1 June 2024 (Audited)	102,007	23,098,012	5,748,311	(21,417,392)	1,094,540	8
Total comprehensive income for the year						
Loss for the period	-	-	-	(4,039,012)	-	(4,
Issue of shares	10,000	2,990,000	-	-	-	3
Share-based payments movement	-	(52,500)	-	(284,252)		(
At 30 November 2024 (Unaudited)	112,007	26,035,512	5,748,311	(25,740,655)	1,094,540	7

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2023

	Called up share capital	Share premium	Other reserves	Profit and loss account	Share-based payments reserve	attrib to o of Co
	£	£	£	£	£	
At 1 June 2023 (Audited)	94,823	19,128,427	5,748,311	(12,217,861)	1,049,548	13,8
Total comprehensive income for the year						
Loss for the period		-		(2,977,935)	-	(2,9
Issue of shares	278		-			
Share-based movement		-			26,831	
At 30 November 2023 (Unaudited)	95,101	19,128,427	5,748,311	(15,195,796)	1,076,379	10,8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2024

	Called up share capital	Share premium	Other reserves	Profit and loss account	Share-based payments reserve	attrib to o of Co
	£	£	£	£	£	
At 1 June 2022 (Audited)	94,823	19,128,427	5,748,311	(12,217,861)	1,049,548	13,8
Total comprehensive income for the year						
Loss for the year	-	-	-	(9,199,531)	-	(9,1
Total transactions with owners						
Loan conversion						
Issue of shares	7,185	4,137,295	-	-	-	4,1
Share issue costs	-	(167,710)	-	-	-	(1
Share-based payments charge	-	-	-	-	44,992	
At 31 May 2023 (Audited)	102,008	23,098,012	5,748,311	(21,417,392)	1,094,540	8,6

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

	Period Ended 30 November 2024 (Unaudited) £	Period Ended 30 November 2023 (Unaudited) £	Year Ended 31 May 2024 (Audited) £
Cash flows from operating activities			
Loss for the financial year	(4,323,264)	(2,977,935)	(9,199,531)
Adjustments for:			
Amortisation of intangible assets	257,574	45,381	158,000
Depreciation of tangible assets	191,784	139,403	343,000
Loss on disposal of tangible assets	(24,409)	24,390	51,000
Impairment of capitalised development			408,000

Interest paid	30,645	20,786	49,000
Interest received	(7,561)	(35,414)	(54,000)
RDEC Taxation credit (net)	(117,184)	(152,709)	(476,000)
SME R&D credit received	-	(17,958)	777,000
(Increase)/decrease in stocks	(26,975)	(1,784,695)	(597,000)
(Increase)/decrease in debtors	1,259,062	1,834,183	38,000
Increase/(decrease) in creditors	260,769	511,736	1,813,000
Increase/(decrease) in provisions	126,867	-	358,000
Corporation tax received	-	435,575	-
Share based payments charge	-	26,831	45,000
Net cash generated from operating activities	**(2,372,692)**	**(1,930,426)**	**(6,286,531)**
Cash flows from investing activities			
Purchase of tangible fixed assets	(99,817)	(678,111)	(1,241,000)
Sale of tangible fixed assets	-	-	-
Intangible assets - capitalisation of development costs	(585,920))	(653,161)	(1,053,000)
Net cash from investing activities	**(685,737)**	**(1,331,272)**	**(2,294,000)**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

	Period Ended 30 November 2024 (Unaudited) £	Period Ended 30 November 2023 (Unaudited) £	Year Ended 31 May 2024 (Audited) £
Cash flows from financing activities			
New finance leases and hire purchase contracts	0	255,324	255,000
Repayment of obligations under finance leases and hire purchase contracts	(18,367)	(79,662)	(176,000)
Interest paid	(30,645)	(20,786)	(49,000)

Interest received	7,561	20,189	54,000
Issue of ordinary shares	3,000,000	278	4,144,000
Conversion of convertible loan	-	-	-
Share issue costs	(336,752)	-	(167,000)
Net cash from financing activities	**2,621,797**	**175,343**	**4,061,000**
Net increase/(decrease) in cash and cash equivalents	**(436,632)**	**(3,086,355)**	**(4,519,531)**
Cash and cash equivalents at beginning of year	2,480,469	6,999,686	7,000,000
Cash and cash equivalents at the end of period	**2,043,838**	**3,913,331**	**2,480,469**
Cash and cash equivalents at the end of period comprise:			
Cash at bank and in hand	2,043,838	3,913,331	2,480,469
	2,043,838	**3,913,331**	**2,480,469**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

1. Basis of preparation

The group consists of the parent Equipmake Holdings PLC and subsidiary Equipmake Limited. All group entities are included within the consolidation.

These interim consolidated financial statements are for the six months to 30 November 2024. The interim results are not audited and are not the statutory accounts of the group as defined in section 434 of the Companies Act 2006.

The accounting policies and presentation that have been applied in preparing the interim consolidated financial statements are consistent with those applied in the preparation of the group's annual report and financial statements for the year ended 31 May 2024, which were prepared under FRS 102. These interim consolidated financial statements should be read in conjunction with the annual report.

Going concern

These financial statements have been prepared on a going concern basis. The Directors have reviewed the financial forecasts and have identified a requirement to raise additional funding over the next 12 months. Whilst the Directors expect that additional funding can be raised, this presents a material uncertainty which may cast doubt over the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

2. Segmental Reporting and Turnover

Segmental information is presented in respect of the Group's operating segments based on the format that the Group reports to its chief operating decision maker, for the purpose of allocating resources and assessing performance. The Group considers that the chief operating decision maker comprises the Executive Directors of the business.

The Directors manage the Group as a single business delivering electric power train solutions across a range of markets. Information that was made available to the chief operating decision maker in the reporting period included a split of gross margin by customer project, and therefore segmental information is presented along the same lines. Operating segments that share similar characteristics have been aggregated where the criteria for aggregation have been met.

Segmental Analysis for the Six Months Ended 30 November 2024 (Unaudited)

	Powertrain (inc. vehicle integration)	Powertrain (supply only)	EV components	Engineering projects	Other	**Total (excluding Grants)**	Gran
Turnover	1,532,859	(2,733)	253,587	141,228	23,648	1,948,588	522,28
Cost of sales	(2,254,070)	(73,974)	(155,439)	(87,406)	-	(2,570,889)	(734,97
Gross Margin	(721,211)	(76,708)	98,148	53,822	-	(622,301)	(212,68
Administrative expenses	-	-	-	-	-	-	
Other operating income	-	-	-	-	-	-	
Operating loss	-	-	-	-	-	-	
Net interest	-	-	-	-	-	-	
Loss before taxation	-	-	-	-	-	-	
Tax on loss	-	-	-	-	-	-	
Loss for the financial year	-	-	-	-	-	-	

2. Segmental Reporting and Turnover (continued)

Segmental Analysis for the Six Months Ended 30 November 2023 (Unaudited)

	Powertrain (inc. vehicle integration)	Powertrain (supply only)	EV components	Engineering projects	Other	**Total (excluding Grants)**	Gran
Turnover	1,260,000	259,048	140,926	251,319	-	**1,911,293**	161,45
Cost of sales	(1,144,584)	(216,244)	(84,269)	(186,204)	-	**(1,631,300)**	(318,27
Gross Margin	115,416	42,804	56,657	65,116	-	**279,993**	(156,81
Administrative expenses	-	-	-	-	-	-	
Other operating income	-	-	-	-	-	-	
Operating loss	-	-	-	-	-	-	
Net interest	-	-	-	-	-	-	
Loss before taxation	-	-	-	-	-	-	
Tax on loss	-	-	-	-	-	-	
Loss for the financial year	-	-	-	-	-	-	

2. Segmental Reporting and Turnover (continued)

Segmental Analysis for the Year Ended 31 May 2024 (Audited)

	Powertrain (inc. vehicle integration)	Powertrain (supply only)	EV components	Engineering projects	Other	**Total (excluding Grants)**	Gr
Turnover	3,854,000	2,181,000	846,000	399,000	-	**7,280,000**	788
Cost of sales	(6,770,000)	(1,548,000)	(609,000)	(297,000)	-	**(9,224,000)**	(1,473,
Gross Margin	(2,916,000)	633,000	237,000	102,000	0	**(1,944,000)**	(685,
Administrative expenses	-	-	-	-	-	-	
Other operating income	-	-	-	-	-	-	
Operating loss	-	-	-	-	-	-	
Net interest	-	-	-	-	-	-	
Loss before taxation	-	-	-	-	-	-	

Tax on loss	-	-	-	-	-	-
Loss for the financial year	-	-	-	-	-	-

2. Segmental Reporting and Turnover (continued)

Analysis of turnover by class of business:

	30 November 2024 (Unaudited) £	30 November 2023 (Unaudited) £	31 May 2024 (Audited) £
Powertrain (inc. vehicle integration)	1,542,859	1,260,000	3,854,000
Powertrain (supply only)	(2,733)	259,048	2,181,000
EV components	253,587	140,926	846,000
Engineering projects	141,228	251,319	399,000
Grants receivable	522,286	161,456	788,000
Other	23,648	-	-
	2,470,874	2,072,750	8,068,000

Analysis of turnover by destination:

	30 November 2024 (Unaudited) £	30 November 2023 (Unaudited) £	31 May 2024 (Audited) £
United Kingdom	2,081,644	1,716,027	6,165,000
Rest of Europe	365,583	299,223	1,772,000
Rest of world	23,648	57,500	131,000

2,470,874	2,072,750	5,053,540

3. Taxation

The tax charge has been estimated for the six months to 30 November 2024 based on the anticipated tax rate and estimates of eligible R&D expenditure against which a research and development expenditure credit (RDEC) and SME credit can be claimed for the period. The gross RDEC claim is included within other operating income and the SME tax credit in taxation.

4. Share Capital

	30 November 2024 (Unaudited) £	30 November 2023 (Unaudited) £	31 May 2024 (Audited) £
Allotted, called up and fully paid			
1,120,074,565 Ordinary shares (Nov 2023 - 951,004,051) of £0.0001 (Nov 2023: £0.0001) each	112,007	95,101	102,008
The following amendments to Share Capital took place in the period:			
At 30 November 2023 Ordinary shares of £0.0001 each	95,101		
Share issue - 69,070,028 Ordinary Shares of £0.0001 each on conversion of convertible loan	6,907		
At 31 May 2024 Ordinary shares of £0.0001 each	102,008		
Share issue - 99,999,996 Ordinary Shares of £0.0001 each	9,999		
At 30 November 2024 Ordinary shares of £0.0001 each	112,007		

5. Earnings per share

The calculation of basic loss per share of 0.42 pence for the six months ended 30 November 2024 is based on the loss for the period of £4,323,264 and the weighted average number of shares in issue during the period of 1,026,923,884.

The group was loss-making for all periods presented in these statements; therefore, the dilutive effect of share options has not been taken into account in the calculation of diluted earnings per share, since this would decrease the loss per share for each reporting period.

6. Share-based payments

The company operates a share-based remuneration scheme for employees, directors and stakeholders. A charge has been recognised in respect of employee share options in the period based on the fair value of the options at the grant date, estimated using the Black Scholes model.

No new options were granted in the 6 months to 30 November 2024.

	30 November 2024 (Unaudited) £	30 November 2023 (Unaudited) £	31 May 2024 (Audited) £
Equity settled schemes recognised in the profit or loss for the period	-	26,831	44,992
	-	26,831	44,992

For further information, please contact:

Equipmake Clive Scrivener, Non-Executive Chairman Ian Foley, CEO	Via St Brides Partners
VSA Capital (Rule 3 and Financial Adviser, Aquis Corporate Adviser and Broker) Andrew Raca / Simon Barton	Tel: +44 (0) 20 3005 5000
PricewaterhouseCoopers LLP (Financial Adviser) Jamie Peel / Jon Raggett	Tel:+44 (0) 20 7583 5000
St Brides Partners (Financial PR Adviser) Susie Geliher / Paul Dulieu / Will Turner	Tel: +44 (0) 20 7236 1177 equipmake@stbridespartners.co.uk

About Equipmake

Equipmake isa UK-based industrial technology company specialising in the engineering, development and production of electrification products to meet the needs of the automotive and other sectors in support of the transition from fossil-fuelled to zero-emission drivetrains.

Equipmake is a leader in high performance technologically advanced electric motors, inverters and complete zero-emission electric drivetrains and power electronic systems.Equipmake has developed a vertically integrated offering providing fully bespoke solutions to its customers. The Company is focussed on accelerating traction with OEM and Tier 1 suppliers in relation to higher margin component and drivetrain supply under long-term growth contracts and securing high margin licencing transactions.

Key differentiators of the Company offerings are its advanced technology and performance, reliability and adherence to ASIL-D[1] functional safety. Equipmake's advanced motor and inverter technology, featuring ASIL-D compliance, are designed to customers' highest Functional Safety standards. With decades of experience in electric drivetrain integration and a dedicated prototype vehicle testing facility, Equipmake can significantly accelerate product development for customers.

[1]Automotive Safety Integrity Level ("ASIL") is a risk classification scheme defined by the ISO 26262 - Functional Safety for Road Vehicles standard and is a critical requirement for road vehicles. Of the four ASILs identified by the standard, ASIL-D dictates the highest integrity requirements on the product, which require exceptional rigour in their development.

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