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AB Dynamics PLC
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AB Dynamics plc

Acquisition of eMpulse Test Systems LLC

AB Dynamics plc ("AB Dynamics", the "Company" or the "Group"), the designer, manufacturer and supplier of advanced testing, simulation and measurement products and services to the global transport market is pleased to announce the acquisition of eMpulse Test Systems LLC (the "Acquisition" or "eMpulse"),

eMpulse designs and supplies advanced servoelectric test systems to the global automotive industry for applications in noise, vibration and harshness ("NVH"), structural and durability testing, developing a rich suite of technology and IP during the course of its long history in the testing market. eMpulse serves a broad and predominantly North American customer base from its headquarters in Zeeland, Michigan, and prior to a management buyout in 2021 operated as a division of TUV SUD America.

The Acquisition supports the expansion of the Group's capabilities in the Testing Products division, specifically in relation to laboratory testing equipment, where eMpulse's product portfolio is seen as highly complementary to the Group's existing servoelectric test system offering, the Suspension Parameter Measurement Machine ("SPMM").

The Acquisition is expected to generate meaningful commercial synergies through the combination of eMpulse's complementary product portfolio with AB Dynamics' established customer relationships and global sales infrastructure. The Group believes there are significant opportunities to cross-sell eMpulse's products to AB Dynamics' existing customer base. In particular, AB Dynamics' international sales and support network is expected to accelerate the adoption of eMpulse products in geographic markets where eMpulse has historically had limited direct presence, including key regions such as Japan. The enlarged Testing Products business is expected to benefit from increased customer engagement, a broader addressable market and enhanced penetration of existing accounts, supporting long-term value creation.

Financial considerations of the Acquisition

The initial cash consideration is $11.0m (£8.1m), which has been funded from the Group's existing cash resources. The Acquisition has been completed on a cash-free, debt-free basis with the usual post completion adjustments for working capital, which is expected to result in an additional payment of approximately $1.8m (£1.4m).

Contingent consideration of up to $15.0m will be payable in cash across three tranches for the three years following completion, subject to meeting certain performance criteria in each performance period.

Based on unaudited accounts, in the year ended 31 December 2025, eMpulse generated revenue of $5.5m (2024: $9.3m; 3 year average: $8.4m), earnings before interest, tax, depreciation and amortisation ('EBITDA') of $0.5m (2024: $2.1m; 3 year average: $1.5m) and adjusted operating profit of $0.4m (2024: $2.0m; 3 year average: $1.4m). Unaudited net assets at 31 December 2025 were approximately $3m.

Following disruption in its markets during its year ended 31 December 2025, caused directly by the introduction of global tariffs, eMpulse's trading activity has recovered strongly during the first half of the year ending 31 December 2026 and is expected to show modest growth in revenue and adjusted operating profit against the three-year average. As such the Board expects that the Acquisition will be earnings enhancing for the Group in FY27, with benefits increasing in thereafter as sales synergies are delivered.

eMpulse is being acquired from its three shareholders, all of whom are expected to remain in the business to ensure ongoing delivery of the growth expectations.

Commenting, Sarah Matthews-DeMers, Chief Executive Officer said:

"I am very pleased to announce the acquisition of eMpulse and the expansion of the Group's laboratory testing product offering. eMpulse's product suite is highly complementary to the Group's existing portfolio, specifically as an adjacent product to our SPMM, both in relation to its customer base and its servoelectric technology, which provides increased performance and greater energy efficiency compared to its hydraulic alternatives.

"eMpulse has a first-class reputation for providing testing products to its North American OEM customer base and we look forward to leveraging the established global customer relationships and sales capabilities of AB Dynamics to drive cross-selling and expand this further internationally.

"We expect the acquisition to provide us with an excellent platform for growth and we are delighted to welcome the eMpulse team to AB Dynamics."

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About AB Dynamics plc

AB Dynamics is a leading designer, manufacturer and supplier of advanced testing, simulation and measurement products and services to the global transport market.

AB Dynamics is an international group of companies headquartered in Bradford on Avon. AB Dynamics currently supplies all the major automotive manufacturers, Tier 1 suppliers and service providers, who routinely use the Group's products to test and verify vehicle safety systems and dynamics.

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