

## Marshall of Cambridge (Holdings) Ltd Q3 to 30th September 2023 Trading Update Published 27th November 2023

### Highlights

- Order book of £470m and long-term order pipeline of more than £4 billion.
- Concluded the agreement which completes delivery of the original Global 6000 programme<sup>1</sup>.
- Encouraging progress towards resale of MOD's C-130 aircraft, with further sales anticipated in 2024.
- New Brunswick, Canada production facility opened and work began on new US facility in North Carolina.
- Strengthened Executive Team and Board with the appointment of David Heaford (Chief Financial Officer), Nick Shattock (Independent Non-Executive Director), and Gareth Williams (Chief Operating Officer).

Chief Executive Kathy Jenkins said: *"We continue to make progress with our 5-year plan to drive growth, deliver operational efficiencies and build on our industry-leading capabilities in the longer term. Most notably, concluding the agreement which completes delivery of the original Global 6000 programme, a significant milestone for the Group. This paves the way for further international activity in our Aerospace business, reflected in the momentum building in our sales pipeline which, alongside increasing opportunities across the Group, totals more than £4 billion.*

*Unforeseen issues do however continue to provide challenges in the short term, particularly those presented by our Land Systems legacy contracts. As we navigate our way through these issues, our focus on developing and delivering new business to plan is steadfast and we remain confident in the delivery of our 5-year growth plan and the unlocking of significant value."*

### Financial Performance

	Third Quarter		Nine months	
	Three months to 30 September 2023 £'000	Three months to 30 September 2022 £'000	Nine months to 30 September 2023 £'000	Nine months to 30 September 2022 £'000
<b>Revenue (unaudited)</b>				
<b>Total</b>	<b>79,215</b>	99,632	<b>258,339</b>	268,710

Year-to-date financial performance to 30 September 2023 was broadly in line with the Board's expectations as outlined at the Annual General Meeting held in September.

### Orders

At September 2023, the Group order book stood at £470m (versus £490m at 30 June 2023). Whilst year-to-date order intake is currently tracking below expectations, this is predominantly driven by customer delays pushing orders into Q4 and early 2024.

<sup>1</sup> Global 6000 programme: The adaptation of two Bombardier Global 6000 business jets for special-mission roles

## Outlook

For the full year 2023, the Group continues to expect to report a low to mid-single digit profit, albeit with the second half of the year falling short of expectations. Trading since September has been impacted by additional challenges in Land Systems' legacy contracts, a degree of delayed and lost orders, together with aggressive pricing in the Fleet Solutions' competitive landscape.

## Operational Highlights

### Aerospace

- Concluded the agreement which completes delivery of the original Global 6000 programme, a significant milestone for the Group.
- Restructuring post HIOS progressed as planned, with MRO expertise leveraged as hangar volumes start to rebuild.
- Increase in US Marine Corps activity; further aircraft expected during Q4 for both short and longer-term maintenance intervals.
- Encouraging progress towards resale of MOD's C-130 aircraft, with increased interest and further sales anticipated in 2024.
- In September work began on our new US facility in North Carolina, scheduled to open early 2025, enabling Marshall to compete for a much larger share of the North America C-130 MRO market.

### Land Systems

- Strong year over year revenue growth however profitability impacted by further challenges in relation to legacy low-margin contracts and a degree of delayed and lost orders in the second half of the year.
- Non-legacy contracts progressed as expected and order pipeline remains strong.
- New Brunswick, Canada production facility opened in October.

### Property

- Performance broadly in line with expectations, despite well-documented and challenging economic backdrop for the sector.
- 60 property sales completed year to date at Marleigh in Cambridge, bringing total completions to more than 195.
- Sales pipeline for the remainder of 2023 remains largely in line with expectations.

### Fleet Solutions

- Thermo King related activities continued to be behind expectations due to increasingly competitive pricing from the main competitor in the UK refrigerated logistics market.
- Recently acquired FRIGOBLOCK businesses performed to plan; post-acquisition operational efficiencies now identified and associated actions underway in line with the focus on overall profitability for the combined businesses.
- Continued focus on improving go-to-market proposition, working closely with supply partner Trane Technologies.

### Advanced Composites

- Investment in operational efficiencies led to improved delivery and enhanced customer advocacy.
- Existing contracts delivered on track.
- Some orders have slipped due to customer delay, however order pipeline remains robust.

### Skills Academy

- New workshop facility in Hangar 22, Cambridge officially opened by the UK Secretary of State for Education Gillian Keegan. A record 70 aerospace, engineering, and business apprentices joined UK apprenticeship programme in September.
- Four pilot programmes launched in Canada in September, in partnership with University of New Brunswick and New Brunswick Community College.

### Board and Executive Team Appointments

On 1 October 2023, the Board welcomed two new members. David Heaford joined in the role of Chief Financial Officer, bringing with him a long and successful track record in strategy, finance and general management roles across the real estate and technology sectors. Most recently David was Managing Director of Development at Landsec Plc, the FTSE 100 Real Estate business.

Nick Shattock was appointed as an independent Non-Executive Director. Nick is an experienced real estate leader and was formerly deputy CEO of Quintain and Non-Executive Director of the Ministry of Defence's Infrastructure Organisation. He currently holds a position as Non-Executive Director of DLUCH's Ebbsfleet Development Corporation.

In addition, Gareth Williams has joined the executive team as Chief Operating Officer. Gareth is joining Marshall after more than 15 years at Thales where most latterly he was the global Vice President for their Cyber Security business. Prior to Thales, Gareth was Operations Director for General Dynamics in the UK.