

27 March 2024

LPA Group plc

("LPA" or the "Group")

AGM 2024 – Chairman’s Statement

At the AGM of the Group to be held at 12.00 noon later today, Robert B Horvath, Chairman, will make the following statement:

“The first quarter’s trading has been as anticipated. Sales levels were largely on target, good order books remain and we are seeing an increased level of activity particularly into FY25 (financial year to 30 Sept 2025). The second quarter of FY24 will be affected by late cable shipments which are now coming around the Cape but this will be made up in our third quarter.

As we announced on 20 March 2024, both LPA Connection Systems and LPA Lighting Systems have been adversely affected by a change in the call off schedules for three key Rail contracts, including the Piccadilly line underground trains scheduled for deliveries to commence to end customer in July 2025. We are working hard to analyse the impact on the business over the next 15 months and to improve our commercial position but it is clear that the return to profitability will be in our FY25 as some of the growth and profit we were planning for FY24 will have been deferred a further year. We will update the market as soon as we have clarity.

In the meantime, operational gearing with increased production volumes, together with ongoing management actions to reshape sales mix towards higher margin product lines, is improving EBITDA and cash flow from operating activities, compared to FY23. Our cash position is good, our Bank facilities have been renewed and we will pay out the deferred elements of our two recent acquisitions from cash flow. Our aviation business is growing well and while we will continue to be subject to call off schedules on our large rail projects the management team are determined to rebalance our business both organically and through further acquisitions. As a Board, as previously announced, we have recommended a restoration of dividend payments including the payment of a final dividend following the AGM later today.”

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About LPA

LPA Group plc (AIM: LPA) is an innovation-led engineering specialist in electronic and electro-mechanical components and systems.

Focused on transport (rail and aviation), defence, infrastructure and industrial markets and supplying into hostile and challenging environments, LPA is known for engineering solutions to improve product reliability, reducing maintenance and life cycle costs.

The Group has three sites across the UK, selling to customers in the UK and overseas. Two of these are design and manufacturing sites: LPA Connection Systems - electro-mechanical systems for rail, aviation and industrial, and LPA Lighting Systems - LED lighting and electronic systems for rail and infrastructure. The third site is LPA Channel Electric - a value added distributor of engineered components for rail, aerospace, and defence.

With over 160 years of UK design and manufacture, and with origins in the first ever light installed in 'Electric Avenue', Brixton; innovation is core to LPA and to the products and services supplied to our customers worldwide.

For more information visit www.lpa-group.com

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.