Marshall of Cambridge (Holdings) Ltd – Update 1 April 2025

Marshall of Cambridge (Holdings) Ltd ("Marshall" or "the Group") today announces a trading update for the 12 month period to 31st December 2024.

Operational Performance

2024 was a challenging year, with the operational issues seen in previous years continuing throughout the period. Overall, the Group incurred a significant double digit loss for the year. Whilst a loss was anticipated, this was exacerbated by the continued delay to the ex-RAF C-130 fleet sale, together with further significant provisions taken against legacy contracts in our Land Systems business.

Within the individual business lines, Aerospace saw greater throughput in C-130 MRO versus 2023, although this was offset by the delayed sale of the ex-RAF C-130s, which had been budgeted to occur in 2024 and is now expected in Q2 2025.

Land Systems experienced improved production rates across some major contracts, with NLSC exceeding production targets and completing delivery at the end of 2024. Gasket also improved production rates and delivery will complete in 2025. However, both DVOW and DALO continue to require significant intervention and Land Systems continues to place significant cash demands on the Group as a result of continuing operating losses.

Fleet's performance continued to disappoint, with 2024 showing another significant loss, as the business faced ongoing price competition in the market.

Composites performed well in 2024 and exceeded both revenue and profit targets.

The Group's total order book increased during 2024 to £663m at December 31, compared with £471m at the same point in 2023. New contracts were won in Land Systems in both Europe and Canada.

Cash performance

Figure 1 shows the Group's net cash position over a two year period from January 2023 to December 2024. The rapid decline through 2023 lessened into the first half of 2024 as actions were taken to address underlying performance issues.

During the second half of 2024, redundancy payments pulled the Group's cash position lower, as the workforce was reduced by over 300 people. In Q4 2024, the disposal of non-core assets, the BP garage site on Newmarket Road and our 50% interest in Marleigh, brought the balance back to +£32m. £38.3m of proceeds were received on completion of the Marleigh disposal, with a further three deferred payments of £10m each to be received in the December of 2025, 2026 and 2027. £1.9m proceeds were received for disposal of the BP garage site.

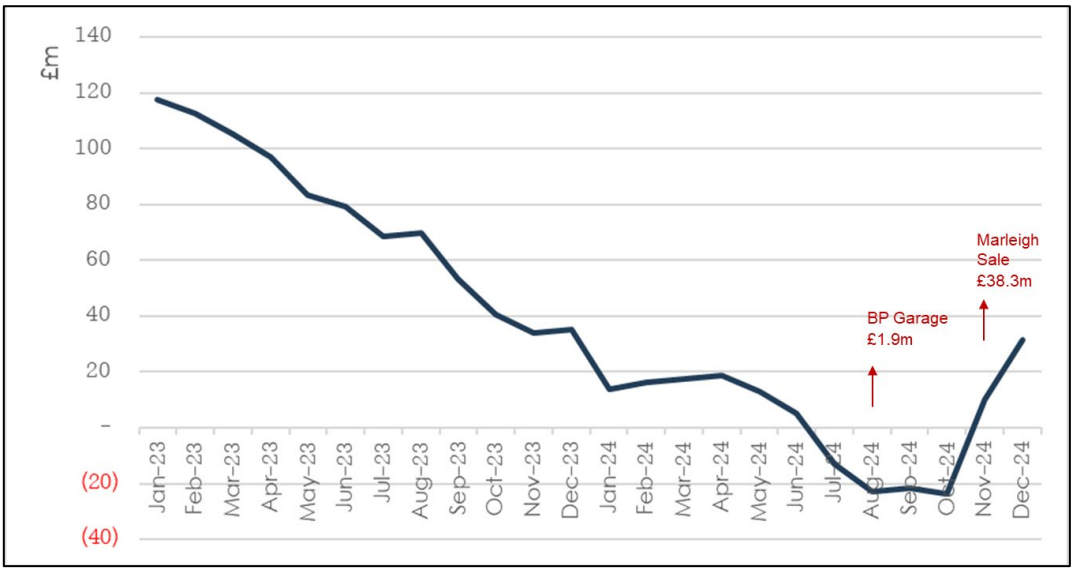

Figure 1: Group Net Cash: 2023 and 2024

Looking ahead to 2025, we currently have line of sight to cash inflows of £80–£95m in Q2 2025.

The majority of this forecasted cash inflow relates to the sale of 12 of the 15 ex–RAF C–130s, as well as to initial payments relating to the follow–on entry into service and maintenance contracts which the Group signed in February 2025. This significant milestone now awaits US Congress (ITAR) clearance and, once achieved, our contract will commence, with the cash inflows to be received shortly thereafter.

Portfolio Review Progress

As announced at last year's AGM, the Group undertook a portfolio review of all of its businesses during 2024.

Following this review, swift action was taken to close Futureworx and Skills Academy. Both businesses were loss making in 2023 and are not core to the Group's future. We continue to train our own apprentices for our own work, but will no longer train apprentices from other companies.

On 31 March 2025, we completed the sale of Marshall Fleet Solutions and its subsidiaries, including Marshall Thermo King, to Trane Technologies in its entirety. A more detailed separate announcement has also been made.

We have also been engaged in a process for the sale of our Composites business. Assuming continued good progress, we expect to reach agreement subject to contract in Spring 2025, with completion of the transaction anticipated in the Summer.

Our Land business is proving very challenging. We are relocating this business away from North Works to enable Phase 3 of the Marleigh development to proceed. We

are currently negotiating a lease for an existing facility in Huntingdon and are investigating a wide range of options for the business, with key decisions required in Q2 2025.

Our Aerospace business is strengthened by the sale of 12 of the 15 ex–RAF C–130 aircraft, providing a full workload for the next four years having secured an entry into service contract worth more than £200m in value. Seven of the 12 aircraft have already had centre wing replacements and the remaining five will also have centre wings replaced under this contract.

Cambridge East Property

We continue to work on selecting a potential partner for our Cambridge East development. No contracts have yet been agreed, and we expect to have firmed up on our plans in the Summer of 2025. Shareholders will be provided with further information at this point. Our current work is focused on preparing for planning, ground investigation work over the whole airfield site and discussions on the prospect for a new railway station near the south west boundary of our site.

Next 6 months – Financial Calendar

We anticipate publication of our year–end results and our annual report in June 2025, with the AGM to follow in July. This will provide a fuller update on 2024 activities than that which is presented here.

As you will recall, the Board deferred payment of a final dividend in respect of 2023, pending securing a stronger financial position for the Group. Assuming continued satisfactory progress in stabilising the Group's financial performance, we anticipate being able to pay a catch–up dividend in Q2 2025.