

13 April 2023

XP Power Limited
(‘XP Power’ or ‘the Group’ or the ‘Company’)

Q1 2023 Trading Update

XP Power, one of the world's leading developers and manufacturers of critical power control components to the electronics industry, is today issuing a trading update for the first quarter ended 31 March 2023 (“the period”).

Trading

Trading in the period has been in line with our expectations, and our outlook for the full year remains unchanged.

The Group had an order book of c.£280m at the end of the period. This remains well above historic levels and provides excellent full year visibility.

Consistent with the end of 2022, order intake was below revenue in the period as customers moderated order volumes from the unprecedented levels seen in 2021 and the first half of 2022, reflecting an easing of supply chain constraints and a softening of end market demand. Order intake was £61.2 million, down 45% at constant currency and 40% as reported with Semiconductor Manufacturing Equipment and Industrial Technology seeing the greatest impacts. We would expect similar order intake patterns through the second quarter before a pick up in the second half of 2023.

Revenue grew strongly to £77.9 million, up 16% year-on-year on a constant currency basis and 26% as reported. The higher revenue enabled the Group to deliver improved profitability compared to the prior year period.

£ Millions	Q1 2023	Q1 2022	Change	Change in constant currency
Orders	61.2	102.4	(40)%	(45)%
Revenue	77.9	61.8	26%	16%
Book to Bill				
First quarter	0.79	1.66	-0.87	

Financial Position and Dividend

Net debt at 31 March 2023 was £147.0 million, a reduction from £151.0 million at 31 December 2022.

Based on the Group's improved trading and stronger cash performance, net debt/EBITDA at the end of June 2023 is expected to be below that reported at the 2022 year end. We continue to expect net debt/EBITDA to reduce towards two times by the end of 2023.

The Board has declared a dividend for the first quarter of 18 pence per share (2022: 18 pence per share). The ex-dividend date will be 15 June 2023 and the dividend will be paid on 13 July 2023 to shareholders on the register at the record date of 16 June 2023. The last date for election for the share alternative to the dividend under the Company's Dividend Reinvestment Plan is 22 June 2023.

Outlook

The Group has traded well in the opening months of 2023. We have significant order book visibility covering the remainder of 2023, and into 2024, and as such our full year expectations are unchanged. We continue to expect a modest second half weighting to the full year outturn.

Longer term, the Board believes XP's clear strategy and financial framework leave the Group well positioned to grow ahead of its end markets, drive further market share gains, improve profitability and deliver strong cash generation.

Enquiries:

XP Power

Gavin Griggs, Chief Executive Officer

+44 (0)118 984 5515

David Stibbs, Interim Chief Financial Officer

+44 (0)118 984 5515

Citigate Dewe Rogerson

Kevin Smith/Lucy Gibbs

+44 (0)207 638 9571

Note to editors

XP Power designs and manufactures power controllers, the essential hardware component in every piece of electrical equipment that converts power from the electricity grid into the right form for equipment to function. Power controllers are critical for optimal delivery in challenging environments but are a small part of the overall customer product cost.

XP Power typically designs power control solutions into the end products of major blue-chip OEMs, with a focus on the Industrial Technology (circa 41% of sales), Healthcare (circa 20% sales) and Semiconductor Manufacturing Equipment (circa 39% of sales) sectors. Once designed into a programme, XP Power has a revenue annuity over the life cycle of the customer's product which is typically five to seven years depending on the industry sector. XP Power has invested in research and development and its own manufacturing facilities in China, North America, and Vietnam, to develop a range of tailored products based on its own intellectual property that provide its customers with significantly improved functionality and efficiency.

Headquartered in Singapore and listed on the Main Market of the London Stock Exchange since 2000, XP Power is a constituent of the FTSE All Share Index. XP Power serves a global blue-chip customer base from over 30 locations in Europe, North America, and Asia.

For further information, please visit xppowerplc.com