CTA AIMX CT Automotive Group PLC

Trading Update · RNS 7754D · 19 November 2026

CT Automotive cuts FY26 profit forecast to about $0.3m as Mexico problems deepen

Share price	23.66p
Market cap	£17.4m
52-week range	18p - 55p
Shares in issue	73.6m
12-month change	-25.4%

Ticker Data API, as at 18 Nov 2026, 15:08

SHARE PRICE, 12 MONTHS



SUMMARY

CT Automotive's trading update today cut expected FY26 adjusted profit before tax to approximately $0.3 million, against the $4.9 million to $9.4 million range given on 16 September. Revenue should still rise to $121.0 million, short of the $126.8 million market expectation. A new production system at the Mexico plant found $1.0 million of overstated inventory and $1.0 million of incorrect margin assumptions, and the plant is still short of cash. Net debt reached $16.5 million at the end of October. This is the third reset in four months: in August the Board expected to meet market forecasts of $10.2 million adjusted profit. FY27 revenue is guided slightly above FY26, with margins expected to recover substantially, but the size of that recovery is not given. The shares were 23.66p on the day, down 5.62%.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
FY26 expected adjusted profit before tax	approximately $0.3 million	FY26 (year to 31 December 2026)	Against $4.9 million to $9.4 million range given on 16 September 2026
FY26 expected revenue	$121.0 million	FY26	FY25 $114.8 million; market expectations $126.8 million
Net debt	$16.5 million	End of October 2026	Net debt was $12.2m at H1 26
Overstated inventory found in Mexico	$1.0 million	FY26	Plus a further $1.0 million of incorrect margin assumptions
Price recovery agreed with key customer	$1.2 million	FY26	Further recovery provided for in FY27
Mexico capital expenditure	$5.2 million	FY26	Mexico grew from under 10% of Group revenue in FY25 to approximately 40% of annualised revenue
FY25 adjusted profit before tax	$9.50m	FY25	Prior year restated $7.90m
Share price	23.66p	19 Nov 2026, day of announcement	-5.62% on the day; 52-week range 18.00p to 55.00p

Sources: Trading Update RNS, 19 Nov 2026; Trading Update RNS, 19 Nov 2026; Half-year Report, 16 Sep 2026; Final Results, 20 May 2026; Ticker company data

THE ANNOUNCEMENT

- FY26 adjusted profit before tax is now expected to be $0.3 million, against the $4.9 million to $9.4 million range given on 16 September 2026. FY26 revenue is expected to be $121.0 million (FY25 $114.8 million), slightly behind market expectations of $126.8 million, after softer European demand on one programme and delayed starts for two Mexico programmes.
- Lower Q4 revenue costs an estimated $1.7 million of profit. A new manufacturing execution system in Mexico found $1.0 million of overstated inventory and $1.0 million of incorrect margin assumptions. Further forecast adjustments of approximately $0.9 million, a $0.3 million contingency and a $0.7 million hit from the weaker Mexican peso add to the shortfall. Financial leadership at the Mexico plant has been changed.
- Cash remains tight. A key customer is in Chapter 11, which stops the Group drawing on its invoice finance facility, and Mexican VAT receivables are still outstanding. Liquidity-driven inefficiencies in Mexico are now expected to cost $0.2 million more than the $1.6 million flagged in September. Net debt was $16.5 million at the end of October.
- On 18 November the Group agreed prices with the key customer, recovering $1.2 million in FY26, with further recovery in FY27 linked to agreed pricing per product. The first Mexican VAT claim under a new process has been paid and a second approved, and average recovery times are forecast to fall from 18 months to 3 months during FY27.
- The Board expects FY27 revenue slightly above FY26, with operational profit margin expected to recover substantially. Cash constraints are assumed to continue into Q1 2027. The Board is satisfied the Group is a going concern for at least twelve months, including in a downside case where VAT recovery and receivables funding take longer. The search for a Group CFO, begun in September, continues.

AGAINST GUIDANCE

The forecast has fallen sharply in three steps. On 4 August 2026 the Board said it would meet FY26 market expectations of $123.5 million revenue and $10.2 million adjusted profit before tax, with a stronger second half compensating for the first. On 16 September it cut the profit range to $4.9 million to $9.4 million. Today's figure of $0.3 million sits far below even the bottom of that range, and revenue of $121.0 million is below the $126.8 million market expectation. With H1 26 adjusted profit of $1.6 million, the new forecast implies a second-half adjusted loss. The $1.2 million customer price recovery is already included in the $0.3 million.

BULL CASE

- Mexico has scaled quickly. Monthly sales rose from around $0.8 million at the start of the year to around $4 million, headcount from 447 to 909, and 18 new production lines were added. The plant now makes up approximately 40% of annualised Group revenue, and two delayed Mexico programmes push revenue into FY27 without losing it.
- Two of the cash blockages show signs of easing. The first Mexican VAT claim under the new automated process has been paid and a second approved, with recovery times forecast to fall from 18 months to 3 months during FY27. The CEO expects the key customer to exit Chapter 11 imminently, which would allow invoice finance to resume.
- The price settlement brings $1.2 million in FY26 and a mechanism for further recovery in FY27. China and Türkiye are performing in line with expectations, and enhanced currency hedges reduce FY27 exposure to the peso.
- The Board has tested a downside case with slower VAT recovery and receivables funding and remains satisfied on going concern for twelve months. At a market value of £17m, a partial return towards FY25's $9.50m adjusted profit would matter a great deal to the equity.

BEAR CASE

- Forecasting has repeatedly failed. FY24 was restated in May (adjusted profit down $0.8m, net assets down $5.0m), and FY26 guidance has moved from $10.2 million to a $4.9 million to $9.4 million range to $0.3 million in under four months, with no permanent Group CFO in place. The FY27 margin recovery is described only as substantial.
- Not all of the shortfall is timing. The $1.0 million inventory overstatement corrects an asset on the balance sheet and will not come back as cash, and the margin error lowers the profit to expect on planned output.
- Debt is rising while cash stays tight. Net debt went from $12.2m at the half-year to $16.5 million at the end of October, after $5.2 million of Mexico capital expenditure, and cash constraints are expected into Q1 2027. A $20.0m facility announced in October 2024 matures on 31 October 2027.
- Demand outside North America is uncertain. European demand softened on one programme in Q4, and the Group expects some weakening in European customer demand in FY27 from wider economic headwinds.

WHAT TO WATCH

- Confirmation that the key customer has left Chapter 11 and that invoice finance has been restored, which the Group needs to ease Mexico's working capital.
- VAT cash actually received against the outstanding balance, and whether net debt falls from the $16.5 million October level at the next update, provisionally expected around 14 January 2027.
- The FY26 audited accounts: whether the inventory correction brings further adjustments, how the going-concern statement treats the October 2027 facility maturity, and whether management sets out a figure for FY27 margin recovery.
- Appointment of a permanent Group CFO, which the Group says it will announce when appropriate.

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