

1 May 2019



ULS Technology plc (The “Group”)

Trading Update and Notice of Results

ULS Technology plc (AIM:ULS), the provider of online B2B platforms for the UK conveyancing and financial intermediary markets, provides a trading update for the 12 months to 31st March 2019.

Financial Highlights

The Group expects to announce financial results for the 12-month period broadly in line with both market expectations and the prior year. Whilst revenue was slightly behind the prior year, at £29.9million (2018: £30.7m), a strong gross margin performance delivered an adjusted profit before tax* of £5.4 million (2017: £5.5 million).

The economic backdrop during the year was highly unsettled, with Brexit widely blamed for the continued nationwide slow-down in the housing market.

The Group continues to generate strong cash flow and the Directors will, subject to shareholder approval, maintain the Group’s policy of paying a progressive dividend for this financial year.

*before exceptional items and amortisation of intangibles arising on consolidation.

Operational Highlights

The Group’s gross margin improved as a result of refocusing the sales team’s attention on increasing the number of mortgage brokers using the Company’s platforms. This has led to improved sales of higher margin services and the Directors expect this momentum to continue into the new financial year.

A pilot version of the Group’s new flagship product, DigitalMove, was launched in January 2019 (on schedule) enabling purchase conveyancing cases to be completed in a secure and paperless environment. This is phase one of a multi-phased launch of the product which will be rolled-out over the next 12 months.

Outlook

Operationally, the new financial year is expected to be one of positive transition, as the business continues to penetrate the mortgage broker community and delivers the roll-out of DigitalMove. While DigitalMove is not expected to generate significant revenue in the period, it is expected to be a key differentiator in winning new business going forwards as well as opening up new revenue streams. Early feedback has been extremely positive and the Group has great confidence in the long term success of the product.

Market conditions at the start of the year remain unsettled with lower transaction volumes reported across the market compared to the prior year. The Board is conscious of these market headwinds, however, believes that continued investment in the business will help to insulate the Group from this and to benefit when the market recovers.

Notice of Results

The Group will announce its full year results for the year ending 31 March 2019 on 19 June 2019 and will hold an analyst briefing at 09.30am at Walbrook PR’s offices on that day. Analysts wishing to attend the briefing should telephone Walbrook on 020 7933 8780 or email ulsgroup@walbrookpr.com.

Steve Goodall, Chief Executive of ULS Technology plc, commented:

“Since becoming CEO a year ago I am pleased to report that the business has continued to grow operationally and, being in a strong financial position, we have made a number of investments to drive the long-term profitability of the Group. In particular the investment in DigitalMove underpins the longevity of the business and gives us a clear advantage over our competitors. It has also included an expansion of and refocusing of activity within our sales team. Such investments will ensure that the Group builds a strong base for long-term profit growth.”

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.