

Renishaw plc
Trading update
26 October 2023

Steady recent performance in challenging market conditions

Renishaw plc, the global provider of manufacturing technologies, analytical instruments and medical devices, publishes this trading update for the three months ended 30 September 2023. It contains unaudited information that covers the first quarter of the financial year and the period since.

Trading activity

	3 months to 30 September 2023	3 months to 30 September 2022	Change
Manufacturing technologies	£156.8m	£172.8m	-9%
Analytical instruments and medical devices	£7.7m	£7.1m	+8%
Total revenue	£164.5m	£179.9m	-9%
Total revenue at FY2023 exchange rates	£169.6m	£179.9m	-6%
Adjusted* profit before tax	£28.0m	£40.0m	-30%
Statutory profit before tax	£28.0m	£38.6m	-27%

Revenue was £164.5m, compared to £179.9m for the corresponding period last year, representing a 9% reduction and a 6% reduction at constant currency. All regions experienced reduced demand compared to Q1 FY2023. Whilst there was modest growth for the Industrial Metrology area of our business, revenues for our Position Measurement products were substantially below a strong period last year. However, compared to Q4 FY2023, revenue was 1% lower at constant currency, with no significant changes to market conditions.

In our Manufacturing technologies business, revenue amounted to £156.8m, compared to £172.8m last year. Revenue for our Analytical instruments and medical devices business was £7.7m, an increase of 8% compared with £7.1m last year.

Adjusted profit before tax for the first quarter amounted to £28.0m (FY2023: £40.0m) and was 4% lower than the final quarter of the previous financial year. Statutory profit before tax amounted to £28.0m (FY2023: £38.6m).

Financial position

The Group balance sheet remains strong with net cash and cash equivalents and bank deposit balances of £206.7m at 30 September 2023 (30 June 2023: £206.4m).

Outlook

Trading conditions remain challenging due to subdued demand, most notably from the semiconductor sector. We continue to see positive investment trends in robotics, defence, low emission transportation and additive manufacturing.

We continue to carefully manage costs, implement targeted price rises and focus on productivity improvements.

Our investments in product innovation, infrastructure, and people leave us well-positioned to benefit from a recovery in our markets. We are confident in our strategy to deliver sustainable long-term growth.

The results for the half year ending 31 December 2023 will be released on 6 February 2024.

Will Lee
Chief Executive
26 October 2023

Allen Roberts
Group Finance Director

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* The adjustment to statutory profit relates to the accounting treatment of certain forward currency contracts used as hedging instruments which do not qualify for hedge accounting as they do not meet the hedge effectiveness criteria set out in the International Accounting

Standard IFRS 9 'Financial Instruments'. The Board deems that the adjusted profit before tax also represents a useful measure of performance of the Group. All previously ineffective contracts matured in FY2023 and no further contracts have been designated as ineffective in FY2024. The following table reconciles statutory profit before tax to adjusted profit before tax:

£'m	3 months to 30 September 2023 £'000	3 months to 30 September 2022 £'000
Statutory profit before tax	28.0	38.6
Fair value (gains)/losses on financial instruments not eligible for hedge accounting		
- reported in revenue	-	(3.7)
- reported in (gains)/losses from the fair value of financial instruments	-	5.1
Adjusted profit before tax	28.0	40.0

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