

**Hargreaves Services plc**  
("Hargreaves" or the "Group")

**Pre-Close Trading Update and Notification of Preliminary Results**

**Hargreaves Services plc** (AIM: HSP), a diversified group delivering services to the industrial and property sectors, is pleased to provide the following update on trading ahead of reporting its preliminary results for the year ended 31 May 2024 in which the Board expects to report Profit before Tax ("PBT") marginally ahead of market expectations\*.

The Services business unit continued to perform well throughout the second half of the year, building on a strong first half. The Board anticipates reporting a year-on-year growth in divisional PBT after adjusting for the £3.2m one off gain recorded in the prior year. This growth has been driven by activities from the Earthmoving and Environmental operations within the Services business.

Hargreaves Land also had a strong second half with notable deal completions including a residential site at Maltby and the land occupied by an 'Energy from Waste' plant at Westfield. As a result, the Board expects the business unit to report a record PBT for the year, marginally higher than previously anticipated, driven by the early completion of a number of option fees for renewable energy ground leases. Despite this increase in PBT, headline Revenue in Hargreaves Land is anticipated to be lower than expectations due to a greater proportion of profits deriving from sales of Investment Properties. The business unit remains well positioned to bring the first tranche of renewable energy land assets to market in the financial year ending 31 May 2025.

As previously reported, the Group's German Joint Venture, Hargreaves Raw Materials Services GmbH ("HRMS") had a difficult first half of the year. The Board expects to report a substantial improvement in performance in the second half in line with expectations. This improvement has been due, in part, to seasonality with the annual plant maintenance period occurring in the first half. In addition, trading volumes have improved, and the recycling operation has started to see increased gate fees and pig iron pricing, which is expected to continue into the new financial year.

On 31 May 2024 the Group held cash reserves of £22.7m (2023: £21.9m). During the year the Group paid £7.7m relating to the buy-in of the pension scheme (including a loan of £4.0m), this investment has offset the cash generation within the Group. Details of this transaction were announced on 4 March 2024 (see [here](#)).

The only debt held by the Group, excluding debt within its Joint Ventures, relates to leasing debt for specific operating plant. The total value of this debt at the year-end was approximately £28.6m (2023: £36.4m). The decrease reflects net repayments of leasing debt over the course of the financial year.

**Notification of Preliminary Results**

The Board expects to report its preliminary results for the year ended 31 May 2024 on Wednesday 31 July 2024. Details of the analyst meeting and investor meeting to accompany the results, via the Investor Meet Company platform, will be provided in due course.

\* Market expectations for FY24 revenue and PBT are £219.0m and £16.1m respectively.

**For further details:**

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**About Hargreaves Services plc ([www.hsgplc.co.uk](http://www.hsgplc.co.uk))**

Hargreaves Services plc is a diversified group delivering services to the industrial and property sectors, supporting key industries within the UK and South East Asia. The Company's three business segments are Services, Hargreaves Land and an investment in a German joint venture, Hargreaves Raw Materials Services GmbH ("HRMS"). Services provides critical support to many core industries including Energy, Environmental, UK Infrastructure and certain manufacturing industries through the provision of materials handling, mechanical and electrical contracting services, logistics and major earthworks. Hargreaves Land is focused on the sustainable development of brownfield sites for both residential and commercial purposes. HRMS trades in specialist commodity markets and owns DK Recycling, a specialist recycler of steel waste material. Hargreaves is headquartered in County Durham and has operational centres across the UK, as well as in Hong Kong and a joint venture in Duisburg, Germany.

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