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Renold PLC
20 November 2024

Renold plc

("Renold", the "Company" or, together with its subsidiaries, the "Group")

Interim results for the half year ended 30 September 2024

Resilient trading; improved margin; underlying full year expectations unchanged

Renold (AIM: RNO), a leading international supplier of industrial chains and related power transmission products, announces its interim results for the six month period ended 30 September 2024.

Financial summary	**Half year ended**			
£m	**30 September 2024**	30 September 2023	Change	Change (Constant currency)[1]
Revenue	**123.4**	125.3	(1.5)%	+0.6%
Adjusted operating profit[2]	**15.2**	15.0	+1.3%	+4.0%
Return on sales[2]	**12.3%**	12.0%	+30bps	+40bps
Adjusted profit before tax[2]	**11.3**	11.3	-	
Net debt[3]	**42.2**	28.3		
Adjusted earnings per share[2]	**4.2p**	3.8p	+10.5%	
Additional statutory measures				
Operating profit	**13.4**	16.2	(17.3)%	
Profit before tax	**9.5**	12.5	(24.0)%	
Basic earnings per share	**3.3p**	4.4p	(25.0)%	

Financial highlights

- Revenue at £123.4m increased 0.6% at constant exchange rates, although down 1.5% at reported rates due to currency headwinds.
- Chain and TT divisions both reported an increase in revenue, at constant exchange rates.
- Adjusted operating profit at £15.2m (2023: £15.0m) up 4.0% at constant exchange rates, and 1.3% at reported exchange rates.
- Further margin expansion; return on sales increased 30bps, (40bps at constant exchange rates) to 12.3% (2023: 12.0%).
- Net debt at 30 September 2024 £42.2m (31 March 2024: £24.9m), after acquisition costs to date of £23.3m. Net debt was 1.0x adjusted EBITDA (2023: 0.7x).
- Adjusted EPS up 10.5% to 4.2p (2023: 3.8p).
- IAS 19 retirement benefit deficit reduced 8.6% to £52.2m (31 March 2024: £57.1m).

Business highlights

- Acquisition of Mac Chain based in British Columbia, Canada and the Pacific Northwest of the USA for a total consideration, incl. deferred amounts, of £23.8m, increasing the Group's access to the North American conveyor and forestry chain markets. The integration process is progressing well and the business is performing in line with expectations. The Americas now represent c. 47% of Group revenue on a pro-forma basis.
- Further progress made to improve productivity, reduce costs and in capital investment, accelerating the integration of Group-wide supply chains and increasing operational capabilities.
- H1 order intake up 11.5% compared to prior year, including military contract win of £10.6m for the Royal Canadian Navy.
- Order book at 30 September 2024 of £80.8m, remains strong compared to historic levels (30 September 2023: £83.6m).
- Post period end, Renold's manufacturing facility in Valencia was significantly impacted by the well-publicised flooding in the region and although the financial impact is still being assessed the net cost to the Group is expected to be c. £1m.
- Board remains confident of delivering underlying full year results in line with market expectations[4]

[1] See below for reconciliation of actual rate, constant exchange rate and adjusted figures.
[2] See Note 12 for definitions of adjusted measures and the differences to statutory measures.
[3] See Note 8 for a reconciliation of net debt which excludes lease liabilities.
[4] Company compiled analyst consensus for FY25 is for revenue of £252.5m with a range of £252.4m to £252.6m and operating profit of £30.4m with a range of £29.5m to £31.2m.

Robert Purcell, Chief Executive of Renold, said:

"Renold continue to deliver improving results in what have been variable and generally difficult markets. The Renold business with its diversity of customers, geography, markets and applications has shown its strength in a period of considerable economic upheaval. Our STEP2 Strategy is being consistently executed and is delivering good results.

"In the first half we have made further progress with our inorganic growth strategy through the acquisition of Mac Chain, another excellent addition to the Group and one that enhances our market position in a number of sectors and geographies. Our strong cash generation means that we can accelerate the cadence of value enhancing bolt-on acquisitions.

"The floods in Valencia were devasting for the local communities and our factory was directly impacted. Our colleagues are all safe, and efforts are underway to restore business as usual, and they are doing a fantastic job despite operating in a very difficult environment. Whilst there will be a short term operational impact, we are, and will, cope with the challenges.

"Whilst we see no signs of the global economic conditions significantly improving in the second half, the resilience of the Group gives the Board confidence in delivering underlying full year results in line with market expectations[4]."

Reconciliation of reported, constant exchange rate and adjusted results

	Revenue		**Operating profit**		**Earnings per share**	
	H1 2024/25 £m	H1 2023/24 £m	**H1 2024/25 £m**	H1 2023/24 £m	**H1 2024/25 pence**	H1 2023/24 pence
Statutory at actual exchange rates	**123.4**	125.3	**13.4**	16.2	**3.3**	4.4
Adjust for non-recurring items:						
Assignment of lease of closed site	**-**	-	**-**	(2.2)		
Acquisition costs	**-**	-	**1.2**	0.5		
Amortisation of acquired intangible assets	**-**	-	**0.6**	0.5		
Adjusted at actual exchange rates	**123.4**	125.3	**15.2**	15.0	**4.2**	3.8
Exchange impact	**2.7**	-	**0.4**	-		
Adjusted at constant exchange rates	**126.1**	125.3	**15.6**	15.0		

Investor Presentation

The Company will conduct a live presentation and Q&A session for investors on the same day as the release of the interim results, 20 November 2024, at 5:30 pm GMT. The presentation is open to all existing and potential shareholders. Those wishing to attend should register via the following link and they will be provided with log in details:

https://us02web.zoom.us/webinar/register/WN_zYZhNwhNQ3yc5j-SL4EDYA

There will be the opportunity for participants to ask questions at the end of the presentation. Questions can also be emailed to renold@investor-focus.co.uk ahead of the presentation.

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Cautionary statement regarding forward-looking statements

Some of the information in this document may contain projections or other forward-looking statements regarding future events or the future financial performance of Renold plc and its subsidiaries. You can identify forward-looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could", "may" or "might", the negative of such terms or other similar expressions. Renold plc (the Company) wishes to caution you that these statements are only predictions and that actual events or results may differ materially. The Company does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of the Group, including among others, general economic conditions, the competitive environment as well as many other risks specifically related to the Group and its operations.

conditions, the competitive environment as well as many other risks specifically related to the Group and its operations. Past performance of the Group cannot be relied on as a guide to future performance.

NOTES FOR EDITORS

Renold is a global leader in the manufacture of industrial chains and also manufactures a range of torque transmission products which are sold throughout the world to a broad range of original equipment manufacturers, distributors and end-users. The Group has a reputation for quality that is recognised worldwide. Its products are used in a wide variety of industries including manufacturing, transportation, energy, metals and mining.

Further information about Renold can be found at: www.renold.com

Chief Executive's statement

The Group's performance in the first six months of the year was strong, when set against continued market weakness seen in Europe and China, a softening of the US market ahead of the US Presidential elections, and increased foreign exchange headwinds. Revenues reduced 1.5% to £123.4m (2023: £125.3m). At constant exchange rates, revenues increased 0.6%.

Group adjusted operating profit increased by 1.3% to £15.2m (2023: £15.0m), an improvement of 4.0% at constant exchange rates. The TT division materially improved its operating profit (up 10.9%) as the benefits of prior year productivity improvements, and the continuing impact of the long-term military contracts in the Couplings business are reflected in margin expansion of 120bps.

Group return on sales increased by 30bps, to 12.3% (2023: 12.0%), continuing the progress seen in previous years, and demonstrating the Group's ability to pass through cost inflation and improve productivity.

Statutory operating profit reduced to £13.4m (2023: £16.2m), as the exceptional profit in the prior year of £2.2m related to the assignment of the lease of the closed Bredbury site was a one-off, while acquisition costs increased to £1.2m. The statutory operating profit margin for the period was 10.9% (2023: 12.9%).

Net debt increased during the period to £42.2m (31 March 2024: £24.9m) following the acquisition of Mac Chain for an initial net cash consideration of £21.2m in September 2024. The Group made the final payment on the YUK acquisition of £1.7m, and also re-introduced a dividend of £1.0m, which was paid in the period. Excluding the impact of the above payments, underlying cash generation was some £6.6m, and would have resulted in a half year net debt position of £18.3m.

Order intake for the period was £122.3m, an increase of 11.5% (2023: £109.7m), or a 14.3% increase at constant exchange rates. Mac Chain contributed £1.2m to order intake in the period. The order book as at 30 September 2024 of £80.8m remains higher than historic levels, and represents a constant currency increase of 0.6% over the previous financial year.

Global markets continue to be uncertain, with activity levels in both mainland Europe and China recovering more slowly than initially anticipated. However, material and labour cost inflation is now reducing.

Overall, trading and profitability for the first half of the financial year was in line with the Board's expectations. The good trading performance in the period, coupled with the strong order book, underpins management's confidence in the outturn for the full financial year.

After the period end, our Chain manufacturing facility in Valencia was directly hit by the recent severe flooding in the region. Most importantly, the local team are all safe, but they, their families and communities have been, and continue to go through, a very difficult period. Fortunately, the Valencia logistics centre, which accounts for approximately 70% of our Spanish business, was completely unaffected. Our business continuity plans have worked well and we do not expect any medium term material impact. The Group is insured for asset and business interruption and we expect a full recovery of our costs, minus a deductible, although there will be some short term cash impact.

Acquisitions

On 9 September 2024, the Group acquired the trade and net assets of Mac Chain Company Ltd (U.S.) and the entire issued share capital of Mac Chain Company Limited (Canada) (together, "Mac Chain") for a total cash consideration of £23.8m.

With operations in the Pacific Northwest of the USA, British Columbia, and Quebec, Canada, Mac Chain is a manufacturer and distributor of high quality conveyor chain ("CVC") and ancillary products, with a significant presence in the forestry and broader industrial markets. The acquisition substantially increases the Group's access to the Western US and Canadian CVC markets, particularly forestry, which we have identified as a significant opportunity. With Renold's existing US and Canadian operational footprint, the acquisition presents significant opportunities for synergies upon integration.

The Mac Chain acquisition demonstrates further strategic momentum, supplementing organic growth through high quality bolt-on acquisitions which can expand our geographic presence, grow our product offering and strengthen our market position in key end markets, expanding Renold's existing Chain business in North America by c.33%.

The Board is pleased with the performance of Mac Chain, which was in line with expectations in the weeks since completion of the acquisition and remains excited by the opportunities beginning to emerge.

There remains an active pipeline of acquisition opportunities which the Group continues to review as part of its growth strategy. The Board adopts a disciplined approach to its acquisition strategy, with investments focussed on complementary industrial chain businesses. Acquisitions are expected to be earnings accretive within the first year, whilst leverage is maintained at conservative levels.

Business and financial review

	Revenue		**Adjusted operating profit**		**Return on sales**	
	2024/25	2023/24	**2024/25**	2023/24	**2024/25**	2023/24
Six month period	**£m**	£m	**£m**	£m	**%**	%
Chain	**99.4**	98.9	**15.9**	15.8	**16.0**	16.0
Torque Transmission	**29.6**	28.8	**5.1**	4.6	**17.2**	16.0
Head office costs/						

Inter segment sales elimination	**(2.9)**	(2.4)	**(5.4)**	(5.4)	**-**	-
Total Adjusted at constant rates	**126.1**	125.3	**15.6**	15.0	**12.4**	12.0
Impact of foreign exchange	**(2.7)**	-	**(0.4)**	-	**(0.1)**	-
Total Adjusted at actual rates	**123.4**	125.3	**15.2**	15.0	**12.3**	12.0
Adjusting items:						
Assignment of lease of closed site	**-**	-	**-**	2.2		
Amortisation of acquired intangible assets	**-**	-	**(0.6)**	(0.5)		
Acquisition costs	**-**	-	**(1.2)**	(0.5)		
Statutory	**123.4**	125.3	**13.4**	16.2	**10.9**	12.9

Chain

The Chain division's revenue at reported exchange rates reduced by 1.8% to £97.1m. Revenue at constant exchange rates increased by 0.5% to £99.4m. Mac Chain contributed revenue of £1.2m in the three weeks of ownership in the half year. Adjusted operating profit for the Chain division of £15.5m reduced by 1.9% at reported exchange rates, and at constant exchange rates adjusted operating profit increased by 0.6%. Return on sales for the Chain division was flat at 16.0% (2023: 16.0%). Due to the proximity to the half year end and the need to ensure the necessary valuations are completed, no profit (which is expected not to be material) has been included for Mac Chain in the period.

Chain Performance

Six month period	**2024/25 £m**	2023/24 £m	**2024/25 ROS %**	2023/24 ROS %
External revenue	**96.7**	98.4		
Inter-segment revenue	**0.4**	0.5		
Total revenue	**97.1**	98.9		
Foreign exchange	**2.3**	-		
Revenue at constant exchange rates	**99.4**	98.9		
Operating profit	**14.9**	17.5	**15.3**	17.7
Assignment of lease of closed site	-	(2.2)		
Amortisation of acquired intangible assets	**0.6**	0.5		
Adjusted operating profit	**15.5**	15.8	**16.0**	16.0
Foreign exchange	**0.4**	-		
Adjusted operating profit at constant exchange rates	**15.9**	15.8	**16.0**	16.0

Revenue movements by region were as follows:

- In Europe revenue reduced by 4.1% (1.8% reduction at constant exchange rates). Softness in the German market continued during the period, while sales in Switzerland were also subdued. However, sales in the UK increased by 4.6%, while sales in France increased by 17.7%. The integration of the YUK business continued as planned, as CVC chain and transmission chain ("TRC") sales in Spain increased by 18.1% while product manufactured by YUK in Spain, and sold throughout Europe, also increased.
- Americas revenue reduced by 2.5% at reported exchange rates, but increased by 0.9% at constant exchange rates. Sales of both engineering chain and leaf chain (used in fork lift trucks) remained strong. New opportunities with distributors, especially in the warehouse and distribution markets, will generate additional future sales.
- Australasian revenues increased by 18.8%, or 20.4% at constant exchange rates. The business continued to benefit from its strategy to target South East Asia, with strong growth recorded in each of the Malaysian, Indonesian and Thai markets.
- Revenues in India recovered strongly with constant currency revenues up 17.0%. Increased competition from Chinese competitors abated, while sales to the agricultural markets recovered. Intra Group supply, especially to the USA, was strong, particularly for larger CVC Chain. The capital investment programme in India aimed at increasing the quality of production to Western standards continued. To enhance market coverage we continued to expand our domestic dealer network and the number of local warehouses.
- Revenues in China were down 6.7% (at constant exchange rates) as the impact of a weak Chinese economy was reflected in domestic demand. Offsetting this, intra Group volume to Europe recovered. The transfer of YUK's externally purchased product to Jintan continued. A similar external to internal product shift will be undertaken at Mac Chain, with some benefit expected in H2.

Order intake at constant exchange rates increased by 4.8% to £92.6m.

Torque Transmission ("TT")

TT Performance

Six month period	**2024/25 £m**	2023/24 £m	**2024/25 ROS %**	2023/24 ROS %
External revenue	**26.7**	26.9		
Inter-segment revenue	**2.5**	1.9		
Total revenue	**29.2**	28.8		
Foreign exchange	**0.4**	-		
Revenue at constant exchange rates	**29.6**	28.8		
Operating profit (and adjusted operating profit)	**5.1**	4.6	**17.5**	16.0
Foreign exchange	**-**	-		
Adjusted operating profit at constant exchange rates	**5.1**	4.6	**17.2**	16.0

TT divisional revenues, at constant exchange rates, of £29.6m were £0.8m (2.8%) higher than in the prior year.

Continued growth in the US, Chinese and French markets, offset a slow down in activity in the Spanish and Gears business. The long-term military contracts continued in line with the production schedule, which led to an increase in profitability during the half year. Additionally, the division benefited from an increase in capacity due to capital investments in automated machines, and efficiency improvements driven by greater visibility as additional sites use M3, the Group standard ERP system.

As a result of increased sales activity, selling price rises and improved output, as well as a normalisation in product mix, divisional operating profit at constant exchange rates increased by £0.5m to £5.1m. Return on sales increased in the period by 150bps to 17.5% (2023: 16.0%).

The division benefitted from the receipt of a significant order (£10.6m) for the Royal Canadian Navy in the half year. Excluding this order, order intake at constant exchange rates increased by 3.6%. The closing order book for the division of £43.0m should ensure that momentum will continue into the second half.

Cash flow and net debt

Half year to 30 September	**2024/25 £m**	2023/24 £m
Adjusted operating profit	**15.2**	15.0
Add back: Depreciation and amortisation	**5.0**	4.9
Share-based payments	**0.8**	0.7
Adjusted EBITDA	**21.0**	20.6
Movement in working capital	**0.2**	(1.4)
Net capital expenditure	**(5.1)**	(2.1)
Operating cash flow	**16.1**	17.1
Income taxes	**(2.9)**	(1.3)
Retirement benefit cash costs	**(3.1)**	(6.0)
Repayment of lease principal	**(1.3)**	(1.4)
Financing costs paid	**(2.7)**	(2.2)
Acquisition consideration[1]	**(23.3)**	(4.9)
Dividends paid	**(1.0)**	-
Other	**0.9**	0.2
Change in net debt	**(17.3)**	1.5
Closing net debt	**(42.2)**	(28.3)

[1] Includes £21.2m net consideration for the Mac Chain acquisition, together with £1.7m deferred consideration in relation to the acquisition of Industrias YUK S.A in FY23 and £0.4m of acquisition costs for Mac Chain.

Net Debt at £42.2m increased by £17.3m in the period (31 March 2024: £24.9m).

Working capital remained broadly flat during the half year, while net capital expenditure of £5.1m increased over the prior year, as investments in production capabilities, especially in our Indian, US and TT divisions continue apace, including expansion of press capabilities, improved heat treatment and continuing roll-out of the Group's standard ERP system.

Corporation tax payments on account of £2.9m were £1.6m higher than in the prior year. Following full utilisation of US tax loses, tax payments on account commenced during the half year.

Financing cash costs increased relative to the first half of last year reflecting the increase in market interest rates. The Group re-introduced a dividend, paying £1.0m in the period.

Retirement benefit cash costs were in line with expectations.

Post period end, on 29 October 2024, the Valencia region was hit by severe flooding. The Group's Valencia CVC manufacturing facility (approximately 30% of the Group's Spanish business) saw extensive flooding, but the nearby Valencia TRC distribution centre (approximately 70% of the Group's Spanish business) was unaffected. The Group is fully insured, including business interruption, and the insurance claim will cover all financial impacts on the Group, with the final amount still to be quantified. After paying the insurance deductible and certain other costs, the estimated net cost to the Group is expected to ultimately be approximately £1.0m. There will, however, be a short term financial impact on the Group. Against the still to be quantified, but currently estimated at £10.5m, insurance recovery expected in FY26 will be an exceptional write off of inventory and factory equipment, estimated at £4.2m, and an exceptional trading impact of £1.5m, split over the current financial year and FY26.

Retirement benefits

The Group has a number of closed defined retirement benefit arrangements. Cash payments to the UK pension scheme in the current financial year are expected to be £5.7m of which £3.0m was paid in the first half year. The cash cost of pensions in payment in Germany are expected to be £1.2m in FY25. This cash cost will remain at this level in the medium term.

The Group's IAS 19 deficit decreased from £52.7m at 30 September 2023 to £52.2m at 30 September 2024.

	30 September 2024				31 March 2024			
Retirement benefit	UK	Germany	Other	Total	UK	Germany	Other	Total
	£m	£m	£m	£m	£m	£m	£m	£m
IAS 19 liability	(35.1)	(17.2)	0.1	(52.2)	(39.7)	(17.5)	0.1	(57.1)
Net deferred tax asset	0.6	2.7	-	3.3	-	3.0	-	3.0
Net of tax liability	(34.5)	(14.5)	0.1	(48.9)	(39.7)	(14.5)	0.1	(54.1)

The yield on corporate bonds increased during the period. Consequently, the discount rates used for the UK scheme rose from 5.0% to 5.25%, and resulted in a net reduction in UK pension liabilities of £4.6m. The long term expectation for CPI inflation remained broadly stable at 3.15% (3.25% at March 2024).

Pre-tax liabilities in Germany reduced by £0.3m to £17.2m, also due in the main to an increase in discount rates.

The net IAS 19 financing expense (a non-cash item) was £1.2m (2023: £1.4m).

Borrowing Facilities

The Group refinanced its borrowing facilities in May 2023. The facilities consist of a £85.0m multi-currency revolving credit facility and a £20.0m accordion option, which will provide the Group access to additional funding in support of its acquisition programme. The principal facility covenant, being Net Debt / Adjusted EBITDA remains at 3.0x.

Dividend

The Board fully recognises the importance of dividends as part of the overall value creation proposition for shareholders. The Board has carefully reviewed its capital allocation priorities, and believes that significant organic and inorganic investment opportunities remain available to the Group. The Group has delivered continued and sustainable progress in terms of profitability and free cash flow generation in recent years. Consequently, for the year ended 31 March 2024, the Board re-introduced the payment of a final Dividend of 0.5p per share, which was payable to shareholders on the register as at 9 August 2024. At that time, the Group indicated its intention to continue with an annual final dividend, but that it would not declare an interim dividend.

Summary

We continue to deliver improving results in what have been variable but generally difficult markets. The Renold business with its diversity of customers, geography, markets and applications has shown its strength in a period of considerable economic upheaval. Our STEP2 Strategy is being consistently executed and is delivering good results.

The first half of FY25 saw the further delivery of our inorganic growth plans with the acquisition of Mac Chain, another excellent addition to the Group and one that enhances our market position in a number of sectors and geographies. Our growing operational cash generation means that we can continue the cadence of acquisitions which in turn enhance our sales, profit and margin growth.

Whilst global economic conditions remain uncertain, we remain confident of delivering full year results in line with market expectations.

Going concern

The interim condensed consolidated financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

The ongoing macro-economic uncertainty, and inflationary environment, together with the impact of the wars in Ukraine and the Middle East alongside the continued improvement in the half year trading performance of the Group and the impact of the recent flooding of our facility in Valencia, have been considered as part of the adoption of the going concern basis. The Group continues to closely monitor operating costs, and capital expenditure and other cash demands are being managed carefully.

As part of its assessment, the Board has considered downside scenarios that reflect the current uncertainty in the global economy, including significant material and energy supply issues and continuing inflationary pressures.

The Directors believe that the Group is well placed to manage its business risks and, after making enquiries including a review of forecasts and predictions, taking account of reasonably possible changes in trading performances and considering the existing banking facilities, including the available liquidity and covenant structure, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months following the date of approval of the interim financial statements. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Risks and uncertainties

The Directors have reviewed the principal risks and uncertainties of the Group. The Directors consider that the principal risks and uncertainties of the Group published in the Annual Report for the year ended 31 March 2024 remain appropriate. The risks and associated mitigation processes can be found on pages 48-55 of the 2024 Annual Report, which is available at www.renold.com.

The risks referred to and which could have a material impact on the Group's performance for the remainder of the current financial year relate to:

- Macroeconomic and geopolitical volatility;
- Strategy execution;
- Product liability;
- Health and safety in the workplace;
- Security and effective deployment and utilisation of IT systems;
- Prolonged loss of a major manufacturing site, including disruption caused by extreme weather events e.g. flooding;
- People and change;
- Liquidity, foreign exchange and banking arrangements;

- Pensions deficit; and
- Legal, financial and regulatory compliance.

Responsibility statement

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*;
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months of the financial year and description of principal risks and uncertainties for the remaining six months of the financial year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The Directors of Renold plc are listed in the Annual Report for the year ended 31 March 2024. A list of current Directors is maintained on the Group website at www.renold.com.

By order of the Board

Robert Purcell	Jim Haughey
Chief Executive	Group Finance Director
20 November 2024	20 November 2024

Condensed consolidated income statement
for the six months ended 30 September 2024

	Note	**First half 2024/25 (unaudited) £m**	First half 2023/24 (unaudited) £m	Full year 2023/24 (audited) £m
Revenue	3	**123.4**	125.3	241.4
Operating costs		**(110.0)**	(109.1)	(210.9)
Operating profit	3	**13.4**	16.2	30.5
Finance costs	4	**(3.9)**	(3.7)	(7.6)
Profit before tax		**9.5**	12.5	22.9
Taxation	5	**(3.0)**	(3.4)	(5.8)
Profit for the period		**6.5**	9.1	17.1
Earnings per share	6			
Basic earnings per share		**3.3p**	4.4p	8.3p
Diluted earnings per share		**2.9p**	3.8p	7.3p
Basic adjusted earnings per share[1]		**4.2p**	3.8p	7.8p
Diluted adjusted earnings per share[1]		**3.6p**	3.3p	6.9p

[1] Adjusted: In addition to statutory reporting, the Group reports certain financial metrics on an adjusted basis. Definitions of adjusted measures and reconciliations to statutory metrics are provided in Note 12.

All results are from continuing operations.

Condensed consolidated statement of comprehensive income
for the six months ended 30 September 2024

	First half 2024/25 (unaudited) £m	First half 2023/24 (unaudited) £m	Full year 2023/24 (audited) £m
Profit for the period	**6.5**	9.1	17.1
Items that may be reclassified to the income statement in subsequent periods:			
Exchange differences on translation of foreign operations	**(4.7)**	(0.3)	(4.0)
Gain on hedges of the net investment in foreign operations	**0.6**	0.2	0.5
Cash flow hedges:			
Gain/(loss) arising on cash flow hedges during the period	**0.1**	(0.3)	(0.3)
Cumulative gain/(loss) arising on cash flow hedges reclassified to profit and loss	**0.3**	(0.4)	(0.2)
Income tax relating to items that may be reclassified subsequently to profit or loss	**-**	0.1	0.1
	(3.7)	(0.7)	(3.9)
Items not to be reclassified to the income statement in subsequent periods:			
Remeasurement gains on retirement benefit obligations	**2.5**	4.7	1.4
Tax on remeasurement gains on retirement benefit obligations	**(0.7)**	(1.1)	(0.4)
	1.8	3.6	1.0
Other comprehensive (loss)/income for the period, net of tax	**(1.9)**	2.9	(2.9)

of tax	**(1.9)**	2.9	(2.9)
Total comprehensive income for the period, net of tax	**4.6**	12.0	14.2

Condensed consolidated balance sheet
as at 30 September 2024

	Note	**30 September 2024 (unaudited) £m**	30 September 2023 (unaudited) £m	31 March 2024 (audited) £m
Assets				
Non-current assets				
Goodwill		**34.7**	30.1	29.3
Intangible assets		**18.0**	11.9	11.5
Property, plant and equipment		**56.7**	54.4	56.1
Right-of-use assets		**19.6**	15.7	15.1
Deferred tax assets		**10.8**	9.7	7.7
		139.8	121.8	119.7
Current assets				
Inventories		**67.4**	65.2	60.6
Trade and other receivables		**44.1**	41.3	39.8
Current tax		**0.4**	0.6	0.1
Derivative financial assets		**0.2**	-	-
Cash and cash equivalents	8	**20.7**	19.5	17.8
		132.8	126.6	118.3
Total assets		**272.6**	248.4	238.0
Liabilities				
Current liabilities				
Borrowings	8	**(3.0)**	(3.5)	(3.8)
Trade and other payables		**(58.7)**	(56.2)	(53.7)
Lease liabilities		**(2.7)**	(2.1)	(2.3)
Current tax		**(10.9)**	(9.4)	(8.6)
Derivative financial liabilities		**(0.1)**	(0.3)	(0.3)
Provisions		**(1.2)**	(0.8)	(1.6)
		(76.6)	(72.3)	(70.3)
Net current assets		**56.2**	54.3	48.0
Non-current liabilities				
Borrowings	8	**(59.4)**	(43.8)	(38.4)
Preference stock	8	**(0.5)**	(0.5)	(0.5)
Trade and other payables		**-**	(2.5)	-
Lease liabilities		**(17.1)**	(13.5)	(12.8)
Deferred tax liabilities		**(7.2)**	(6.5)	(3.7)
Retirement benefit obligations	7	**(52.2)**	(52.7)	(57.1)
Provisions		**(5.0)**	(4.8)	(5.0)
		(141.4)	(124.3)	(117.5)
Total liabilities		**(218.0)**	(196.6)	(187.8)
Net assets		**54.6**	51.8	50.2
Equity				
Issued share capital	9	**11.3**	11.3	11.3
Currency translation reserve		**4.0**	11.5	8.0
Other reserves		**(8.0)**	(5.2)	(8.8)
Retained earnings		**47.3**	34.2	39.7
Total shareholders' funds		**54.6**	51.8	50.2

Condensed consolidated statement of changes in equity
for the six months ended 30 September 2024

	Share capital (Note 9) £m	Retained earnings £m	Currency translation reserve £m	Other reserves £m	Total shareholders' funds £m
At 1 April 2023	11.3	20.8	11.5	(4.5)	39.1
Profit for the year	-	17.1	-	-	17.1
Other comprehensive income/(loss)	-	1.0	(3.5)	(0.4)	(2.9)
Total comprehensive income/(loss) for the year	-	18.1	(3.5)	(0.4)	14.2
Own shares purchased	-	-	-	(4.5)	(4.5)
Settlement of share schemes	-	(0.6)	-	0.6	-
Share-based payments	-	1.4	-	-	1.4
At 31 March 2024	**11.3**	**39.7**	**8.0**	**(8.8)**	**50.2**
Profit for the period	-	**6.5**	-	-	**6.5**
Other comprehensive income/(loss)	-	**1.7**	**(4.0)**	**0.4**	**(1.9)**
Total comprehensive income/(loss) for the period	-	**8.2**	**(4.0)**	**0.4**	**4.6**

Settlement of share schemes	-	**(0.4)**	-	**0.4**	**-**
Share-based payments	-	**0.8**	-	-	**0.8**
Dividends paid during the period	-	**(1.0)**	-	-	**(1.0)**
At 30 September 2024	**11.3**	**47.3**	**4.0**	**(8.0)**	**54.6**
At 1 April 2023	11.3	20.8	11.5	(4.5)	39.1
Profit for the period	-	9.1	-	-	9.1
Other comprehensive income/(loss)	-	3.6	-	(0.7)	2.9
Total comprehensive income/(loss) for the period	-	12.7	-	(0.7)	12.0
Share-based payments	-	0.7	-	-	0.7
At 30 September 2023	11.3	34.2	11.5	(5.2)	51.8

Included in retained earnings is £4.5m (31 March 2024: £3.9m) relating to a share option reserve.

The other reserves include Renold shares held by the Renold plc Employee Benefit Trust. The Renold Employee Benefit Trust holds Renold plc shares and satisfies awards made under various employee incentive schemes when issuance of new shares is not appropriate.

At 30 September 2024 the Renold Employee Benefit Trust held 26,456,611 (31 March 2024: 27,583,116) ordinary shares of 5p each and, following recommendations by the employer, are provisionally allocated to satisfy awards under employee incentive schemes. At 30 September 2024 the market value of these shares was £14.1m (31 March 2024: £10.3m).

Condensed consolidated statement of cash flows

for the six months ended 30 September 2024

	First half 2024/25 (unaudited) £m	First half 2023/24 (unaudited) £m	Full year 2023/24 (audited) £m
Cash flows from operating activities			
Cash generated by operations (Note 8)	**17.7**	13.0	36.0
Income taxes paid	**(2.9)**	(1.3)	(3.8)
Net cash flow from operating activities	**14.8**	11.7	32.2
Cash flows from investing activities			
Proceeds from property disposals	-	-	0.1
Cash outflow on disposal of right-of-use assets	**(0.1)**	(0.3)	(0.6)
Purchase of property, plant and equipment	**(4.2)**	(1.2)	(8.3)
Purchase of intangible assets	**(0.8)**	(0.6)	(1.3)
Consideration paid for acquisitions net of cash acquired	**(22.9)**	(4.7)	(4.7)
Net cash flow used in investing activities	**(28.0)**	(6.8)	(14.8)
Cash flows from financing activities			
Repayment of principal under lease liabilities	**(1.3)**	(1.4)	(2.5)
Finance costs paid	**(3.6)**	(3.1)	(4.5)
Dividends paid	**(1.0)**	-	-
Own shares purchased	**-**	-	(4.5)
Proceeds from borrowings	**35.2**	47.9	58.8
Repayment of borrowings	**(12.7)**	(48.4)	(67.4)
Net cash flow from/(used in) financing activities	**16.6**	(5.0)	(20.1)
Net increase/(decrease) in cash and cash equivalents	**3.4**	(0.1)	(2.7)
Net cash and cash equivalents at beginning of period	**14.1**	17.5	17.5
Effects of exchange rate changes	**0.2**	-	(0.7)
Net cash and cash equivalents at end of period	**17.7**	17.4	14.1

Notes to the interim condensed consolidated financial statements

1. Corporate information

The interim condensed consolidated financial statements for the six months ended 30 September 2024 were approved by the Board on 20 November 2024. These statements have not been audited or reviewed by the Group's auditor pursuant to the Auditing Practices Board guidance on the Review of Interim Financial Information.

Renold plc is a limited liability company, incorporated and registered under the laws of England and Wales, whose shares are publicly traded. The principal activities of the Company and its subsidiaries are described in Note 3.

These interim condensed consolidated financial statements do not constitute statutory accounts of the Group within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 March 2024 have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

2. Accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with the UK adopted International Accounting Standard 34, 'Interim financial reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority (FCA).

These condensed consolidated financial statements should be read in conjunction with the consolidated financial

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 March 2024, which were prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under these standards.

The accounting policies, presentation and methods of computation applied by the Group in these interim condensed consolidated financial statements are the same as those applied in the Group's latest audited annual consolidated financial statements for the year ended 31 March 2024, except as noted below.

The excess of the consideration transferred, the amount of any non-controlling interest and the acquisition date fair value of any previously held equity interest in the acquired entity as compared with the Group's share of the identifiable net assets are recognised as goodwill. Where the Group's share of identifiable net assets acquired exceeds the total consideration transferred, a gain from a bargain purchase is recognised immediately in the income statement after the fair values initially determined have been reassessed.

New and revised accounting standards adopted by the Group

During the period, the International Accounting Standards Board and International Financial Reporting Interpretations Committee have issued the following standards, amendments and interpretations, which are considered relevant to the Group. Their adoption has not had any significant impact on the amounts or disclosures reported in these financial statements.

- IAS 7 Statement of cash flows and IFRS 7 Financial instrument Disclosures
- Amendments to IFRS 16 Lease liability in a sale and leaseback
- Amendments to IAS 1 Classification of liabilities as current or non-current
- Amendments to IAS 1 Non-current liabilities with covenants

New and revised accounting standards and interpretations which were in issue but were not yet effective and have not been adopted early by the Group

The IASB published a number of amendments to IFRSs, new standards and interpretations which are not yet effective, and of which some have been endorsed for use in the EU. An impact assessment has been performed for each of these, with no significant financial impact being identified for the consolidated financial statements of the Group and the separate financial statements of Renold plc. The amendments, new standards and interpretations will be adopted in accordance with their effective dates.

- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates
- Amendments to IFRS 9 Financial Instruments
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

Significant accounting judgements, estimates and assumptions

In the course of preparing these interim condensed consolidated financial statements, no judgements have been made in the process of applying the Group's accounting policies that have had a significant effect on the amounts recognised in the financial statements, other than those involving estimation uncertainty. The key sources of estimation uncertainty are mostly those which applied in the annual consolidated financial statements for the year ended 31 March 2024, namely:

- Taxation
- Retirement benefit obligations
- Customer claims
- Inventory valuation

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 March 2024.

3. Segmental information

For management purposes, the Group is organised into two operating segments according to the nature of their products and services and these are considered by the Directors to be the reportable operating segments of Renold plc as shown below:

- The Chain segment manufactures and sells power transmission and conveyor chain and also includes sales of torque transmission products through Chain National Sales Companies (NSCs); and
- The Torque Transmission segment manufactures and sells torque transmission products, such as gearboxes and couplings.

No operating segments have been aggregated to form the above reportable segments.

The Chief Operating Decision Maker (CODM) for the purposes of IFRS 8 'Operating Segments' is considered to be the Board of Directors of Renold plc. Management monitor the results of the separate reportable operating segments based on operating profit and loss which is measured consistently with operating profit and loss in the consolidated financial statements. The same segmental basis applies to decisions about resource allocation. Disclosure has been included in respect of working capital as opposed to operating assets of each segment as this is the measure reported to the CODM on a regular basis. However, Group finance costs, retirement benefit obligations and income taxes are managed on a Group basis and therefore are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The segment results for the period ended 30 September 2024 were as follows:

Period ended 30 September 2024	**Chain[1] £m**	**Torque Transmission £m**	**Head office costs and eliminations[1] £m**	**Consolidated £m**
Revenue				
External customer - transferred at a point in time	**96.7**	**23.1**	**-**	**119.8**
External customer - transferred over				

External customer - transferred over time	**-**	**3.6**	**-**	**3.6**
Inter-segment	**0.4**	**2.5**	**(2.9)**	**-**
Total revenue	**97.1**	**29.2**	**(2.9)**	**123.4**
Operating profit/(loss)	**14.9**	**5.1**	**(6.6)**	**13.4**
Finance costs				**(3.9)**
Profit before tax				**9.5**
Taxation				**(3.0)**
Profit after tax				**6.5**
Other disclosures				
Working capital	**49.5**	**10.4**	**(7.1)**	**52.8**
Capital expenditure	**3.6**	**0.5**	**0.5**	**4.6**
Total depreciation and amortisation	**3.8**	**0.8**	**1.0**	**5.6**

[1] Chain operating profit includes non-recurring costs of £0.6m relating to amortisation of acquired intangible assets. Head office operating loss includes non-recurring costs of £1.2m relating to the acquisition costs of the Mac Chain business.

The segment results for the period ended 30 September 2023 were as follows:

Period ended 30 September 2023	Chain[1] £m	Torque Transmission £m	Head office costs and eliminations[1] £m	Consolidated £m
Revenue				
External customer- transferred at a point in time	98.4	24.1	-	122.5
External customer - transferred over time	-	2.8	-	2.8
Inter-segment	0.5	1.9	(2.4)	-
Total revenue	98.9	28.8	(2.4)	125.3
Operating profit/(loss)	17.5	4.6	(5.9)	16.2
Finance costs				(3.7)
Profit before tax				12.5
Taxation				(3.4)
Profit after tax				9.1
Other disclosures				
Working capital	47.5	11.2	(8.4)	50.3
Capital expenditure	1.2	0.2	0.6	2.0
Total depreciation and amortisation	3.6	0.8	1.0	5.4

[1] Chain operating profit includes non-recurring costs of £0.5m relating to amortisation of acquired intangible assets and £2.2m of profit on assignment of lease of close site. Head office operating loss includes non-recurring costs of £0.5m relating to the acquisition costs of the Davidson business.

In addition to statutory reporting, the Group reports certain financial metrics on an adjusted basis (alternative performance measures, APMs). Definitions of adjusted measures, and information about the differences to statutory metrics are provided in Note 12 to the interim condensed consolidated financial statements. Constant exchange rate results are current period results retranslated using prior year exchange rates. A reconciliation is provided below and in Note 12.

Period ended 30 September 2024	Chain £m	Torque Transmission £m	Head office costs and eliminations £m	Consolidated £m
Total revenue	97.1	29.2	(2.9)	123.4
Foreign exchange retranslation	2.3	0.4	-	2.7
Total revenue at constant exchange rates	99.4	29.6	(2.9)	126.1
Operating profit/(loss)	14.9	5.1	(6.6)	13.4
Foreign exchange retranslation	0.4	-	-	0.4
Operating profit/(loss) at constant exchange rates	15.3	5.1	(6.6)	13.8

The segment results for the year ended 31 March 2024 were as follows:

Year ended 31 March 2024	Chain £m	Torque Transmission £m	Head office costs and eliminations £m	Consolidated £m
Revenue				
External customer - transferred at a point in time	191.9	45.3	-	237.2
External customer - transferred over time	-	4.2	-	4.2
Inter-segment	0.9	4.0	(4.9)	-
Total revenue	192.8	53.5	(4.9)	241.4
Operating profit/(loss)	32.8	8.4	(10.7)	30.5
Finance costs				(7.6)
Profit before tax				22.9

Taxation	(5.8)
Profit after tax	17.1

Other disclosures				
Working capital	43.4	11.0	(7.7)	46.7
Capital expenditure	5.3	2.4	1.3	9.0
Total depreciation and amortisation	7.1	1.7	2.0	10.8

4. Finance costs

	First half		Full year
	2024/25 £m	2023/24 £m	2023/24 £m
Finance costs:			
Interest payable on bank loans and overdrafts	**2.1**	1.8	3.7
Interest expense on lease liabilities	**0.4**	0.4	0.8
Amortised financing costs	**0.2**	0.1	0.3
Loan finance costs	**2.7**	2.3	4.8
Net IAS 19 finance costs	**1.2**	1.4	2.7
Discount unwind on non-current trade and other payables	**-**	-	0.1
Finance costs	**3.9**	3.7	7.6

5. Taxation

Analysis of tax charge in the year

	First half		Full year
	2024/25 £m	2023/24 £m	2023/24 £m
Current tax:			
- UK	**0.2**	-	0.8
- Overseas	**4.5**	1.3	4.7
- Adjustments in respect of prior periods	**-**	1.8	1.0
Current income tax charge	**4.7**	3.1	6.5
Deferred tax:			
- UK	**(0.7)**	0.9	1.3
- Overseas	**(1.0)**	(0.6)	1.1
- Adjustments in respect of prior periods	**-**	-	(0.7)
- Movement in unprovided deferred tax balances	**-**	-	(2.4)
Total deferred tax (credit)/charge	**(1.7)**	0.3	(0.7)
Tax charge on profit on ordinary activities	**3.0**	3.4	5.8

Factors affecting current and future tax charges

The increase in the current tax charge compared to the prior half year is attributable to increased taxable profits in jurisdictions where the headline statutory tax rate is higher than the prevailing UK tax rate. The deferred tax credit relates to one-off credits due to increased deferred tax asset recognition in the period.

The Group's tax charge in future years will be affected by the profit mix, effective tax rates in the different countries where the Group operates, and utilisation of tax losses. No deferred tax is recognised on the unremitted earnings of overseas subsidiaries in accordance with IAS 12.39.

6. Earnings per share

Earnings per share (EPS) is calculated by reference to the earnings for the period and the weighted average number of shares in issue during the period as follows:

	First half				Full year	
	2024/25		2023/24		2023/24	
	Earnings £m	**Per share amount (pence)**	Earnings £m	Per share amount (pence)	Earnings £m	Per share amount (pence)
Basic EPS - Profit attributed to ordinary shareholders	**6.5**	**3.3**	9.1	4.4	17.1	8.3
Effect of adjusting items, after tax:						
Amortisation of acquired intangible assets	**0.6**	**0.3**	0.5	0.2	1.0	0.5
Acquisition costs	**1.2**	**0.6**	0.5	0.2	0.5	0.2
- Deferred tax triggered on acquisition	**-**	**-**	-	-	(1.0)	(0.5)
Assignment of lease and cost of closed sites	**-**	**-**	(2.2)	(1.0)	(2.3)	(1.1)
- Tax on assignment of lease and cost of closed site	**-**	**-**	-	-	0.8	0.4
Adjusted EPS	**8.3**	**4.2**	7.9	3.8	16.1	7.8

	First half		Full year
	2024/25	2023/24	2023/24
	Thousands	Thousands	Thousands
Weighted average number of ordinary shares:			
For the purpose of calculating basic earnings per share	**198,445**	208,980	206,908
Effect of dilutive potential ordinary shares:			
Shares subject to performance conditions	**29,194**	28,546	27,489
For the purpose of calculating diluted earnings per share	**227,639**	237,526	234,397

	First half		Full year
	2024/25	2023/24	2023/24
	(pence)	(pence)	(pence)
Diluted EPS	**2.9**	3.8	7.3
Diluted adjusted EPS	**3.6**	3.3	6.9

The adjusted EPS numbers have been provided to give a useful indication of underlying performance by the exclusion of adjusting items. Due to the existence of unrecognised deferred tax assets there were no associated tax credits on some of the adjusting items and in these instances adjusting items are added back in full.

The weighted average number of shares used for the purpose of calculating basic earnings per share is significantly below the Company's issued share capital of 225,417,740 due to the shares held by the Renold Employee Benefit Trust, which are excluded from this calculation under IFRS. The Trust has increased its holding of Renold shares over the last year.

7. Retirement benefit obligations

The Group's retirement benefit obligations are summarised as follows:

	At 30 September 2024 £m	At 30 September 2023 £m	At 31 March 2024 £m
Funded plan obligations	**(136.5)**	(145.3)	(143.0)
Funded plan assets	**101.6**	109.6	103.4
Net funded plan obligations	**(34.9)**	(35.7)	(39.6)
Unfunded obligations	**(17.3)**	(17.0)	(17.5)
Total retirement benefit obligations	**(52.2)**	(52.7)	(57.1)

Analysed as:

	At 30 September 2024 £m	At 30 September 2023 £m	At 31 March 2024 £m
Net funded plan obligations:			
UK	**(35.1)**	(36.6)	(39.7)
Other	**0.2**	0.9	0.1
	(34.9)	(35.7)	(39.6)
Unfunded obligations:			
Germany	**(17.2)**	(16.8)	(17.5)
Other	**(0.1)**	(0.2)	-
	(17.3)	(17.0)	(17.5)

The decrease in the Group's retirement benefit obligations from £57.1m at 31 March 2024 to £52.2m at 30 September 2024 primarily reflects changes in the underlying assumptions, such as the discount rate, plus employer contributions made in the period.

8. Additional cash flow information

Reconciliation of operating profit to net cash flows from operations:

	First half		Full year
	2024/25	2023/24	2023/24
	£m	£m	£m
Cash generated from operations:			
Operating profit	**13.4**	16.2	30.5
Depreciation of property, plant and equipment - owned assets	**3.0**	3.1	6.1
Depreciation of property, plant and equipment - right-of-use-assets	**1.4**	1.3	2.6
Amortisation of intangible assets	**1.2**	1.0	2.1
Profit on disposal of right-of-use-asset	-	(2.2)	(2.4)
Equity share plans	**0.8**	0.7	1.4
Increase in inventories	**(1.4)**	(3.3)	-
(Increase)/decrease in receivables	**(1.9)**	2.3	2.9
Increase/(decrease) in payables	**4.6**	(0.3)	(2.7)

(Decrease)/increase in provisions	**(0.3)**	0.2	1.5
Cash contribution to pension schemes	**(3.1)**	(6.0)	(6.0)
Cash generated from operations	**17.7**	13.0	36.0

Reconciliation of net change in cash and cash equivalents to movement in net debt:

	First half		Full year
	2024/25 £m	2023/24 £m	2023/24 £m
Increase/(decrease) in cash and cash equivalents	**3.4**	(0.1)	(2.7)
Change in net debt resulting from cash flows			
- Proceeds from borrowings	**(35.2)**	(47.9)	(58.8)
- Repayment of borrowings	**12.7**	48.4	67.4
Foreign currency translation differences	**0.9**	0.2	(0.7)
Non-cash movement on capitalised finance costs	**0.9**	0.9	(0.3)
Change in net debt during the period	**(17.3)**	1.5	4.9
Net debt at start of period	**(24.9)**	(29.8)	(29.8)
Net debt at end of period	**(42.2)**	(28.3)	(24.9)

Net debt comprises:

	At 30 September 2024 £m	At 30 September 2023 £m	At 31 March 2024 £m
Cash and cash equivalents	**20.7**	19.5	17.8
Total debt	**(62.9)**	(47.8)	(42.7)
Net debt	**(42.2)**	(28.3)	(24.9)

Net cash and cash equivalents	**At 30 September 2024 £m**	At 30 September 2023 £m	At 31 March 2024 £m
Cash and cash equivalents	**20.7**	19.5	17.8
Less: Overdrafts	**(3.0)**	(2.1)	(3.7)
Net cash and cash equivalents	**17.7**	17.4	14.1

Total debt	**At 30 September 2024 £m**	At 30 September 2023 £m	At 31 March 2024 £m
Borrowings:			
Overdrafts	**(3.0)**	(2.1)	3.7
Bank Loans	**(0.4)**	(1.7)	0.4
Capitalised costs	**0.4**	0.3	(0.3)
Current borrowings	**(3.0)**	(3.5)	(3.8)
Bank Loans	**(59.6)**	(44.4)	(38.8)
Capitalised costs	**0.2**	0.6	0.4
Non-current borrowings	**(59.4)**	(43.8)	(38.4)
Total borrowings	**(62.4)**	(47.3)	(42.2)
Preference stock	**(0.5)**	(0.5)	(0.5)
Total debt	**(62.9)**	(47.8)	(42.7)

9. Called up share capital

	At 30 September 2024 £m	At 30 September 2023 £m	At 31 March 2024 £m
Ordinary shares of 5p each - issued and fully paid	**11.3**	11.3	11.3

At 30 September 2024, the issued ordinary share capital comprised 225,417,740 ordinary shares of 5p each (30 September 2023: 225,417,740 shares).

10. Acquisition of businesses

During the period the Group acquired the trade and net assets of Mac Chain Company Ltd (U.S.) and the entire issued share capital of Mac Chain Company Limited (Canada), for a total cash consideration of US 30.9m (£23.8m). Of which US 28.8m (£22.2m) was paid on the date of the acquisition with the remaining US 3.1m (£2.4m) being deferred, US 1.57m (£1.2m) to be paid on 9 September 2025 and US 1.57m (£1.2m) on 9 September 2026. With a US 1.1m (£0.8m) refund due relating to working capital. Mac Chain has operations in the Pacific Northwest of the USA, British

Columbia, and Quebec, and is a manufacturer and distributor of high quality conveyor chain and ancillary products, with a significant presence in the forestry and broader industrial markets.

The transaction has been accounted for as a business combination under IFRS 3 and is summarised below:

	Provisional as at 30 September 2024 £m
Fair value of net assets acquired:	
Intangible assets	**7.4**
Property, plant and equipment	**1.6**
Right-of-use assets	**5.5**
Inventories	**7.3**
Trade and other receivables	**3.3**
Cash and cash equivalents	**1.0**
Trade and other payables	**(2.0)**
Lease liabilities	**(5.5)**
Deferred tax liabilities	**(1.8)**
Net identifiable assets and liabilities	**16.8**
Goodwill	**7.0**
Total consideration	**23.8**

Consideration	
Cash consideration	**22.2**
Deferred consideration	**1.6**
Total consideration transferred/to be transferred	**23.8**

Net cash outflow arising on acquisition:	
Cash consideration paid	**(22.2)**
Add: Cash and cash equivalents acquired	**1.0**
	(21.2)

Increase in net debt arising on acquisition:	
Net cash outflow arising on acquisition	**(21.2)**
Less: Acquisition costs	**(0.4)**
	(21.6)

Acquisition related costs amounted to £1.2m and have been included in the condensed consolidated income statement. Only £0.4m of this was paid by the period end.

The gross contractual value of the trade and other receivables was £3.3m. The best estimate at the acquisition date of the contractual cash flows not expected to be collected was £nil.

Deferred consideration of £2.4m is payable within two years.

The goodwill arising on acquisition has been allocated to the Americas CGU and is expected to be deductible for tax purposes. The goodwill is attributable to:

• the anticipated profitability of the distribution of the Group's services in new markets; and
• the synergies that can be achieved in the business combination including management, processes and maximising site capacities.

The business was acquired on 9 September 2024 and contributed £1.2m revenue and £0.0m adjusted operating profit for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on the first day of the financial period, the acquisition would have contributed £9.0m to Group revenue, £1.0m to Group operating profit and £2.3m adjusted operating profit (after adding back £1.2m for acquisition costs and £0.1m for amortisation of acquired intangibles).

During the year deferred consideration of €2.0m (£1.7m) was also paid in relation to the acquisition of the conveyor chain business of Industrias YUK S.A. in the year ended 31 March 2023.

Total net cash outflow arising on acquisitions:	
Mac Chain	**(21.2)**
Industrias YUK S.A.	**(1.7)**
	(22.9)

Total increase in net debt arising on acquisitions:	
Mac Chain	**(21.6)**
Industrias YUK S.A.	**(1.7)**
	(23.3)

11. Post balance sheet event

Post period end, Renold's manufacturing facility in Valencia was significantly impacted by the well-publicised flooding in the region. The anticipated financial impact is being assessed but is expected to be around £10.5m and is fully insured, aside from a typical deductible. The cost will be charged to the income statement and then offset by subsequent recognition of insurance recoveries, which will occur in later years. The net cost to the Group, primarily from insurance deductibles, is expected to be c. £1m.

12. Alternative performance measures

In order to provide users of the accounts with a clear and consistent presentation of the performance of the Group's ongoing trading activity, the Group uses various alternative performance measures (APMs). Amortisation of acquired intangible assets, restructuring costs, discontinued operations and material one-off items or remeasurements are added back / (deducted) as adjusting items as management seek to present a measure of performance which is not back / (deducted) as adjusting items as management seek to present a measure of performance which is not impacted by material non-recurring items or items considered non-operational. Performance measures for the Group's ongoing trading activity are described as 'Adjusted' and are used to measure and monitor performance as management believe these measures enable users of the financial statements to better assess the trading performance of the business. In addition, the Group reports sales and profit measures at constant exchange rates. Constant exchange rate metrics exclude the impact of foreign exchange translation, by retranslating the current year results using prior year exchange rates.

The APMs used by the Group include:

APM	Reference	Explanation of APM
• adjusted operating profit	A	Adjusted measures are used by the Group as a measure of underlying business performance, adding back items that do not relate to underlying performance
• adjusted profit before taxation	B	
• adjusted EPS	C	
• return on sales	D	
• operating profit gearing	D	
• revenue at constant exchange rates	E	Constant exchange rate metrics adjust for constant foreign exchange translation and are used by the Group to better understand year-on-year changes in performance
• adjusted operating profit at constant exchange rates	F	
• return on sales at constant exchange rates	G	
• EBITDA	H	EBITDA is a widely utilised measure of profitability, adjusting to remove non-cash depreciation, amortisation charges and share-based payment charge
• adjusted EBITDA	H	
• operating cash flow	H	
• net debt	I	Net debt, leverage and gearing are used to assess the level of borrowings within the Group and are widely used in capital markets analysis
• leverage ratio	J	
• gearing ratio	K	
• legacy pension cash costs	L	The cost of legacy pensions is used by the Group as a measure of the cash cost of servicing legacy pension schemes

APMs are defined and reconciled to the IFRS statutory measures as follows:

(A) Adjusted operating profit

	Period ended 30 September 2024			
	Chain £m	**Torque Transmission £m**	**Head office costs and eliminations £m**	**Consolidated £m**
Operating profit	**14.9**	**5.1**	**(6.6)**	**13.4**
Add back/(deduct):				
Amortisation of acquired intangible assets	**0.6**	-	-	**0.6**
Acquisition costs	**-**	-	**1.2**	**1.2**
Assignment of lease of closed site	**-**	-	**-**	**-**
Adjusted operating profit	**15.5**	**5.1**	**(5.4)**	**15.2**

	Period ended 30 September 2023			
	Chain £m	Torque Transmission £m	Head office costs and eliminations £m	Consolidated £m
Operating profit	17.5	4.6	(5.9)	16.2
Add back/(deduct):				
Amortisation of acquired intangible assets	0.5	-	-	0.5
Acquisition costs	-	-	0.5	0.5
Assignment of lease of closed site	(2.2)	-	-	(2.2)
Adjusted operating profit	15.8	4.6	(5.4)	15.0

	Year ended 31 March 2024			
	Chain £m	Torque Transmission £m	Head office costs and eliminations £m	Consolidated £m
Operating profit	32.8	8.4	(10.7)	30.5
Add back/(deduct):				
Amortisation of acquired intangible assets	1.0	-	-	1.0
Acquisition costs	-	-	0.5	0.5
Assignment of lease and cost of closed sites	(2.3)	-	-	(2.3)
Adjusted operating profit	31.5	8.4	(10.2)	29.7

(B) Adjusted profit before taxation

	First half		Full year
	2024/25 £m	2023/24 £m	2023/24 £m
Profit before taxation	**9.5**	12.5	22.9
Add back/(deduct):			
Amortisation of acquired intangible assets	**0.6**	0.5	1.0
Acquisition costs	**1.2**	0.5	0.5
Assignment of lease of closed site	**-**	(2.2)	(2.3)

Adjusted profit before taxation	**11.3**	11.3	22.1

(C) Adjusted earnings per share

Adjusted EPS is reconciled to statutory EPS in Note 6.

(D) Return on sales and operating profit gearing

Period ended 30 September 2024	**Chain £m**	**Torque Transmission £m**	**Head office costs and eliminations £m**	**Consolidated £m**
Adjusted operating profit	**15.5**	**5.1**	**(5.4)**	**15.2**
Total revenue (including inter-segment sales)	**97.1**	**29.2**	**(2.9)**	**123.4**
Return on sales %	**16.0%**	**17.5%**	**n/a**	**12.3%**

Period ended 30 September 2023	Chain £m	Torque Transmission £m	Head office costs and eliminations £m	Consolidated £m
Adjusted operating profit	15.8	4.6	(5.4)	15.0
Total revenue (including inter-segment sales)	98.9	28.8	(2.4)	125.3
Return on sales %	16.0%	16.0%	n/a	12.0%

Year ended 31 March 2024	Chain £m	Torque Transmission £m	Head office costs and eliminations £m	Consolidated £m
Adjusted operating profit	31.5	8.4	(10.2)	29.7
Total revenue (including inter-segment sales)	192.8	53.5	(4.9)	241.4
Return on sales %	16.3%	15.7%	n/a	12.3%

Period ended 30 September 2024	**Chain £m**	**Torque Transmission £m**	**Head office costs and eliminations £m**	**Consolidated £m**
Year-on-year change in adjusted operating profit	**(0.3)**	**0.5**	**-**	**0.2**
Year-on-year change in total revenue (including inter-segment sales)	**(1.8)**	**0.4**	**(0.5)**	**(1.9)**
Adjusted operating profit gearing %	**17%**	**125%**	**n/a**	**-11%**

(E),(F) & (G) Revenue, adjusted operating profit and adjusted return on sales at constant exchange rates

Six months ended 30 September 2024	**Chain £m**	**Torque Transmission £m**	**Head office costs and eliminations £m**	**Consolidated £m**
Total revenue	97.1	29.2	(2.9)	123.4
Foreign exchange retranslation	2.3	0.4	-	2.7
Revenue at constant exchange rates	99.4	29.6	(2.9)	126.1
Adjusted operating profit	15.5	5.1	(5.4)	15.2
Foreign exchange retranslation	0.4	-	-	0.4
Adjusted operating profit at constant exchange rates	15.9	5.1	(5.4)	15.6
Return on sales at constant exchange rates %	16.0%	17.2%	n/a	12.4%

(H) EBITDA, adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation) and operating cashflow

	First half		Full year
	2024/25 £m	2023/24 £m	2023/24 £m
Operating profit	**13.4**	16.2	30.5
Depreciation and amortisation	**5.6**	5.4	10.8
Share-based payments	**0.8**	0.7	1.4
EBITDA[1]	**19.8**	22.3	42.7
Add back/(deduct):			
Acquisition costs	**1.2**	0.5	0.5
Assignment of lease of closed site	**-**	(2.2)	(2.3)

Adjusted EBITDA[1]	**21.0**	20.6	40.9
Inventories	**(1.4)**	(3.3)	-
Trade and other receivables	**(1.9)**	2.3	2.9
Trade and other payables	**3.8**	(0.3)	(2.7)
Provisions	**(0.3)**	0.2	1.5
Movement in working capital	**0.2**	(1.1)	1.7
Purchase of property, plant and equipment	**(4.2)**	(1.2)	(8.3)
Purchase of intangible assets	**(0.8)**	(0.6)	(1.3)
Proceeds from property disposals	-	-	0.1
Cash outflow on disposal of right-of-use assets	**(0.1)**	(0.3)	(0.6)
Net capital expenditure	**(5.1)**	(2.1)	(10.1)
Operating cash flow	**16.1**	17.4	32.5

[1] The calculation of EBITDA, adjusted EBITDA and operating cash flow includes the add back for the non-cash share-based payment charge of £0.8m for the period ended 30 September 2024 (2023: £0.7m).

(I) Net debt

Net debt is reconciled to the statutory balance sheet in Note 8.

(J) Leverage ratio

	At 30 September 2024 £m	At 30 September 2023 £m	At 31 March 2024 £m
Net debt (see Note 8)	**42.2**	28.3	24.9
H2 2022/23 Adjusted EBITDA	**-**	21.2	-
H1 2023/24 Adjusted EBITDA	**-**	20.6	20.6
H2 2023/24 Adjusted EBITDA	**20.3**	-	20.3
H1 2024/25 Adjusted EBITDA	**21.0**	-	-
12 months rolling adjusted EBITDA	**41.3**	41.8	40.9
Leverage ratio	**1.0 times**	0.7 times	0.6 times

(K) Gearing ratio

	At 30 September 2024 £m	At 30 September 2023 £m	At 31 March 2024 £m
Net debt (see Note 8)	**42.2**	28.3	24.9
Equity attributable to equity holders of the parent	**54.6**	51.8	50.2
Net debt (see Note 8)	**42.2**	28.3	24.9
Total capital plus net debt	**96.8**	80.1	75.1
Gearing ratio %	**44%**	35%	33%

(L) Legacy pension cash costs

	First half		Full year
	2024/25 £m	2023/24 £m	2023/4 £m
Cash contributions to pension schemes	**2.6**	5.4	5.5
Pension payments in respect of unfunded schemes	**0.5**	0.6	1.1
Scheme administration costs	**0.3**	0.2	0.5
	3.4	6.2	7.1

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