

Hargreaves Services plc
("Hargreaves", the "Company" or the "Group")

Trading Update and Notice of Interim Results

Hargreaves Services plc (AIM: HSP), a diversified group delivering services to the environmental, infrastructure and property sectors, provides the following trading update ahead of reporting its interim results for the six months ended 30 November 2024.

The Board expects to report a strong set of results for the period with growth in both revenue and profit before tax. Improvement over the comparative period is anticipated to be reported within both Services and HRMS with Hargreaves Land remaining stable. The Board remains confident of delivering full year results in line with market expectations* supported by continued strong performance from Services, improved performance at HRMS and a return to normal profit levels in Land.

Services continues to see steady growth in revenue as the business unit focuses on growing its underlying contract base. Work continued on HS2 throughout the first six months and the expectation is that the project will continue for at least a further two years. The Group has also expanded its preparatory earthworks activities at the Sizewell C Nuclear Power Station. The Services business remains resilient, with good visibility supported by a solid portfolio of term and framework contracts with blue-chip customers within the UK infrastructure and energy sectors. The recent UK Government Budget, in particular, the increase in Employers National Insurance Contributions, is not expected to have any significant impact on the business due to the nature of many of the service contracts, which often include escalation factors or "cost plus" arrangements.

Hargreaves Land remains focused on realising value from the first tranche of renewable energy land assets. The marketing of these assets is well underway and interest received to date has been encouraging. A further update will be provided in due course, as appropriate.

HRMS has delivered an improved performance in the first six months of the financial year as commodity pricing has continued to normalise. As previously reported, HRMS has already paid the planned dividend to the Group for the current financial year.

On 30 November 2024 the Group held cash of £15.7m (Nov 2023: £18.7m), reflecting further investment into certain land assets ahead of realisations anticipated in the second half of the financial year. The Group also had leasing debt of approximately £34.6m (Nov 2023: £28.8m) and is free from bank debt.

CEO video

Please find a link to a video overview relating to the Company's Trading Update from the Group's Chief Executive Officer, Gordon Banham here -

<https://www.brrmedia.co.uk/broadcasts/674f1c8bb33db8b86d2910d1/hargreaves-services-trading-update/>

Notice of Interim Results

The Board expects to report its interim results for the six months ended 30 November 2024 on Wednesday 29 January 2025. Details of the analyst and investor meetings which will accompany the results will be provided in due course.

*The Company considers that market expectations prior to the release of this announcement for the year ended 31 May 2025 to be revenue of £222.6m, underlying PBT of £16.5m and underlying earnings per share of 42.5p.

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About Hargreaves Services plc (<https://www.hsgplc.co.uk/>)

Hargreaves Services plc is a diversified group delivering services to the environmental, 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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