



Renold plc
Final results for the year ended 31 March 2025

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

Record trading performance, significant earnings growth and strong cash generation

Renold (AIM: RNO), a leading international supplier of industrial chains and related power transmission products, is pleased to announce its audited results for the year ended 31 March 2025 ("FY25").

Financial highlights

| £m | 2025 | 2024 | Change | Change (constant currency) ¹ |
|--|--------------|-------|--------|---|
| Revenue | 245.1 | 241.4 | +1.5% | +3.9% |
| Adjusted operating profit ² | 32.2 | 29.7 | +8.4% | +11.4% |
| Return on sales ² | 13.1% | 12.3% | +80bps | +90bps |
| Adjusted profit before tax ² | 24.3 | 22.1 | +10.0% | |
| Net debt ³ | 44.8 | 24.9 | | |
| Adjusted earnings per share ² | 9.0p | 7.8p | +15.4% | |
| Additional statutory measures | | | | |
| Operating profit | 28.5 | 30.5 | -6.6% | |
| Profit before tax | 20.6 | 22.9 | -10.0% | |
| Basic earnings per share | 7.6p | 8.3p | -8.4% | |

- Revenue of £245.1m, increased 1.5% year on year, up 3.9% at constant exchange rates (FY24: £241.4m)
- Adjusted operating profit, £32.2m (FY24: £29.7m), up 8.4% at reported rates and 11.4% at constant currency. Return on sales 13.1%, up 80bps
- Net debt at 31 March 2025, £44.8m, increased in the year following the acquisition of Mac Chain (£23.8m), and the Cardiff property (formerly leased)
- Year end net debt 1.0x adjusted EBITDA (31 March 2024: 0.6x)
- Adjusted EPS up 15.4% to 9.0p (FY24: 7.8p); Basic EPS 7.6p (FY24: 8.3p)

Business highlights

- The Group delivered record adjusted results, with both Chain and TT divisions performing strongly, despite continued market uncertainty.
- Constant currency order intake of £250.1m (FY24: £227.5m), increased 9.9%, 7.5% when currency headwinds are taken into account.
- Closing order book at £83.0m (FY24: £83.6m) remains strong.
- Acquisition of Mac Chain in September 2024, for US 30.9m, increases the Group's access to the Western US and Canadian markets, while also increasing the Group's share of the forestry chain market. The integration process is progressing to plan.
- On 25 June 2025 the Group announced the acquisition of Ognibene s.p.a., a leading supplier of transmission chain in Italy, for a cash consideration of €10.0m. The acquisition is expected to be immediately earnings enhancing.
- Increased capital investment of £16.4m (FY24: £9.0m) during the year has improved the efficiency, productivity and capability of the Group's manufacturing locations and includes the purchase of the Cardiff property and the Valencia rebuild.
- In October 2024, the Group manufacturing facility in Valencia was impacted by a major flood; rebuilding work is progressing well, with customer service levels fully recovered.

¹ See below for reconciliation of actual rate, constant exchange rate and adjusted figures

² See Note 20 for definitions of adjusted measures and the differences to statutory measures

³ See Note 17 for a reconciliation of net debt which excludes lease liabilities

Robert Purcell, Chief Executive, commented:

"I am pleased that the Group performed strongly throughout the year, reflecting Renold's excellent market position and fundamentals, combined with all the hard work, strategically, commercially and operationally, that has been undertaken over recent years by our employees across the world. Renold continues to increase its capabilities and international footprint, both organically and through acquisition, which we believe positions the business well to address the needs of a broad customer base."

Our clear and effective strategy has delivered further progress and strong results in FY25, but we remain mindful of

the additional challenges presented by the current economic backdrop. The Group has a broad international footprint and highly differentiated product offering, and as such has been able, using supply chain flexibility and price rises, to mitigate a large part of the direct cost headwinds presented by current changes to tariff regimes.

Overall, volume demand during the early part of FY26 has been slightly below prior year levels, with some customers deferring procurement decisions in response to the heightened level of uncertainty, affecting a number of our geographic and sector end-markets. During the first quarter, the impact of reduced Group sales volumes was largely offset by pricing and we will take further pricing action to meet additional cost increases if necessary. We are also seeking to manage the effects of currency movements and particularly the weaker US dollar, which if the current exchange rate is maintained for the remainder of the financial year, would represent a translational headwind to earnings.

We would expect greater customer outlook visibility to drive improved demand, but currently anticipate this to remain subdued, at least through the remainder of the first half of the current financial year. Against this backdrop, we are focussed on maximising our efficiency and ensuring we can respond effectively to changing conditions, in order to maintain our strategic momentum."

Offer from MPE Bid Co ("MPE")

On 13 June 2025, MPE announced a firm intention to make an offer to acquire the entire issued share capital of Renold, at a price of 82 pence per share, which has been recommended by the Board (the "MPE Offer"). As at 9 July 2025, the MPE Offer remains subject to a number of conditions, including approval by the Company's shareholders and consequently there can be no certainty that a transaction will complete. Should the MPE Offer be successful, the transaction is expected to complete during FY26.

Meeting for analysts and institutional investors

A virtual meeting for institutional investors and analysts will be held today at 9.30am BST. If you wish to attend this meeting please contact renold@investor-focus.co.uk or call Tim Metcalfe of IFC Advisory Limited (020 3934 6632) before 8.45am to be provided with access details.

Reconciliation of reported and adjusted results

| | Revenue | | Operating profit | | Earnings per share | |
|---|--------------|---------|------------------|---------|--------------------|------------|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m | 2025 pence | 2024 pence |
| Statutory reported | 245.1 | 241.4 | 28.5 | 30.5 | 7.6 | 8.3 |
| Amortisation of acquired intangible assets | - | - | 1.6 | 1.0 | 0.8 | 0.5 |
| Acquisition costs | - | - | 1.6 | 0.5 | 0.8 | 0.2 |
| - Deferred tax triggered on acquisition | - | - | - | - | - | (0.5) |
| Impact of Valencia flood | - | - | 0.4 | - | 0.2 | - |
| - Tax impact of Valencia flood | - | - | - | - | (0.5) | - |
| Assignment of lease and cost of closed sites | - | - | - | (2.3) | - | (1.1) |
| Unwind of fair value inventory uplift on acquisition | - | - | 0.6 | - | 0.3 | - |
| - Tax on unwind of fair value inventory uplift | - | - | - | - | (0.1) | - |
| Release of dilapidation provision on acquisition of leased property | - | - | (0.5) | - | (0.2) | - |
| - Tax on release of dilapidation provision | - | - | - | - | 0.1 | - |
| - Tax on assignment of lease and cost of closed sites | - | - | - | - | - | 0.4 |
| Adjusted | 245.1 | 241.4 | 32.2 | 29.7 | 9.0 | 7.8 |
| Exchange impact | 5.7 | - | 0.9 | - | 0.2 | - |
| Adjusted at constant exchange rates | 250.8 | 241.4 | 33.1 | 29.7 | 9.2 | 7.8 |

ENQUIRIES:

Renold plc

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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 (the Group). 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. 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 and distributors. The Company 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.

Chair's statement

I am pleased to report that FY25 was another record year for Renold in which we delivered further improvements over what was an excellent financial performance in the prior financial year, while completing a bolt-on acquisition in the Pacific Northwest of North America, which strengthens our position both regionally and particularly in the North American forestry market.

In October 2024, our production facility in Valencia was impacted by a significant multi-generational flooding event. I am grateful that none of our employees were injured during the flood, and I have been impressed by both the resilience of the workforce and their tireless efforts to bring the facility back into full production during the second half of the year. I also continue to be impressed by the engagement, flexibility and adaptability of our teams across the world, who have delivered an outstanding result despite the various geopolitical challenges affecting the business world.

Strategic developments

During the year, the Renold strategic change programmes across the Group once again delivered meaningful benefits, particularly in standardising and simplifying the business.

The completion of several major strategic restructuring initiatives in prior years, together with strong free cash generation and a solid balance sheet, puts the Group in an excellent position to capitalise on accretive acquisitions that augment our existing market position. This will allow us to accelerate growth in revenue of our existing products, in adjacent sectors and by entry into financially attractive under-represented applications and geographies. Most importantly, the Group will also benefit from significant production synergies by integrating acquired businesses.

The continuing review of our capabilities throughout the Group is identifying opportunities for the upgrade and development of existing manufacturing processes across our international locations to create higher specification, higher performance products. This review will also facilitate standardisation across more product lines which, in turn, will enable us to benefit more comprehensively from our geographic footprint and economies of scale. In addition, flexibility between manufacturing locations will support increasing customer expectations for supply chain diversification, for risk mitigation and a changing tariff environment, improving even further our value proposition.

Sustainability

During the year, the Group continued to develop its strategy for long-term sustainability, including projects aiming to reduce energy consumption, raw material waste, packaging use and carbon dioxide emissions, whereby Renold is ensuring sustainability is one of its guiding principles. Renold is focussed on making a difference through real actions which, over a period of time, aim to deliver discernible benefits for the environment, our customers and the business.

Offer from MPE Bid Co ("MPE")

On 13 June 2025, MPE announced a firm intention to make an offer to acquire the entire issued share capital of Renold, at a price of 82 pence per share, which has been recommended by the Board (the "MPE Offer"). As at 9 July 2025, the MPE Offer remains subject to a number of conditions, including approval by the Company's shareholders and consequently there can be no certainty that a transaction will complete. Should the MPE Offer be successful, the transaction is expected to complete during FY26.

Dividend

In light of the MPE Offer, announced on 13 June 2025, the Board has decided not to declare a final dividend for the year ended 31 March 2025 ("FY25"), as MPE has reserved the right to decrease the price per Renold share payable in respect of the Acquisition for any dividend declared, made, paid or that becomes payable by Renold on or prior to the effective date of the Acquisition.

Summary

The Group has performed admirably in the face of continued economic and geopolitical uncertainty. The strong and improving trading and financial performance of the Group, particularly a higher adjusted operating margin and increased cash flow generation, is providing greater flexibility to exploit future organic and acquisition-related growth opportunities. I would like to thank all our employees around the world, especially those in Valencia, for their diligence and commitment, who have been key to delivering the strong results for the Group.

DAVID LANDLESS

CHAIR

9 July 2025

Chief Executive's review

This year saw a continuation of the Group's strong momentum and a further record year, with the Group's FY25 adjusted operating profit of £32.2m some 8.4% higher than the prior year.

Revenue for the year was £245.1m (FY24: £241.4m), a year on year increase of 3.9% at constant exchange rates, or an increase of 1.5% when currency headwinds are taken into account. In September 2024 the Group acquired the operations of Mac Chain Company Ltd, based in the Pacific Northwest of both the US and Canada. Mac Chain contributed £9.3m to turnover during its period of ownership.

Group constant currency order intake during the year was £250.1m (FY24: £227.5m), an increase over the prior year of 9.9%. Including the impact of currency headwinds, reported order intake was £244.5m, a 7.5% increase on the prior year. May 2024 saw the Group announce a large military contract for £10.6m to supply couplings to the Canadian navy; excluding the impact of the large military contract constant currency order intake increased by 5.3%.

The closing order book at 31 March 2025 of £83.0m (FY24: £83.6m) remains close to record levels and increased slightly over the half year position (30 September 2024: £80.8m).

Group adjusted operating profit¹ of £32.2m (FY24: £29.7m) was 8.4% ahead of prior year on a reported basis, and 11.4% ahead on a constant exchange rates basis. Pleasingly, return on sales for the year at 13.1% increased 80bps over last year's reported figure of 12.3%. Profitability was strong in the second half of the financial year, where Mac Chain, in line with analysts' estimates, contributed £1.3m to the Group adjusted operating profit.

Statutory operating profit reduced to £28.5m (FY24: £30.5m), driven primarily by adjusting items relating to the impact of the Valencia flood of £0.4m, unwind of fair value inventory uplift on acquisition of £0.6m, costs associated with the acquisition of Mac Chain of £1.6m, and amortisation of acquired intangibles of £1.6m, offset by the release of a dilapidation provision for the formerly leased Cardiff site of £0.5m, while the prior year was flattered by a non-recurring one-off profit of £2.3m relating to the assignment of a lease on a closed site.

The Group continued to benefit from the impact of the significant efforts undertaken in the current and previous years to lower the fixed cost base whilst increasing flexibility and operational leverage. The Group has successfully managed a period of significant political uncertainty, with the ongoing war in Ukraine, the US elections, and supply chain disruption to materials and transportation, in terms of availability, lead times and increased input costs. Going forward political uncertainty continues unabated, with the threat of worldwide tariffs and US trade sanctions adding to the

uncertainty. The Group is planning to respond in a robust manner to the threat of tariffs, and intends to pass on any increased costs, as we have previously done, while attempting to maintain margins and simultaneously continuing to run cost reduction, efficiency, simplification and standardisation programmes. We expect cost pressure on material, labour, energy and transportation to persist in the current financial year.

Renold continues to drive increased operational performance through specific projects aimed at better levels of efficiency and productivity, through automation, improved design and engineering, standardisation of products, better utilisation of machinery and people, including more flexible working practices, and leveraging the benefits of improved procurement strategies. The Group's capital investment programme increased during the year, and has continued to concentrate on increased automation in all of our facilities, together with replacement expenditure due to the Valencia flood, which we expect to be covered by insurance. The Group also took the opportunity to invest in the long-term future of the Couplings business, by purchasing the formerly leased Cardiff site. The Group's operational capabilities are steadily improving as consistent levels of investment bear fruit and we continue to develop ever better technologies and processes, allowing us to make higher specification and better performing products that maintain and enhance our market leadership.

In September 2024, the Group acquired Mac Chain for US 30.9m, which increases the Group's access to CVC and forestry chain markets in the Pacific Northwest of the USA, British Columbia, and Quebec, building on Renold's existing strong brand position. The Mac Chain operational sites will allow us to accelerate our programme of service centre development, as we use excess space and capacity to offer a greater range of products and services. The business is performing in line with the Board's expectations at the time of the acquisition, and its integration with the wider American business is progressing well.

A focus on free cash flow generation remains a key priority for management. Closing net debt was £44.8m (31 March 2024: £24.9m). The purchase of the Mac Chain business, together with related costs and deferred consideration for a prior acquisition, resulted in a total acquisition spend of £23.4m. Additionally, the Group made the final payment for the Group's Chinese factory building of £2.5m and purchased the formerly leased Cardiff site for £3.8m.

¹ See Note 20 for definitions of adjusted measures and the differences to statutory measures

Chain performance review

The high levels of activity seen within the Chain division in the prior year continued. Revenue on a constant exchange rates basis increased by 3.9%; 1.3% when currency headwinds are taken into account, and finished the year at £195.3m. In September 2024 the Group acquired the trading assets of Mac Chain, which contributed revenue of £9.3m. Adjusted operating profit increased by 1.9% to £32.1m; 4.4% at constant exchange rates. Return on sales improved by 10 basis points, to 16.4% (FY24: 16.3%). Statutory operating profit was £29.5m (FY24: £32.8m).

| | 2025 £m | 2024 £m |
|---|--------------|------------|
| External revenue | 194.6 | 191.9 |
| Inter-segment revenue | 0.7 | 0.9 |
| Total revenue | 195.3 | 192.8 |
| Foreign exchange | 5.0 | - |
| Revenue at constant exchange rates | 200.3 | 192.8 |
| Operating profit | 29.5 | 32.8 |
| Assignment of lease and costs relating to closed sites | - | (2.3) |
| Impact of Valencia flood | 0.4 | - |
| Unwind of fair value inventory uplift on acquisition | 0.6 | - |
| Amortisation of acquired intangibles | 1.6 | 1.0 |
| Adjusted operating profit | 32.1 | 31.5 |
| Foreign exchange | 0.8 | - |
| Adjusted operating profit at constant exchange rates | 32.9 | 31.5 |

Order intake in the Chain division increased by 4.2% year on year, or 6.8% at constant exchange rates. Mac Chain contributed £9.2m to order intake in the year.

Order intake in Europe reduced by 4.6% on a constant exchange rate basis, as both the impact of the disruption to production in Valencia following the flood, and the continued softness in the German economy took their toll. In North America, constant exchange rate order intake increased by 15.4%, helped considerably by Mac Chain; excluding the acquisition, underlying order intake increased by 2.3%. Pleadingly, the other chain businesses all recorded strong order intake growth, with Australasia 14.0% higher than the prior year on a constant exchange rate basis, China 32.4% higher, although from a low base, and India 13.2% higher. Closing order books for the division finished the year at £40.1m (FY24: £47.0m).

Chain Europe, which is our largest Chain business, saw revenue on a constant exchange rates basis reduced by 2.2%, a creditable performance given the general continued sluggishness of the Northern European economy, and the impact of the six weeks of lost production at the Valencia manufacturing business following the flood. Operating profit in the region increased year on year by 7.4% at constant exchange rates, as the business concentrated on gaining production efficiencies, through increased automation, and making better use of production facilities based outside Europe.

In the Americas, constant exchange rate turnover at £86.4m was 6.3% higher than FY24. Excluding the acquisition of Mac Chain, underlying sales reduced by 5.6%. Order intake was weaker than expected due to economic uncertainty in the run up to the US elections. Activity post-election continues to be subdued due to the anticipated increased tariffs and potential worldwide trade sanctions. The business continues to invest in improved production machinery, especially concentrating on automation of component manufacture and increased heat treatment capacity, aimed at bringing forward anticipated synergies from the Mac Chain acquisition.

In Australasia, we continued to deliver revenue growth with turnover on a constant exchange rate basis increasing year on year by 9.0%. In September 2023, the Group acquired the trading assets of Davidson Chain, and excluding the impact of the acquisition, underlying revenues increased by 5.2% at constant exchange rates. Sales in the Malaysian and Indonesian markets continue to grow strongly, with revenue increasing by 12.6% and 11.1% respectively. Profitability in the Australasian business improved markedly, increasing year on year by 28.1%. Even excluding the impact of the acquisition, underlying profitability increased by 24.3%, helped by improved productivity in the Melbourne plant, a healthy pipeline of new product wins and development along with cost saving engineering initiatives aimed at the South East Asian markets, together with an increased emphasis on both customer service and stock availability.

Revenues in India recovered markedly during the year, increasing by 19.1% on a constant exchange rate basis. Product development aimed at countering the impact of increased domestic and Chinese competition led to a recovery in demand especially in the agricultural market. The benefit of opening the regional distribution warehouse in Nagpur was also evident, with the unit generating an increase in turnover of some 91.0% over the prior year, which was adversely impacted by a two-week closure of the main production site for the implementation of a new fully integrated

ERP system. The unit is benefitting from the increased visibility and efficiency that the new ERP system has brought, with positive impacts on sales, profitability and service seen during the financial year.

Following the success of the Nagpur regional warehouse, plans are currently being formulated for a further three regional distribution centres to help provide significantly improved delivery times to all parts of India over the coming years. Investment plans for the Indian factory include the introduction of the same state-of-the-art technology used elsewhere in the Group for the manufacture of many component types plus assembly. This will allow India to better support both external and Group customers with higher quality products with better specifications and performance. The uncertainty over US tariffs demonstrates the benefit of Renold having production facilities in a number of countries, and therefore being able to support customers' supply chain strategies. India is expected to be a beneficiary of the current uncertainty.

Revenues in China remained broadly flat during the year, reducing by 0.8%. External demand reduced by 5.6%, driven by a slowdown in the domestic Chinese market. Demand from Group customers increased by 3.9% during the period as European order intake for these products expanded and the Group took the opportunity to ship transmission chain products manufactured in China to the US ahead of the introduction of higher tariff levels.

Studies are currently being undertaken for the transfer of Chinese made mid-tier products sold to the US to other Renold Group manufacturing facilities, while projects focussed on improving the quality and specification of products manufactured in China are being accelerated, allowing the Jintan site to manufacture several other Renold standard products and components for other broader international markets.

The Chain division continues to develop and evolve through investment in equipment, processes, training, and development of our engineering and sales teams. This provides us with a continued strengthening of our core underlying capabilities upon which our market leading position is built.

Torque Transmission performance review

Divisional revenues of £54.8m were 2.4% higher than in the prior year due to the continued recovery in demand in our North American markets and further business wins for our Chinese operation. The Renold North American manufacturing and distribution business, based in Westfield NY, saw turnover grow by 5.1% year on year while the Chinese business, based in Shanghai saw an increase in turnover of 26.1%, albeit from a low base.

Divisional adjusted operating profit increased by 23.8% to £10.4m in the year, benefitting from operational gearing, increased profit recognition on the long term military contracts as the work progresses, and increased automation and operational efficiency. Return on sales for the division was 19.0% (FY24: 15.7%); an increase of 330bps during the year. On a constant exchange rates basis adjusted operating profit increased by 25.0%.

Momentum in this division, which has a later trading cycle and generally larger orders than our Chain business, continues to be positive.

| | 2025 £m | 2024 £m |
|---|--------------|------------|
| External revenue | 50.5 | 49.5 |
| Inter-segment revenue | 4.3 | 4.0 |
| Total revenue | 54.8 | 53.5 |
| Foreign exchange | 0.7 | - |
| Revenue at constant exchange rates | 55.5 | 53.5 |
| Operating profit | 10.9 | 8.4 |
| Release of dilapidation provision on acquisition of leased property | (0.5) | - |
| Adjusted operating profit | 10.4 | 8.4 |
| Foreign exchange | 0.1 | - |
| Adjusted operating profit at constant exchange rates | 10.5 | 8.4 |

Order intake in the division at £57.1m increased by 19.6% during the year, or by 21.3% at constant exchange rates. In May 2024, the Group announced a large military contract for the supply of Hi-Tec couplings to the Royal Canadian Navy, for a total contract value of £10.6m.

The North American business unit benefitted from continued high demand for gears and couplings supplied intra-group from the UK, together with its own manufactured gear spindles and shakers, both in the US domestic market and internationally. Demand for gear couplings for the US mass transit market also continued at historically high levels. Operating profits recorded in the US TT business increased by 7.0% year on year.

Demand for Group-supplied products through the Australian distribution and service centre was soft as a number of larger projects were completed, while sales in the Chinese market increased by 26.1% as a number of new business wins came on stream.

The Couplings business unit saw a 6.0% increase in turnover year on year. As expected, the marine business, which manages the long-term military contracts, remained busy, as work continued on the second phase of the UK military contract, and the initial phase of the Australian military contract.

Product development in the Couplings business continued, with new designs for couplings that expand the performance envelope of current products, whilst adding new features and benefits, and sales of the RBI rubber in compression product continued apace. The business unit invested in improved testing capacity as development of new enhanced ranges of couplings continues to gather speed.

The Gears business made good progress in order intake, showing a 13.3% increase in the period. Profitability increased markedly, up 135% despite facing significant inflationary pressures, as the benefit of recent capital investment in automation, and other efficiency programmes bore fruit. Notable developments include new products aimed at the escalator market, especially relating to metro systems, and a number of specialist niche products aimed at the water treatment market. Demand from OEM customers, particularly for larger projects in the US and UK, which are our key geographic markets, remained strong during the year.

Sustainability

Renold takes a pragmatic approach to sustainability. Our focus is on making an actual difference through continual work programmes, aiming to reduce both energy consumption and environmental impact, and involving our customers, local communities, workforce and other stakeholders. We have not, and do not plan to make far-reaching statements on future carbon neutrality; instead we are working to be better each year. Alongside our own direct work on sustainability, we are already manufacturing products that will assist our customers to improve their sustainability performance. Development programmes have started improving our products even further so that customers have more opportunities to reduce their environmental impact.

The Group Sustainability Committee has driven a number of projects throughout the year and is constantly assessing and promoting new opportunities. One project started in the year is aimed at reducing Renold's use of water, while we continue a successful programme aiming to cut our electricity consumption across our entire international footprint.

At a regional level, our businesses across the world have been tasked with developing their own sustainability project roadmaps, seeking to ensure that our efforts are relevant to the highly diverse regions within which we operate. Projects are running on waste reduction, elimination of various chemicals, and reducing water and energy usage. More detailed information on climate-related financial disclosures is found in our sustainability section in the Annual Report.

Report.

Strategic Plan - STEP2 progress

Having created a stronger operational platform for the Group in recent years, and with a robust balance sheet, we have increased our focus on our strategy to accelerate performance through value-enhancing acquisitions, which will allow us to benefit from both increased geographical and product coverage, and leverage synergies from increasing the throughput of our existing facilities. As a result, we have developed a pipeline of acquisition opportunities that we believe have the ability to meet our financial and operational criteria. Such acquisitions will allow us to expand our product and service offering as well as our customer base, further expand our already diverse product portfolio into adjacent market sectors, and allow us to capitalise on our ability to provide customers with high specification products that deliver real benefits to their own business performance.

The Board has a disciplined approach to appraising acquisition opportunities, ensuring that potential targets will enhance the Group's wider strategy and earnings. Additionally, the Board is mindful of retaining a conservative capital structure, and will ensure that the long-term net debt to EBITDA ratio is maintained at an acceptable level.

During the year, Renold built on its proven track record of acquisitions with the acquisition of Mac Chain in the Pacific Northwest of the USA, British Columbia and Quebec. 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. A very methodical integration plan is in place to deliver margin improvement, including the in-sourcing of third party purchases and centralisation of production to improve operational efficiency. The previous owners of Mac Chain have transferred with the business and we are delighted that they and their team continue to work with us.

Organic growth and continuous business improvements are fundamental drivers of the Group strategy. Renold is consistently enhancing its operational capabilities through upgrading equipment and processes, reflected in the increased capital expenditure, funded by improving cash generation, whilst prioritising projects with a short payback period. We are focussing new product development in larger, faster growing market segments, whilst leveraging manufacturing cost improvements to penetrate new markets.

Our international manufacturing footprint is a major competitive advantage in the current world of supply chain risk, tariffs, potential trade wars and geo-political tensions. We continue to expand our capabilities to manufacture our products across multiple locations, giving our customers, and Renold, increasing flexibility to transfer production to both low cost and low tariff countries.

Our Indian business is a particular focus for capital investment and development in the next few years. We aim to expand the capability of the business in terms of range, capacity and product specification. As tariffs on Chinese product remain in place or get higher in many countries, our Indian business will see major opportunities develop internationally and in its domestic market.

These projects highlight our capital allocation priorities, and the resulting investment decisions for the Group. With the large infrastructure projects complete, capital allocation decisions are focussed on customer service, upgrading product specification capabilities and optimising revenue growth and profitability for the Group. For the Chain Division especially, this allows us to access economies of scale and offer a truly global service with increasing relevance to large OEM customers. Renold is increasingly an integrated international supplier and less a series of regional businesses.

The strategic progress made by the Group over recent years has been significant. Investments in both our production capabilities and our IT environment have resulted in significant benefits, with:

- Improvements in productivity and operational efficiency as evidenced by growing sales per employee;
- Greater insight into the performance and opportunities in the business due to better and more complete data;
- Improvements in the specification and quality of products we are able to make across our multiple manufacturing sites; and
- Greater flexibility in the cost base as we continue to automate production processes.

Irrespective of end market conditions, the financial benefits of these improvements will increasingly come to the fore.

Current operating environment

The effects of the war in Ukraine, especially in terms of higher prices for energy and materials as seen in the UK and mainland Europe, were less marked in FY25, only to be replaced with new economic uncertainties brought about by geopolitical factors, such as de-globalisation and re-shoring, increasing trade tariffs and the continuing impact of general inflation, higher interest rates, and growing pressure on labour rates around the world. The volatile operating environment the Group has faced over recent years abated slightly during FY25, only to be significantly heightened post year end as the US/China trade dispute and broader US and international tariffs came to the fore. We remain conservative around our timing expectations of a full return to normal, and expect further headwinds to persist to differing degrees in the new financial year.

Macroeconomic landscape and business positioning

The underlying fundamentals of the Group and the markets we serve provide the Board with confidence that Renold is well placed to continue to develop and deliver sustainable profitable growth. These intrinsic qualities have remained consistent over many years but we are now proactively building on these fundamentals. They include:

- **Valued and recognised brand with well-respected engineering expertise**
The Renold brand has been built up over our 150-year history and is trusted by customers to deliver exceptional products based on our world-class engineering and product knowledge.
- **Global market position and unique geographical manufacturing capability**
The global market position of Renold has existed for many years, but following significant strategic investments in both divisions, the geographic manufacturing footprint and capabilities we have are unique, permitting us to service customer demand with increasing levels of flexibility - a critical factor in a rapidly changing market environment.
- **Relatively low cost, but business critical products**
Chain and Torque Transmission products are fundamental elements of the systems into which they are incorporated. Our products are often a small proportion of the cost of the entire system, but critical to its operation.
- **Broad base of customers and end-user markets**
Renold products are used in an extremely diverse range of end applications, sectors, markets and geographies, resulting in a huge spread of customers and industries served. Markets and applications will change and vary in the ever-altering environment we operate in but, with its wide spread of products, geographies, applications and customers, Renold is well positioned.
- **High specification products delivering environmental benefits for our customers**

Renold products have always been high specification premium products which deliver exceptional benefits to customers. Whether through greater efficiency leading to lower power usage, longer life providing lower lifetime usage of materials and energy in their manufacture and logistics, or lower lubrication requirements, Renold products are well placed for an increasingly environmentally aware marketplace. Our products help our customers meet their sustainability objectives whilst saving them money.

Outlook

I am pleased that the Group performed strongly throughout the year, reflecting Renold's excellent market position and fundamentals, combined with all the hard work, strategically, commercially and operationally, that has been undertaken over recent years by our employees across the world. Renold continues to increase its capabilities and international footprint, both organically and through acquisition, which we believe positions the business well to address the needs of a broad customer base.

Our clear and effective strategy has delivered further progress and strong results in FY25, but we remain mindful of the additional challenges presented by the current economic backdrop. The Group has a broad international footprint and highly differentiated product offering, and as such has been able, using supply chain flexibility and price rises, to mitigate a large part of the direct cost headwinds presented by current changes to tariff regimes.

Overall, volume demand during the early part of FY26 has been slightly below prior year levels, with some customers deferring procurement decisions in response to the heightened level of uncertainty, affecting a number of our geographic and sector end-markets. During the first quarter, the impact of reduced Group sales volumes was largely offset by pricing and we will take further pricing action to meet additional cost increases if necessary. We are also seeking to manage the effects of currency movements and particularly the weaker US dollar, which if the current exchange rate is maintained for the remainder of the financial year, would represent a translational headwind to earnings.

We would expect greater customer outlook visibility to drive improved demand, but currently anticipate this to remain subdued, at least through the remainder of the first half of the current financial year. Against this backdrop, we are focussed on maximising our efficiency and ensuring we can respond effectively to changing conditions, in order to maintain our strategic momentum.

ROBERT PURCELL
CHIEF EXECUTIVE
9 July 2025

Finance Director's review

Renold once again delivered a record performance, with Group adjusted operating profit increasing by 8.4% to £32.2m. The business produced an adjusted operating margin of 13.1% (FY24: 12.3%) and achieved a 15.4% increase in adjusted EPS to 9.0p.

| Reconciliation of reported to adjusted results | 2025 | | | 2024 | | |
|---|-----------------|--------------|---------------------|-----------------|------------|---------------------|
| | Order intake £m | Revenue £m | Operating profit £m | Order intake £m | Revenue £m | Operating profit £m |
| Reported | 244.5 | 245.1 | 28.5 | 227.5 | 241.4 | 30.5 |
| Assignment of lease and cost of closed sites | - | - | - | - | - | (2.3) |
| Impact of Valencia flood | - | - | 0.4 | - | - | - |
| Unwind of fair value inventory uplift on acquisition | - | - | 0.6 | - | - | - |
| Release of dilapidation provision on acquisition of leased property | - | - | (0.5) | - | - | - |
| Acquisition costs | - | - | 1.6 | - | - | 0.5 |
| Amortisation of acquired intangible assets | - | - | 1.6 | - | - | 1.0 |
| Adjusted | 244.5 | 245.1 | 32.2 | 227.5 | 241.4 | 29.7 |
| Impact of foreign exchange | 5.6 | 5.7 | 0.9 | - | - | - |
| Adjusted at constant exchange rates | 250.1 | 250.8 | 33.1 | 227.5 | 241.4 | 29.7 |

REVENUE AND OPERATING PROFIT

Constant exchange rate revenue was £250.8m, and grew by 3.9%. Translational exchange variances were a headwind, and reduced reported orders and revenue to £244.5m and £245.1m respectively.

In the Chain Division, constant currency revenue increased year on year by £7.5m, or 3.9%. The Mac Chain acquisition contributed £9.3m to turnover during the year; excluding the acquisition, underlying revenue reduced by £1.8m or 0.9%, which principally reflects the effect of the Valencia flood.

The Group generated an adjusted operating profit for the year of £32.2m (FY24: £29.7m), excluding the impact of adjusting items detailed below. Reported operating profit for the year was £28.5m (FY24: £30.5m). Return on sales increased by 80bps during the year to 13.1% (FY24: 12.3%). Operating profit margin, calculated on a statutory basis, was 11.6% (FY24: 12.6%).

ADJUSTING ITEMS

Adjusting items for FY25 comprise costs associated with the Valencia flood, details of which are disclosed in Note 2, including write off of assets and net of interim insurance payments on account of £0.4m (FY24: £nil), unwind of fair value inventory uplift on acquisition £0.6m (FY24: £nil), acquisition-related intangible asset amortisation of £1.6m (FY24: £1.0m), acquisition and re-organisation costs of £1.6m (FY24: £0.5m), release of a provision for dilapidations on the purchase of the formerly leased Cardiff site of £0.5m (FY24: £nil), while FY24 also included an exceptional profit on the assignment of the lease of a closed UK site of £2.3m (FY25: £nil).

Adjusting taxation items in the current year include £0.1m credit (FY24: £nil) in relation to the release of a dilapidation provision in the UK and a £1.0m (FY24: £nil) charge in relation to the tax impact of the costs incurred due to the Spanish flooding comprising the current tax impact as well as the impact of deferred tax on loss recognition. In the prior financial year, the adjusting tax items comprised a tax charge of £0.8m (FY25: £nil) in relation to the assignment to a third party of the lease for a closed UK site and a deferred tax credit of £1.0m (FY25: £nil) arising from the Davidson acquisition.

FOREIGN EXCHANGE RATES

The majority of Renold's business is denominated in US Dollars and Euros. Foreign exchange rates have remained volatile, with a 3% strengthening of Sterling against the Euro and 2% strengthening of Sterling against the US Dollar between March 2024 and March 2025. The movements in both US Dollars and Euros during the year together reduced sales by £5.7m and adjusted operating profit by £1.0m.

The weighted average exchange rates for the year ended 31 March 2025, which take into account phasing over the year, were 1.28 for the US Dollar and 1.19 for the Euro (2024: 1.26 and 1.16 respectively).

| FX rates (% of Group sales) | 31 Mar 24 FX rate | 31 Mar 25 FX rate | 31 Mar 25 Var % | 2024 | | 2025 | |
|------------------------------------|----------------------|----------------------|--------------------|-----------------|-----------------|------------|--|
| | | | | Average FX rate | Average FX rate | 2025 Var % | |
| GBP/Euro (28%) | 1.17 | 1.20 | 3% | 1.16 | 1.19 | 3% | |
| GBP/US (37%) | 1.26 | 1.29 | 2% | 1.26 | 1.28 | 2% | |
| GBP/C (7%) | 1.71 | 1.86 | 9% | 1.70 | 1.79 | 5% | |
| GBP/A (6%) | 1.94 | 2.07 | 7% | 1.91 | 1.97 | 3% | |

If the year-end exchange rates had applied throughout the year, there would be an estimated decrease of £2.8m to revenue and £0.3m to operating profit.

FINANCE COSTS

Total finance costs in the year were £7.9m (FY24: £7.6m). This includes interest on bank loans and overdrafts of £4.1m (FY24: £3.7m), amortisation of arrangement fees of £0.4m (FY24: £0.3m), and £1.0m (FY24: £0.8m) of interest on lease liabilities. The net IAS 19 finance charge, which is a non-cash item, was £2.4m (FY24: £2.7m).

The increase in interest payable on external bank loans and overdrafts was driven primarily by the acquisition of Mac Chain for US 30.9m during September 2024, with US 27.8m paid in FY25. This will be followed by two further payments of US 1.57m, payable 12 and 24 months from the completion of the acquisition.

PROFIT BEFORE TAX

Profit before tax was £20.6m (FY24: £22.9m), a reduction of 10.0% during the year.

TAXATION

Excluding the tax effect of the non-recurring items described above, the effective tax rate on adjusted earnings was 27% (FY24: 27%), and is expected to be broadly at this level in FY26.

The total tax charge in the year of £5.5m (FY24: £5.8m) is made up of a current tax charge of £3.9m (FY24: £6.5m) and a deferred tax charge of £1.6m (FY24: credit of £0.7m). The decrease in the current tax charge is attributable to reduced taxable profits across the Group, reflecting the mix of jurisdictions in which profit was generated. For further details see Note 4.

The effective tax rate of 27% (2024: 25%) is higher than the prevailing UK tax rate of 25% (2024: 25%). The increase in the effective tax rate is primarily driven by a change in the profit mix across the Group, with higher profits in jurisdictions where the prevailing tax rate is higher than the UK tax rate as well as an increase in centrally held uncertain tax provisions and an increase in non-deductible expenses relating to acquisition costs in the period.

EARNINGS PER SHARE

Profit after tax for FY25 was £15.1m (FY24: £17.1m). Adjusted earnings per share were 9.0p (FY24: 7.8p). Basic earnings per share were 7.6p compared to 8.3p for the year ended 31 March 2024.

| | 2025 £m | 2024 £m |
|---|-------------------|------------|
| Adjusted profit after taxation | 17.8 | 16.1 |
| Effect of adjusting items, after tax: | | |
| - Assignment of lease and cost of closed sites | - | 1.5 |
| - Acquisition costs | (1.6) | (0.5) |
| - Amortisation of acquired intangible assets | (1.6) | (1.0) |
| - Impact of Valencia flood | 0.6 | - |
| - Unwind of fair value inventory uplift on acquisition | (0.5) | - |
| - Release of dilapidation provision on acquisition of leased property | 0.4 | - |
| - Deferred tax triggered on acquisition | - | 1.0 |
| Profit after taxation | 15.1 | 17.1 |
| | | |
| Basic adjusted earnings per share | 9.0p | 7.8p |
| Basic earnings per share | 7.6p | 8.3p |

BALANCE SHEET

Net assets at 31 March 2025 were £67.4m (31 March 2024: £50.2m). Retained profit was £15.1m in the year (2024: 17.1m).

CASH FLOW AND NET DEBT

| | FY25 £m | FY24 £m |
|--|-------------------|------------|
| Adjusted operating profit | 32.2 | 29.7 |
| Add back depreciation and amortisation | 10.6 | 9.8 |
| Add back loss on disposal of property, plant and equipment | (0.1) | - |
| Add back share-based payments | 1.5 | 1.4 |
| Adjusted EBITDA ¹ | 44.2 | 40.9 |
| Movement in working capital | (2.4) | 3.8 |
| Net capital expenditure | (13.3) | (10.1) |
| Operating cash flow ¹ | 28.5 | 34.6 |
| Income taxes | (7.0) | (3.8) |
| Pensions cash costs | (6.1) | (6.0) |
| Repayment of principal under lease liabilities | (3.0) | (2.5) |

| | | |
|--|-------------|-------------|
| Finance costs paid | (5.5) | (4.8) |
| Consideration paid for acquisition | (23.4) | (5.2) |
| Dividends paid | (1.0) | - |
| Own shares purchased for the EBT | - | (4.5) |
| Chinese building repayment | (2.5) | (2.2) |
| Valencia Flood (net of insurance proceeds) | 0.1 | - |
| Other movements | - | (0.7) |
| Change in net debt | (19.9) | 4.9 |
| Closing net debt¹ | 44.8 | 24.9 |

¹ Adjusted EBITDA and operating cash flow are alternative performance measures as defined in Note 20.

Net debt increased by £19.9m to £44.8m (31 March 2024: £24.9m). The Group invested £23.4m (FY24: £5.2m) in acquisitions in the year. Net debt at 31 March 2025 comprised cash and cash equivalents of £22.0m (31 March 2024: £17.8m) and borrowings of £66.8m (31 March 2024: £42.7m).

Working capital, mainly inventory levels, increased at year end by £1.7m (FY24: £nil), as the Group supplied additional stock to the US ahead of the imposition of increased tariffs. Trade receivables and trade payables together remained broadly flat, while a reduction in provisions resulted from the continuation of restructuring actions in Germany.

Net capital expenditure of £13.3m (FY24: £10.1m) increased during the financial year. The Group expects to continue to make investments in the coming year in increased automation in support of our strategy. Additionally, the installation of the standard Group ERP system continued as planned.

Pension deficit recovery plan cash costs of £6.1m in FY25 were broadly the same as in the prior year.

Corporation tax cash paid was £7.0m (FY24: £3.8m), with the increase due to the full utilisation of brought forward losses in both Germany and the US.

Net cash flow from operating activities, in a statutory format, was £25.0m (FY24: £32.2m) see Note 17 and the Consolidated statement of cash flows.

DEBT FACILITY AND CAPITAL STRUCTURE

In April 2025, the Group announced that it had renewed its borrowing facilities which included an increase of the multi-currency revolving credit facility from £85.0m to £105.0m, and the extension of the facilities for a further two years until May 2028. In addition, the Group increased its accordion option, designed to support the Group's acquisition strategy, from £20.0m to £25.0m. The principal banking covenants remain unchanged, with the net debt/EBITDA covenant at 3.0 times EBITDA, and the EBITDA / interest cover at 4.0 times. Other key terms also remain unchanged.

At 31 March 2025, the Group had unused credit facilities totalling £22.8m (31 March 2024: £47.1m) and cash balances of £22.0m (31 March 2024: £17.8m). Total Group credit facilities, all committed, amounted to £89.5m (31 March 2024: £90.0m).

The Group has operated well within agreed covenant levels throughout the year ended 31 March 2025 and expects to continue to operate comfortably within covenant limits in the coming year.

The net debt/adjusted EBITDA multiple as at 31 March 2025 was 1.0x (31 March 2024: 0.6x), calculated in accordance with the banking agreement. Adjusted EBITDA/interest cover as at 31 March 2025 was 10.7x (FY24: 11.1x).

GOING CONCERN

The 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.

Further information in relation to the Group's business activities, together with the factors likely to affect its future development, performance and financial position, liquidity, cash balances and borrowing facilities is set out in the Chair's statement, the Chief Executive's review, the Finance Director's review and in the section on principal risks and uncertainties. Additional details of the Group's cash balances, borrowings and facilities are included in Notes 13 and 14.

The Group regularly monitors its financial position to ensure that it remains within the terms of its banking covenants; it has remained comfortably within those covenants for the whole of the financial year.

Given the current level of macroeconomic uncertainty stemming from inflation, geopolitical risks, including tariffs, and also being mindful of the risks discussed in the principal risks and uncertainties section, the Group has performed financial modelling of future cash flows. The Board has reviewed the cash flow forecasts which cover a period of 12 months from the planned announcement of the FY25 results, and which reflect forecast revenue across the Group's business units. The impact of tariffs has been considered as part of these forecasts, based on information known at the time. Tariffs are not expected to have a material impact on going concern, largely due to the Group's ability to manufacture in the US and switch production between manufacturing sites in various countries.

A reverse stress test has been performed on the forecasts to determine the extent of a downturn that would result in a breach of covenants. Revenue would have to reduce by approximately 33% over the period under review for the Group to be likely to breach the interest cover covenant. The reverse stress test does not take into account further mitigating actions that the Group would implement in the event of a severe and extended revenue decline, such as reducing discretionary spend and capital expenditure. This assessment indicates that the Group can operate within the level of its current increased facilities, as set out above, without the need to obtain any new facilities for a period of not less than 12 months from the date of this report.

Material uncertainty as to going concern

On 13 June 2025, MPE Bid Co, a company majority-owned by a fund managed and controlled by Morgenthaler Private Equity ("MPE") announced a firm intention to acquire the issued, and to be issued, ordinary share capital of Renold plc in accordance with Rule 2.7 of the Takeover Code. The Directors of Renold plc highlight the following points:

- Whilst the Directors have not had direct visibility of MPE's post completion funding for the Group, they have placed reliance on the certification made by both MPE and their financial advisors that sufficient financial resources are available for the transaction to be completed.
- The Directors of Renold plc have had no visibility of the strategic plans for the Group post transaction, and as such are unable to certify for a 12 month period post the date of these accounts that the Group post completion can continue for a period of 12 months from the date of this report.
- The announcement of the acquisition qualifies as an event or condition that indicates that a material uncertainty exists that may cast significant doubt upon the Group and Parent Company's ability to continue as a going concern, under a future structure potentially introduced by MPE.

Following this assessment, and subject to the material uncertainty stated above, the Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report.

Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in relation to this conclusion and preparing the consolidated financial statements. There are no key sensitivities identified in relation to this conclusion. The financial statements do not include any adjustments that would be required if the financial statements were prepared on a basis other than that of a going concern.

TREASURY AND FINANCIAL INSTRUMENTS

The Group's treasury policy, approved by the Board, is to manage its funding requirements and treasury risks without taking any speculative risks. Treasury and financing matters are assessed further in the section on principal risks and uncertainties.

To manage foreign currency exchange impact on the translation of net investments, certain US Dollar, Euro and Canadian Dollar denominated borrowings taken out in the UK to finance US, European and Canadian acquisitions are designated as a hedge of the net investment in relevant subsidiaries. At 31 March 2025 this hedge was fully effective. The carrying value of these borrowings at 31 March 2025 was £36.0m (31 March 2024: £10.9m).

At 31 March 2025, the Group had £0.5m (31 March 2024: £0.5m) of its gross debt at fixed interest rates. Cash deposits are placed short-term with banks where security and liquidity are the primary objectives. The Group has no significant concentrations of credit risk, with sales made to a wide spread of customers, industries and geographies. Policies are in place to ensure that credit risk on individual customers is kept to a minimum.

PENSION ASSETS AND LIABILITIES

The Group has a mix of UK (88% of gross liabilities), German (11% of gross liabilities) and other (1% of gross liabilities) defined benefit pension obligations as shown below.

| | 2025 | | | 2024 | | |
|--------------------|-------------|----------------|----------------------|--------------|----------------|----------------------|
| | Assets £m | Liabilities £m | (Deficit)/surplus £m | Assets £m | Liabilities £m | (Deficit)/surplus £m |
| UK scheme | 94.0 | (125.2) | (31.2) | 100.3 | (140.0) | (39.7) |
| German arrangement | - | (15.5) | (15.5) | - | (17.5) | (17.5) |
| Other arrangements | 1.6 | (1.9) | (0.3) | 3.1 | (3.0) | 0.1 |
| | 95.6 | (142.6) | (47.0) | 103.4 | (160.5) | (57.1) |
| Deferred tax asset | | | 2.5 | | | 3.0 |
| Net deficit | | | (44.5) | | | (54.1) |

The Group's retirement benefit deficit decreased from £57.1m (£54.1m net of deferred tax) at 31 March 2024 to £47.0m (£44.5m net of deferred tax) at 31 March 2025. All defined benefit schemes are closed to new members and (with the exception of the union plan for the Westfield US facility, see below) for future accrual.

UK FUNDED SCHEME

The deficit of the UK scheme decreased in the year to £31.2m (31 March 2024: £39.7m).

A decrease in gross liabilities of £14.8m arose primarily due to an increase in the discount rate (5.75% FY25 compared with 5.0% in the prior year). The long-term CPI inflation assumption remained constant at 2.85%.

Contributions in the year ended 31 March 2025 were £5.0m (FY24: £4.6m). This includes payment of £0.6m per annum for five years until FY27 to cover a contribution deferral agreed during the Covid pandemic. The underlying contribution to the UK scheme increases annually by RPI plus 1.5% (capped at 5%).

OTHER ARRANGEMENTS

The largest overseas arrangement is in Germany, which is unfunded in line with normal practice in Germany, with a total liability and thus deficit of £15.5m (31 March 2024: £17.5m). Pensions are paid by the Company as they fall due and cash payments for this arrangement were £1.1m (FY24: £1.1m).

Other overseas arrangements are small and are funded, with a combined deficit of £0.3m (31 March 2024: surplus of £0.1m). Total contributions in the year for these schemes were £nil (FY24: £0.3m). During the year, the Group progressed with plans to buy-out overseas arrangements, with the exception of that in Germany. In addition, agreement was reached with both employees and the union to close the union plan for future accrual in Westfield; this is expected to take effect during FY26.

POST BALANCE SHEET EVENTS

On 25 June 2025, the Group acquired the entire issued share capital of Ognibene S.p.a. ("Ognibene") for a total cash consideration of €10.0m (£8.4m). Ognibene is being acquired on a cash free, debt free basis, and will consist of an initial cash consideration of €9.0m (£7.6m), followed by a further cash payment of €1.0m (£0.8m), payable 12 months from the anniversary of completion of the acquisition. Ognibene is a manufacturer and distributor of high-quality transmission chain ("TRC") and ancillary products servicing a range of end markets, including packaging machinery, distribution and food processing. The acquisition increases the Group's access to the Italian, and wider Southern European market, allowing Renold to improve its customer service offering by accommodating local stocking of our complete chain range in Italy, which in turn will generate manufacturing synergies between Ognibene and Renold's existing international operations.

On 23 April 2025, the Group renewed its core banking facility that was due to mature in May 2026. The existing multi-currency revolving facility has been amended and extended by a period of two years and will be in place until May 2028 and is fully committed and available until maturity. The existing facility has been increased to £105.0m from the previous level of £85.0m and will be provided by the existing banks: HSBC UK, Allied Irish Bank (GB), and Citibank.

On 21 May 2025, the Board of Renold confirmed that it has received two separate unsolicited and non-binding all-cash proposals from a consortium comprising Buckthorn Partners LLP and One Equity Partners IX, L.P, and Webster Industries, Inc, a company majority-owned by a fund managed and controlled by Morgenthaler Private Equity ("MPE") to acquire the entire issued and to be issued ordinary share capital of Renold plc.

On 13 June 2025, MPE Bid Co made a formal offer to acquire the entire issued and to be issued ordinary share capital of Renold plc at 82 pence per ordinary share.

JIM HAUGHEY

GROUP FINANCE DIRECTOR

9 July 2025

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have reconsidered the principal risks and uncertainties of the Group.

Details of the risks and associated risk management processes, including financial risks, can be found in the 2025 Annual Report, which be made available at www.Renold.com.

The risks referred to and which could have a material impact on the Group's ongoing financial performance, are as follows:

- Macroeconomic and political volatility;
- Strategy execution;
- Product liability;
- Health and safety in the workplace;
- Security and effective deployment and utilisation of information technology systems;
- Prolonged loss of a major manufacturing site;
- People and change;
- Liquidity, foreign exchange and banking arrangements;
- Pension deficit; and
- Legal, financial and regulatory compliance

Consolidated income statement

for the year ended 31 March 2025

| | Note | 2025 £m | 2024 £m |
|--|------|--------------|------------|
| Revenue | 1 | 245.1 | 241.4 |
| Operating costs | 2 | (216.6) | (210.9) |
| Operating profit | | 28.5 | 30.5 |
| Finance costs | 3 | (7.9) | (7.6) |
| Profit before tax | | 20.6 | 22.9 |
| Taxation | 4 | (5.5) | (5.8) |
| Profit for the financial year | | 15.1 | 17.1 |
| Earnings per share | 5 | | |
| Basic earnings per share | | 7.6p | 8.3p |
| Diluted earnings per share | | 6.6p | 7.3p |
| Basic adjusted earnings per share ¹ | | 9.0p | 7.8p |
| Diluted adjusted earnings per share ¹ | | 7.8p | 6.9p |

¹ Definitions of adjusted measures are provided in alternative performance measures in Note 20.

All results are from continuing operations.

Consolidated statement of comprehensive income

for the year ended 31 March 2025

| | 2025 £m | 2024 £m |
|--|-------------|------------|
| Profit for the financial year | 15.1 | 17.1 |
| Items that may be reclassified to the income statement in subsequent years: | | |
| Exchange differences on translation of foreign operations | (3.6) | (4.0) |
| Gain on hedges of the net investment in foreign operations | 0.4 | 0.5 |
| Cash flow hedges: | | |
| Loss arising on cash flow hedges during the year | (0.4) | (0.3) |
| Less: Cumulative gain/(loss) arising on cash flow hedges reclassified to profit or loss | 0.3 | (0.2) |
| Income tax relating to items that may be reclassified subsequently to profit or loss | - | 0.1 |
| | (3.3) | (3.9) |
| Items not to be reclassified to the income statement in subsequent years: | | |
| Remeasurement gains on retirement benefit obligations | 6.0 | 1.4 |
| Tax on remeasurement gains on retirement benefit obligations - excluding impact of statutory rate change | (1.1) | (0.4) |
| | 4.9 | 1.0 |
| Other comprehensive gain/(loss) for the year, net of tax | 1.6 | (2.9) |
| Total comprehensive income for the year, net of tax | 16.7 | 14.2 |

Consolidated balance sheet

as at 31 March 2025

| | Note | 2025 £m | 2024 £m |
|-------------------------------|------|--------------|------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 7 | 34.0 | 29.3 |
| Intangible assets | 8 | 19.3 | 11.5 |
| Property, plant and equipment | 9 | 62.5 | 56.1 |
| Right-of-use assets | 10 | 19.6 | 15.1 |
| Deferred tax assets | | 4.9 | 7.7 |
| | | 140.3 | 119.7 |
| Current assets | | | |
| Inventories | 11 | 67.2 | 60.6 |
| Trade and other receivables | 12 | 48.2 | 39.8 |

| | | | |
|----------------------------------|----|----------------|---------|
| Current tax | | 1.0 | 0.1 |
| Derivative financial instruments | | - | - |
| Cash and cash equivalents | 13 | 22.0 | 17.8 |
| | | 138.4 | 118.3 |
| TOTAL ASSETS | | 278.7 | 238.0 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Borrowings | 14 | (3.0) | (3.8) |
| Trade and other payables | 15 | (61.2) | (53.7) |
| Lease liabilities | 10 | (2.5) | (2.3) |
| Current tax | | (6.2) | (8.6) |
| Derivative financial instruments | | (0.2) | (0.3) |
| Provisions | 16 | (1.0) | (1.6) |
| | | (74.1) | (70.3) |
| NET CURRENT ASSETS | | 64.3 | 48.0 |
| Non-current liabilities | | | |
| Borrowings | 14 | (63.3) | (38.4) |
| Preference stock | 14 | (0.5) | (0.5) |
| Trade and other payables | 15 | - | - |
| Lease liabilities | 10 | (17.3) | (12.8) |
| Deferred tax liabilities | | (5.1) | (3.7) |
| Retirement benefit obligations | | (47.0) | (57.1) |
| Provisions | 16 | (4.0) | (5.0) |
| | | (137.2) | (117.5) |
| TOTAL LIABILITIES | | (211.3) | (187.8) |
| NET ASSETS | | 67.4 | 50.2 |
| EQUITY | | | |
| Issued share capital | | 11.3 | 11.3 |
| Currency translation reserve | | 4.8 | 8.0 |
| Other reserves | | (8.5) | (8.8) |
| Retained earnings | | 59.8 | 39.7 |
| TOTAL SHAREHOLDERS' FUNDS | | 67.4 | 50.2 |

Approved by the Board on 9 July 2025 and signed on its behalf by:

Robert Purcell
CHIEF EXECUTIVE

Jim Haughey
FINANCE DIRECTOR

Consolidated statement of changes in equity
for the year ended 31 March 2025

| | Share capital £m | Retained earnings £m | Currency translation reserve £m | Other reserves £m | Total shareholders' funds £m |
|--|---------------------|-------------------------|------------------------------------|----------------------|---------------------------------|
| At 31 March 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 year | - | 15.1 | - | - | 15.1 |
| Other comprehensive income/(loss) | - | 4.9 | (3.2) | (0.1) | 1.6 |
| Total comprehensive income/(loss) for the year | - | 20.0 | (3.2) | (0.1) | 16.7 |
| Settlement of share schemes | - | (0.4) | - | 0.4 | - |
| Share based payments | - | 1.5 | - | - | 1.5 |
| Dividends paid during the year | - | (1.0) | - | - | (1.0) |
| At 31 March 2025 | 11.3 | 59.8 | 4.8 | (8.5) | 67.4 |

Included in retained earnings is £5.2m (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 31 March 2025 26,198,883 (31 March 2024: 27,583,116) ordinary shares of 5p each were held by the Renold Employee Benefit Trust and, following recommendations by the employer, are provisionally allocated to satisfy awards under employee incentive schemes. The market value of these shares at 31 March 2025 was £10.8m (31 March 2024: £10.3m).

Consolidated statement of cash flows

for the year ended 31 March 2025

| | Note | 2025 £m | 2024 £m |
|---|------|------------|------------|
| Cash flows from operating activities | 17 | | |
| Cash generated from operations | | 32.0 | 36.0 |
| Income taxes paid | | (7.0) | (3.8) |
| Net cash flow from operating activities | | 25.0 | 32.2 |
| Cash flows used in investing activities | | | |
| Proceeds from property disposals | | 0.2 | 0.1 |
| Cash outflow on disposal of right-of-use assets | | (0.2) | (0.6) |
| Purchase of property, plant and equipment | | (11.8) | (8.3) |
| Purchase of intangible assets | | (1.5) | (1.3) |
| Consideration paid for acquisitions net of cash acquired | 18 | (22.1) | (4.7) |
| Net cash flow used in investing activities | | (35.4) | (14.8) |
| Cash flows from financing activities | | | |
| Repayment of principal under lease liabilities | | (3.0) | (2.5) |
| Finance costs paid | | (5.1) | (4.5) |
| Own shares purchased | | - | (4.5) |
| Dividends paid | | (1.0) | - |
| Proceeds from borrowings | | 45.6 | 58.8 |
| Repayment of borrowings | | (20.7) | (67.4) |
| Net cash flow from/(used in) financing activities | | 15.8 | (20.1) |
| Net increase/(decrease) in cash and cash equivalents | | 5.4 | (2.7) |
| Net cash and cash equivalents at beginning of year | | 14.1 | 17.5 |
| Effects of exchange rate changes | | (0.4) | (0.7) |
| Net cash and cash equivalents at end of year | 13 | 19.1 | 14.1 |

Accounting policies

Basis of preparation

The financial information included within this announcement does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The financial information for the year ended 31 March 2025 has been extracted from the statutory accounts on which an unmodified audit opinion, with a material uncertainty on going concern has been issued.

The statutory accounts for the year ended 31 March 2025 have been authorised for issue and signed by the Board of Directors at the time of this announcement. They are expected to be published on or before 21 August 2025 and will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

Going concern

The 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.

Further information in relation to the Group's business activities, together with the factors likely to affect its future development, performance and financial position, liquidity, cash balances and borrowing facilities is set out in the Strategic Report section of the Annual Report. In addition, the financial statements within the Annual Report include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to foreign exchange, credit and interest rate risk.

The key covenants attached to the Group's multi-currency revolving credit facility relate to leverage (net debt to EBITDA, maximum 3.0x) and interest cover (minimum 4.0x), which are measured in line with definitions laid out within the banking covenants, and on a post IFRS 16 basis for both EBITDA and bank debt. The Group regularly monitors its financial position to ensure that it remains within the terms of its banking covenants. The Group's net debt increased by £19.9m to £44.8m (31 March 2024: £24.9m), following the acquisition of Mac Chain (£23.8m). The Group has accordingly remained within the borrowing covenant levels throughout the year ended 31 March 2025. On 23 April 2025 the Group renewed its core banking facility that was due to mature in May 2026, the existing facilities have been amended and extended by a period of two years until May 2028. The facility has been increased to £105.0m from £85.0m. The principal banking covenants and other key terms remain unchanged.

Given the current level of macroeconomic uncertainty stemming from Covid-19, inflation, the global supply chain crisis, geopolitical risks and tariffs, and being also mindful of the risk matrix disclosed in the section on principal risks and uncertainties, the Group has performed financial modelling of future cash flows. The Board has reviewed the cash flow forecasts, which cover a period of 12 months from the approval of the 2025 Annual Report, and which reflect forecasted changes in revenue across the Group's business units. The impact of tariffs has been considered as part of these forecasts, based on information known at the time. Tariffs are not expected to have a material impact on going concern, largely due to the Group's ability to manufacture in the US and switch production between manufacturing sites in various countries.

A reverse stress test has been performed on the forecasts to determine the extent of downturn which would result in a breach of covenants. Revenue would have to reduce by 33% over the period under review for the Group to breach the interest cover covenant under the terms of its borrowing facility. The reverse stress test does not take into account further mitigating actions which the Group would implement in the event of a severe and extended revenue decline, such as reducing discretionary spend and capital expenditure. This assessment indicates that the Group can operate within the level of its current facilities, as set out above, without the need to obtain any new facilities for a period of not less than 12 months from the date of this report.

Material uncertainty as to going concern

On 13 June 2025, MPE Bid Co, a company majority-owned by a fund managed and controlled by Morgenthaler Private Equity ("MPE") announced a firm intention to acquire the issued, and to be issued, ordinary share capital of Renold plc in accordance with Rule 2.7 of the Takeover Code. The Directors of Renold plc highlight the following points:

- Whilst the Directors have not had direct visibility of MPE's post completion funding for the Group, they have placed reliance on the certification made by both MPE and their financial advisors that sufficient financial resources are available for the transaction to be completed.
- The Directors of Renold plc have had no visibility of the strategic plans for the Group post transaction, and as such are unable to certify for a 12 month period post the date of these accounts that the Group post completion can continue for a period of 12 months from the date of this report.

3 The announcement of the acquisition qualifies as an event or condition that indicates that a material uncertainty exists that may cast significant doubt upon the Group and Parent Company's ability to continue as a going concern, under its current structure.

Following this assessment, and subject to the material uncertainty stated above, the Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in relation to this conclusion and preparing the consolidated financial statements. There are no key sensitivities identified in relation to this conclusion. The financial statements do not include any adjustments that would be required if the financial statements were prepared on a basis other than that of a going concern.

Notes to the consolidated financial statements

1. 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.

| Year ended 31 March 2025 | Chain ² £m | Torque Transmission £m | Head office costs and eliminations £m | Consolidated £m |
|--|--------------------------|------------------------------|--|--------------------|
| Revenue | | | | |
| External customer - transferred at a point in time | 194.6 | 44.3 | - | 238.9 |
| External customer - transferred over time | - | 6.2 | - | 6.2 |
| Inter-segment ¹ | 0.7 | 4.3 | (5.0) | - |
| Total revenue | 195.3 | 54.8 | (5.0) | 245.1 |
| Operating profit/(loss) | 29.5 | 10.9 | (11.9) | 28.5 |
| Finance costs | | | | (7.9) |
| Profit before tax | | | | 20.6 |
| Taxation | | | | (5.5) |
| Profit after tax | | | | 15.1 |
| Other disclosures | | | | |
| Working capital ³ | 52.0 | 5.7 | (3.5) | 54.2 |
| Capital expenditure ⁴ | 9.7 | 5.5 | 1.2 | 16.4 |
| Total depreciation and amortisation | 8.4 | 1.8 | 2.0 | 12.2 |

1. Segmental information (continued)

| Year ended 31 March 2024 | Chain ² £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 ¹ | 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 ³ | 43.4 | 11.0 | (7.7) | 46.7 |
| Capital expenditure ⁴ | 5.3 | 2.4 | 1.3 | 9.0 |
| Total depreciation and amortisation | 7.1 | 1.7 | 2.0 | 10.8 |

1. Inter-segment revenues are eliminated on consolidation.
2. Included in Chain external sales is £7.0m (2024: £6.9m) of Torque Transmission product sold through the Chain NSCs, usually in countries where Torque Transmission does not have its own presence.
3. The measure of segment assets reviewed by the CODM is total working capital, defined as inventories and trade and other receivables, less trade and other payables. Working capital is also measured as a ratio of rolling annual sales.

Sales.

4. Capital expenditure consists of additions to property, plant and equipment and intangible assets.

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 20. Current year adjusting items include a £1.6m (2024: £1.0m) of amortisation of acquired intangibles, £0.4m (2024: £nil) of Valencia flood impact, £0.6m of unwind on fair value of inventory on acquisition (2024: £nil), £1.6m (2024: £0.5m) of acquisition costs, £0.5m income (2024: £nil) relating to the release of a dilapidation provision on acquisition of leased property and £nil (2024: £2.3m) income relating to assignment of lease and costs of closed sites.

Future performance obligations

The transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at 31 March 2025 is £83.0m (2024: £83.6m). This mostly comprises of the obligation to manufacture and supply standard Group products. The majority of this revenue is recognised at a point in time.

An amount of £24.6m (2024: £13.3m) relates to revenue from a small number of large customer contracts, for which revenue is recognised over time in line with progress against performance obligations. This revenue is expected to be recognised over the next ten years (2024: over the next seven years).

Constant exchange rate results are current period results retranslated using prior year exchange rates. A reconciliation is provided below and in Note 20.

| Year ended 31 March 2025 | Chain £m | Torque Transmission £m | Head office costs and eliminations £m | Consolidated £m |
|---|---------------------|---------------------------------------|--|----------------------------|
| Revenue | | | | |
| External customer - transferred at a point in time | 194.6 | 44.3 | - | 238.9 |
| External customer - transferred over time | - | 6.2 | - | 6.2 |
| Inter-segment | 0.7 | 4.3 | (5.0) | - |
| Foreign exchange retranslation | 5.0 | 0.7 | - | 5.7 |
| Total revenue at constant exchange rates | 200.3 | 55.5 | (5.0) | 250.8 |
| Operating profit/(loss) | 29.5 | 10.9 | (11.9) | 28.5 |
| Foreign exchange retranslation | 0.7 | 0.1 | - | 0.8 |
| Operating profit/(loss) at constant exchange rates | 30.2 | 11.0 | (11.9) | 29.3 |

Segmental information (continued)

Geographical analysis of external sales by destination, non-current asset location and average employee numbers

The UK is the home country of the parent company, Renold plc. The principal operating territories, the proportions of Group external revenue generated (customer location), external revenues, non-current assets (asset location) and average employee numbers in each are as follows:

| | Revenue ratio | | External revenues | | Non-current assets | | Average employee numbers | |
|-----------------|----------------------|-------------------|--------------------------|--------------------|---------------------------|--------------------|-------------------------------------|-------------|
| | 2025 % | 2024 % | 2025 £m | 2024 £m | 2025 £m | 2024 £m | 2025 | 2024 |
| United Kingdom | 7.3 | 9.1 | 18.0 | 21.9 | 15.8 | 13.8 | 282 | 293 |
| Rest of Europe | 27.7 | 29.7 | 67.7 | 71.8 | 36.5 | 39.1 | 565 | 571 |
| US & Canada | 43.8 | 42.0 | 107.2 | 101.1 | 56.4 | 33.7 | 315 | 281 |
| Australasia | 11.9 | 10.5 | 29.2 | 25.4 | 6.8 | 6.9 | 135 | 138 |
| China | 4.1 | 4.0 | 10.1 | 9.7 | 13.3 | 13.4 | 228 | 227 |
| India | 3.6 | 3.2 | 8.9 | 7.8 | 6.6 | 5.1 | 331 | 330 |
| Other countries | 1.6 | 1.5 | 4.0 | 3.7 | - | - | - | - |
| | 100.0 | 100.0 | 245.1 | 241.4 | 135.4 | 112.0 | 1,856 | 1,840 |

All revenue relates to the sale of goods and services. No individual customer, or group of customers, represents more than 10% of Group revenue (2024: None more than 10%).

Non-current assets consist of goodwill, other intangible assets, right-of-use assets and property, plant and equipment. Deferred tax assets are not included above.

Employees are categorised as direct or indirect. The split of average employee numbers are direct 1,070 (2024: 981) and indirect 786 (2024: 859).

2. Operating costs

Operating profit is stated after charging/(crediting):

| | 2025 £m | 2025 £m | 2024 £m | 2024 £m |
|---|--------------------|--------------------|--------------------|--------------------|
| Change in finished goods and work in progress | | (6.2) | | (0.5) |
| Raw materials and consumables | | 86.4 | | 81.1 |
| Other external charges | | 36.0 | | 37.5 |
| Employee costs | | | | |
| Gross wages and salaries | | 69.3 | | 67.0 |
| Social security costs | | 9.9 | | 9.7 |
| Pension costs | | | | |
| - defined contribution | | 1.6 | | 1.4 |
| Share-based incentive plans (including related social security costs) | | 2.0 | | 1.9 |
| | | 82.8 | | 80.0 |
| Depreciation of property, plant and equipment | | | | |
| - owned assets | | 6.3 | | 6.1 |

| | | |
|---|--------------|--------------|
| - right-of-use assets | 3.1 | 2.7 |
| Amortisation of intangible assets | 1.1 | 1.1 |
| Amortisation of acquired intangible assets | 1.6 | 1.0 |
| Acquisition costs | 1.6 | 0.5 |
| Short-term leases and leases of low-value assets - plant and machinery | 0.2 | 0.1 |
| Profit on disposal of owned property, plant and equipment | (0.1) | - |
| Research and development expenditure | 0.8 | 0.8 |
| Auditor's remuneration | 1.0 | 0.9 |
| Net foreign exchange losses | 0.6 | 0.7 |
| Pension administration costs | 0.9 | 1.2 |
| Impact of Valencia flood | 0.4 | - |
| Unwind of fair value inventory uplift on acquisition | 0.6 | - |
| Release of dilapidation provision on acquisition of leased property | (0.5) | - |
| Non-recurring profit on disposal of right-of-use asset and associated lease liability | - | (2.3) |
| Total operating costs | 216.6 | 210.9 |

Valencia Flood

On Tuesday 29 October, Renold's manufacturing facility in Valencia was impacted by extensive flooding. Although damage to manufacturing equipment was significant, the Group carries business interruption and property damage insurance. Thankfully no employees were hurt or injured by the flood and Valencia distribution facility, representing approximately 70% of the Spanish business, was not impacted. The costs relating to the flood and the associated insurance income have, to date, been accounted for as follows:

| | Gross cost £m | Allocation of insurance income | | Net £m |
|---|-------------------------|---------------------------------------|----|------------------|
| | | £m | £m | |
| Fixed asset impairment | 2.3 | (2.3) | - | - |
| Margin shortfall covered by business interruption | 1.0 | (1.0) | - | - |
| Direct clean-up costs | 0.6 | (0.6) | - | - |
| Professional fees and insurance deductible | 0.4 | - | - | 0.4 |
| Insurance payments on account | (1.4) | 1.4 | - | - |
| Insurance income accrued | (2.5) | 2.5 | - | - |
| Total | 0.4 | - | - | 0.4 |

The cost associated with the Valencia flood are as follows:

Fixed asset impairment - the net book value of production machinery that was damaged due to the flood in the Valencia factory is £2.3m. The Group insurance policy is split into two sections: the local policy, which provides compensation for the net book value of assets destroyed and a separate Group policy, which provides top up cover for the replacement cost of these assets, with an potential recovery of £6.9m on a new for old basis if machinery cannot be repaired or a suitable replacement found. As at year end the Group is confident of recovering, as a minimum, the net book value of the damaged assets from the local policy which are in advanced stages of discussion. The claim for the Group element has been notified to the insurance company, but as negotiations are in the early stages, we have not recognised the additional income in respect of the top up policy, due to the uncertainty around whether the assets can be repaired or replaced.

Business interruption - following the flood, the operating profit of the Valencia factory was £1.0m below the prior year level for the same period. The agreed mechanism for calculating the impact of the business interruption claim is in excess of this amount, however, the Group expects, as at 31 March 2025, that as a minimum £1.0m will be recovered. The Group has not recognised amounts in excess of this, due to uncertainty over the final negotiations.

Direct clean-up costs - the local insurance coverage allows for direct costs incurred to be claimed. The Group received £1.4m of payments on account by the end of the financial year to cover direct clean-up costs and deposits on capital equipment replacement.

Professional fees and insurance deductible - the Group expects to incur approximately £1.0m of professional fees and deductible costs in relation to the full insurance claim. The Group has accrued a proportion of these costs in line with the expected insurance proceeds recognised to date. The final amount of fees and deductible recognised will be dependent on the level of the total potential claim, currently expected to be in the region of £10.6m, if all elements of the insurance claim are successful. Based on the current stage of the claim negotiations, we believe that a reasonable estimate of the recoverable amount based on the facts and circumstances at the balance sheet date is to recognise £2.3m in respect of the property plant and equipment which has been impaired, £1.0m of lost margin in the period following the flood up to the year end, £0.6m in respect of incurred clean-up costs, offset by £1.4m which has already been received from the local insurance policy as an advance payment and £0.4m of accrued professional fees and insurance excess which results in a total asset of £1.1m.

3. Finance costs

| | 2025 £m | 2024 £m |
|--|-------------------|-------------------|
| Finance costs: | | |
| Interest payable on bank loans and overdrafts ¹ | 4.1 | 3.7 |
| Interest expense on lease liabilities ¹ | 1.0 | 0.8 |
| Amortised financing costs ¹ | 0.4 | 0.3 |
| Loan finance costs | | |
| Net IAS 19 finance costs | 5.5 | 4.8 |
| Discount unwind on non-current trade and other payables | 2.4 | 2.7 |
| Finance costs | | |
| | 7.9 | 7.6 |

¹ Amounts arising on financial liabilities measured at amortised cost.

4. Taxation

Analysis of tax charge in the year

| | 2025 £m | 2024 £m |
|--|--------------|------------|
| United Kingdom | | |
| UK corporation tax at 25% (2024: 25%) | - | 0.8 |
| Overseas taxes | | |
| Corporation taxes | 4.8 | 4.4 |
| Adjustments in respect of prior periods | (1.1) | 1.0 |
| Withholding taxes | 0.2 | 0.3 |
| Current income tax charge | 3.9 | 6.5 |
| Deferred tax | | |
| UK - origination and reversal of temporary differences | 1.3 | 1.3 |
| Overseas - origination and reversal of temporary differences | 1.0 | 1.1 |
| Adjustments in respect of prior periods | 0.1 | (0.7) |
| Movement in unprovided deferred tax balances | (0.8) | (2.4) |
| Total deferred tax charge/(credit) | 1.6 | (0.7) |
| Tax charge on profit on ordinary activities | 5.5 | 5.8 |

| | 2025 £m | 2024 £m |
|--|------------|------------|
| Tax on items taken to other comprehensive income | | |
| Deferred tax on changes in net pension deficits | 1.1 | 0.4 |
| Tax on fair value of derivatives direct to reserves | - | (0.1) |
| Tax charge in the statement of other comprehensive income | 1.1 | 0.3 |

Factors affecting the Group tax charge for the year

The decrease in the current tax charge is attributable to reduced taxable profits across the Group.

At 31 March 2025, the provision for open tax matters totalled £2.2m (31 March 2024: £1.8m).

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. A deferred tax liability of £0.4m is recognised on the gross unremitted earnings of £35.7m of overseas subsidiaries in accordance with IAS 12.39.

The actual tax on the Group's profit before tax differs from the theoretical amount using the UK corporation tax rate as follows:

| | 2025 £m | 2024 £m |
|--|--------------|------------|
| Profit on ordinary activities before tax | 20.6 | 22.9 |
| Tax charge at UK statutory rate of 25% (2024: 25%) | 5.2 | 5.7 |
| Effects of: | | |
| Non-taxable income | (0.1) | (0.1) |
| Non-deductible expenditure | 0.9 | 1.6 |
| Movement in uncertain tax positions | 0.8 | - |
| Overseas tax rate differences | 0.2 | 0.5 |
| Adjustments in respect of prior periods | (0.9) | 0.3 |
| Movement in unrecognised deferred tax | (0.8) | (2.5) |
| Withholding taxes | 0.2 | 0.3 |
| Total tax charge | 5.5 | 5.8 |

4. Taxation (continued)

Effective tax rate

The effective tax rate of 27% (2024: 25%) is higher than the prevailing UK tax rate of 25% (2024: 25%).

The increase in the effective tax rate is primarily driven by a change in the profit mix across the Group, with higher profits in jurisdictions where the prevailing tax rate is higher than the UK tax rate as well as an increase in centrally held uncertain tax provisions and an increase in non-deductible expenses relating to acquisition costs in the period.

Tax payments

Cash tax paid in the year was £7.0m (2024: £3.8m). The increase is attributable to cash tax being paid in the period relating to historic years where the tax returns were finalised and filed in the FY25 period and the Group fully utilising available brought forward losses in both Germany and the US.

5. Earnings per share

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

| | 2025 | | | 2024 | | |
|--|----------------|-----------------------|--------------------------------|----------------|-----------------------|--------------------------------|
| | Earnings £m | Shares (thousands) | Per share amount (pence) | Earnings £m | Shares (thousands) | Per share amount (pence) |
| Basic EPS - Profit attributed to ordinary shareholders | 15.1 | 198,573 | 7.6 | 17.1 | 206,908 | 8.3 |
| Effect of adjusting items, after tax: | | | | | | |
| Amortisation of acquired intangible assets | 1.6 | | 0.8 | 1.0 | | 0.5 |
| Acquisition costs | 1.6 | | 0.8 | 0.5 | | 0.2 |
| Release of dilapidation provision on acquisition of lease property | (0.5) | | (0.2) | - | | - |
| - Tax on release of dilapidation provision ¹ | 0.1 | | 0.1 | - | | - |

| | | | | |
|---|--------------|----------------|------------|-------------|
| Impact of Valencia flood | 0.4 | 0.2 | - | - |
| - Tax impact of Valencia flood ¹ | (1.0) | (0.5) | - | - |
| Unwind of fair value inventory uplift on acquisition | 0.6 | 0.3 | - | - |
| - Tax impact of unwind of fair value inventory uplift on acquisition ¹ | (0.1) | (0.1) | - | - |
| - Deferred tax triggered on acquisition ¹ | - | - | (1.0) | (0.5) |
| Assignment of lease and cost of closed sites | - | - | (2.3) | (1.1) |
| - Tax on assignment of lease and cost of closed sites | - | - | 0.8 | 0.4 |
| Adjusted EPS | 17.8 | 198,573 | 9.0 | 16.1 |
| | | | 206,908 | 7.8 |

¹During the current year, £1.0m of adjusting items after tax have been recognised in relation to the impact of the Valencia flood, unwind of fair value inventory uplift on acquisition and the release of dilapidation provisions on acquisition of leased property. During the prior year, £1.0m of deferred tax asset was recognised on brought forward tax losses for the Group's Australian entity, triggered by the acquisition of the trading assets of Davidson Chain PTY ("Davidson"). The acquisition resulted in a step change in the profitability of the Australian business such that it is now probable that taxable profits exist, against which previously unrecognised tax losses and temporary differences can be utilised. Consistent with the amortisation of acquired intangibles and other significant, non-recurring items, the deferred tax credit has been excluded for the purposes of calculating adjusted EPS as it represents a significant non-recurring and acquisition-related item.

Inclusion of the dilutive securities, comprising 29,041,022 (2024: 27,448,748) additional shares due to share options, in the calculation of basic and adjusted EPS changes the amounts shown above to 6.6p and 7.8p respectively (2024: basic EPS 7.3p, adjusted EPS 6.9p).

The adjusted EPS numbers have been provided in order 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.

In accordance with IAS 33, the shareholding used in the calculation of EPS and adjusted EPS, is adjusted for the weighted average shareholdings held within the Renold Employee Benefit Trust.

6. Dividends

During 2025, Renold plc paid dividends of £1.0m (2024: £nil) to its equity shareholders. This represents a payment of 0.5p per share (2024: nil per share).

In light of the MPE Offer, announced on 13 June 2025, the Board has decided not to declare a final dividend for the year ended 31 March 2025 ("FY25"), as MPE has reserved the right to decrease the price per Renold share payable in respect of the Acquisition for any dividend declared, made, paid or that becomes payable by Renold on or prior to the effective date of the Acquisition.

7. Goodwill

| | 2025 | 2024 |
|--|--------------|-----------|
| | £m | £m |
| Cost | | |
| At 1 April | 32.9 | 31.7 |
| Acquisition of subsidiary (Note 18) | 5.7 | 1.8 |
| Exchange adjustment | (1.0) | (0.6) |
| At 31 March | 37.6 | 32.9 |
| Accumulated amortisation and impairment | | |
| At 1 April | 3.6 | 3.5 |
| Exchange adjustment | - | 0.1 |
| At 31 March | 3.6 | 3.6 |
| Carrying amount | 34.0 | 29.3 |

Impairment testing

The Group performed its annual impairment test of goodwill at 31 March 2025 which compares the current book value to the recoverable amount from the continued use or sale of the related business.

The recoverable amount of each Cash Generating Unit (CGU) has been determined on a value-in-use basis, calculated as the net present value of cash flows derived from detailed financial plans. All business units in the Group have submitted a budget for the financial year ending 31 March 2026 and strategic plan forecasts for the two financial years ending 31 March 2028. The budget and strategic forecasts, which are subject to detailed review and challenge, were approved by the Board. The Group prepares cash flow forecasts based on these projections for the first three years, with years four and five extrapolated based on known future events, recently observable trends and management expectations. A terminal value calculation is used to estimate the cash flows after year five. Sensitivity analysis has been performed including a zero revenue growth scenario (with current year revenue modelled for all future periods of the forecast) and a reverse stress test, to determine the extent of downturn which would result in a potential impairment. Revenue would have to reduce by 19% in the first year of the period under review (worse than the decline seen during the Covid pandemic) for the first CGU containing goodwill to require potential impairment. Under the reverse stress test the first CGU with headroom that eliminated was India. The forecasts used for the impairment review are consistent with those used in the Going Concern review.

The key assumptions used in the value-in-use calculations are:

- **Sales:** Forecast sales are built up with reference to expected sales prices and volumes from individual markets and product categories based on past performance, projections of developments in key markets and management's judgement;
- **Margins:** Forecast margins reflect historical performance and management's experience of each CGUs profitability at the forecast level of sales including the impact of all completed restructuring projects. The projections do not include the impact of future restructuring projects to which the Group is not yet committed;
- **Discount rate:** Pre-tax discount rates have been calculated based on the Group's weighted average cost of capital and risks specific to the CGU being tested; and
- **Long-term growth rates:** As required by IAS 36, cash flows beyond the period of projections are extrapolated using long-term growth rates published by the Organisation for Economic Co-operation and Development for the territory in which the CGU is based. The discount rates applied to the cash flows of each of the CGUs are based on the risk-free rate for long-term bonds issued by the government in the respective market. This is then adjusted to reflect both the increased risk of investing in equities and the systematic risk of the specific CGU (using an average of the betas of comparable companies). These rates do not reflect the long-term assumptions used by the Group for investment planning.

The Directors do not currently consider that any reasonably possible changes to the key assumptions would reduce the recoverable amount to its carrying value for any CGU. No impairment charge has been recognised in the current or prior period for any CGU. The goodwill acquired in the year relating to Mac Chain has been allocated to the Americas CGU.

7. Goodwill (continued)

| Cash generating unit | CGU discount rates (pre-tax) | | | | Carrying values | |
|--|------------------------------|------|-------------|------|-----------------|------|
| | Growth rates | | 2025 | 2024 | 2025 | 2024 |
| | 2025 | 2024 | % | % | £m | £m |
| Americas (Jeffrey Chain, Mac Chain) | 2.0 | 2.1 | 13.9 | 12.7 | 25.9 | 20.8 |
| Australia (Ace Chains, Davidson Chain) | 2.3 | 2.3 | 10.9 | 10.4 | 2.0 | 2.2 |
| India (Renold Chain) | 6.5 | 6.3 | 18.1 | 15.9 | 1.6 | 1.7 |
| Europe & China (Renold Tooth Chain, YUK) | 1.4 | 1.2 | 14.8 | 15.1 | 4.5 | 4.6 |
| | | | | | 34.0 | 29.3 |

8. Intangible assets

| | Customer orderbook £m | Customer relationships £m | Technical know-how £m | Non-compete agreements £m | Brand £m | Computer software £m | Total £m |
|--|-----------------------|---------------------------|-----------------------|---------------------------|------------|----------------------|-------------|
| Cost | | | | | | | |
| At 1 April 2023 | 0.3 | 10.0 | 0.2 | 1.8 | - | 21.4 | 33.7 |
| Exchange adjustment | - | (0.2) | - | - | - | (0.3) | (0.5) |
| Additions | - | - | - | - | - | 1.3 | 1.3 |
| Recategorisation (Note 9) | - | - | - | - | - | 0.5 | 0.5 |
| Disposals | - | - | - | - | - | (0.1) | (0.1) |
| Acquisition of subsidiary | - | 0.7 | - | 0.4 | - | - | 1.1 |
| At 31 March 2024 | 0.3 | 10.5 | 0.2 | 2.2 | - | 22.8 | 36.0 |
| Exchange adjustment | (0.1) | (0.6) | - | - | - | - | (0.7) |
| Additions | - | - | - | - | - | 1.5 | 1.5 |
| Acquisition of subsidiary (Note 18) | - | 8.8 | - | 0.3 | 0.4 | - | 9.5 |
| At 31 March 2025 | 0.2 | 18.7 | 0.2 | 2.5 | 0.4 | 24.3 | 46.3 |
| Accumulated amortisation and impairment | | | | | | | |
| At 1 April 2023 | 0.3 | 4.9 | 0.2 | 0.2 | - | 17.2 | 22.8 |
| Exchange adjustment | - | (0.3) | - | - | - | - | (0.3) |
| Amortisation charge | - | 0.7 | - | 0.4 | - | 1.0 | 2.1 |
| Disposals | - | - | - | - | - | (0.1) | (0.1) |
| At 31 March 2024 | 0.3 | 5.3 | 0.2 | 0.6 | - | 18.1 | 24.5 |
| Exchange adjustment | (0.1) | 0.1 | - | (0.1) | - | (0.2) | (0.3) |
| Amortisation charge | - | 1.2 | - | 0.4 | - | 1.2 | 2.8 |
| At 31 March 2025 | 0.2 | 6.6 | 0.2 | 0.9 | - | 19.1 | 27.0 |
| Net book amount | | | | | | | |
| At 31 March 2025 | - | 12.1 | - | 1.6 | 0.4 | 5.2 | 19.3 |
| At 31 March 2024 | - | 5.2 | - | 1.6 | - | 4.7 | 11.5 |

During the year amounts have been recognised in accordance with IFRS 3 in relation to customer lists, non-compete agreements and brands as a result of the acquisition of Mac Chain (Note 18). The customer relationships acquired have been valued using estimates of useful lives and discounted cash flows of expected income, the non-compete agreements have been valued using the comparative income differential method and the brands have been valued using the discounted cash flows of expected income.

The prior year acquisition of the Davidson business resulted in the recognition of amounts in relation to customer lists and non-compete agreements. The remaining amounts recognised for customer relationships, customer orderbook and technical know-how were acquired with the acquisition of the Industrias YUK S.A business, Brooks business and the Tooth Chain (Germany) business, of which the latter is now fully depreciated.

9. Property, plant and equipment

| | Land and buildings £m | Plant and equipment £m | Total £m |
|--|-----------------------|------------------------|--------------|
| Cost | | | |
| At 1 April 2023 | 25.9 | 137.8 | 163.7 |
| Exchange adjustment | (0.9) | (3.6) | (4.5) |
| Additions | 0.4 | 7.3 | 7.7 |
| Disposals | (0.2) | (2.7) | (2.9) |
| Recategorisation (Note 8) | 0.7 | (1.2) | (0.5) |
| Acquisition of subsidiary | - | 0.1 | 0.1 |
| At 31 March 2024 | 25.9 | 137.7 | 163.6 |
| Exchange adjustment | (0.5) | (2.9) | (3.4) |
| Additions | 3.9 | 11.0 | 14.9 |
| Disposals | - | (5.9) | (5.9) |
| Recategorisation | (0.2) | 0.2 | - |
| Acquisition of subsidiary (Note 18) | - | 1.0 | 1.0 |
| At 31 March 2025 | 29.1 | 141.1 | 170.2 |
| Accumulated depreciation and impairment | | | |
| At 1 April 2023 | 8.9 | 98.0 | 106.9 |
| Exchange adjustment | (0.2) | (2.5) | (2.7) |
| Charge for the year | 0.6 | 5.5 | 6.1 |
| Disposals | (0.2) | (2.6) | (2.8) |
| At 31 March 2024 | 9.1 | 98.4 | 107.5 |
| Exchange adjustment | (0.3) | (1.9) | (2.2) |

| | | | |
|-------------------------|-------------|-------------|--------------|
| Charge for the year | 0.6 | 5.7 | 6.3 |
| Disposals | - | (3.9) | (3.9) |
| At 31 March 2025 | 9.4 | 98.3 | 107.7 |
| Net book amount | | | |
| At 31 March 2025 | 19.7 | 42.8 | 62.5 |
| At 31 March 2024 | 16.8 | 39.3 | 56.1 |

Property, plant and equipment pledged as security for liabilities amounted to £42.5m (2024: £35.2m).

Future capital expenditure

At 31 March 2025 capital expenditure contracted for but not provided for in these accounts amounted to £2.9m (2024: £1.7m).

10. Leasing and right-of-use assets

Right-of-use assets

| | Land and buildings £m | Plant and equipment £m | Total £m |
|--|--------------------------|---------------------------|-------------|
| Cost | | | |
| At 1 April 2023 | 22.8 | 1.7 | 24.5 |
| Exchange adjustment | (0.5) | - | (0.5) |
| Additions | 1.7 | 1.4 | 3.1 |
| Recategorisation | - | (0.1) | (0.1) |
| Disposals | (4.4) | (0.5) | (4.9) |
| At 31 March 2024 | 19.6 | 2.5 | 22.1 |
| Exchange adjustment | (0.6) | (0.1) | (0.7) |
| Additions | 2.4 | 1.0 | 3.4 |
| Recategorisation | (0.5) | - | (0.5) |
| Disposals | (3.4) | (0.5) | (3.9) |
| Acquisition of subsidiary (Note 18) | 5.5 | - | 5.5 |
| At 31 March 2025 | 23.0 | 2.9 | 25.9 |
| Accumulated depreciation and impairment | | | |
| At 1 April 2023 | 7.1 | 0.9 | 8.0 |
| Exchange adjustment | (0.1) | 0.1 | - |
| Charge for the year | 2.0 | 0.6 | 2.6 |
| Recategorisation | - | (0.1) | (0.1) |
| Disposals | (3.0) | (0.5) | (3.5) |
| At 31 March 2024 | 6.0 | 1.0 | 7.0 |
| Exchange adjustment | (0.1) | - | (0.1) |
| Charge for the year | 2.5 | 0.6 | 3.1 |
| Recategorisation | (0.5) | - | (0.5) |
| Disposals | (2.7) | (0.5) | (3.2) |
| At 31 March 2025 | 5.2 | 1.1 | 6.3 |
| Net book amount | | | |
| At 31 March 2025 | 17.8 | 1.8 | 19.6 |
| At 31 March 2024 | 13.6 | 1.5 | 15.1 |

Lease liabilities

| | 2025 £m | 2024 £m |
|---|-------------|------------|
| Maturity analysis - contractual undiscounted cash flows | | |
| Less than one year | 3.5 | 2.9 |
| One to two years | 3.4 | 2.6 |
| Two to five years | 10.0 | 4.4 |
| More than five years | 9.8 | 11.2 |
| Total undiscounted lease liabilities at 31 March | 26.7 | 21.1 |
| Less: Interest allocated to future periods | (6.9) | (6.0) |
| Lease liabilities included in the Consolidated Balance Sheet | 19.8 | 15.1 |
| Current | 2.5 | 2.3 |
| Non-current | 17.3 | 12.8 |

Amounts recognised in profit or loss

| | 2025 £m | 2024 £m |
|---|------------|------------|
| Interest on lease liabilities | (1.0) | (0.8) |
| Non-recurring profit on disposal of right-of-use asset and associated lease liability | 0.5 | 2.3 |
| Expenses relating to short-term leases and leases of low-value assets | (0.2) | (0.1) |

10. Leasing and right-of-use assets (continued)

Amounts recognised in the Consolidated Statement of Cash Flows

| | 2025 £m | 2024 £m |
|---|------------|------------|
| Repayment of principal under lease liabilities | 3.0 | 2.5 |
| Repayment of interest on lease liabilities | 1.0 | 0.8 |
| Cash outflows in relation to short-term leases and leases of low-value assets | 0.2 | 0.1 |
| Total cash outflows for leases | 4.2 | 3.4 |

11. Inventories

| | 2025 £m | 2024 £m |
|--|------------|------------|
| Raw materials | 10.9 | 8.9 |
| Work in progress | 8.0 | 7.2 |
| Finished products and production tooling | 48.3 | 44.5 |
| | 67.2 | 60.6 |

Inventories pledged as security for liabilities amounted to £48.7m (2024: £42.7m).

The Group expensed £86.4m (2024: £81.1m) of inventories during the period. In the year to 31 March 2025, £1.6m (2024: £1.9m) was charged for the write-down of inventory and £0.3m (2024: £1.5m) was released from inventory provisions no longer required.

12. Trade and other receivables

| | 2025 £m | 2024 £m |
|-------------------------------------|------------|------------|
| Trade receivables | 38.6 | 33.2 |
| Less: Loss allowance | (0.4) | (0.4) |
| Trade receivables: net ¹ | 38.2 | 32.8 |
| Other receivables | 6.1 | 3.0 |
| Prepayments | 3.9 | 4.0 |
| | 48.2 | 39.8 |

¹ Financial assets carried at amortised cost.

The Group has no significant concentration of credit risk but does have a concentration of translational and transactional foreign exchange risk in both US Dollars and Euros; however, the Group hedges against these risks. The carrying amount of trade and other receivables approximates their fair value.

Trade receivables are non-interest bearing and are generally on 30-90 days terms. The average credit period on sales of goods is 52 days (2024: 51 days).

Other receivables largely relate to accrued insurance income resulting from the Valencia flood and VAT. Given that the counterparties are insurers and governments, no provision for loss allowance has been made. Included within other receivables is a related party balance of £15k (FY24: £15k) in relation to a share subscription for preference shares in Renold (Thailand) Limited held by Timblick & Partners Limited, who provide annual corporate secretarial services to Renold (Thailand) Limited.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further analysed:

| At 31 March 2025 | Trade receivables - days past due | | | | | Total |
|--|-----------------------------------|----------|------------|------------|----------|-------|
| | Not past due | <30 days | 30-60 days | 60-90 days | >90 days | |
| Trade receivables: gross | 33.5 | 4.0 | 0.5 | 0.2 | 0.4 | 38.6 |
| Expected credit loss rate, % | 0.3% | 0.0% | 0.3% | 0.0% | 61.1% | 1.0% |
| Estimated gross carrying amount at default, £m | 0.1 | - | - | - | 0.3 | |
| Lifetime expected credit loss, £m | | | | | | 0.4 |

12. Trade and other receivables (continued)

| At 31 March 2024 | Trade receivables - days past due | | | | | Total |
|--|-----------------------------------|----------|------------|------------|----------|-------|
| | Not past due | <30 days | 30-60 days | 60-90 days | >90 days | |
| Trade receivables: gross | 27.8 | 3.6 | 0.5 | 0.5 | 0.8 | 33.2 |
| Expected credit loss rate, % | 0.3% | 0.0% | 0.2% | 1.2% | 43.1% | 1.2% |
| Estimated gross carrying amount at default, £m | 0.1 | - | - | - | 0.3 | |
| Lifetime expected credit loss, £m | | | | | | 0.4 |

The following table shows the movement in the lifetime expected credit losses; there has been no change in the estimation techniques or significant assumptions made during the current reporting period:

| | 2025 £m | 2024 £m |
|--------------------------------------|------------|------------|
| Loss allowance | | |
| At 1 April | 0.4 | 0.8 |
| Amounts written off as uncollectable | - | (0.4) |
| At 31 March | 0.4 | 0.4 |

13. Cash and cash equivalents

In the Group cash flow statement, net cash and cash equivalents are shown after deducting bank overdrafts as follows:

| | 2025 £m | 2024 £m |
|-------------------------------|------------|------------|
| Cash and cash equivalents | 22.0 | 17.8 |
| Less: Overdrafts (Note 14) | (2.9) | (3.7) |
| Net cash and cash equivalents | 19.1 | 14.1 |

14. Borrowings

| | 2025 £m | 2024 £m |
|--------------------------------|------------|------------|
| Current borrowings: | | |
| Overdrafts (Note 13) | 2.9 | 3.7 |
| Capitalised costs | (0.3) | (0.3) |
| Bank loans | 0.4 | 0.4 |
| Current borrowings | 3.0 | 3.8 |
| Non-current borrowings: | | |
| Bank loans | 63.4 | 38.8 |

| | | |
|-------------------------|-------------|-------------|
| Capitalised costs | (0.1) | (0.4) |
| Non-current borrowings | 63.3 | 38.4 |
| Preference stock | 0.5 | 0.5 |
| Total borrowings | 63.8 | 38.9 |
| | 66.8 | 42.7 |

The above loans form part of the Renold plc Group core banking facilities. The UK banking facility matures in May 2026, therefore is classed as non-current borrowings.

All financial liabilities above are carried at amortised cost.

Core banking facilities

On 23 April 2025, the Group renewed its core banking facility that was due to mature in May 2026. The existing multi-currency revolving facility has been amended and extended by a period of two years and will be in place until May 2028 and is fully committed and available until maturity. The existing facility has been increased to £105.0m from the previous level of £85.0m and will be provided by the existing banks: HSBC UK, Allied Irish Bank (GB), and Citibank.

At the year end, the undrawn core banking facility was £21.3m (2024: £45.9m). The Group also benefits from a UK overdraft and a number of overseas facilities totalling £4.5m (2024: £5.0m) with availability at year end of £1.5m. The Group pays interest at SONIA, SOFR, Euribor and CORRA plus a variable margin in respect of the core banking facility. The average rate of interest paid in the year was SONIA, SOFR, Euribor and CORRA plus 2.35% for Sterling, Euro, US and Canadian Dollar denominated facilities (2024: plus 1.60% for Sterling, Euro and US Dollar denominated facilities).

The core banking facility is subject to two covenants, which are tested semi-annually: net debt to EBITDA (leverage, maximum ratio 3.0 times) and EBITDA to net finance charges (interest cover, minimum ratio 4.0 times).

Secured borrowings

Included in Group borrowings are secured borrowings of £66.7m (2024: £42.9m). Security is provided by fixed and floating charges over assets (including certain property, plant and equipment and inventory) primarily in the UK, USA, Germany and Australia. Certain Group companies have provided cross-guarantees in respect of these borrowings

Preference stock

At 31 March 2025, there were 580,482 units of preference stock in issue (2024: 580,482).

All payments of dividends on the preference stock have been paid on the due dates. The preference stock has the following rights:

- i. a fixed cumulative preferential dividend at the rate of 6% per annum payable half yearly on 1 January and 1 July in each year;
- ii. rank both with regard to dividend (including any arrears on the commencement of a winding up) and return of capital in priority to all other stock or shares in the Company, but with no further right to participate in profits or assets;
- iii. no right to attend or vote, either in person or by proxy, at any general meeting of the Company or to have notice of any such meeting, unless the dividend on the preference stock is in arrears for six calendar months; and
- iv. no redemption entitlement and no fixed repayment date.

There is no significant difference between the carrying value of financial liabilities and their equivalent fair value.

15. Trade and other payables

| | 2025 | | 2024 | |
|---|---------------|-----------------------|---------------|-------------------|
| | Current £m | Non- current £m | Current £m | Non-current £m |
| Trade payables ¹ | 23.8 | - | 16.2 | - |
| Other taxation and social security ¹ | 2.8 | - | 3.3 | - |
| Other payables ¹ | 3.3 | - | 7.9 | - |
| Accruals ¹ | 31.3 | - | 26.3 | - |
| | 61.2 | - | 53.7 | - |

¹ Financial liabilities carried at amortised cost.

Trade payables are non-interest bearing and are normally settled within 60-day terms. The Group does have a concentration of translational foreign exchange risk in both US Dollars and Euros; however, the Group hedges against this risk.

The Group did not operate supplier financing or reverse factoring programmes during the current or prior financial year.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

16. Provisions

| | Business restructuring £m | Dilapidations £m | Environmental and other provisions £m | Total provisions £m |
|------------------------------------|---------------------------------|---------------------|--|---------------------------|
| At 1 April 2024 | 0.9 | 2.7 | 3.0 | 6.6 |
| Arising during the year | - | 0.1 | - | 0.1 |
| Utilised in the year | (0.5) | - | - | (0.5) |
| Disposed | - | (1.1) | - | (1.1) |
| (Released)/charged during the year | (0.2) | - | 0.1 | (0.1) |
| At 31 March 2025 | 0.2 | 1.7 | 3.1 | 5.0 |
| Allocated as: | | | | |
| Current provisions | | | 2025 £m | 2024 £m |
| Non-current provisions | | | 1.0 | 1.6 |
| | | | 4.0 | 5.0 |
| | | | 5.0 | 6.6 |

Business restructuring

During the year ended 31 March 2025, a provision was recognised for legal and redundancy costs in relation to the reduction of headcount within a number of the Groups locations, especially within mainland Europe. Despite a number of the legal processes involved with this restructuring being lengthy, it is anticipated that the provision will be utilised

| | | | | | | | | |
|--|-------------|------------|-------------|------------|--------------|---|--------------|-------------|
| activities | 54.1 | 5.1 | 16.8 | 8.9 | (0.9) | - | (0.3) | 83.7 |
| Overdrafts (Note 14) | 3.7 | | | | | | | 2.9 |
| Less: Lease liabilities (Note 10) | (15.1) | | | | | | | (19.8) |
| Total borrowings (Note 14) | 42.7 | | | | | | | 66.8 |
| Add: Cash and cash equivalents (Note 13) | (17.8) | | | | | | | (22.0) |
| Net debt | 24.9 | | | | | | | 44.8 |

¹ Non-cash changes include the amortisation of capitalised finance costs and foreign exchange translation.

| | Opening balance | Accrued interest | Financing cash flows | New leases | Lease disposal | Net debt acquired | Other non-cash changes ¹ | Closing balance |
|---|-----------------|------------------|----------------------|------------|----------------|-------------------|-------------------------------------|-----------------|
| 2024 | £m | £m | £m | £m | £m | £m | £m | £m |
| Bank loans (Note 14) | 46.8 | 3.7 | (10.8) | - | - | - | (0.5) | 39.2 |
| Capitalised costs (Note 14) | - | - | (1.0) | - | - | - | 0.3 | (0.7) |
| Preference stock (Note 14) | 0.5 | - | - | - | - | - | - | 0.5 |
| Lease liabilities (Note 10) | 20.2 | 0.8 | (3.3) | 3.1 | (5.2) | - | (0.5) | 15.1 |
| Total liabilities from financing activities | 67.5 | 4.5 | (15.1) | 3.1 | (5.2) | - | (0.7) | 54.1 |
| Overdrafts (Note 14) | 1.8 | | | | | | | 3.7 |
| Less: Lease liabilities (Note 10) | (20.2) | | | | | | | (15.1) |
| Total borrowings (Note 14) | 49.1 | | | | | | | 42.7 |
| Add: Cash and cash equivalents (Note 13) | (19.3) | | | | | | | (17.8) |
| Net debt | 29.8 | | | | | | | 24.9 |

¹ Non-cash changes includes the amortisation of capitalised finance costs and foreign exchange translation.

18. Business combinations

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 27.8m (£21.4m) 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. 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:

| | Recognised values on acquisition £m |
|--|-------------------------------------|
| Fair value of net assets acquired: | |
| Intangible assets | 9.5 |
| Property, plant and equipment | 1.0 |
| Right-of-use assets | 5.5 |
| Inventories | 6.9 |
| Trade and other receivables | 3.3 |
| Cash and cash equivalents | 1.0 |
| Trade and other payables | (2.1) |
| Lease liabilities | (5.5) |
| Provisions | (0.1) |
| Deferred tax liabilities | (1.4) |
| Net identifiable assets and liabilities | 18.1 |
| Goodwill | 5.7 |
| Total consideration | 23.8 |
| Consideration: | |
| Cash consideration | 21.4 |
| Deferred consideration | 2.4 |
| Total consideration transferred/to be transferred | 23.8 |
| Net cash outflow arising on acquisition: | |
| Cash consideration paid | (21.4) |
| Add: cash and cash equivalents acquired | 1.0 |
| | (20.4) |
| Increase in net debt arising on acquisition: | |
| Net cash outflow arising on acquisition | (20.4) |
| Less: Acquisition costs | (1.3) |
| | (21.7) |

Acquisition related costs amounted to £1.6m and have been included in the Income Statement. Only £1.3m 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 £9.3m revenue and £1.3m 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 £17.0m to Group revenue, £0.8m to Group operating profit and £1.9m to adjusted operating profit (after adding back £0.5m amortisation of acquired intangibles and £0.6m unwind of fair value inventory uplift on acquisition).

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: | £m |
|---|--------|
| Mac Chain | (20.4) |
| Industrias YUK S.A. | (1.7) |
| | (22.1) |
| Total increase in net debt arising on acquisitions: | £m |
| Mac Chain | (21.7) |
| Industrias YUK S.A. | (1.7) |
| | (23.4) |

19. Post balance sheet event

On 25 June 2025, the Group acquired the entire issued share capital of Ognibene S.p.a. ("Ognibene") for a total cash consideration of €10.0m (£8.4m). Ognibene is being acquired on a cash free, debt free basis, and will consist of an initial cash consideration of €9.0m (£7.6m), followed by a further cash payment of €1.0m (£0.8m), payable 12 months from the anniversary of completion of the acquisition. Ognibene is a manufacturer and distributor of high-quality transmission chain ("TRC") and ancillary products servicing a range of end markets, including the packaging machinery, distribution and food processing markets. The acquisition increases the Group's access to the Italian, and wider Southern European market, allowing Renold to improve its customer service offering by accommodating local stocking of our complete chain range in Italy, which in turn will generate manufacturing synergies between Ognibene and Renold's existing international operations.

The book value of the net assets acquired is as follows:

| | Recognised values on acquisition | £m |
|----------------------------------|----------------------------------|------------|
| Total net assets acquired | | 7.7 |

At the date of authorisation of these financial statements a detailed assessment of the fair value of the identifiable net assets has not been completed.

Management acknowledge there are disclosures under IFRS 3 that haven't been made because of the timing of the acquisition in relation to the time of the announcement, which doesn't allow sufficient time for the fair value adjustments to be performed.

Fair value of consideration paid:

| Consideration: | £m |
|--|------------|
| Cash consideration | 7.6 |
| Deferred consideration | 0.8 |
| Total consideration transferred/to be transferred | 8.4 |

On 23 April 2025, the Group renewed its core banking facility that was due to mature in May 2026. The existing multi-currency revolving facility has been amended and extended by a period of two years and will be in place until May 2028 and is fully committed and available until maturity. The existing facility has been increased to £105.0m from the previous level of £85.0m and will be provided by the existing banks: HSBC UK, Allied Irish Bank (GB), and Citibank.

On 21 May 2025, the Board of Renold confirmed that it has received two separate unsolicited and non-binding all-cash proposals from a consortium comprising Buckthorn Partners LLP and One Equity Partners IX, L.P, and Webster Industries, Inc, a company majority-owned by a fund managed and controlled by Morgenthaler Private Equity ("MPE"), to acquire the entire issued and to be issued ordinary share capital of Renold plc.

On 13 June 2025, MPE Bid Co made a formal offer to acquire the entire issued and to be issued ordinary share capital of Renold plc at 82p per ordinary share.

20. 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), including the presentation of the income statement in a three-column format with 'Adjusted' measures shown separately from statutory items. Amortisation of acquired intangibles, restructuring costs, discontinued operations and material one-off items or remeasurements are included in a separate column 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 comparative to current year exchange rates.

The APMs used by the Group include:

| APM | Reference | Explanation of APM |
|-----------------------------------|-----------|---|
| • adjusted operating profit | A | |
| • adjusted profit before taxation | B | Adjusted measures are used by the Group as a measure of |

| | | |
|--|----------|--|
| • adjusted profit before taxation | - | 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 EPS | C | |
| • return on sales | D | |
| • operating profit gearing | D | |
| • revenue at constant exchange rates | E | Constant exchange rate metrics adjusted 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 | |
| • adjusted return on sales at constant exchange rates | G | |
| • EBITDA | H | |
| • adjusted EBITDA | H | EBITDA is a widely utilised measure of profitability, adjusting to remove non-cash depreciation and amortisation charges |
| • 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 |
| • average working capital ratio | M | Working capital as a ratio of rolling 12-month revenue is used to measure cash performance and balance sheet strength |

20. Alternative performance measures (continued)

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

(A) Adjusted operating profit

| | Year ended 31 March 2025 | | | |
|---|--------------------------|------------------------------|--|--------------------|
| | Chain £m | Torque Transmission £m | Head office costs and eliminations £m | Consolidated £m |
| | | | | |
| Operating profit | 29.5 | 10.9 | (11.9) | 28.5 |
| Add back/(deduct): | | | | |
| Amortisation of acquired intangible assets | 1.6 | - | - | 1.6 |
| Acquisition costs | - | - | 1.6 | 1.6 |
| Impact of Valencia flood | 0.4 | - | - | 0.4 |
| Unwind of fair value inventory uplift on acquisition | 0.6 | - | - | 0.6 |
| Release of dilapidation provision on acquisition of leased property | - | (0.5) | - | (0.5) |
| Adjusted operating profit | 32.1 | 10.4 | (10.3) | 32.2 |

| | 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

| | 2025 | 2024 |
|---|-------------|-------------|
| | £m | £m |
| Profit before taxation | 20.6 | 22.9 |
| Add back/(deduct): | | |
| Amortisation of acquired intangible assets | 1.6 | 1.0 |
| Acquisition costs | 1.6 | 0.5 |
| Impact of Valencia flood | 0.4 | - |
| Unwind of fair value inventory uplift on acquisition | 0.6 | - |
| Release of dilapidation provision on acquisition of leased property | (0.5) | - |
| Assignment of lease and cost of closed sites | - | (2.3) |
| Adjusted profit before taxation | 24.3 | 22.1 |

(C) Adjusted earnings per share

Adjusted EPS is reconciled to statutory EPS in Note 5.

(D) Return on sales and operating profit gearing

| | Year ended 31 March 2025 | | | |
|---|--------------------------|------------------------------|--|--------------------|
| | Chain £m | Torque Transmission £m | Head office costs and eliminations £m | Consolidated £m |
| | | | | |
| Adjusted operating profit | 32.1 | 10.4 | (10.3) | 32.2 |
| Total revenue (including inter-segment sales) | 195.3 | 54.8 | (5.0) | 245.1 |
| Return on sales % | 16.4% | 19.0% | - | 13.1% |

20. Alternative performance measures (continued)

| | Year ended 31 March 2024 | | | |
|--|--------------------------|------------------------|--|--------------|
| | Chain | Torque Transmission | Head office costs and eliminations | Consolidated |
| | | | | |

| | £m | £m | £m | £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% | - | 12.3% |

| | Year ended 31 March 2025 | | | |
|--|--------------------------|------------------------------|--|--------------------|
| | Chain £m | Torque Transmission £m | Head office costs and eliminations £m | Consolidated £m |
| Adjusted operating profit - 2025 | 32.1 | 10.4 | (10.3) | 32.2 |
| Adjusted operating profit - 2024 | 31.5 | 8.4 | (10.2) | 29.7 |
| Year on year change in adjusted operating profit (a) | 0.6 | 2.0 | (0.1) | 2.5 |
| Total revenue (including inter-segment sales) - 2025 | 195.3 | 54.8 | (5.0) | 245.1 |
| Total revenue (including inter-segment sales) - 2024 | 192.8 | 53.5 | (4.9) | 241.4 |
| Year on year change in total revenue (b) | 2.5 | 1.3 | (0.1) | 3.7 |
| Adjusted operating profit gearing % ((a)/(b)) | 24% | 154% | n/a | 68% |

| | Year ended 31 March 2024 | | | |
|--|--------------------------|------------------------------|--|--------------------|
| | Chain £m | Torque Transmission £m | Head office costs and eliminations £m | Consolidated £m |
| Adjusted operating profit - 2024 | 31.5 | 8.4 | (10.2) | 29.7 |
| Adjusted operating profit - 2023 | 27.2 | 5.4 | (8.4) | 24.2 |
| Year on year change in adjusted operating profit (a) | 4.3 | 3.0 | (1.8) | 5.5 |
| Total revenue (including inter-segment sales) - 2024 | 192.8 | 53.5 | (4.9) | 241.4 |
| Total revenue (including inter-segment sales) - 2023 | 202.4 | 48.8 | (4.1) | 247.1 |
| Year on year change in total revenue (b) | (9.6) | 4.7 | (0.8) | (5.7) |
| Adjusted operating profit gearing % ((a)/(b)) | -45% | 64% | n/a | -96% |

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

| | Year ended 31 March 2025 | | | |
|---|--------------------------|------------------------------|--|--------------------|
| | Chain £m | Torque Transmission £m | Head office costs and eliminations £m | Consolidated £m |
| External customer - transferred at a point in time | 194.6 | 44.3 | - | 238.9 |
| External customer - transferred over time | - | 6.2 | - | 6.2 |
| Inter-segment | 0.7 | 4.3 | (5.0) | - |
| Foreign exchange retranslation | 5.0 | 0.7 | - | 5.7 |
| Revenue at constant exchange rates | 200.3 | 55.5 | (5.0) | 250.8 |
| Adjusted operating profit | 32.1 | 10.4 | (10.3) | 32.2 |
| Foreign exchange retranslation | 0.8 | 0.1 | - | 0.9 |
| Adjusted operating profit at constant exchange rates | 32.9 | 10.5 | (10.3) | 33.1 |
| Return on sales at constant exchange rates % | 16.4% | 18.9% | - | 13.2% |

20. Alternative performance measures (continued)

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

| | 2025 £m | 2024 £m |
|--|--------------|------------|
| Statutory operating profit from continuing operations | 28.5 | 30.5 |
| Depreciation and amortisation | 12.2 | 10.8 |
| Share-based payments | 1.5 | 1.4 |
| EBITDA¹ | 42.2 | 42.7 |
| Add back/(deduct): | | |
| Profit on disposals of plant & equipment | (0.1) | - |
| Acquisition costs | 1.6 | 0.5 |
| Impact of Valencia flood | 0.4 | - |
| Unwind of fair value inventory uplift on acquisition | 0.6 | - |
| Release of dilapidation provision on acquisition of leased property | (0.5) | - |
| Assignment of lease and cost of closed sites | - | (2.3) |
| Adjusted EBITDA¹ | 44.2 | 40.9 |
| Inventories (Note 11) | (1.1) | - |
| Trade and other receivables (Note 12) | (5.9) | 2.9 |
| Trade and other payables (Note 15) | 2.7 | (2.7) |
| Provisions (Note 16) | (1.6) | 1.5 |
| Movement in working capital | (5.9) | 1.7 |
| Purchase of property, plant and equipment (Consolidated Statement of Cash Flows) | (11.8) | (8.3) |
| Purchase of intangible assets (Consolidated Statement of Cash Flows) | (1.5) | (1.3) |
| Proceeds from property disposals | 0.2 | 0.1 |

| | | |
|---|---------------|---------------|
| Cash outflow on disposal of right-of-use assets | (0.2) | (0.6) |
| Net capital expenditure | (13.3) | (10.1) |
| Operating cash flow | 25.0 | 32.5 |

¹ The calculation of EBITDA, adjusted EBITDA and operating cash flow deliberately excludes an add back for the non-cash share-based payment charge of £1.5m for the year (2024: £1.4m). This is done in order to ensure consistency with the metrics used to assess performance against the annual bonus plan targets.

(I) Net debt

Net debt is reconciled to the statutory balance sheet in Note 17.

(J) Leverage ratio

| | 2025 | 2024 |
|-----------------------|--------------|-----------|
| | £m | £m |
| Net debt (Note 17) | 44.8 | 24.9 |
| Adjusted EBITDA | 44.2 | 40.9 |
| Leverage ratio | 1.0 x | 0.6 x |

(K) Gearing ratio

| | 2025 | 2024 |
|---|--------------|-----------|
| | £m | £m |
| Net debt (Note 17) | 44.8 | 24.9 |
| Equity attributable to equity holders of the parent | 67.4 | 50.2 |
| Net debt (Note 17) | 44.8 | 24.9 |
| Total capital plus net debt | 112.2 | 75.1 |
| Gearing ratio % | 40% | 33% |

20. Alternative performance measures (continued)

(L) Legacy pension cash costs

| | 2025 | 2024 |
|---|-------------|-----------|
| | £m | £m |
| Cash contributions to pension schemes | 5.5 | 5.5 |
| Pension payments in respect of unfunded schemes | 1.1 | 1.1 |
| Scheme administration costs | 0.5 | 0.5 |
| | 7.1 | 7.1 |

(M) Average working capital ratio

| | 2025 | 2024 |
|--|---------------|-----------|
| | £m | £m |
| Inventories | 67.2 | 60.6 |
| Trade and other receivables | 48.2 | 39.8 |
| Trade and other payables | (61.2) | (53.7) |
| Total working capital | 54.2 | 46.7 |
| Average working capital ¹ (a) | 50.5 | 47.4 |
| Revenue (b) | 245.1 | 241.4 |
| Average working capital ratio ((a)/(b)) | 21% | 20% |

¹ Calculated as a simple average of the opening and closing balance sheet working capital.

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