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Bodycote plc â€“ 2025 Interim Results

Strategic progress despite challenging end markets; Full Year Outlook Unchanged

Â **Group summary**	Adjusted[1]			Statutory		
Â	**Half year 2025**	Half year 2024	Â Change	**Half year 2025**	Half year 2024	Â Change
Revenue	**Â£369.0m**	Â£399.0m	-7.5%	**Â£369.0m**	Â£399.0m	-7.5%
Operating profit	**Â£55.1m**	Â£66.8m	-17.5%	**Â£41.2m**	Â£30.8m	+33.8%
Operating margin	**14.9%**	16.7%	-180 bps	**11.2%**	7.7%	+350 bps
Operating cash flow	**Â£37.7m**	Â£49.2m	-23.4%	**Â£65.8m**	Â£71.7m	-8.2%
Basic earnings per share[2]	**21.3p**	25.0p	-14.8%	**15.5p**	10.2p	+52.0%
Interim dividend per share	**Â**	Â	Â	**6.9p**	6.9p	-

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Core summary[1] Â	**Half year 2025**	Half year 2024	Organic Change
Revenue	**Â£351.9m**	Â£374.6m	-3.6%
Adjusted operating profit	**Â£54.3m**	Â£65.9m	-14.7%
Adjusted operating margin	**15.4%**	17.6%	Â

Excludes Non-core sites included in the original Optimise programme, as stated at the 2024 Capital Markets Event (CME).

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Highlights

- Performance in line with expectations provided in May trading update; full year outlook unchanged
- Market conditions remain challenging, though momentum improved through H1 with sequential growth seen in almost all end markets vs soft 2H24 (Core revenue +4.3%)
  - Core revenue -3.6% YoY organically, impacted by weak Industrial and Automotive markets and delivery phasing in Specialist Technologies; Group revenue -4.6% YoY organically (-7.5% total)
  - Adjusted operating profit of Â£55.1m (1H24: Â£66.8m), due to lower revenue, mix and FX impact; statutory operating profit higher at Â£41.2m (1H24: Â£30.8m) due to lower exceptional charges
  - Adjusted operating margin of 14.9% (1H24: 16.7%) reflecting lower revenues and divisional mix
- Continued good progress on the Optimise, Perform and Grow strategy laid out at our 2024 CME
  - Key Perform and Grow programmes underway, including roll-out of service quality initiatives and targeted capacity expansions for future growth
  - Optimise programme enhanced: expected profit benefit increased to at least Â£15m (previously Â£12-14m) and net execution costs post-disposals materially reduced to Â£10-15m (vs. Â£25-30m)
  - Remain confident in delivery of our medium term financial targets
- Additional Â£30m share buyback announced, enabled by strong balance sheet and low leverage
- Full year outlook unchanged and in line with market expectations.[3] Macro environment remains uncertain; H2 profit improvement expected, reflecting Optimise benefits, continued Aerospace recovery and improved Specialist Technologies trading

Commenting, Jim Fairbairn, Chief Executive Officer, said:

â€œ Trading has been in line with our expectations following our May update. Demand is strong in industrial gas turbines, as well as in Aerospace and Defence where supply chain conditions are improving. Automotive and Industrial markets remain weak but saw modest improvement versus a soft second half of 2024.

We made significant progress on our Optimise, Perform & Grow strategy in the period. On Optimise, we are executing well on the original programme and expect execution costs to be lower than previously estimated. Due to this increased confidence in execution, as well as ongoing challenges in certain end markets, we have expanded the scope of the programme with additional sites and overhead actions. We have also entered into a contractual process to dispose of a package of Automotive and Industrial sites in France for around Â£20m in cash proceeds, helping to reduce programme costs. As a result of these changes, the programme will now deliver an increased annual profit benefit of at least Â£15m at a materially lower net cost of Â£10-15m.

We also continue to deliver on Perform and Grow. In Perform, we are rolling out service quality initiatives which are demonstrating tangible early benefits. In Grow, we are investing in our target areas at the same time as improving our sales capability and service offering, which will help to drive an acceleration in our future growth. We have also made significant progress on sustainability, both to reduce our own emissions and improve our customer offering.

Our full year guidance is unchanged and is in line with market expectations.[3] While the macro environment remains uncertain, we expect higher profit in the second half underpinned by Optimise benefits, continued recovery in Aerospace, and improved Specialist Technologies performance as we deliver new contract wins. Our focus continues to be on controlling costs and executing on our strategy as we transition Bodycote into a higher quality, more resilient and faster growing business. We remain confident in delivering our medium term financial targets."

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Â1Â Â Adjusted performance measures and Core measures represent the statutory results excluding certain items; Organic measures are stated at constant currency excluding any acquisitions and disposals in the period. These are all considered alternative performance measures (APMs) and a reconciliation to the nearest IFRS equivalent to these measures is provided at the end of these 2025 Interim Results (hereafter â€˜Reportâ€™).

Â2Â Â An earnings per share reconciliation is provided in note 4 to the condensed consolidated interim financial statements.

Â3Â Â Company-compiled consensus available at: https://www.bodycote.com/investors (FY25 operating profit range: Â£115.7-123.0m, mean: Â£119.9m)

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Half Year Results Presentation

Bodycote will host a presentation for investors and analysts at **09.30 am BST on 30 July 2025**.Â The presentation will also be webcast live. Please find connection instructions below:

Webcast: http://bodycote.com/interimwebcast2025

Conference call details:
United Kingdom (Local): +44 20 3936 2999
United Kingdom (Toll-Free): +44 808 189 0158
Global Dial-In Numbers
Access Code: **307359**

Questions can be asked online via the webcast service. A recording will also be available after the event.Â

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About Bodycote plc
Bodycote is the world's largest provider of thermal processing services with a global footprint. Through Specialist Technologies and Precision Heat Treatment, Bodycote improves the properties of metals and alloys, extending the life of vital components for a wide range of industries, including Aerospace, Defence, Automotive, Power Generation, Oil & Gas, Construction, Medical and Transportation. Customers have entrusted their products to Bodycote's care for more than 50 years. For more information, visit www.bodycote.com.

Half Year Commentary

Core Overview
Core revenue reduced by 3.6% organically in H1 to Â£351.9m. This reflected continued weakness in Automotive and Industrial Markets, as well as delivery phasing in Specialist Technologies. By division, Specialist Technologies revenue declined by 7.7% organically, which included the expected impact of the end of Oil & Gas project work in 2024, as well as delivery phasing in HIP Product Fabrication (HIP PF). Momentum improved through the period with flat revenue YoY in May and June, and good growth is expected in H2 as we deliver on new order wins and the Aerospace volume recovery continues. Precision Heat Treatment was resilient given challenging end markets, with revenue down 1.8% organically, as the decline in Automotive and Industrial markets was partly offset by growth in industrial gas turbines, Aerospace & Defence, and Consumer, Medical & Other.

Core adjusted operating profit reduced to Â£54.3m (H1 2024: Â£65.9m) driven by lower revenue, alongside the mix effect of a lower share of revenue in Specialist Technologies. Central costs reduced by Â£1.7m organically, reflecting cost control actions as well as lower charges for share-based incentive pay. Core adjusted operating margins were 15.4% (H1 2024: 17.6%). In H2 we expect a higher level of both profit and margins, driven by improved Specialist Technologies trading as well as increased Optimise benefits, with the majority of the Â£4-5m full year profit benefit delivered in H2.

Group Overview
Including Non-core businesses, total Group revenue was Â£369.0m (H1 2024: Â£399.0m), 4.6% lower organically. This reflected the organic reduction in Core revenue, compounded by a 21.1% reduction in Non-core revenue as Optimise programme plant consolidations take effect. Group adjusted operating profit of Â£55.1m was down year-on-year (H1 2024: Â£66.8m) primarily reflecting the lower Core profit.

Group statutory operating profit was Â£41.2m in the period, up 33.8% from Â£30.8m in H1 2024. This included a lower level of exceptional charges in the period, including the non-repeat of a Â£28.3m ERP impairment in H1 2024, partly offset by additional charges relating to the Optimise programme.

Basic adjusted earnings per share was 21.3p (H1 2024: 25.0p), 14.8% lower year-on-year reflecting reduced profit partly offset by a lower share count due to the share buyback programme. The higher statutory profit resulted in improved statutory earnings per share of 15.5p (H1 2024: 10.2p).

Adjusted operating cash flow of Â£37.7m (H1 2024: Â£49.2m) was lower year-on-year, due to reduced profit and an increase in capital expenditure, partly offset by the non-repeat of a Â£6m one-off provision outflow in the prior year. Cash conversion remained healthy at 68% (H1 2024: 74%). Free cash flow of Â£18.0m was lower year-on-year (H1 2024: Â£26.0m) as lower adjusted operating cash flow and higher restructuring costs were partly offset by a lower level of cash tax, which was heavily H1-weighted in the prior year.

Closing net debt excluding lease liabilities was Â£112.5m, with leverage remaining low at 0.6x net debt / adj. EBITDA. Net debt excluding lease liabilities increased from Â£68.3m at year-end 2024, driven by payment of the full year dividend (Â£28.7m) and the share buyback programme (Â£30.9m) which more than offset free cash flow of Â£18.0m in the period.

Divisional Performance
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Specialist Technologies Â **Â**	**H1 2025** Â	H1 2024 (restated)	Organic Change Â	Â Change
Revenue	**105.6**	116.3	-7.7%	-9.2%
Adjusted operating profit	**27.0**	34.2	Â	-21.1%
Adjusted operating margin	**25.6%**	29.4%	Â	-380bps
Â Â	Â	Â	Â	Â
Precision Heat Treatment **Â** **Â**	**H1 2025** Â	H1 2024 (restated)	Organic Change Â	Â Change
Revenue	**246.3**	258.3	-1.8%	-4.6%
Adjusted operating profit	**35.9**	41.9	Â	-14.3%
Adjusted operating margin	**14.6%**	16.2%	Â	-160bps
Â	**Â**	Â	Â	Â
Â **Non-Core** Â Â	**H1 2025** **Â**	H1 2024 (restated)	Â Organic Change Â	Â Â Change
Revenue	**17.1**	24.4	-21.1%	-29.9%
Adjusted operating profit	**0.8**	0.9	Â	-11.1%
Adjusted operating margin	**4.7%**	3.7%	Â	+100bps

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Specialist Technologies revenue declined by 7.7% organically in the period, with adjusted operating profit of Â£27.0m (H1 2024: Â£34.2m) and operating margins of 25.6% (H1 2024: 29.4%). Performance was impacted by the previously announced end of Surface Technology Oil & Gas project

work in the UK, as well as delivery phasing in HIP PF. We have made good progress on replacing the Surface Technology project work with a number of new contract wins, including a significant share gain with Baker Hughes with Bodycoteâ€™s high performance coating. These contracts are expected to begin ramping up during the second half. In HIP PF delivery levels were low in the first half and are expected to increase in H2, underpinned by a strong order book position. This includes a significant circa 10m Defence contract secured in H1, at least half of which is expected to be delivered in the second half. Revenue momentum improved in Specialist Technologies through the first half, with revenue down 11% for the first four months but flat in May and June, driven by improving growth in Aerospace & Defence as supply chain challenges eased. This momentum, combined with the order wins in H1, underpins our expectation for a significant improvement in trading performance in the second half.

Precision Heat Treatment performed resiliently in challenging conditions, with revenue down 1.8% organically in the half year. Industrial and Automotive demand remained soft in Western Europe and North America, but this was partly offset by growth in Aerospace & Defence, industrial gas turbines, and Consumer, Medical & Other (led by higher consumer and electronics sales). Relative to the second half of 2024, revenue increased 7% which is in excess of our normal seasonal bias to H1. This improvement was led by Aerospace & Defence but was seen across all major end markets. Adjusted operating profit in H1 was Â£35.9m (H1 2024: Â£41.9m), with operating margins of 14.6% (H1 2024: 16.2%), reflecting the drop through on reduced revenues. Our focus remains on cost control and improving efficiency and utilisation at the site level, as well as enhancing our sales capability to gain share.

Non-core: revenue reduced by 21.1% organically, reflecting the impact of site consolidations and closures under the Optimise programme. Adjusted operating profit was Â£0.8m, modestly lower year-on-year, with operating margins 100bps higher at 4.7%. The improvement in margin reflects the earliest site closures targeting low margin or loss making sites.

Strategic progress: Optimise, Perform, Grow

We have made substantial progress against all three pillars of our strategy in the first half, with an expansion of the Optimise programme, further HEAT initiative roll-outs, and new investments for growth.

Optimise: we have been executing well on the current Optimise programme, with more than half of site closures underway and levels of revenue retention tracking in line with our plans. The majority of overhead savings completed during the first half, with increased benefits to come in the second half. Following additional work, we are announcing an enhanced Optimise programme, with three main changes:

- Due to more efficient execution we now expect cash spend on the original programme to be Â£5m lower than initially planned;
- Reflecting increased confidence in execution alongside continued challenges in certain markets, we have re-evaluated the scope of the programme and have identified additional site consolidations and overhead savings opportunities. These actions are expected to incur cash costs of around Â£10m, with an attractive payback;
- Finally, where possible we have been exploring alternative exit options for Non-core sites, and we have now entered into a contractual process to dispose of a package of 10 Automotive and Industrial sites in France. This is expected to bring proceeds of around Â£20m for a collection of modestly profitable sites, helping to reduce the cost of the overall programme.

As a result of all these changes, the new programme is expected to cost Â£10-15m in cash costs (original programme: Â£25-30m) and to deliver at least Â£15m in operating profit improvement at full run-rate (original: Â£12-14m) in mid-2027. Our 2025 expectations remain unchanged at a Â£4-5m Core profit benefit, weighted to the second half. The expanded programme represents a significant shift in our footprint towards higher quality, longer-cycle and faster growth areas. The programme includes around 30 Bodycote sites (~20% of Group total) and around Â£80m in revenue (in FY 2024), over a quarter of which we aim to retain by transferring to other sites in the Bodycote network. Core and Non-core as presented in these results does not reflect the expanded programme scope; we intend to re-state our divisional reporting during the second half to reflect these changes.

Perform: we have continued to roll-out our HEAT programme to embed consistent, high-quality execution in Bodycote. This includes talent and development initiatives, operational efficiency and service quality initiatives, as well as cost base flexibility and sustainability improvements. The pilot programme has yielded a number of encouraging early results, most notably in the roll-out of operational efficiency tools. In one Automotive and Industrial focused Precision Heat Treatment plant in Minnesota, turn-around time has reduced by 25% and on-time-in-full (OTIF) has improved by 6%pts to become top quartile within our portfolio. This performance level is a differentiator versus local competition, improves customer retention and reduces labour input costs. We expect to achieve similar improvements across a broad set of plants as the programme continues, contributing to our target of >20% operating margins by 2028.

Grow: as outlined at our 2024 Capital Markets Event, we are focusing our growth efforts around a set of higher-growth, high-margin target areas. These include faster growing end markets, more advanced processes, and emerging market geographies. A number of investment projects are now underway in these areas, including significant expansions of our Aerospace capacity in North America (two major site improvements and additional vacuum and Surface Technology capacity), investment in new HIP capacity, and a new S[3]P greenfield site in Asia. We are also improving our sales capability and approach, including a greater focus on divisional collaboration and cross-selling. In addition to this focused growth approach, we are accelerating growth via both Sustainability, where we have made significant strides in our customer offering (more detail below), and M&A, where we have made good progress on developing our pipeline. These actions will underpin an acceleration in future growth to our medium term target of mid-single-digit through-cycle growth.

Sustainability

Sustainability is a key part of our strategy, supporting both Perform (through lower emissions and energy costs) and Grow (through our Sustainability customer offering). Our aim is to support our customers to meet their own climate goals, as well as meeting growing global demand for transparency in emissions, energy practice and renewable energy use.

In the first half we saw continued momentum across the Group to deliver against our own climate targets. May 2025 marked the one-year anniversary of sourcing 100% of our electricity from renewable sources for all of our UK sites. Completion of electrification projects means we are now able to offer zero emission operations at our Derby and Rotherham plants in the UK for the first time â€“ a significant step forward in our customer proposition.

H1 also saw the launch of our flagship sustainability programme, B Carbon Smart, helping customers to understand the opportunity that Bodycote provides to reduce the environmental impact of manufacturing their products. This is a key part of our strategy to capture sustainability-related growth opportunities. We have completed our strategy and tool box roll-out and a targeted customer engagement effort is now underway.

Outlook

Our full year guidance is unchanged and is in line with market expectations.[3] While the macro environment remains uncertain, we expect higher profit in the second half underpinned by Optimise benefits, continued recovery in Aerospace, and improved Specialist Technologies performance as we trade new contract wins. Our focus continues to be on controlling costs and executing on our strategy as we transition Bodycote into a higher quality, more resilient and faster growing business. We remain confident in delivering our medium term financial targets.

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Financial Review

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Financial overview

Â	H1 2025	H1 2024
Â	**Â£m**	Â£m
Revenue	**369.0**	399.0

Adjusted operating profit	**55.1**	66.8
Amortisation of acquired intangible assets	**(4.8)**	(5.3)
Acquisition costs	**-**	(2.4)
Exceptional items	**(9.1)**	(28.3)
Operating profit	**41.2**	30.8
Net finance charge	**(4.6)**	(4.6)
Profit before taxation	**36.6**	26.2
Taxation charge	**(8.6)**	(6.5)
Profit for the year	**28.0**	19.7

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Group revenue declined by 7.5% to Â£369.0m in the period (H1 2024: Â£399.0m), a 4.6% reduction on an organic basis. The organic reduction included a 3.6% fall in Core revenue, driven by continued market weakness in Automotive and Industrial Markets as well as lower Energy sales in Specialist Technologies, due partly to the expected end of oil & gas project work in the UK as well as delivery phasing in HIP PF. Non-core revenue declined by 21.1% organically, driven largely by the Optimise programme and related plant consolidations.

Group adjusted operating profit was Â£55.1m in the period (H1 2024: Â£66.8m). The lower profit was driven by the revenue decline and a resulting mix effect due to lower Specialist Technologies sales in the period, partly offset by lower Central costs (+Â£1.7m) including a reduced share-based incentive pay charge. Statutory operating profit increased to Â£41.2m (H1 2024: Â£30.8m) due to a lower level of exceptional charges compared with the prior period due to a Â£28.3m impairment of our ERP programme in H1 2024.

Exceptional items

Exceptional charges in the period were Â£9.1m (H1 2024: Â£28.3m), relating entirely to the previously disclosed costs of the Optimise programme. This programme aims to improve the quality of our portfolio and the Groupâ€™s financial performance, including through the exit and consolidation of certain poor performing sites. The charge included site closure costs, severance cost provisions, asset impairments and other related costs. The Optimise programme is expected to improve the quality of our plant footprint and our operational and financial performance. The reduced level of exceptional charge compared with the prior year period reflects the non-repeat of a Â£28.3m write-down of the Groupâ€™s ERP system in H1 2024.

Further detail can be found in note 2 to the condensed consolidated interim financial statements.

Net finance charge

The net finance charge was stable year-on-year at Â£4.6m, as summarised in the table below:

Â	**H1 2025**	H1 2024
Â	**Â£m**	Â£m
Interest on loans and bank overdrafts	**(1.8)**	(1.7)
Lease and other interest charges	**(1.9)**	(2.1)
Finance and bank charges	**(1.1)**	(1.2)
Total finance charges	**(4.8)**	(5.0)
Interest received	**0.2**	0.4
Net finance charge	**(4.6)**	(4.6)

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The stable charge reflects modestly higher interest costs, offset by slightly lower lease and other interest charges and finance and bank charges. The Group has access to a Â£251.0m Revolving Credit Facility maturing in September 2029. The Groupâ€™s committed facilities at 30 June 2025 totalled Â£260.0m while uncommitted facilities totalled Â£61.9m. The Group's Revolving Credit Facility had drawings of Â£131.1m (31 December 2024: Â£84.3m)Â and the Group hadÂ net debt excluding lease liabilities of Â£112.5m (31 December 2024: Â£68.3m). The liquidity headroom was Â£149.1mÂ as at 30 June 2025 (31 December 2024: Â£194.4m), excluding uncommitted facilities.Â

Taxation

The tax charge for the period was Â£8.6m (H1 2024: Â£6.5m). The adjusted tax rate for the Group was 24.2% (H1 2024: 23.5%), before accounting for amortisation of acquired intangibles, acquisition costs and exceptional items. This was in line with our expectations. The effective statutory tax rate was 23.5% (H1 2024: 24.8%).

Earnings per share

Basic adjusted earnings per share reduced to 21.3p (H1 2024: 25.0p), reflecting the lower level of adjusted operating profit in the period. Basic statutory earnings per share for the year increased to 15.5p (H1 2024: 10.2p) reflecting the improved statutory profit due to lower exceptional charges recorded in the year and the impact of the share buyback. Note 4 of the condensed consolidated interim financial statements provides further details of the basis of these calculations.

Management cash flow

Â	**H1 2025**	H1 2024
Â£m	**Â£m**	Â£m
Adjusted operating profit	**55.1**	66.8
Depreciation and amortisation	**35.1**	37.7
Other, including impairment and profit on disposal of PPE	**-**	0.1
Adjusted EBITDA[1]	**90.2**	104.6
Net capital expenditure	**(38.0)**	(34.6)
Principal elements of lease payments	**(6.8)**	(6.7)
Provisions movement	**(0.1)**	(6.4)
Working capital movement	**(7.6)**	(7.7)
Adjusted operating cash flow	**37.7**	49.2
Restructuring	**(7.0)**	(0.4)
Net finance costs	**(4.0)**	(3.8)
Net tax	**(8.7)**	(19.0)
Free cash flow	**18.0**	26.0
Net lease liability additions and disposals	**4.3**	(2.0)
Ordinary dividend	**(28.8)**	(30.1)
Acquisition spend	**-**	(54.9)
Ordinary shares purchased for share buyback programme	**(30.9)**	(25.8)
Own shares purchased less share-based payments	**2.1**	3.6
Increase in net debt	**(35.3)**	(83.2)
Opening net debt	**(131.8)**	(51.7)

Foreign exchange movements	**(3.2)**	1.6
Closing net debt	**(170.3)**	(133.3)
Lease Liabilities	**57.8**	65.3
Net debt excluding lease liabilities	**(112.5)**	(68.0)

1Â Refer to the APM section for a reconciliation of EBITDA to Adjusted EBITDA

Adjusted operating cash flow reduced to Â£37.7m (H1 2024: Â£49.2m), primarily reflecting the lower adjusted operating profit with cash conversion broadly stable at 68% (H1 2024: 74%).

Net capital expenditure was Â£3.4m higher year-on-year at Â£38.0m, driven by investment in both maintaining and improving our current asset base as well as growth investment aligned to the Groupâ€™s strategy. This included investment in the period on major Aerospace facility upgrades in North America.

Provision movements (excluding restructuring provisions relating to the Optimise programme) were lower year-on-year at Â£(0.1)m (H1 2024: Â£(6.4)m), due to a one-off payment in the prior period relating to a historical environmental issue that was fully provided for.

Restructuring cash spend increased to Â£7.0m (H1 2024: Â£0.4m) which reflected spend to deliver on the Optimise programme. Net tax reduced materially to Â£8.7m (H1 2024: Â£19.0m), with the prior year net tax being unusually H1-weighted due to the timing of payments and tax refunds in the year.

Free cash flow fell to Â£18.0m (H1 2024: Â£26.0m), which was driven by the lower adjusted operating cash flow alongside higher restructuring cash spend, offset by the lower net tax payments.

Closing net debt was Â£112.5m excluding lease liabilities (FY 2024: Â£68.3m) with the increase driven by payment of the full year dividend (Â£28.7m) and the share buyback programme (Â£30.9m) which more than offset free cash flow of Â£18.0m in the period.

Group principal risks and uncertainties

The Board is committed to protecting and enhancing the Groupâ€™s interests through the effective management of risk. As a global business operating in 22 countries, we understand that effectively managing risk underpins the successful performance of the Group.

The Board has ultimate responsibility for the Groupâ€™s systems of risk management and internal control and ensures that they are robust, monitored and evolve to address changing business conditions and threats. The Board determines the Groupâ€™s risk appetite and ensures that the Groupâ€™s exposures to risk are appropriately aligned to the Groupâ€™s strategic priorities.

The Board also provides direction and sets the tone on the importance of risk management. The review of financial risk has been delegated to the Groupâ€™s Audit Committee.

Emerging risks

Bodycoteâ€™s emerging risk identification process is based on horizon scanning. Each emerging risk is assessed based on its potential impact on the Group on a high, medium or low rating across three time horizons: up to two years; two to five years; and more than five years. This process takes place alongside the annual risk review, with emerging risks being considered in facilitated risk workshops conducted with the Executive Committee.

This review helps to identify new and emerging risks and ensures close monitoring of any emerging risks to ensure appropriate mitigating actions are undertaken. As an international group operating in multiple countries, the Group inevitably has exposure to a range of risks and uncertainties. Internal and external factors are considered and inform the Groupâ€™s response to managing these risks, many of which are similar in nature to those experienced by comparable companies, and may not always be within the Groupâ€™s control. This review will formally conclude in the second half of 2025.

During 2024, the Board identified geopolitical risk, specifically, the unpredictable geopolitical landscape and the uncertainty over future global events as an emerging risk and this risk continues. Tensions in the geopolitical landscape have resulted in the implementation of some trade barriers, with further barriers possible, which could reduce the movement of goods resulting in customers shortening their supply chains and moving them closer to their main production locations. The emerging risk is mitigated by the fact that Bodycote has a global network of sites which allow us to service customers from multiple locations, such that the residual risk exposure is not considered significant.

An additional area of emerging risk identified during the prior year relates to the Groupâ€™s ability to attract, retain and develop key skills, knowledge and capabilities. As the global employment environment continues to evolve, attracting new talent to the industry, particularly in engineering and operations will become an increasing priority. The Group appointed a new Chief Human Resources Officer in January 2025 who will drive the Groupâ€™s people and transformation process going forward.

Group principal risks

The principal risks and uncertainties outlined in the strategic report of the 2024 Annual Report set out a description of the Groupâ€™s principal risks and related mitigation measures, as agreed by the Board, and describe how these principal risks may affect Bodycoteâ€™s ability to deliver its strategy. The identified principal risks relate to:

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<u>Market and customer</u>	<u>Operational</u>	<u>Environmental</u>
Markets; andÂ	Service quality; **Â**	Climate change.
Competitor action.Â	Contract review; Â	
Â	Loss of key accreditation;Â	
Â	Major disruption at a facility; Â	
	Machine downtime;	
	Information technology and cybersecurity; and	
	Investment and capital deployment.	

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<u>Corporate and community</u>	<u>Regulatory</u>
Health and safety.Â	Regulatory and legislative compliance. Â

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Further details of these principal risks and associated risk management processes, including financial risks, can be found on pages 28 to 33 of the 2024 Annual Report.

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Alternative performance measures (APMs)

To provide additional information and analysis and to enable a full understanding of the Groupâ€™s results, management makes use of several APMs in its internal management of the business and as part of its internal and external reporting. A definition of the Groupâ€™s APMs, the reasons that they are used and a reconciliation to the Groupâ€™s IFRS results can be found in the APMs section below.

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Going concern

As described in the condensed consolidated interim financial statements, the Directors have formed a judgement, at the time of approving the condensed

consolidated interim financial statements, that there are no material uncertainties that cast doubt on the Groupâ€™s ability to continue as a going concern and that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these condensed consolidated interim financial statements. In making this judgement the Directors have considered the impacts of potential severe but plausible downsides that may affect the Groupâ€™s activities. For this reason the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation over the going concern period and continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.
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Responsibility statement

We confirm to the best of our knowledge that:

(a)Â the condensed consolidated interim financial statements have been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting;

(b)Â the 2025 Interim Results include a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c)Â the 2025 Interim Results include a fair review of the information required by DTR 4.2.8R (disclosure of related partiesâ€™ transactions and changes therein).

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By order of the Board,

J. FairbairnÂ Â Â B. Fidler
Chief Executive OfficerÂÂ Chief Financial Officer
29 July 2025Â Â Â 29 July 2025
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Cautionary statement

These 2025 Interim Results have been prepared solely toÂ provideÂ additional information to shareholders to assess the Groupâ€™s strategies and the potential for those strategies to succeed. TheÂ 2025 Interim Results should not be relied on by any other party or for any other purpose.
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These 2025 Interim Results contain certain forward-looking statements. These statements are made by the Directors in good faithÂ based on the information available to them up to the time of their approval of this Report and such statements should be treated with caution due to the inherent uncertainties, including both uncertainties arising from economic and business risk factors, underlying any such forward looking information.

Independent review report to Bodycote plc

Report on the condensed consolidated interim financial statements

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Our conclusion

We have reviewed Bodycote plcâ€™s condensed consolidated interim financial statements (the â€œinterim financial statementsâ€) in the 2025 Interim Results of Bodycote plc (â€œthe Interim Resultsâ€) for the 6 month period ended 30 June 2025 (the â€œperiodâ€).

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority.

The interim financial statements comprise:
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- the Unaudited condensed consolidated interim balance sheet as at 30 June 2025;
- the Unaudited condensed consolidated interim income statement and the Unaudited condensed consolidated interim statement of comprehensive income for the period then ended;
- the Unaudited condensed consolidated interim cash flow statement for the period then ended;
- the Unaudited condensed consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.
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The interim financial statements included in the 2025 Interim Results of Bodycote plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority.
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Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, â€˜Review of Interim Financial Information Performed by the Independent Auditor of the Entityâ€™ issued by the Financial Reporting Council for use in the United Kingdom (â€œISRE (UK) 2410â€). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.
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Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The 2025 Interim Results, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the 2025 Interim Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority. In preparing the 2025 Interim Results, including the interim financial statements, the Directors are responsible for assessing the Groupâ€™s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the 2025 Interim Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Group for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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PricewaterhouseCoopers LLP

Chartered Accountants

London

29 July 2025

Unaudited condensed consolidated interim income statement

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Â		Â	**30 June**	30 June
	Â	Â	**2025**	2024
	Â	Note	**Â£m**	Â£m
Revenue		1	**369.0**	399.0
Cost of sales and overheads[1]	Â		**(320.2)**	(341.4)
Other operating income	Â		**2.5**	2.1
Other operating expenses[1]	Â		**(0.6)**	(0.5)
Net impairment losses on financial assets	Â		**(0.4)**	(0.1)
Operating profit before exceptional items		1	**50.3**	59.1
Exceptional items		2	**(9.1)**	(28.3)
Operating profit		Â	**41.2**	30.8
Finance income	Â		**0.2**	0.4
Finance charges	Â		**(4.8)**	(5.0)
Profit before taxation		Â	**36.6**	26.2
Taxation charge		3	**(8.6)**	(6.5)
Profit for the period		Â	**28.0**	19.7
Attributable to:	Â		Â	Â
Equity holders of the Parent	Â		**27.7**	19.3
Non-controlling interests	Â		**0.3**	0.4
Â		Â	**28.0**	19.7
Earnings per share		4	Â	Â
	Â	Â	**Pence**	Pence
Basic		Â	**15.5**	10.2
Diluted		Â	**15.5**	10.2

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1Â Excludes exceptional items. Total costs of sales and overheads, including exceptional items are Â£320.6m (30 June 2024: Â£341.4m) and total other operating expenses including exceptional items are Â£9.3m (30 June 2024: Â£28.8m).

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Unaudited condensed consolidated interim statement of comprehensive income

Â		Â	**30 June**	30 June
	Â	Â	**2025**	2024
	Â	Â	**Â£m**	Â£m
Profit for the period		Â	**28.0**	19.7
Items that may be reclassified subsequently to profit or loss:	**Â**		**Â**	**Â**
Exchange losses on translation of overseas operations	Â		**(27.1)**	(8.6)
Movements on hedges of net investments		Â	**(3.2)**	1.6
Movements on cash flow hedges		Â	**0.1**	(0.1)
Total other comprehensive expense for the period	**Â**		**(30.2)**	(7.1)
Total comprehensive (loss)/income for the period		Â	**(2.2)**	12.6
Attributable to:	Â		**Â**	**Â**
Equity holders of the parent	Â		**(2.1)**	12.4
Non-controlling interests	Â		**(0.1)**	0.2
Â		Â	**(2.2)**	12.6

Unaudited condensed consolidated interim balance sheet

Â		Â	**30 June**	31 December
	Â	Â	**2025**	2024
	Â	Note	**Â£m**	Â£m
Non-current assets		Â	Â	Â
Goodwill		5	**198.2**	207.0
Other intangible assets		Â	**101.4**	114.4
Property, plant and equipment		Â	**461.8**	481.2
Right-of-use assets		Â	**50.9**	56.4
Deferred tax assets		Â	**7.0**	7.0
Trade and other receivables		Â	**2.7**	2.8
Â		Â	**822.0**	868.8
Current assets		**Â**	**Â**	**Â**
Inventories		Â	**28.3**	28.1
Current tax assets		Â	**6.8**	10.1

Trade and other receivables	Â	**152.7**	141.3
Cash and bank balances	Â	**20.2**	19.1
Assets held for sale	6	**17.7**	-
Â	Â	**225.7**	198.6
Total assets	Â	**1,047.7**	1,067.4
Current liabilities	**Â**	**Â**	**Â**
Trade and other payables	Â	**119.7**	146.7
Current tax liabilities	Â	**29.4**	32.2
Borrowings	8	**132.7**	87.4
Lease liabilities	Â	**12.6**	13.1
Provisions	7	**12.1**	11.9
Â	Â	**306.5**	291.3
Net current liabilities	Â	**(80.8)**	(92.7)
Non-current liabilities	**Â**	**Â**	**Â**
Lease liabilities	Â	**45.2**	50.4
Retirement benefit obligations	Â	**11.8**	11.3
Deferred tax liabilities	Â	**39.9**	41.2
Provisions	7	**2.4**	2.5
Other payables	Â	**0.9**	0.8
Â	Â	**100.2**	106.2
Total liabilities	Â	**406.7**	397.5
Net assets	Â	**641.0**	669.9
Equity	**Â**	**Â**	**Â**
Share capital	9	**30.7**	31.6
Share premium account	Â	**177.1**	177.1
Own shares	Â	**(6.5)**	(11.1)
Capital redemption reserve	Â	**132.2**	131.3
Other reserves	Â	**4.9**	10.0
Translation reserves	Â	**12.1**	38.8
Retained earnings	Â	**288.9**	290.4
Equity attributable to equity holders of the parent	Â	**639.4**	668.1
Non-controlling interests	Â	**1.6**	1.8
Total equity	Â	**641.0**	669.9

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Unaudited condensed consolidated interim cash flow statement

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Â	Â Â	**30 June 2025**	30 June 2024
Â Â	Note	**Â£m**	Â£m
Net cash from operating activities	11	**65.8**	71.7
Investing activities	**Â**	**Â**	**Â**
Purchases of property, plant and equipment	Â	**(38.0)**	(31.8)
Proceeds on disposal of property, plant and equipment and right-of-use assets	Â	**0.4**	0.4
Purchases of other intangible assets	Â	**(0.6)**	(3.3)
Acquisition of businesses, net of cash acquired	Â	**-**	(52.2)
Repayments of loans issued/(loans issued)	Â	**0.1**	(0.6)
Interest received	Â	**0.2**	0.4
Net cash used in investing activities	Â	**(37.9)**	(87.1)
Financing activities	**Â**	**Â**	**Â**
Interest paid	Â	**(4.2)**	(4.2)
Dividends paid	10	**(28.8)**	(30.2)
Principal elements of lease payments	Â	**(6.8)**	(6.7)
Drawdown of bank loans	Â	**48.4**	59.1
Repayments of bank loans	Â	**(2.6)**	(0.6)
Ordinary shares purchased for share buyback	Â	**(30.9)**	(25.8)
Net cash used in financing activities	Â	**(24.9)**	(8.4)
Net increase/(decrease) in cash and cash equivalents	**Â**	**3.0**	(23.8)
Cash and cash equivalents at beginning of year	**Â**	**16.0**	44.7
Effect of foreign exchange rate changes	Â	**(0.4)**	(0.5)
Cash and cash equivalents at end of period	11	**18.6**	20.4

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Unaudited condensed consolidated interim statement of changes in equity

Â	**Share capital**	**Share premium account**	**Own shares**	**Capital redemption reserve**	**Other reserves**	**Translation reserves**	**Retained earnings**	**Equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
Â	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**

1 January 2024	33.1	177.1	(15.6)	129.8	10.1	52.3	404.0	790.8	1.5	792.3
Profit for the year	-	-	-	-	-	-	19.3	19.3	0.4	19.7
Exchange differences on translation of overseas operations	-	-	-	-	-	(8.4)	-	(8.4)	(0.2)	(8.6)
Movements on hedges of net investments	-	-	-	-	1.6	-	-	1.6	-	1.6
Movements on cash flow hedges	-	-	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Total comprehensive income for the year	-	-	-	-	1.5	(8.4)	19.3	12.4	0.2	12.6
Ordinary shares acquired	(0.6)	-	-	0.6	-	-	(30.2)	(30.2)	-	(30.2)
Settlement of share awards	-	-	3.2	-	(3.5)	-	0.3	-	-	-
Share-based payments	-	-	-	-	3.6	-	-	3.6	-	3.6
Deferred tax on share-based payment transactions	-	-	-	-	-	-	0.1	0.1	-	0.1
Dividends	-	-	-	-	-	-	(30.1)	(30.1)	(0.1)	(30.2)
30 June 2024	**32.5**	**177.1**	**(12.4)**	**130.4**	**11.7**	**43.9**	**363.4**	**746.6**	**1.6**	**748.2**
1 January 2025	31.6	177.1	(11.1)	131.3	10.0	38.8	290.4	668.1	1.8	669.9
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**27.7**	**27.7**	**0.3**	**28.0**
Exchange differences on translation of overseas operations	**-**	**-**	**-**	**-**	**-**	**(26.7)**	**-**	**(26.7)**	**(0.4)**	**(27.1)**
Movements on hedges of net investments	**-**	**-**	**-**	**-**	**(3.2)**	**-**	**-**	**(3.2)**	**-**	**(3.2)**
Movements on cash flow hedges	**-**	**-**	**-**	**-**	**0.1**	**-**	**-**	**0.1**	**-**	**0.1**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(3.1)**	**(26.7)**	**27.7**	**(2.1)**	**(0.1)**	**(2.2)**
Ordinary shares acquired	**(0.9)**	**-**	**-**	**0.9**	**-**	**-**	**-**	**-**	**-**	**-**
Settlement of share awards	**-**	**-**	**4.6**	**-**	**(4.1)**	**-**	**(0.5)**	**-**	**-**	**-**
Share-based payments	**-**	**-**	**-**	**-**	**2.1**	**-**	**-**	**2.1**	**-**	**2.1**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**(28.7)**	**(28.7)**	**(0.1)**	**(28.8)**
30 June 2025	**30.7**	**177.1**	**(6.5)**	**132.2**	**4.9**	**12.1**	**288.9**	**639.4**	**1.6**	**641.0**

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Other reserves include a share-based payments reserve of Â£3.6m (30 June 2024: Â£9.8m).Â

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The capital redemption reserve of Â£132.2m consists of Â£129.8m transferred from retained earnings on the conversion of B shares into deferred shares in 2008 and 2009 and Â£1.5m arising on the share buyback programme totalling Â£90m announced in January 2024 and extended in December 2024. In the period ended 30 June 2025 a total of 5,418,788 shares were repurchased (30 June 2024: 3,748,973) for a total consideration of Â£31.9m (30 June 2024: Â£27.0m). Refer to note 9 of these condensed consolidated interim financial statements and the 2024 Annual Report for more information on the share buyback programme.

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The own shares reserve represents the cost of shares in Bodycote plc purchased in the market and held by the Bodycote International Employee Benefit Trust to satisfy share-based payments under the Groupâ€™s incentive schemes. As at 30 June 2025, 955,532 (31 December 2024: 1,627,781) ordinary shares of $17^{3}/_{11}$pÂ each were held by the Bodycote International Employee Benefit Trust.

Notes to the condensed consolidated interim financial statements

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Basis of Preparation

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006.

These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024, which were prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006. The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for items that are required by UK-adopted international accounting standards to be measured at fair value, principally certain financial instruments measured at fair value, and retirement assets. Historical cost is generally based on the fair value of the consideration given up in exchange for the assets.

The financial information set out above does not constitute statutory accounts as defined by section 434 of the UK Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2024 have been delivered to the Registrar of Companies. The auditor has reported on those accounts; their reports were (i) unqualified and (ii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. These condensed consolidated interim financial statements have not been audited.

The Groupâ€™s operations are not significantly affected by seasonality.

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Going concern

In adopting the going concern basis for preparing these unaudited condensed consolidated interim financial statements, the Directors have considered the Groupâ€™s business activities, together with the factors likely to affect its future development, performance and position. In addition, the Directors have considered its principal risks and uncertainties.

The Financial Review included in the 2025 Interim Results includes a summary of the Groupâ€™s financial position, cash flows, liquidity position and borrowings. The principal risks and uncertainties are set out on pages 28-33 of the 2024 Annual Report.Â

The Group has modelled a base case which reflects the Directorsâ€™ current expectations of future trading over the period ending 31 December 2026. In addition, a downside scenario has been modelled to include potential severe but plausible negative impacts on revenues, profits and cash flows.

The base case scenario is built on the Groupâ€™s latest forecasts for 2025, extended to December 2026, which shows an improvement in both revenue and profits over the going concern period compared to 2024. The Groupâ€™s recent record of cash conversion was used to estimate the cash generation and level of net debt over that period.

The severe but plausible scenario assumes a significant decline in revenues across all of the Groupâ€™s revenue lines and is intended to reflect the potential effect of a sudden and severe economic downturn. Revenue in the downside scenario shows a 7% year on year decline in 2025 compared to 2024 followed by a further 10% year on year decline in 2026 compared to 2025. As a result total revenue in the downside scenario over the period is circa 16% lower than the base case. In mitigation of this severe sales decline, a 5% reduction in maintenance capex, and a 50% reduction in expansionary capex, compared to the base case has been assumed, together with a 10% cut in dividends compared to the base case.

In performing the assessment management considered both liquidity and compliance with the Groupâ€™s covenants. The key covenants attached to the Groupâ€™s Revolving Credit Facility relate to financial gearing (net debt to EBITDA) and interest cover, which are measured on a pre-IFRS 16 basis. The maximum financial gearing ratio permitted under the covenants is 3.0x (with a one-time acquisition spike at 3.5x) and the minimum interest cover ratio permitted is 4.0x. In both the base case and the severe but plausible downside scenario, the Group continues to maintain sufficient liquidity to meet its gearing and interest cover covenants under the Revolving Credit Facility with substantial headroom.

Management also performed a reverse stress test. This indicated that revenue in the second half of 2025 would need to decline by 26% compared to the base case, with a 33% decline in full year 2026 compared to the base case, and all other assumptions staying the same, to breach the Groupâ€™s loan covenants at 31 December 2026. In this scenario, which contained the same mitigations as the downside scenario, minimum liquidity was over Â£40m throughout the entire period.

The Group meets its working capital requirements through a combination of committed and uncommitted facilities and overdrafts. For the purposes of the going concern assessment, the Directors have taken into account the capacity under existing committed facilities only, being predominantly the Groupâ€™s Revolving Credit Facility.Â

The Group has access to a Â£251.0m Revolving Credit Facility maturing in September 2029. The Groupâ€™s committed facilities at 30 June 2025 totalled Â£260.0m while uncommitted facilities totalled Â£61.9m. The Group's Revolving Credit Facility had drawings of Â£131.1m (31 December 2024: Â£84.3m)Â and the Group hadÂ net debt excluding lease liabilities of Â£112.5m (31 December 2024: Â£68.3m). The liquidity headroom was Â£149.1mÂ as at 30 June 2025 (31 December 2024: Â£194.4m), excluding uncommitted facilities.Â

In performing the assessment, the current and plausible impact of macro-economic factors, including tariffs, the ongoing wars in Ukraine and elsewhere, climate change, political instability in certain markets, and inflation were considered.

After reviewing the current liquidity position, committed funding facilities, the base case and severe but plausible downside financial forecasts incorporating the uncertainties described above, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation over the going concern period. For these reasons the Directors continue to adopt the going concern basis of accounting in preparing the Interim financial statements.

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Accounting policies

The same accounting policies, presentation and methods of computation have been followed in the condensed consolidated interim financial statements as were applied in the Groupâ€™s latest annual audited financial statements as detailed in the 2024 Annual Report, except for the tax charge for the interim period. The tax charge the Group has applied for the interim period is the forecast annual effective corporate income tax rate to the pre-tax income for the six-month period to determine the tax charge in accordance with IAS 34, Interim Financial Reporting.

The accounting policies have been applied consistently throughout the current period and preceding year. As described in note 5, the Group has changed the level at which goodwill is tested for impairment in response to changes to the Groupâ€™s structure and reporting.

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Critical accounting judgments and significant accounting estimates

Preparing the condensed consolidated interim financial statements and applying the Groupâ€™s accounting policies requires management to make estimates and judgements that affect the amounts recognised in the condensed financial statements. Although the estimates and judgements are based on managementâ€™s best information about current circumstances and future events and actions, actual outcomes may differ which could result in material amounts being recorded in the income statement in future periods.

The Groupâ€™s latest annual audited financial statements set out the critical accounting judgements, significant accounting estimates and the other areas of judgement and accounting estimates that were made in preparing those financial statements.

The critical accounting judgements made in applying the Groupâ€™s accounting policies to these condensed consolidated interim financial statements relate to the recognition of tax provisions and the determination of which costs meet the definition of exceptional items. There have been no changes to these key sources of estimation uncertainty or these critical judgements since the year end and further details can be found in the Group accounting policies section of the 2024 Annual Report.

As described in the 2024 Annual Report the Group does not apply IAS 29 (Financial Reporting in Hyperinflationary Economies) to its operations in Turkey since doing so would not have a material impact on the Groupâ€™s financial statements. Further detail of this and the accounting judgments regarding the valuation of the 2024 acquisition of Lake City are on page 139 of the 2024 Annual Report.

The Group recognises climate change as a principal risk. As reported in the Group accounting policies section of the consolidated financial statements within the 2024 Annual Report, it is the Groupâ€™s view that climate change does not create any further material estimation uncertainty at this time.

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Adoption of new, revised standards and interpretations applied in the current year

Lack of exchangeability (amendments to IAS 21) became applicable during the current reporting period. The amendment sets out how an entity determines whether a currency is exchangeable and how it determines an appropriate exchange rate when there is a lack of exchangeability. Adoption of the amendment has not had a material effect on the condensed consolidated interim financial statements.

New standards and interpretations not yet applied

At the date of authorisation of these condensed consolidated interim financial statements, the Group has not applied the following amendments to IFRS Standards that have been issued but are not effective until 1 January 2026:

- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Accounting Standards â€" Volume 11

The Group does not expect adoption of the amendments to have a material impact on the Group.

In addition, the Group has not adopted the following standards and interpretations that have been issued by the IASB but not yet endorsed for use in the UK:

- IFRS 18 Presentation and Disclosure in Financial Statements
- Amendments to IFRS 9 and IFRS 7: Contracts referencing nature-dependant electricity arrangements

Other than the potential disclosure and presentation changes required by IFRS 18, the amendments are not expected to have a material impact on the Group.

At the date of the approval of these condensed consolidated interim financial statements, there were no other new or revised IFRSs, amendments or interpretations in issue but not yet effective that are potentially material to the Group and which have not yet been applied.

In addition the International Sustainability Standards Board (ISSB) has issued amendments to the Sustainability Accounting Standards Board (SASB) standards effective for annual reporting periods beginning on or after 1 January 2025: â€" IFRS S1 (General requirements for disclosure of sustainability-related financial disclosure â€" IFRS S2 Climate related disclosures). While these standards are not yet endorsed by the IASB under the UK-adopted international accounting standards a gap analysis is being undertaken through 2025 to highlight any improvements needed and actions necessary to address all the requirements of these new sustainability disclosure standards.

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1. Business and geographical segments

The Group provides thermal processing services through a global footprint providing Specialist Technologies and Precision Heat Treatment thermal processing services. The Group organises its plants into three divisions:

Specialist Technologies: This division includes the Groupâ€™s Hot Isostatic Pressing (â€˜HIPâ€™) business; its Speciality Stainless Steel Processes (S^3P) business and its Surface Technology business.

Precision Heat Treatment: This division includes the Groupâ€™s business centred on the controlled heating and cooling of metals to obtain the desired mechanical, chemical and metallurgical properties for the end process. It also includes the Groupâ€™s Low Pressure Carburising and Corr-I-Dur processes.Â

Non-core: As a result of its strategic review carried out in 2024, the business identified a number of plants that form part of its strategic optimisation programme and are considered Non-core. These plants typically provide heat treatments services using older, less efficient and more carbon intensive technologies. The Group is managing these sites with a view to merging them with other plants in the portfolio, closing them, or selling them over the coming 18 months.

The Groupâ€™s Chief Executive Officer is considered to be the Chief Operating Decision Maker (â€˜CODMâ€™) of the Group and reviews the results of each of the divisions on a monthly basis focussing on adjusted operating profit which is defined as operating profit before acquisition costs, amortisation of acquired intangibles and exceptional items. Accordingly, the three divisions outlined above are considered to be the Groupâ€™s Operating and Reportable segments as defined in IFRS 8 Operating Segments.

In determining the segmentsâ€™ adjusted operating profit, the Group makes certain allocations of costs that are incurred centrally to benefit each of the segments. To the extent that these costs are of a nature that will continue to be incurred after the Groupâ€™s optimisation programme, announced in July 2025, has been completed, they have not been allocated to the Non-core segment.

Prior to the strategic review in the second half of 2024, the business presented its results split into six Operating Segments which were determined based on the geography of its plants and the preponderance of markets that they served. The prior year segmental analysis has been restated to present it on a consistent basis with the current year.

As the Groupâ€™s internal reporting had not been updated to reflect the expansion to the Optimise programme as at 30 June 2025 the Non-core segment includes only those plants that formed part of the strategic optimisation programme at 31 December 2024.Â The Group anticipates updating its internal reporting to reflect the expanded Optimise programme in the second half of 2025.

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Â	**Half year to 30 June 2025**					
Â	**Specialist Technologies**	**Precision Heat Treatment**	**Central costs and eliminations**	**Total core**	**Non-core**	**Total Group**
Â	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**
Revenue	**105.6**	**246.3**	**-**	**351.9**	**17.1**	**369.0**
Result	Â	Â	Â	Â	Â	Â
Adjusted operating profit/(loss)	**27.0**	**35.9**	**(8.6)**	**54.3**	**0.8**	**55.1**
Amortisation of acquired intangible assets	**(4.3)**	**(0.5)**	**-**	**(4.8)**	**-**	**(4.8)**
Operating profit/(loss) before exceptional items	**22.7**	**35.4**	**(8.6)**	**49.5**	**0.8**	**50.3**
Exceptional items	**(0.1)**	**(2.6)**	**(1.2)**	**(3.9)**	**(5.2)**	**(9.1)**
Operating profit/(loss)	**22.6**	**32.8**	**(9.8)**	**45.6**	**(4.4)**	**41.2**
Finance income	Â	Â	Â	Â	Â	**0.2**
Finance charges	Â	Â	Â	Â	Â	**(4.8)**
Profit before taxation	Â	Â	Â	Â	Â	**36.6**
Taxation	Â	Â	Â	Â	Â	**(8.6)**
Profit for the period	Â	Â	Â	Â	Â	**28.0**

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Â	Half year to 30 June 2024 (restated)					
Â	Specialist Technologies	Precision Heat Treatment	Central costs and eliminations	Total core	Non-core	Total Group
Â	Â£m	Â£m	Â£m	Â£m	Â£m	Â£m
Revenue	116.3	258.3	-	374.6	24.4	399.0
Result	**Â**	Â	Â	-	Â	Â
Adjusted operating profit/(loss)	34.2	41.9	(10.2)	65.9	0.9	66.8
Amortisation of acquired intangible assets	(4.5)	(0.6)	-	(5.1)	(0.2)	(5.3)
Acquisition costs	(2.4)	-	-	(2.4)	-	(2.4)
Operating profit/(loss) prior to exceptional items	27.3	41.3	(10.2)	58.4	0.7	59.1
Exceptional items	-	-	(28.3)	(28.3)	-	(28.3)
Operating profit/(loss)	27.3	41.3	(38.5)	30.1	0.7	30.8

Finance income	Â	Â	Â	Â	Â	0.4
Finance charges	Â	Â	Â	Â	Â	(5.0)
Profit before taxation	Â	Â	Â	Â	Â	26.2
Taxation	Â	Â	Â	Â	Â	(6.5)
Profit for the period	Â	Â	Â	Â	Â	19.7

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Inter-segment revenues are not material in either period.

The Group does not have any one customer that contributes more than 10% of revenue in either period.

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Â	Â	**Half year to 30 June 2025**				
Â	Â	**Specialist Technologies**	**Precision Heat Treatment**	**Total core**	**Non-core**	**Total Group**
Revenue	Â	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**
Western Europe	Â	**52.8**	**121.9**	**174.7**	**8.0**	**182.7**
North America	Â	**49.4**	**82.5**	**131.9**	**9.1**	**141.0**
Emerging Markets	Â	**3.4**	**41.9**	**45.3**	**-**	**45.3**
Group	Â	**105.6**	**246.3**	**351.9**	**17.1**	**369.0**

Â

Â	Â	Half year to 30 June 2024 (restated)				
Â	Â	Specialist Technologies	Precision Heat Treatment	Total core	Non-core	Total Group
Revenue	Â	Â£m	Â£m	Â£m	Â£m	Â£m
Western Europe	Â	62.4	127.6	190.0	11.1	201.1
North America	Â	49.9	87.8	137.7	13.3	151.0
Emerging Markets	Â	4.0	42.9	46.9	-	46.9
Group	Â	116.3	258.3	374.6	24.4	399.0

Â

2. Exceptional items

The following items were charged to exceptional items:

Â	**30 June 2025 Â£m**	30 June 2024 Â£m
Impairment of ERP intangible asset:	**-**	28.3
Strategic optimisation programme:	**9.1**	-
Impairment of assets	**1.4**	-
Severance and redundancy cost	**2.8**	-
Site closure and associated costs	**4.5**	-
Other programme costs	**0.4**	-
Total exceptional items	**9.1**	28.3

Â

During 2024, the Group undertook a strategic review as a result of which it announced its intention to undertake a number of optimisation actions to drive step changes and improvements across the business, primarily centered on sites utilising older, more commoditised technologies, with higher carbon footprints. Implementation of the programme commenced in 2024 and will continue through 2025 and 2026. The Group has announced six site closures during the period, which together with related reductions in overhead positions, has resulted in an exceptional charge of Â£7.3m in the period ending 30 June 2025 (30 June 2024: Â£nil) of which Â£4.5m is for site closure costs and Â£2.8m for severance and redundancy. Other programme costs have been charged to exceptional items of Â£0.4m (30 June 2024: Â£nil). Impairments of Â£1.4m (30 June 2024: Â£nil) have also been charged to exceptional items for operational production equipment and fixtures and fittings that can no longer be used as a result of the planned site closures.

Included within the total charge of Â£9.1m are provisions of Â£3.0m (30 June 2024: Â£nil), which have been charged for site closure and associated environmental costs, where the closures have been announced in the period ending 30 June 2025, and Â£2.8m (net of a Â£0.2m release) for redundancy and severance costs, related to employees impacted by the announced closures and related reductions in overhead positions. Refer also to provisions note 7. For further details of the strategic optimisation programme refer to the Strategic Review of the 2024 Annual Report and the strategic progress section of these 2025 Interim Results.

In the period ending 30 June 2024 a decision was reached to cease further development and roll-out of the Operations module of the Groupâ€™s ERP system and to abandon its use, resulting in an exceptional impairment charge of Â£28.3m being recognised in June 2024. Refer to the 2024 Annual Report for further details.

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3. Â Taxation charge

Â	**30 June 2025 Â£m**	30 June 2024 Â£m
Current taxation - charge for the period	**8.7**	13.1
Current taxation - adjustments in respect of previous years	**0.1**	(0.1)
Deferred tax - charge for the period	**(0.2)**	(6.5)
Total taxation charge	**8.6**	6.5

Â

The adjusted rate of tax for the six months ended 30 June 2025 was 24.2% (30 June 2024: 23.5%) on the adjusted profit before tax. The statutory effective tax rate was 23.5% (30 June 2024: 24.8%).

The Group is subject to the OECD Pillar II GloBE Rules. The adoption of the Pillar II GloBE Rules by jurisdictions where Bodycote operates has not had a material impact on the Groupâ€™s current tax charge. The Group has applied the exception provided for by the amendments to IAS 12: Pillar II GloBE

Rules to not recognise or disclose, information about deferred tax assets and liabilities related to those rules.

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4. Â Â Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Â

Â	30 June 2025 Â£m	30 June 2024 Â£m
Earnings	**Â**	**Â**
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**27.7**	19.3

Â

Number of shares	**Â**	**Â**
Weighted average number of ordinary shares for the purpose of basic earnings per share	**178,715,657**	188,358,702
Effect of dilutive potential ordinary shares:	**Â**	**Â**
Shares subject to performance conditions	**68,274**	79,045
Shares subject to vesting conditions	**204,808**	474,116
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**178,988,739**	188,911,863

Â

Â	**Pence**	Pence
Earnings per share:	Â	Â
Basic	**15.5**	10.2
Diluted	**15.5**	10.2

Â

Â	**30 June 2025 Â£m**	30 June 2024 Â£m
Adjusted earnings	Â	Â
Profit attributable to equity holders of the parent	**27.7**	19.3
Add back:	**Â**	**Â**
Amortisation of acquired intangible assets (net of tax)	**3.6**	4.0
Acquisition costs (net of tax)	**-**	1.8
Exceptional items (net of tax)	**6.7**	22.1
Adjusted earnings	**38.0**	47.2

Â

Â	**Pence**	Pence
Adjusted earnings per share:	**Â**	**Â**
Basic	**21.3**	25.0
Diluted	**21.2**	25.0

As at 30 June 2025 the performance conditions for some but not all of the Groupâ€™s open share-based payment plans have been met resulting in nil dilution of earnings per share in accordance with IAS 33 (30 June 2024: nil dilution) and 0.1p dilution of adjusted earnings per share (30 June 2024: nil dilution).

5. Â Goodwill

Â			**30 June 2025 Â£m**	31 December 2024 Â£m
Cost	**Â**	Â	Â	Â
At 1 January	Â	Â	**285.9**	282.3
Exchange differences	Â	Â	**(8.7)**	(0.2)
Transfer to assets held for sale	Â	Â	**(2.0)**	-
Recognised on acquisition of businesses	Â	Â	**-**	3.8
Total cost	Â	Â	**275.2**	285.9
Accumulated impairment	Â	Â	Â	Â
At 1 January	Â	Â	**78.9**	60.8
Impairment	Â	Â	**-**	18.0
Exchange differences	Â	Â	**(1.9)**	0.1
Total accumulated impairment	Â	Â	**77.0**	78.9
Carrying amount	Â	Â	**198.2**	207.0

Â

Goodwill acquired in a business combination is allocated to the groups of cash generating units (CGUs) that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment at least annually or more frequently if there are indications that its carrying value may not be recoverable. To test the goodwill for impairment, the carrying value of the groups of CGUs containing goodwill are compared to their recoverable amounts, calculated as the higher of their fair value less costs to dispose and value-in-use. The most recent impairment test was performed as at 31 December 2024 and an impairment of Â£18.0m was reported in respect of the NA AGI CGU (see note 7 of the 2024 Annual Report for further information). As at 30 June 2025 Â£2.0m of goodwill has been transferred to assets held for sale â€“ refer to note 6 for details.

The Group has determined its CGUs based on geography, customer groupings, and processes to reflect the lowest level at which the Groupâ€™s operations generate cash inflows that are largely separate to each other. Historically they have also formed the lowest level to which the Group has allocated goodwill and monitored it internally.

A number of changes in the Groupâ€™s management and operational structures took place in early 2025 as a result of the strategic review undertaken in 2024 and the Groupâ€™s internal reporting was further updated as a result of those changes. Accordingly, in the period ending 30 June 2025 the Group has reassessed the level at which goodwill is monitored internally and following this reassessment it has concluded that the lowest level at which management reviews goodwill is now the following six groups of CGUs:

- HIP
- S^3P
- Surface Technology
- Global Automotive and General Industrial (â€˜AGIâ€™) excluding Emerging Markets
- Global Aerospace, Defence and Energy (â€˜ADEâ€™)
- Emerging Markets

The Group has therefore re-allocated the goodwill in the business to those six Groupâ€™s of CGUs and they formed the basis of its impairment indicator assessment at 30 June 2025. Prior to re-allocating the goodwill, the Group undertook an impairment indicator assessment based on the CGUs that formed the basis of the impairment test at 31 December 2024. No indicators of impairment in respect of those CGUs was identified.

Goodwill is allocated to the Groupâ€™s operating segments as set out below:

Â	Â	Â	30 June 2025 Â£m	31 December 2024 Â£m
Specialist Technologies	Â	Â	**44.7**	47.2
Precision Heat Treatment	Â	Â	**153.5**	159.8
Â	Â	Â	**198.2**	207.0

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A summary of the goodwill allocated to each of the Groupâ€™s of CGUs is set out below:

Â	Â	Â	Â	Goodwill carrying value 2025 Â£m
Specialist technologies:	**Â**	Â	Â	**Â**
HIP	Â	Â	Â	**5.8**
S^3P	Â	Â	Â	**-**
Surface Technology	Â	Â	Â	**38.9**
Precision Heat Treatment:	**Â**	Â	Â	**Â**
AGI	Â	Â	Â	**62.9**
ADE	Â	Â	Â	**78.5**
Emerging Markets	Â	Â	Â	**12.1**

The Group performed an indictor assessment to determine whether an impairment test was required in respect of any of its groups of CGUs as at 30 June 2025. This assessment focused on a review of the year to date performance of the groups of CGUs versus the budget and the headroom as at 31 December 2024 to determine whether it was reasonably possible that the performance of any group of CGUs in the six months ended 30 June 2025 could result in an impairment. No impairment triggers were identified at that date.

Expected future cash flows are inherently uncertain and could change materially over time. They are affected by several factors, including market and production estimates, together with economic factors such as prices, discount rates, currency exchange rates, estimates of operational costs and future maintenance capital expenditure.

For more information of the 2024 impairment exercise including the sensitivity analysis performed refer to note 7 of the 2024 Annual Report.

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6. Â Assets held for sale

Prior to 30 June 2025 the Group had initiated a plan to sell 10 sites in France.Â The sites comprise a mixture of Non-core and Precision Heat Treatment sites, all of which are focused on serving the automotive and industrial markets.Â Selling these sites further improves the segmental and technology mix of the Group, enables additional overhead cost reduction in Europe, and reduces the net cash costs of the overall Optimise programme.

The Group believes that it is highly probable that these plants will be sold within the coming 12 months and that the group of sites are available for immediate sale in their present condition. These assets have been treated as a disposal group that is held for sale at that date.Â Refer also to note 14.

The assets held for sale are split between the Groupâ€™s operating segments as follows:

Â	Â	30 June 2025 Â£m	31 December 2024 Â£m
Specialist Technologies		**-**	-
Precision Heat Treatment		**11.9**	-
Non-core		**5.8**	-
Â		**17.7**	-

Â

7. Â Provisions

Â	Restructuring Â£m	Environmental Â£m	Legal Â£m	Total Â£m
At 1 January 2025	**8.4**	**3.9**	**2.1**	**14.4**
Additions	**6.0**	**0.1**	**0.6**	**6.7**
Released	**(0.2)**	**-**	**(0.2)**	**(0.4)**
Utilisation	**(5.0)**	**(0.5)**	**(0.2)**	**(5.7)**
Exchange difference	**(0.2)**	**(0.3)**	**-**	**(0.5)**
At 30 June 2025	**9.0**	**3.2**	**2.3**	**14.5**

Included in current liabilities	Â	Â	Â	**12.1**
Included in non-current liabilities	Â	Â	Â	**2.4**
Â	Â	Â	Â	**14.5**

Restructuring

Included in the restructuring provision is Â£6.0m (31 December 2024: Â£8.5m) which has been charged to exceptional items in the condensed consolidated interim income statement in the period ending 30 June 2025 in respect of the strategic optimisation programme announced in 2024 (see note 2 of the these condensed consolidated interim financial statements and the Strategic Review of the 2024 Annual Report for further information). Where announcements of site closures have been made, the closure costs and related redundancy and severance costs have been provided for, along with associated reductions in management overheads. The majority of cash outflows in respect of these provisions are expected to occur within the next 24 months.

Environmental

The Group provides for costs of environmental remediation if there is a probable outflow of economic resources that has been identified at the time of plant closure, as part of acquisition due diligence or in other circumstances where remediation by the Group is required. The provision is reviewed annually to determine the best estimate of expenditure required to settle the identified obligations and where applicable, external confirmations are obtained to determine the best estimate of future liabilities.

The Group remains exposed to contingent liabilities in respect of environmental remediation and could be subjected to regulatory or legislative requirements to remediate sites in the future (see note 13). However, it is not possible at this time to determine whether, and to what extent, any liabilities exist, other than for those recognised above. No provision has been recognised as at 30 June 2025 or as at 31 December 2024 in relation to these items.

Legal

Legal provisions include, but are not limited to, alleged breach of contract and alleged breach of environmental legislation. While the Group cannot predict the outcome of individual legal actions, provisions are recognised when the exposure can be reliably measured, and an outflow of economic benefits is considered probable following legal advice.Â There were no individually material legal provisions recorded in the periods ending 30 June 2025 and 31 December 2024.

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8. Â Financial instruments

In accordance with IFRS 9, the Group categorises its financial instruments into those measured at â€˜amortised costâ€™, â€˜fair value through profit or lossâ€™ and â€˜fair value through other comprehensive incomeâ€™.

The Groupâ€™s interest rate risk is primarily in relation to its floating rate borrowings (cash flow risk). From time to time the Group will use interest rate derivative contracts to manage its exposure to interest rate movements within Group policy. At 30 June 2025, the Group has no outstanding interest rate derivatives (31 December 2024: Â£nil).

There have been no transfers of assets or liabilities between levels of the fair value hierarchy in the periods ending 30 June 2025 and 31 December 2024. The carrying values of financial instruments held at amortised cost approximate their fair values.

The Group has access to a Revolving Credit Facility of Â£251.0m which is drawn in EUR. Certain EUR amounts are designated as net investment hedges to the Groupâ€™s subsidiaries with a matching functional currency on a 1:1 ratio.

As at 30 June 2025, the Group had Â£119.9m (31 December 2024: Â£166.7m) available on the committed Revolving Credit Facility which, together with cash and cash equivalents of Â£20.2m (31 December 2024: Â£19.1m) and available committed overdraft facilities of Â£9.0m (31 December 2024: Â£8.7m), resulting in available liquidity headroom including uncommitted facilities of Â£149.1m (31 December 2024: Â£194.5m). The Group also has available uncommitted short-term bank facilities to manage short-term liquidity, but these facilities are excluded from the liquidity headroom. The Group manages longer-term liquidity through its committed bank facilities and will, if appropriate, raise funds on capital markets.

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9. Â Share capital and reserves

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	Ordinary Shares		Share Capital[1]	
Â	**30 June**	31 December	**30 June**	31 December
Â	**2025**	2024	**2025**	2024
Â	**Number**	Number	**Â£m**	Â£m
At 1 January	**182,897,496**	191,456,172	**31.6**	33.1
Share buyback programme	**(5,418,788)**	(8,558,676)	**(0.9)**	(1.5)
Total	**177,478,708**	182,897,496	**30.7**	31.6

1Â Nominal value of shares held is 17 $^{3}/_{11}$ p each.

In 2024 a share buyback programme totalling Â£90m was announced. The first tranche of the programme of Â£60m has completed with a total of 8,979,759 shares repurchased, including 421,083 purchased in 2025, for a total price, including transactional costs, of Â£60.4m, of which Â£2.7m was paid in cash in 2025. The extension of the programme Â£30m, announced in December 2024, completed in July 2025. As at 30 June 2025, a total of 4,997,705 shares had been repurchased in relation to this extension of the programme for a total price, including transactional costs, of Â£29.2m of which Â£28.2m was paid in cash in the period ending 30 June 2025. The nominal value of the shares purchased in 2025 is Â£0.9m which has been transferred to the capital redemption reserve with the difference between the nominal value and the purchase price recorded within retained earnings.

As at 30 June 2025 a liability of Â£1.0m, including transactional costs, remained for shares contracted to be repurchased but for which the repurchases were still outstanding (31 December 2024: Â£32.7m, plus Â£0.2m transactional costs). Refer to note 20 of the 2024 Annual Report for more information on the share buyback programme. Details of the further extension to the programme announced after 30 June 2025 are included in note 14.

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10. Â Dividends

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	2025	2024	2025	2024
Â	**Per share**	Per share	**Â£m**	Â£m
Proposed interim dividend for the year ended 31 December	**6.9**	6.9	**12.2**	12.8
Final dividend for the prior year ended 31 December	**16.1**	16.0	**28.7**	30.1
Total dividend	**23.0**	22.9	**40.9**	42.9

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The Board approved the payment of an interim dividend for 2025 of 6.9p to those shareholders on the register of Bodycote plc on 3 October 2025Â to be paid on 6 November 2025. The dividend has not been included as a liability in these condensed consolidated interim financial statements. The 2024 final dividend of 16.1p per share was paid on 5 June 2025.

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Dividends payable to non-controlling interests were Â£0.1m (30 June 2024: Â£0.1m).

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11.Â Notes to the cash flow statement

Â	30 June 2025 Â£m	30 June 2024 Â£m
Profit for the year	**28.0**	19.7
Adjustments for:	**Â**	**Â**
Finance income	**(0.2)**	(0.4)
Finance charges	**4.8**	5.0
Taxation charge	**8.6**	6.5
Operating profit	**41.2**	30.8
Adjustments for:	**Â**	**Â**
Depreciation of property, plant and equipment	**28.2**	30.1
Depreciation of right-of-use assets	**6.3**	6.7
Amortisation of other intangible assets	**5.4**	6.2
Impairment of fixed assets - recognised in exceptional items	**1.4**	28.3
Impairment of property, plant and equipment and other assets recognised in operating profit	**-**	0.1
EBITDA	**82.5**	102.2
Share-based payments	**2.1**	3.6
Increase in inventories	**(1.2)**	(0.2)
Increase in receivables	**(11.2)**	(13.1)
Increase in payables	**6.9**	6.6
Increase/(decrease) in provisions	**0.1**	(6.8)
Cash generated by operations	**79.2**	92.3
Net income taxes paid	**(8.7)**	(19.0)
Net exchange differences	**(4.7)**	(1.6)
Net cash from operating activities	**65.8**	71.7

Â

Â	30 June 2025 Â£m	30 June 2024 Â£m
Cash and cash equivalents comprise:	Â	Â
Cash and bank balances	**20.2**	21.7
Bank overdrafts (included in borrowings)	**(1.6)**	(1.3)
Â	**18.6**	20.4

Â

Cash and cash equivalents include Â£0.9m (31 December 2024: Â£1.1m, 30 June 2024: Â£1.3m) held in the USA relating to the refund of a pension surplus which the Group intends to use to fund future pension contributions for its USA employees to avoid the full amount becoming subject to regulatory restrictions in the USA.

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12. Related party transactions

There have been no material related party transactions since the last annual reporting period of 31 December 2024. Transactions between subsidiaries of the Group, which are related parties to each other, have been eliminated on consolidation and are not therefore disclosed in this note.

The notes to the consolidated financial statements in the 2024 Annual Report disclose information on the remuneration of the Board of Directors (note 28) who are considered key management personnel of the Group and information on defined benefit retirement pension schemes that the Group operates (note 26).

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13. ÂContingent liabilities

The Group is subject to certain legal proceedings, claims, complaints and investigations arising out of the ordinary course of business. Legal proceedings may include, but are not limited to, alleged breach of contract and alleged breach of environmental, competition, securities and health and safety laws. The Group may not be insured fully, or at all, in respect of such risks. The Group cannot predict the outcome of individual legal actions, claims, complaints or investigations. The Group may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. The Group may do so to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest the liability, even when it considers it has valid defences to liability. The Group considers that no material loss is expected to result from any legal proceedings, claims, complaints and investigations. Provision is made for all liabilities that are expected to materialise through legal and tax claims against the Group (see note 7).

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14.Â Post balance sheet events

After the post balance date the Group has announced a further extension to the share buyback programme of Â£30.0m. No liability has been recognised in respect of this programme as there is no contractual liability as at 30 June 2025.

As described in note 6, prior to 30 June 2025, the Group had initiated a plan to sell 10 sites in France comprising a mixture of Non-core sites and Precision Heat Treatment sites, all of which are focused on serving automotive and industrial markets.Â Subsequently the Board has announced that it has entered into a contractual process to dispose of the affected sites for a total consideration of circa Â£20.0m.

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Alternative performance measures (APMs) â€“ unaudited

The 2025 Interim Results are prepared using the basis of preparation and accounting policies described in the 2024 Annual Report. To provide additional information and analysis and to enable a full understanding of the Groupâ€™s results, management also makes use of several APMs in its internal management of the business and as part of its internal and external reporting. These APMs are prepared and presented as described below:

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Adjusted results (including adjusted operating profit; adjusted profit before tax; adjusted EBITDA; and adjusted tax charge) are defined as being the respective GAAP measure excluding the effect of exceptional items, acquisition costs and amortisation of acquired intangibles. These measures form the basis of the Groupâ€™s internal reporting and are presented to give greater insight into the ongoing trading performance of the Group excluding the effects of acquisitive activity and one-off items.

Â

Constant currency results (including constant currency revenue and constant currency adjusted operating profit) present the 2025 results translated into GBP using the same exchange rates as were used in 2024. Constant currency results are intended to provide further insight into the ongoing trading performance of the business excluding the effects of foreign exchange movements that are beyond its control.

Â

Organic results (including organic revenue and organic adjusted operating profit) present the results of the business stated at constant currency excluding the results of any businesses acquired or disposed of in either the current or prior year. Organic results are provided to give greater insight into the trading performance of the Group excluding the effects of changes in its composition. No businesses have been excluded from the organic results in the period to 30 June 2025. In the period to 30 June 2024, Metz Tessy, which was sold in December 2024, has been excluded.

Â

EBITDA (Earnings before interest, taxation, depreciation and amortisation) is used by management to provide further information about the ability of its businesses to generate cash before working capital and other movements. EBITDA is stated before profits and losses on disposal of assets and impairment charges. A similar measure is used for the Groupâ€™s covenant calculation. A reconciliation of EBITDA to operating profit and cash generated by activities is included in note 11 of these condensed consolidated interim financial statements.Â

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Core measures reflect the results of the Groupâ€™s two segments based on its technology based platforms. Those segments include the parts of the business that are expected to continue to exist once the Groupâ€™s strategic optimisation programme is complete and so give an indication of performance of the ongoing part of the Group.

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Net Debt is defined as the Groupâ€™s borrowings (including finance lease liabilities) net of the Groupâ€™s cash and overdrafts balance. It is used to provide an overall picture of the net indebtedness of the Group.

Â

Free cash flow is defined as the movement in the Groupâ€™s net debt excluding payments made to the Groupâ€™s shareholders in respect of dividends and share purchases, spend in relation to acquisitions of businesses and movements in net debt due to lease liability additions and disposals. It is presented to give an indication of the Groupâ€™s ability to generate cash to support acquisitive growth and return to shareholders.Â Â

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Adjusted operating cashflow is defined as free cash flow adjusted to exclude the effects of payments in respect of exceptional items (typically restructuring payments), finance costs and net tax. Adjusted operating cashflow forms part of the basis of the Groupâ€™s internal reporting and is presented to give greater insight into the ongoing cash generation of the Group before financing costs and excluding the effects of acquisitions and one-off items. The definition of adjusted operating cashflow is consistent with the definition of the equivalent adjusted profit measures.

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A reconciliation of each of the APMs to its nearest GAAP measure is set out below. Whilst broadly consistent with the treatment adopted by both the Groupâ€™s business sector peers and by other businesses outside of the Groupâ€™s business sector, these APMs are not necessarily directly comparable with those used by other companies.

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Adjusted operating profit

Adjusted operating profit is reconciled to Operating Profit in note 1 to the condensed consolidated interim financial statements.

Adjusted operating margin

Â	**Half year to 30 June 2025**					
Â	**Specialist Technologies**	**Precision Heat Treatment**	**Central cost and eliminations**	**Total core**	**Non-core**	**Consolidated**
Â	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**	**Â£m**
Revenue	**105.6**	**246.3**	**-**	**351.9**	**17.1**	**369.0**
Adjusted Operating Profit	**27.0**	**35.9**	**(8.6)**	**54.3**	**0.8**	**55.1**
Adjusted operating margin (%)	**25.6%**	**14.6%**	**n/a**	**15.4%**	**4.7%**	**14.9%**

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Â	Half year to 30 June 2024 (restated)					
Â	Specialist Technologies	Precision Heat Treatment	Central cost and eliminations	Total core	Non-core	Consolidated
Â	Â£m	Â£m	Â£m	Â£m	Â£m	Â£m
Revenue	116.3	258.3	-	374.6	24.4	399.0
Adjusted Operating Profit	34.2	41.9	(10.2)	65.9	0.9	66.8
Adjusted operating margin (%)	29.4%	16.2%	n/a	17.6%	3.7%	16.7%

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Adjusted profit before taxation

Â	**30 June 2025**	30 June 2024
Â	**Â£m**	Â£m
Profit before taxation	**36.6**	26.2
Add back:	**Â**	**Â**
Amortisation of acquired intangibles	**4.8**	5.3
Acquisition costs	**-**	2.4
Exceptional items	**9.1**	28.3
Adjusted profit before taxation	**50.5**	62.2

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Revenue, organic revenue and adjusted operating profit at constant currency

Reconciled to revenue and adjusted operating profit in the table below:

	Half year to 30 June 2025					
	Specialist Technologies Â£m	Precision Heat Treatment Â£m	Central cost and eliminations Â£m	Total core Â£m	Non-core Â£m	Consolidated Â£m
Organic revenue	**105.6**	**246.3**	**-**	**351.9**	**17.1**	**369.0**
Constant exchange rates adjustment	**1.8**	**7.3**	**-**	**9.1**	**0.5**	**9.6**
Organic revenue at constant currency	**107.4**	**253.6**	**-**	**361.0**	**17.6**	**378.6**
Adjusted operating profit	**27.0**	**35.9**	**(8.6)**	**54.3**	**0.8**	**55.1**
Constant exchange rates adjustment	**0.5**	**1.3**	**0.1**	**1.9**	**0.1**	**2.0**
Adjusted operating profit at constant currency	**27.5**	**37.2**	**(8.5)**	**56.2**	**0.9**	**57.1**

	Half year to 30 June 2024 (restated)					
	Specialist Technologies Â£m	Precision Heat Treatment Â£m	Central cost and eliminations Â£m	Total core Â£m	Non-core Â£m	Consolidated Â£m
Revenue at constant currency	116.3	258.3	-	374.6	24.4	399.0
Less adjustments from disposals completed in the prior year	-	-	-	-	(2.1)	(2.1)
Organic revenue at constant currency	116.3	258.3	-	374.6	22.3	396.9
Adjusted operating profit at constant currency	34.2	41.9	(10.2)	65.9	0.9	66.8
Less adjustments from disposals completed in the prior year	-	-	-	-	(0.3)	(0.3)
Organic adjusted operating profit at constant currency	34.2	41.9	(10.2)	65.9	0.6	66.5

Adjusted EBITDA (Earnings before Interest, Taxation, Depreciation, and Amortisation)

	30 June 2025 Â£m	30 June 2024 Â£m
EBITDA	**82.5**	102.2
Acquisition costs	**-**	2.4
Exceptional items, excluding impairments	**7.7**	-
Adjusted EBITDA	**90.2**	104.6
Adjusted EBITDA Margin	**24.4%**	26.2%

Adjusted operating cash flow

	30 June 2025 Â£m	30 June 2024 Â£m
Adjusted EBITDA	**90.2**	104.6
Less:	**Â**	**Â**
Net capital expenditure	**(38.0)**	(34.6)
Principal elements of lease payments	**(6.8)**	(6.7)
Provisions movement	**(0.1)**	(6.4)
Working capital movement	**(7.6)**	(7.7)
Adjusted operating cash flow	**37.7**	49.2

Free cash flow

	30 June 2025 Â£m	30 June 2024 Â£m
Adjusted operating cash flow	**37.7**	49.2
Less:	**Â**	**Â**
Restructuring cash flows	**(7.0)**	(0.4)
Net income taxes paid	**(8.7)**	(19.0)
Net interest paid	**(4.0)**	(3.8)
Free cash flow	**18.0**	26.0

Adjusted operating cash conversion

	30 June 2025 Â£m	30 June 2024 Â£m

Adjusted operating cash flow	Â	Â	Â	**37.7**	49.2
Adjusted operating profit	Â	Â	Â	**55.1**	66.8
Adjusted operating cash conversion		Â	Â	**68.4%**	73.7%

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Free cash flow conversion

Â		Â	Â	Â	Â	**30 June**	30 June
	Â	Â	Â	Â	Â	**2025**	2024
Â		Â	Â	Â	Â	**Â£m**	Â£m
Free cash flow		Â	Â	Â	Â	**18.0**	26.0
Adjusted operating profit			Â	Â	Â	**55.1**	66.8
Free cash flow conversion			Â	Â	Â	**32.7%**	38.9%

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Adjusted tax charge

Â		Â	Â	Â	Â	**30 June**	30 June
	Â	Â	Â	Â	Â	**2025**	2024
Â		Â	Â	**Â**	**Â**	**Â£m**	Â£m
Tax charge		Â	Â	Â	Â	**8.6**	6.5
Tax on amortisation of acquired intangibles			Â	Â	Â	**1.2**	1.3
Tax on acquisition costs		Â	Â	Â	Â	**-**	0.6
Tax on exceptional items		Â	Â	Â	Â	**2.4**	6.2
Adjusted tax charge		Â	Â	**Â**	**Â**	**12.2**	14.6

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Adjusted tax rate

Â		Â	Â	Â	Â	**30 June**	30 June
	Â	Â	Â	Â	Â	**2025**	2024
Â		Â	Â	Â	Â	**Â£m**	Â£m
Adjusted tax charge		Â	Â	Â	Â	**12.2**	14.6
Adjusted profit before taxation		Â	Â	Â	Â	**50.5**	62.2
Adjusted tax rate		Â	Â	Â	Â	**24.2%**	23.5%

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Adjusted earnings and adjusted earnings per share

A detailed reconciliation is provided in note 4 of these condensed consolidated interim financial statements.

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Net debt excluding lease liabilities and net debt

Â		Â	Â	Â	Â	**30 June**	31 December
	Â	Â	Â	Â	Â	**2025**	2024
Â		Â	Â	Â	Â	**Â£m**	Â£m
Cash and bank balances		Â	Â	Â	Â	**20.2**	19.1
Bank overdrafts (included in borrowings)			Â	Â	Â	**(1.6)**	(3.1)
Bank loans (included in borrowings)			Â	Â	Â	**(131.1)**	(84.3)
Net debt excluding lease liabilities			Â	Â	Â	**(112.5)**	(68.3)
Lease liabilities		Â	Â	Â	Â	**(57.8)**	(63.5)
Net debt		Â	Â	Â	Â	**(170.3)**	(131.8)

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Company information

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Financial calendar

2025 interim dividend - record dateÂ 3 October 2025

DRIP application deadlineÂ 5pm on 17 October 2025

2025 interim dividend - payment dateÂ 6 November 2025

Results for 2025Â 11 March 2026

Annual General MeetingÂ 27 May 2026

Final dividend for 2025 Â June 2026

Half year results for 2026 Â July 2026

Interim dividend for 2026 Â November 2026

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Shareholder enquiries

Enquiries on the following administrative matters can be addressed to the Companyâ€™s registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Telephone +44 (0)333 207 5951. Lines are open 8:30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales); or log on to help.shareview.co.uk to submit your query securely.

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â€¢ Change of address

â€¢ Stock transfer form including guidance notes

â€¢ Dividend mandates

â€¢ ShareGift donation coupon

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Forms for these matters can be downloaded from the registrarsâ€™ website at: www.shareview.co.uk. Shareholders can also access and maintain their shareholding online by registering at www.shareview.co.uk. To register, shareholders will require their shareholder reference number.

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Shareholder dealing service

For information on the share dealing service offered by Equiniti Limited, telephone 0345 603 7037 (+44 345 603 7037 if calling from outside the UK). Lines are open 8.00am to 5.30pm (UK time), Monday to Friday excluding public holidays in England and Wales. Please telephone Equiniti or check online at www.shareview.co.uk for up-to-date commission rates.

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Dividend Reinvestment Plan

A Dividend Reinvestment Plan (â€œDRIPâ€) is provided by Equiniti Financial Services Limited. The DRIP enables the Companyâ€™s shareholders to elect to have their cash dividend payments used to purchase the Companyâ€™s shares. More information can be found at www.shareview.co.uk/info/drip.

General information

Copies of this Report and the 2024 Annual Report are available from the Group Company Secretary, Bodycote plc, Springwood Court, Springwood Close, Tytherington Business Park, Macclesfield, Cheshire SK10 2XF, and can each be downloaded or viewed via the Groupâ€™s website at www.bodycote.com. Copies of this Report have also been submitted to the FCA Electronic Submission System which is situated at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

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