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TT Electronics PLC
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2025 Interim Results, 24 September 2025

TT Electronics plc

Results for the half-year ended 30 June 2025

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A management presentation for analysts and investors will be held today at 08.30 at Berenberg's offices at 60 Threadneedle Street, London and a webcast can be accessed at:
https://stream.brrmedia.co.uk/broadcast/686fd7aec36b2d0013a249ea

A recording of the presentation and Q&A session will be available on the website later in the day.
A PDF of this half year announcement is available for download from
https://www.ttelectronics.com/investors/results-reports-presentations/

Significant progress on operational turnaround

TT Electronics plc ("TT, "the Group"), a global engineer and manufacturer of electronic solutions for critical applications, today announces its interim results for the six months ended 30 June 2025 (the "Period").

Summary

- Good European performance, driven by strong growth in Aerospace & Defence, offset by challenges in North America and order delays for our Asian business
- Closure of the Plano site underway and Cleveland turnaround progressing well
- Strategic review of components business under separate management oversight
- Net debt continues to reduce with strong cash conversion at 135%
- Eric Lakin appointed CEO

£m (unless otherwise stated) Group	**H1 2025**	H1 2024 restated5	Change organic[1]
Adjusted Results[1,4]			
Revenue (organic)[1]	**237.9**	253.1	(6.0)%
Operating profit (organic)[1]	**13.0**	18.5	(29.7)%
Operating margin	**5.5%**	7.3%	(180)bps
Cash conversion	**135%**	35%	
Profit before tax	**8.5**	13.8	(38.4)%
Basic earnings per share	**1.9p**	5.4p	(64.2)%
Statutory Results			
Revenue	**237.9**	273.3	
Operating (loss)/profit	**(5.1)**	11.9	

Operating (loss)/profit		
(Loss)/profit before tax	**(9.6)**	6.7
Net cash generated from operations	**20.0**	7.9
Basic earnings per share	**(5.8)p**	1.6p
Dividend per share	**-**	2.25p
Other KPIs		
Free cash flow[1]	**6.4**	(7.8)
Return on invested capital	**10.0%[3]**	10.0%2
Net debt (excl lease liabilities)	**73.3**	80.12
Leverage[1]	**1.9x**	1.8x2

Eric Lakin, Chief Executive Officer, said:

"Our European region continues to perform well, driven by strong Aerospace & Defence markets and our positioning on long term programmes. Overall progress has been offset by the two site specific challenges in North America, at Cleveland and Plano, and order delays for our Asian business due to geopolitical related uncertainties.

We have implemented two important strategic actions to improve our future financial performance. We have made the difficult decision to close our Plano site and have launched a strategic review of our components business. Our Cleveland improvement plan is on track and delivering improved performance.

These improvement actions in North America, further progress in Europe and a resilient contribution from Asia are expected to underpin the step up in second half profitability. The Board therefore expects full year adjusted operating profit to be in line with market expectations[6]."

Financial Summary

- Mixed H1 performance with revenue down 6.0% organically (down 4.3% if excluding Plano site)
- Adjusted operating margin of 5.5%[1]
- Statutory operating loss £5.1 million, after £18.1 million of adjusting items predominantly relating to the Plano site closure and Cleveland restructuring
- Statutory basic EPS of (5.8)p
- H1 book to bill of 98%, with strong European performance and stabilisation in North America, offset by moderated demand into Asia

Operational turnaround

- Components business strategic review
    - Decision to close the Plano site by the end of 2025
    - Managed separately for enhanced focus and oversight
- Cleveland turnaround progressing to plan, productivity improving through the half
    - Site leadership team at full strength
    - Implementing multiple revenue, margin and cash improvement initiatives
- Inventory management programme delivered a further £5.2 million underlying reduction in the half
- Short term focus on delivering the required operational turnaround with further detail on medium-term strategic direction to be shared in the new year

Notes

1. *Throughout this announcement we refer to a number of alternative performance measures which provide additional useful information. Organic revenue and organic operating profit are revenue and adjusted operating profit on a constant currency basis and excluding the impacts of business disposals, see APM2 on page 41. The Directors have adopted these measures to provide additional information on the underlying trends, performance and position of the Group with further details set out in note 2c on page 26. The adjusted measures are set out in the reconciliation of KPIs and non IFRS measures on pages 37 to 44.*
2. *As at 31 December 2024*
3. *Calculated for the 12 months to June 2025*
4. *Excludes the impact of Project Albert, the divestment of our business units in Cardiff and Hartlepool, UK and Dongguan, China which completed at the end of Q1 2024*
5. *H1 2024 results have been restated as described in note 1f. As disclosed in the 2024 Annual Report, certain balances in North America were identified as representing material errors in the 2023 Financial Statements and the opening balances in 2024. This resulted in material errors consistent in nature as at 30 June 2024 requiring prior period restatement*
6. *Consensus for 2025 adjusted operating profit is £33.7 million in a range £31.6million to £35.6million.*

About TT Electronics

TT Electronics is a global provider of engineered electronics for performance critical applications.

TT engineers and manufactures electronic solutions enabling a safer, healthier and more sustainable world. TT benefits from enduring megatrends in structurally high-growth markets including Healthcare, Aerospace, Defence, Automation and Electrification. TT invests in R&D to create designed-in products where reliability is mission critical. Products designed and manufactured include sensors, power management and connectivity solutions. TT has design and manufacturing facilities in the UK, North America, and Asia.

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

In the first half of the year, we report strong profit growth in Europe offset by the challenges in our North American region and order delays for our Asian business. On an organic basis revenue was down 6.0 per cent as growth in Europe, driven by strong Aerospace & Defence markets, was more than offset by ongoing softness in Healthcare and Automation & Electrification markets in North America and Asia. Excluding the revenue of the Plano site which will be closed in the second half, revenue was down 4.3 per cent. Statutory revenue was down 13.0 per cent.

Adjusted operating margin of 5.5 per cent was down 180 basis points on an organic basis. Within the regions, Europe delivered a further strong organic performance with margins up 330 basis points, the North American performance reflects the trading losses at Plano and Cleveland.

During the first half, we moved quickly to address the two greatest areas of challenge within the Group, by launching a strategic review of the components business and the engagement of external consultants to investigate and improve the ongoing poor performance in our manufacturing business at Cleveland, Ohio. Resolution of the issues here will put the Group on a more stable operational and financial footing.

The downturn in the components market and the associated impact on our dedicated manufacturing facilities servicing that market, mostly in North America, has highlighted the operating leverage impact of our component sites. Accordingly, in April, the Board launched a strategic review of this business to assess all options in respect of the four locations servicing this market. In late June we took the difficult decision to close our components site in Plano which has been running at an annual loss of c. £6 million. Production will cease and we expect to close the site by the end of 2025. The costs of closure in the first half, including severance costs and inventory write-downs, are £6.7 million and are reported in items excluded from adjusted operating profit; the cash cost of the closure is expected to be c£4 million, of which £2-3 million will be incurred in the second half. To enable maximum focus in this ongoing review, our components business now has separate management oversight.

In April the Board also deployed specialist external resources and capability into our Cleveland manufacturing facility, which provides Electronic Manufacturing Services (EMS) to OEM customers. This aims to accelerate the required turnaround programme and enhance the effectiveness and predictability of day-to-day operations. Furthermore, we have concluded a comprehensive balance sheet review at the site, resulting in a largely non-cash restructuring charge of £5.7 million which is predominantly related to inventory and is reported in items excluded from adjusted operating profit in the first half. We have made progress in improving productivity during this period. The specialist external resource project work has now concluded and Cleveland now has a full site leadership team in place. We have also implemented further cost-saving measures and have identified additional opportunities for pricing, working capital and procurement savings.

In terms of our first half end market performance, there was strong growth in Aerospace and Defence (A&D), up 12 per cent organically. As expected, revenues from distribution, which is the main route to market for our components business, reduced by 17 per cent organically. Healthcare revenues were down 6 per cent organically in the first half as US research grants to the sector and funding reduced, consistent with wider market trends. Automation & Electrification was down 14 per cent reflecting tough industrial markets for some of our products.

Order intake in the half year broadly tracked revenue, with book to bill at 98 per cent. Order intake was comfortably ahead of revenue in the first half in Europe, and the region is on track for a year of record order intake given its exposure to the A&D end market. This strong performance was offset by end market weakness for certain customers across the Healthcare and Automation & Electrification sectors in our Asia business and stabilisation in North America.

Going forwards, Project Dynamo has evolved to be an internal driver of improved performance, with areas of near-term focus including further SG&A reductions, inventory management, driving an efficient cost of production and improving commercial pricing where necessary.

Our focus on building close customer relationships and collaborating on design-led solutions often leads to us being designed in for the life of the product, often spanning decades. As well as several new business contracts secured in the half year, we secured significant awards for next phase programmes and programme variants with our long-standing customers that demonstrate performance, trust and long term collaboration. Furthermore, we believe we are well placed, with our proven global manufacturing footprint in the United States, Mexico and Malaysia to support regionalisation/localised supply chain trends, especially in healthcare and life sciences.

Results and operations

Group revenue for the period was £237.9 million, down 6.0 per cent on an organic basis. Group adjusted operating profit for the period was £13.0 million, 29.7 per cent lower than the prior period on an organic basis.

The adjusted operating margin in the first half was 5.5 per cent (H1 2024 restated: 7.3 per cent), down on an organic basis, with an improvement in Europe offset by reductions in North America and Asia. We expect to deliver margin improvement in the second half given our anticipation of reduced North American losses as part of the turnaround plan. After the impact of adjusting items of £18.1 million, which includes restructuring costs of £13.8 million and pension restructuring costs of £3.0 million, the Group's half year statutory operating loss was £5.1 million (H1 2024 restated: £11.9 million profit) and operating margin was (2.1) per cent (H1 2024 restated: 4.4 per cent).

The reported operating profit for H1 2024 has been restated by £(3.2) million as described in note 2f; and as disclosed in the 2024 Annual Report, certain balances in North America were identified as representing material errors in the 2023 Financial Statements and therefore the opening balances in 2024. This resulted in consistent material errors as at 30 June 2024 which required prior period restatement.

Adjusted operating cash inflow post capital expenditure during the period was £17.6 million (H1 2024: £6.6 million). Cash conversion was significantly higher than H1 2024 at 135 per cent (H1 2024: 35 per cent) driven by inventory reductions of £5.2 million, partially offset by a decrease in payables, resulting in a net working capital inflow of £0.9 million (H1 2024 restated: £18.1 million outflow). On a statutory basis, cash flow from operating activities was an inflow of £16.4 million (H1 2024: £3.4 million inflow). Free Cash Flow was £6.4 million (H1 2024: £7.8 million outflow).

Following the buy-in of the UK defined benefit scheme in November 2022, the scheme is de-risked with the scheme liabilities matched by the buy-in insurance policy and no further contributions have been made to the scheme. There was a surplus of £10.5 million at 30 June 2025 (Dec 2024: £7.1 million surplus), following the gross return of £5.0 million to TT in December 2023 and a £15.0 million gross return in December 2024. Workstreams to finalise all details of the buy-in and transfer all scheme data to Legal and General are well progressed and the notice to trigger wind up of the scheme was issued on 31 March 2025. We continue to move towards buy-out which we anticipate completing in 2026 after which we can conclude the wind up of the scheme.

At 30 June 2025 net debt was £87.7 million (31 December 2024: £97.4 million), which included lease liabilities of £14.4 million (31 December 2024: £17.3 million). Excluding lease liabilities, net debt was £73.3 million (31 December 2024: £80.1 million). Leverage slightly increased to 1.9x (31 December 2024: 1.8x). We expect leverage to reduce slightly by the end of the year.

Dividend

Given continued uncertainty over the macro-economic environment and associated business risks, the Board has concluded that it is prudent to continue the pause on the dividend and will not be paying an interim dividend for 2025.

Going concern

In determining the appropriate basis of preparation of the interim financial statement, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

After making enquiries and having considered forecasts and appropriate sensitivities, the Directors have established that in a base case and downside stress test scenario, there is a reasonable expectation that the Group would remain compliant with covenants and has adequate resources to continue in operational existence for the period to 30 June 2026. Accordingly, the accounts have been prepared on a going concern basis.

As noted in the 2024 Annual Report, there have been significant emerging geopolitical and macroeconomic developments including trade tariffs. While tensions have begun to ease following a willingness of governments, to negotiate trade agreements, these recent events continue to be fast moving with a range of potential outcomes. The outcomes remain uncertain and any resulting economic volatility may have an impact beyond that assumed in the downside stress test scenario. Even in this circumstance, the Company would seek to negotiate an adjustment to its covenants. These matters represent a material uncertainty which may cast doubt upon the Group's ability to continue as a going concern for at least twelve months from the date of signing the interim results. The interim financial statements do not contain the adjustments that would result if the Group and Company were unable to continue as a going concern.

More information on the going concern judgement can be found on page 19.

OUR PRIORITIES

In the short term, our immediate focus continues to be on disciplined execution in the fixing of operational issues at Cleveland, Ohio and closing our Plano, Texas site which will improve returns. We are focused on control and efficiencies in production costs and inventory management. Where markets are soft, or there are delays in customer decisions, in part due to tariff uncertainty, we are relentlessly focused on our customers' needs and order intake. Free cashflow generation and debt reduction remain key priorities.

As part of the re-set for a focus on high-performance, we reshaped an Executive Committee to empower our regional leaders; providing better clarity of ownership, accountability and lines of responsibility.

The newly appointed CEO has started to evaluate the Group's medium- term strategic priorities and enablers and we will provide a further update on these initiatives with the FY25 results. The process to appoint a permanent CFO is ongoing.

Our overall mission is to be a leading and respected engineering and manufacturing power electronics partner of choice in our core markets of Aerospace & Defence, Healthcare and Automation & Electrification. We do this through:

- Relentless focus on efficiency, productivity and agility, particularly in our EMS business
- Promoting innovation, design, product, engineering and manufacturing expertise with proprietary know-how and technology
- Our components business has traditionally delivered strong cash flow generation and added scale to the Group. We continue to evaluate the role the remaining portfolio of components businesses fulfil in the Group's strategy.

TECHNOLOGY

We have established a Group-wide Engineering function and product and technology roadmaps at all sites to effectively leverage and capitalise on TT's engineering expertise across all regions, in recent years.

Our organic investment in R&D and capital equipment to drive differentiation in our offer to customers, has firmly embedded us as valued and trusted partners on long term programmes. This expenditure totalled £18.2 million in 2024 and in the first half of 2025 we invested £8.3 million (H1 2024: £9.2 million), including £5.2 million (H1 2024: £6.1 million) in R&D spend, representing 4.1 per cent (H1 2024: 4.6 per cent) of the aggregate product revenues.

An example showcasing how our engineering led approach, working closely with business development, can deliver new revenue streams is in Europe where we currently provide build-to-print power modules for critical applications on silicon-based devices used in aerospace applications. Silicon Carbide (SiC), including silver sintering technology, represents the next-generation technology enabling higher temperature, faster switching potential and high reliability within a small, power-dense package.

We are currently investing in a baseline module allowing TT to supply low-volume, customisable products focused on Aerospace and Defence platforms where sintered power modules are rapidly gaining traction given their superior reliability and thermal performance.

From a technology standpoint, our investment in the silver sintering process will create opportunities to develop new products for existing customers and other TT sites who currently purchase power modules, increasing the potential for vertical integration across the business.

Our global sales and business development structure enables us to sell all of TT's technology, engineering and manufacturing services to our global customer base.

Closer collaboration between the regions is driving improvements across the business as we bring engineering skills and product experience from across the teams together and subsequently place contracts in the most effective location for production. For example, we are already supplying certain customers and programmes from multiple locations, and we continue to consider, where appropriate, transfers of production to our most cost-effective locations; this is currently under consideration for our cable and harness assemblies.

EFFICIENCY

<u>Boosting productivity and reducing costs</u>

Our short-term focus continues to be on improving operational efficiency at a small number of predominantly North American sites.

In Kansas City, our operational improvement plan has achieved positive results following factory layout improvements which facilitated increases in throughput on affected production lines. Given the strength of the order book here, we have seen a significant step up in the productivity of the engineering team in 2025 and improved efficiency, which is underpinning the improved results. Encouragingly, we have recently received confirmation of a significant award with a long-standing customer, one of the world's largest suppliers of Aerospace and Defence products, for the development, manufacture and test of a critical Power Delivery Subsystem on a defence programme.

The Cleveland improvement plan is well underway. The site leadership team is now at full strength, with key workstreams of cost reduction, a thorough overhaul of demand, production & resource planning and inventory control all in train. Adding short term specialist resource helped identify opportunities to improve process yield, reduce the costs of re-work, and ensure we are paid for the costs of executing customer requested design changes. This externally resourced project has now concluded, and the site leadership team has full ownership for the workstreams.

Following a detailed review, and as previously announced, the Board has taken decisive action to close our components site in Plano, which is expected by the end of the year. We are supporting customers, employees and suppliers during the closure process.

Inventory management

Inventory levels in the business increased over recent years. The appointment of a Group Lead focused on inventory has continued to ensure appropriate management attention is applied to inventory outcomes across all group locations. This role, supported by a small expert team with a regional presence, focuses on improving the underlying processes and master data management.

In the first half of 2025 we have reduced underlying net inventory levels by a further £5.2 million and expect to deliver further reductions in the second half. We are on track to deliver our target of a £15 million reduction in net inventory levels by the end of 2026.

ENVIRONMENT

We are actively reducing our operational carbon footprint through several initiatives including equipment upgrades and the second phase of our solar installation at Suzhou scheduled for completion in the second half. We are also working with a third-party partner to plan the purchase of unbundled Renewable Energy Certificates (RECs) for TT Electronics sites where on-site renewable generation or direct renewable electricity procurement is not feasible.

REGIONAL REVIEW

EUROPE

	H1 2025	H1 2024	Change
Revenue (organic) [1]	£68.5m	£65.3m	5%
Revenue	£68.5m	£77.1m	(11)%
Adjusted operating profit (organic)[1]	£10.7m	£8.0m	34%
Adjusted operating profit	£10.7m	£7.5m	43%
Adjusted operating margin (organic)[1]	15.6%	12.3%	330bps

[1] *See note 2c on page 26 for an explanation of alternative performance measures, and APM2 on page 41 in relation to 'organic' measures which present revenue and adjusted profit on a constant currency basis, excluding the impacts of business disposals and adjusting items. Adjusting items are not allocated to divisions for reporting purposes. For further discussion of these items please refer to note 4 on page 31 of this document.*

Organic revenue was 5 per cent higher at £68.5 million (H1 2024: £65.3 million) driven mainly by increased demand from our positioning on long term programmes in the Aerospace and Defence end market and a focus on pricing discipline. Reported revenue was £8.6 million lower than H1 last year, reflecting the movements above, more than offset by the £11.8 million impact of the Q1 2024 disposal of sites in Cardiff and Hartlepool.

Organic operating profit increased by £2.7 million to £10.7 million (H1 2024: £8.0 million) driven by operational leverage on the organic revenue growth and focussed cost control. Adjusted operating margin increased to 15.6 per cent (H1 2024: 12.3 per cent).

Overall order intake for the region was pleasingly strong, with book to bill well over 100% and we expect continued growth in the second half of the year. Contract awards and growth drivers during the period, giving us confidence as we look forward, include:

- TT has won a new contract from an existing A&D customer for human-machine-interface assemblies supporting a European combat vehicle. The 5-year contract builds on our existing customer relationship and reflect TT's expanding role as a trusted supplier of mission-critical electronic systems in support of national and allied defence priorities.

- We have recently been awarded a significant new contract with long-standing customer Ultra PCS Ltd (Ultra Precision Control Systems) to manufacture highly complex, military-grade cable harness assemblies at our facility in Fairford, UK, for Ultra PCS Ltd's advanced engine ice protection systems, which are integral to the operation of modern combat aircraft.
  This new contract strengthens the long-standing, 35-year relationship between the two companies and underscores our pivotal role as a preferred and trusted supplier in the Aerospace and Defence markets.

- Continuing our strong, long-standing partnership with a large European Aerospace & Defence prime we have recently announced a sizeable contract to supply military grade cable harness assemblies for a critical defence programme. This new contract award leverages TT's exceptional capabilities and proven track record of supporting critical defence applications worldwide.

NORTH AMERICA

	H1 2025	H1 2024 restated[2]	Change
Revenue (organic) [1]	£83.2m	£92.7m	(10)%
Revenue	£83.2m	£94.4m	(12)%
Adjusted operating profit (organic)[1]	£(5.0)m	£1.3m	(485)%
Adjusted operating profit	£(5.0)m	£1.6m	(413)%
Adjusted operating margin (organic)[1]	(6.0)%	1.4%	(740)bps

[1] See note 2c on page 26 for an explanation of alternative performance measures, and APM2 on page 41 in relation to 'organic' measures which present revenue and adjusted profit on a constant currency basis, excluding the impacts of business disposals and adjusting items. Adjusting items are not allocated to divisions for reporting purposes. For further discussion of these items please refer to note 4 on page 31 of this document.

[2]H1 2024 results have been restated as described in note 2f. As disclosed in the 2024 Annual Report, certain balances in North America were identified as representing material errors in the 2023 Financial Statements and therefore the opening balances in 2024. This resulted in material errors consistent in nature as at 30 June 2024 which required prior period restatement.

Note: No divestment impact here

Organic revenue reduced by £9.5 million to £83.2 million (H1 2024: £92.7 million) predominantly reflecting significant volume headwinds in our components business including our Plano site. Reported revenue was £11.2 million lower than H1 last year, reflecting the movements above and foreign exchange headwinds of £1.7 million.

Organic operating profit decreased by £6.3 million to a £5.0 million loss (H1 2024 restated: £1.3 million profit). The adjusted, organic operating profit margin was (6.0) per cent (H1 2024 restated: 1.4 per cent) reflecting an improved performance in Kansas, more than offset by the impact of volume declines in the components business and losses at our components site in Plano and our EMS site at Cleveland.

We are pleased to report that the first half Kansas City performance reflects a significant step up in the productivity of its engineering team and some positive re-pricing. Furthermore, engineers at this site are now collaborating on joint pipeline reviews with other regional sites to allocate workstreams between sites depending on capabilities.

Our Cleveland site leadership team is now up to full strength and progressing through key improvement workstreams of contract profitability, operational efficiency including a thorough overhaul of demand, production and resource planning. Encouragingly, production efficiency levels at the site are significantly improved, the need for re-work and scrap levels are reducing, headcount savings are contributing. As noted previously, the full benefits of the improvement plan are expected to be realised over the longer term, driven by the need for increased manufacturing volumes.

With the planned closure of Plano in the second half together with the benefits of the last time buy and the contribution from the Cleveland improvement plan, the region is expected to show a return to profit in the second half, though will still be loss-making for the year as a whole.

At the time of our FY24 results, in April 2025, we reported prior year adjustments in relation to our 2023 North American results. This principally related to our Cleveland site where we identified issues in relation to the recoverability of certain assets recognised in prior periods at this site in North America. In response to this, we have strengthened the local and regional finance teams and addressed the associated control deficiencies.

We are pleased to have had recent new customer wins across the region; notable wins and growth drivers in the period include the following:

· A customer in the commercial satellite sector selected our Juarez facility for high-reliability optoelectronics that will be used in a low earth orbit communication/navigation satellite. This win reflects the importance of distributor relationships with customers, as it enabled TT to secure the new project at an early phase where our components will be designed in.

· Our Minneapolis facility was awarded a new contract from an existing customer to provide in-seat flight magnetics for commercial aircraft. The one-year contract builds on our track record of success providing value-added assemblies with this customer.

· TT's Mexicali facility was awarded a new contract for box-build assemblies for a customer providing innovative, digital power distribution systems. This latest award reflects confidence in TT's ability to support this account globally, leveraging best-cost-geographies and extends over 5 years.

ASIA

	H1 2025	H1 2024	Change
Revenue (organic) [1]	£86.2m	£95.1m	(9)%
Revenue	£86.2m	£101.8m	(15)%
Adjusted operating profit (organic)[1]	£11.4m	£13.2m	(14)%
Adjusted operating profit	£11.4m	£14.0m	(19)%
Adjusted operating margin (organic)[1]	13.2%	13.9%	(70)bps

[1] See note 2c on page 26 for an explanation of alternative performance measures, and APM2 on page 41 in relation to 'organic' measures which present revenue and adjusted profit on a constant currency basis, excluding the impacts of business disposals and adjusting items. Adjusting items are not allocated to divisions for reporting purposes. For further discussion of these items please refer to note 4 on page 31 of this document.

Organic revenue was down 9 per cent to £86.2 million (H1 2024: £95.1 million) reflecting some end market weakness for certain customers across the Healthcare and Automation & Electrification sectors. Customer uncertainty around tariffs continues. Reported revenue was £15.6 million lower than H1 last year, reflecting the movements above, foreign exchange headwinds of £2.4 million and the £4.4 million impact of the Q1 2024 disposal of the Dongguan, China facility.

Adjusted operating profit was £2.6 million lower at £11.4 million (H1 2024: £14.0 million) from the impact of the volume reductions, foreign exchange headwinds of £0.5 million and the £0.3 million impact of the Q1 2024 business disposal, representing an organic decline of 14%. The adjusted operating profit margin was marginally lower at 13.2 per cent (H1 2024: 13.9 per cent).

The process of increasing further our capacity within our Malaysian facility, in Kuantan, to prepare for the shift in customer demand and transfer of programmes from other sites is nearing its final stages. The transfer of work, together with associated one-off costs and a production hiatus while safety stock is consumed, will occur over the remainder of 2025 with revenue being delivered from Malaysia from 2026.

Order intake in the year was lower than the prior year as a result of order delays due to geopolitical related uncertainties. There is a constant focus on growing our Asia for Asia revenues with recent momentum wins supporting global medical and life science OEMs with robust local production capabilities in Suzhou.

There have been a number of key developments during the first half of the year including:

- Our Kuantan facility was awarded three new contracts for PCBA requirements from a long-standing customer in the life science sector. TT already provides manufacturing for this customer at locations in Suzhou, Cleveland, and most recently, Mexicali. The customer's selection of this location and entrusting TT is a testament to the partnership and proven performance of TT teams globally.

- TT Suzhou has been awarded a new 3-year contract by a leading medical imaging equipment provider. The award will see Suzhou provide multiple PCBAs supporting a new product design, demonstrating our success in developing deep customer relationships - enabling us to secure positions on new, medical equipment innovations.

- A longtime customer in the industrial label and printing sector has awarded TT Kuantan a 3-year contract for PCBA and sub-assemblies supporting the textile industry. The order reflects our ability to support this strategic account globally with prototype and NPI capabilities, while leveraging best-cost geographies.

Outlook

In the first half of 2025 we have implemented two important strategic actions to improve our future financial performance. We have made the difficult decision to close our Plano site and have launched a strategic review of our components business. Our Cleveland improvement plan is on track and delivering improved performance.

These improvement actions in North America, further progress in Europe and a resilient contribution from Asia are expected to underpin the step up in second half profitability. The Board therefore expects full year adjusted operating profit to be in line with market expectations.

OTHER FINANCIAL INFORMATION

Group revenue of £237.9 million (H1 2024 restated: £273.3 million) reflected currency headwinds in the period compared to H1 last year of £4.1 million, and the impact of the divestment of our business units in Cardiff and Hartlepool, UK and Dongguan, China which reduced revenue by £16.1 million. Excluding the impact of currency and the divestment organic revenue was 6.0 per cent lower than in the same period last year.

The Group reported an adjusted operating profit of £13.0 million (H1 2024 restated: £19.0 million). Currency headwinds in the period compared to H1 last year were £0.7 million, and the impact of the divestment of our business units in Cardiff and Hartlepool, UK and Dongguan, China increased operating profit by £0.2 million.

Statutory operating loss for the period was £5.1 million (H1 2024 restated: £11.9 million profit) after a charge of £18.1 million (H1 2024: £7.1 million) for items excluded from adjusted operating profit including:

- Acquisition and disposal related costs of £1.3 million (H1 2024: £6.3 million including £4.9 million relating to the Project Albert divestment), comprising amortisation of acquired intangible assets.
- Pension restructuring costs of £3.0 million (H1 2024: £0.8 million) relate to buy in costs and all anticipated future costs post issuing the notice to trigger wind up.
- Charges associated with management change of £1.4 million (H1 2024: £ nil) reflecting duplicate costs in the period for senior management transition.
- Other restructuring costs at Cleveland of £5.7 million (H1 2024: £ nil) including the costs of the specialist resource and inventory write down.
- Plano closure costs of £6.7 million (H1 2024: £ nil) including inventory write down.

The Group generated an adjusted operating margin of 5.5 per cent (H1 2024 restated: 7.0 per cent) with the decrease as a result of the significant headwinds faced in our North American components business and Cleveland site challenges.

The net finance cost reduced to £4.5 million (H1 2024: £5.2 million) due to lower interest rates and lower debt levels. The Group's overall tax charge was £0.7 million (H1 2024 restated: £3.9 million). The tax charge on adjusted profit before tax was £5.1 million (H1 2024: £4.3 million), resulting in an effective adjusted tax rate of 60.0 per cent (H1 2024: 31.2 per cent), this higher than usual rate is due to losses within the North America region and the inability to currently recognise a deferred tax asset in respect of those losses.

Basic earnings per share (EPS) decreased to a loss of 5.8 pence (H1 2024 restated: 1.6 pence). Adjusted EPS reduced to 1.9 pence (H1 2024 restated: 5.4 pence), reflecting the reduction in adjusted operating profit.

Adjusted operating cash flow post capital expenditure was £17.6 million inflow (H1 2024: £6.6 million inflow) which was primarily due to a £0.9 million working capital inflow (H1 2024: £18.1 million outflow) and a reduced share-based payment expense. This resulted in a significantly higher operating cash conversion of 135 per cent (H1 2024: 35 per cent). On a statutory basis, cash flow from operating activity was an inflow of £16.4 million (H1 2024: £3.4 million inflow).

There was a free cash inflow of £6.4 million (H1 2024: £7.8 million outflow) reflecting lower tax and interest payments and includes £1.4 million of restructuring and acquisition related payments (H1 2024: £0.5 million).

As at 30 June 2024 the Group's net debt was £87.7 million (31 December 2024: £97.4 million), including £14.4 million of lease liabilities (31 December 2024: £17.3 million). Excluding lease liabilities, net debt was £73.3m (31 December 2024: £80.1 million). Leverage, consistent with the bank covenants, was 1.9 times at 30 June 2025 (31 December 2024: 1.8 times). Net interest cover at 30 June 2025 was 4.3 times (31 Dec 2024: 4.4 times)

Following the buy-in of the UK defined benefit scheme in November 2022, the scheme is de-risked and had a surplus of £10.5 million at 30 June 2025. No contributions were made to the scheme in the period, and none are expected going forwards. Workstreams to finalise all details of the buy-in and transfer all scheme data to Legal and General are well progressed and the notice to trigger wind up of the scheme was issued on 31 March 2025. We continue to move towards buy-out which we anticipate completing in 2026 after which we can conclude the wind up of the scheme.

Summary of Adjusted results

To assist with the understanding of earnings trends, the Group has included within its non-GAAP alternative performance measures including adjusted operating profit and adjusted profit. Further information is contained in the 'Reconciliation of KPIs and non IFRS measures' on pages 37 to 44.

A summary of the Group's adjusted results, and a reconciliation of statutory to adjusted profit numbers are set out below:

£ million	**H1 2025**	**H1 2024 restated**
Revenue	**237.9**	273.3
Adjusted Operating profit	**13.0**	19.0
Adjusted Operating margin	***5.5%***	*7.0%*
Net finance expense	**(4.5)**	(5.2)

Adjusted Profit before tax	**8.5**	13.8
Adjusted Tax	**(5.1)**	(4.3)
Tax rate	***60.0%***	*31.2%*
Adjusted Profit after tax	**3.4**	9.5
Weighted average number of shares	***177.7m***	*176.7m*
Adjusted EPS	**1.9p**	5.4p

Reconciliation of Adjusted results

£ million	**Note**	**H1 2025**	**H1 2024 restated**
Operating profit		**(5.1)**	11.9
Adjusted to exclude:			
Restructuring and other items			
Pension restructuring costs	**1**	**(3.0)**	(0.8)
Restructuring	**2**	**(13.8)**	-
		(16.8)	(0.8)
Acquisition related costs			
Amortisation of intangible assets arising on business combinations		**(1.3)**	(1.4)
Project Albert costs		**-**	(4.9)
		(1.3)	(6.3)
Total operating reconciling items		**(18.1)**	(7.1)
Adjusted operating profit		**13.0**	19.0
Profit before tax		**(9.6)**	6.7
Total operating reconciling items (as above)		**18.1**	7.1
Adjusted profit before tax		**8.5**	13.8
Taxation charge on adjusted profit		**(5.1)**	(4.3)
Adjusted profit after taxation		**3.4**	9.5

Note 1: Pension restructuring costs of £3.0 million (2024: £0.8 million) relate to buy in costs and all anticipated future post wind up costs which are required to be booked following the 31 March 2025 triggering of the wind up of the scheme.

Note 2: Restructuring costs of £13.8 million comprise £6.7 million relating to closure costs of the Plano manufacturing site, of which £4.9 million relates to inventory, £5.7 million relating to costs associated with operational restructuring at the Cleveland manufacturing site, which is predominantly related to inventory, and £1.4 million relating to costs associated with the changes in executive leadership.

Cash flow, net debt and leverage

The table below sets out Group cash flows and net debt movement:

£ million	**H1 2025**	H1 2024 restated
Adjusted operating profit	**13.0**	19.0
Depreciation and amortisation	**6.7**	7.4
Working capital movement	**0.9**	(18.1)
Net capital expenditure	**(3.1)**	(3.1)
Capitalised development expenditure	**(0.7)**	(0.5)
Other	**0.8**	1.9
Adjusted Operating Cash Flow post Capex	**17.6**	6.6
Restructuring and acquisition costs	**(1.4)**	(0.5)
Net interest and tax	**(7.8)**	(10.1)
Lease payments	**(2.0)**	(2.0)
US pension scheme buy-out	**-**	(1.8)
Free Cash Flow	**6.4**	(7.8)
Dividends	**-**	(8.2)
Lease payments	**2.0**	2.0
Equity issued	**0.2**	0.4
Disposals	**-**	19.5
Cash with disposed businesses	**-**	(5.3)
Other	**-**	(2.0)
Net debt impacting cashflow	**8.6**	(1.4)
Opening net debt	**(97.4)**	(126.2)

Leases disposed of as part of Project Albert	**-**	2.6
Other non-cash (new leases and lease reassessments)	**(0.6)**	(1.2)
FX	**1.7**	(0.8)
Closing net debt	**(87.7)**	(127.0)

At 30 June 2025 the Group's net debt was £87.7 million (31 December 2024: £97.4 million). Included within net debt was £14.4 million of lease liabilities (31 December 2024: £17.3 million). Excluding lease liabilities, net debt was £73.3m (31 December 2024: £80.1 million).

Consistent with the Group's borrowing agreements, which exclude the impact of IFRS 16 leases, leverage ratio was 1.9 times at 30 June 2025 (31 December 2024: 1.8 times). Net interest cover was 4.3 times (31 December 2024: 4.4 times).

The Group's debt covenants state that the leverage ratio must not exceed 3.0 times and interest cover must be over 4.0 times. A temporary amendment with the Group's lenders is in place over the existing financing facilities for the periods to 30 June 2025 and 31 December 2025. The amendment relates specifically to the financial covenant regarding interest cover to provide the Group with additional headroom. Under the amendment, the interest cover covenant will be reduced from a minimum ratio of EBITDA to net finance charges of 4.0 times to 3.0 times and 3.25 times for the periods to 30 June 2025 and 31 December 2025 respectively. During the relaxation period, in the event that interest cover falls below or is forecast to be less than 4.0 times the Board would not be able to declare or pay a dividend.

Principal risks and uncertainties

The Group has an established, structured approach to identifying and assessing the impact of financial and operational risks on its business, which is reviewed and updated quarterly. The principal risks and uncertainties for the remainder of the financial year are not expected to change materially from those included on pages 53 to 56 of the Annual Report and Accounts 2024. The risks identified relate to the following areas: general revenue reduction due to geopolitical instability or economic downturn; contractual risks; research and development; people and capability; supplier resilience; IT systems and information; M&A and integration; sustainability, climate change and the environment; health and safety; legal and regulatory compliance and geopolitical. Further information in relation to the Group's financial position and going concern is included on page 19.

Cautionary statement

This report contains forward-looking statements. These have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. The Directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The Directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Going Concern

The Group's primary source of finance is the £162.4 million committed revolving credit facility (RCF) which was signed in June 2022 and will mature in June 2027. At 30 June 2025 £55.2 million of this facility had been drawn down. The Group's RCF is payable on a floating rate basis above GBP SONIA, USD SOFR or EURIBOR depending on the currency of the loan.

In December 2021, TT issued £75 million of private placement fixed rate loan notes with three institutional investors; the issue is evenly split between 7- and 10- year maturities with an average interest rate of 2.9% and covenants in line with our bank facility.

The Group had a leverage ratio of 1.9 times as at 30 June 2025 (31 December 2024: 1.8) compared to an RCF covenant maximum of 3.0 times and interest cover (pre-IFRS 16 and excluding pension interest) of 4.3 times (31 December 2024: 4.4) compared to a relaxed RCF covenant minimum of 3.0 times (31 December 2024: 3.75).

The Group has prepared and reviewed cash flow forecasts across the business over the twelve-month period from the date of the approval of these interim results, considering the Group's current financial position and the potential impact of our principal risks on regional performance.

Under the Group's base case financial projections, the Group retains liquidity and covenant headroom, with both metrics improving from the position as at 30 June 2025.

The Group's downside stress test scenario has been sensitised for impacts to our principal risks as set out in the 2024 Annual Report which shows a reduction in revenue and operating profit compared to the latest forecast. Despite this further reduction these projections show that the Group should remain well within its facilities headroom and within bank covenants for the remainder of 2025 and 2026.

The Directors have assessed the future funding requirements of the Group with due regard to the risks and uncertainties to which the Group is exposed and compared them with the level of available borrowing facilities. The Directors are satisfied that the Group has adequate resources available for at least twelve months from the date of signing these interim financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

As noted in the 2024 Annual Report, there have been significant emerging geopolitical and macroeconomic developments including trade tariffs. While tensions have begun to ease following a willingness of governments, particularly the USA, to negotiate trade agreements, these recent events continue to be fast moving with a range of potential outcomes. The outcomes remain uncertain and any resulting economic volatility may have an impact beyond that assumed in the severe downside case.

As a result, the directors consider these matters represent a material uncertainty which may cast doubt upon the Group's ability to continue as a going concern for a period of at least 12 months from the date of the signing of these interim financial statements.

Responsibility statement of the Directors

We confirm that to the best of our knowledge:

- The 2025 annual financial statements of TT Electronics plc will be prepared in accordance with United Kingdom adopted International Accounting Standards. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 'Interim Financial Reporting';
- the interim management report includes a fair review of the information required by DTR 4.2.7R:
  - (i) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements; and
  - (ii) a description of the principal risks and uncertainties for the remaining six months of the year.
- the interim management report includes a fair review of the information required by DTR 4.2.8R:
  - (i) related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group in that period; and
  - (ii) any changes in the related parties transactions described in the 2024 Annual Report that could have a material effect on the financial position or performance of the Group in the current period.

By order of the Board

Eric Lakin	**Richard Webb**
Chief Executive Officer	Interim Chief Financial Officer
23 September 2025	23 September 2025

Cautionary statement

This report contains forward-looking statements. These have been made by the directors in good faith based on the information available to them up to the time of their approval of this report. The directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

TT Electronics plc
Interim results for the half-year ended 30 June 2025

Condensed consolidated income statement (unaudited)

for the six months ended 30 June 2025

£million (unless otherwise stated)	Note	**Six months ended June 2025**	Six months ended June 2024 Restated [1]	Year ended December 2024
Revenue	3	**237.9**	**273.3**	521.1
Cost of sales		**(191.7)**	**(214.3)**	(411.4)
Gross profit		**46.2**	**59.0**	109.7
Distribution costs		**(9.0)**	**(11.8)**	(22.9)
Administrative expenses		**(42.3)**	**(35.3)**	(110.3)
Operating (loss) / profit		**(5.1)**	**11.9**	(23.5)
Analysed as:				
Adjusted operating profit	3	**13.0**	**19.0**	37.1
Restructuring costs	4	**(13.8)**	**-**	0.1
Pension restructuring costs	4	**(3.0)**	**(0.8)**	(1.3)
Asset impairments and measurement losses	4	**-**	**-**	(52.2)
Amortisation of intangible assets arising on business combinations	4	**(1.3)**	**(1.4)**	(2.7)
Acquisition and disposal related costs	4	**-**	**(4.9)**	(4.5)
Finance income		**0.2**	**0.8**	1.6
Finance costs		**(4.7)**	**(6.0)**	(11.5)
(Loss) / profit before taxation		**(9.6)**	**6.7**	(33.4)
Taxation	5	**(0.7)**	**(3.9)**	(20.0)
(Loss) / profit for the period attributable to the owners of the Company		**(10.3)**	**2.8**	(53.4)
EPS attributable to owners of the Company (pence)				
Basic	6	**(5.8)**	**1.6**	(30.2)
Diluted	6	**(5.8)**	**1.6**	(30.2)

1. H1 2024 results have been restated as described in note 2f.

TT Electronics plc
Interim results for the half-year ended 30 June 2025

Condensed consolidated statement of comprehensive income (unaudited)

for the six months ended 30 June 2025

£million	**Six months ended 30 June 2025**	Six months ended June '2024 Restated [1]	Year ended 31 December 2024
(Loss) / profit for the period	**(10.3)**	2.8	(53.4)
Other comprehensive (loss) / income for the period after tax			
Items that are or may be reclassified subsequently to the income statement:			
Exchange differences on translation of foreign operations	**(20.2)**	1.6	2.9
Tax on exchange differences	**-**	-	(0.4)
Foreign exchange gain on disposals recycled to income statement	**-**	(0.6)	(0.6)
Gain / (loss) on hedge of net investment in foreign operations	**3.0**	(0.4)	(0.8)
Gain / (loss) on cash flow hedges taken to equity less amounts recycled to the income statement	**6.9**	(5.1)	(10.2)
Deferred tax (loss) / gain on movement in cash flow hedges	**(1.7)**	1.0	2.4
Items that will not be reclassified to the income statement:			
Remeasurement of defined benefit pension schemes	**4.4**	(0.9)	(2.3)
Tax on remeasurement of defined benefit pension schemes	**(1.5)**	2.7	3.1
Total comprehensive (loss) / income for the period attributable to the owners of the Company	**(19.4)**	1.1	(59.3)

1. H1 2024 results has been restated as described in note 2f.

Condensed consolidated statement of financial position (unaudited)

£million	Note	**30 June 2025**	30 June 2024 Restated [1]	31 December 2024
ASSETS				
Non-current assets				
Right-of-use assets		**8.1**	15.1	9.9
Property, plant and equipment		**46.2**	59.6	49.3
Goodwill	8	**97.9**	141.3	105.4
Other intangible assets		**26.0**	31.1	30.8
Deferred tax assets		**13.1**	16.6	13.1
Derivative financial instruments	9	**0.6**	0.1	-
Pensions	10	**10.5**	24.0	7.1
Total non-current assets		**202.4**	287.8	215.6
Current assets				
Inventories		**110.3**	147.3	132.7
Trade and other receivables		**87.9**	90.7	91.2
Income taxes receivable		**2.9**	2.0	2.9
Derivative financial instruments	9	**1.8**	2.3	0.7
Cash and cash equivalents	11	**55.7**	65.1	69.2
Total current assets		**258.6**	307.4	296.7
Total assets		**461.0**	595.2	512.3
LIABILITIES				
Current liabilities				
Borrowings	11	**-**	0.1	0.1
Lease liabilities	11	**3.6**	3.7	4.0
Derivative financial instruments	9	**1.7**	2.4	5.4
Trade and other payables		**109.5**	121.1	120.0
Income taxes payable		**13.3**	9.5	13.1
Provisions		**8.0**	3.2	3.7
Total current liabilities		**136.1**	140.0	146.3
Non-current liabilities				
Borrowings	11	**129.0**	174.7	149.2
Lease liabilities	11	**10.8**	13.6	13.3
Derivative financial instruments	9	**0.3**	1.3	2.4
Deferred tax liability		**5.4**	4.3	3.5
Pensions	10	**1.4**	1.5	1.5
Provisions and other non-current liabilities		**1.2**	1.1	1.2
Total non-current liabilities		**148.1**	196.5	171.1
Total liabilities		**284.2**	336.5	317.4
Net assets		**176.8**	258.7	194.9
EQUITY				
Share capital		**44.6**	44.4	44.5
Share premium		**24.7**	24.3	24.6
Translation reserve		**24.6**	41.3	41.8
Other reserves		**10.3**	7.7	4.0
Retained earnings		**72.6**	141.0	80.0
Total equity		**176.8**	258.7	194.9

1. 'Inventories', 'Trade and other receivables' and 'Deferred tax assets' have been restated as described in note 2f.

Approved by the Board of Directors on 23 September 2025 and signed on their behalf by:

Eric Lakin
Director

Richard Webb
Director

Condensed consolidated statement of changes in equity (unaudited)

for the six months ended 30 June 2025

£million	Share capital	Share premium	Translation Reserve	Other reserves	Retained earnings	Total
At 31 December 2023	44.3	24.0	40.7	11.9	144.6	265.5
Profit for the period - restated [1]	-	-	-	-	2.8	2.8
Other comprehensive income / (expense)						
Exchange differences on translation of foreign operations	-	-	1.6	-	-	1.6
Foreign exchange gain on disposals taken to income statement	-	-	(0.6)	-	-	(0.6)
Loss on hedge of net investment in foreign operations	-	-	(0.4)	-	-	(0.4)
Loss on cash flow hedges taken to equity less amounts						

Loss on cash flow hedges taken to equity less amounts recycled to income statement	-	-	-	(5.1)	-	(5.1)
Deferred tax on movement in cash flow hedges	-	-	-	1.0	-	1.0
Remeasurement of defined benefit pension schemes	-	-	-	-	(0.9)	(0.9)
Tax on remeasurement of defined benefit pension schemes	-	-	-	-	2.7	2.7
Total comprehensive income / (loss)	-	-	0.6	(4.1)	4.6	1.1
Transactions with owners recorded directly in equity						
Equity dividends paid by the Company	-	-	-	-	(8.2)	(8.2)
Share-based payments	-	-	-	1.9	-	1.9
New shares issued	0.1	0.3	-	-	-	0.4
Other movements	-	-	-	(2.0)	-	(2.0)
At 30 June 2024 - restated [1]	44.4	24.3	41.3	7.7	141.0	258.7
At 31 December 2024 (audited)	**44.5**	**24.6**	**41.8**	**4.0**	**80.0**	**194.9**
Profit for the period	**-**	**-**	**-**	**-**	**(10.3)**	**(10.3)**
Other comprehensive (expense) / income						
Exchange differences on translation of foreign operations	**-**	**-**	**(20.2)**	**-**	**-**	**(20.2)**
Gain on hedge of net investment in foreign operations	**-**	**-**	**3.0**	**-**	**-**	**3.0**
Gain on cash flow hedges taken to equity less amounts recycled to the income statement	**-**	**-**	**-**	**6.9**	**-**	**6.9**
Deferred tax on movement in cash flow hedges	**-**	**-**	**-**	**(1.7)**	**-**	**(1.7)**
Remeasurement of defined benefit pension schemes	**-**	**-**	**-**	**-**	**4.4**	**4.4**
Tax on remeasurement of defined benefit pension schemes	**-**	**-**	**-**	**-**	**(1.5)**	**(1.5)**
Total comprehensive (loss) / income	**-**	**-**	**(17.2)**	**5.2**	**(7.4)**	**(19.4)**
Transactions with owners recorded directly in equity						
Share-based payments	**-**	**-**	**-**	**1.1**	**-**	**1.1**
Deferred tax on share-based payments	**-**	**-**	**-**	**0.1**	**-**	**0.1**
New shares issued	**0.1**	**0.1**	**-**	**-**	**-**	**0.2**
Payments to fund employee benefit trust	**-**	**-**	**-**	**(0.1)**	**-**	**(0.1)**
At 30 June 2025	**44.6**	**24.7**	**24.6**	**10.3**	**72.6**	**176.8**

1. Balances have been restated as described in note 2f.

TT Electronics plc
Interim results for the half-year ended 30 June 2025

Condensed consolidated cash flow statement (unaudited)

for the six months ended 30 June 2025

£million	Note	**Six months ended June 2025**	Six months Ended June 2024 Restated [1]	Year ended December 2024
Cash flows from operating activities				
(Loss) / Profit for the period		**(10.3)**	2.8	(53.4)
Taxation	5	**0.7**	3.9	20.0
Net finance costs		**4.5**	5.2	9.9
Restructuring costs and non underlying asset impairments and remeasurements	4	**16.8**	0.8	53.4
Amortisation, acquisition and disposal related costs	4	**1.3**	6.3	7.2
Adjusted operating profit		**13.0**	19.0	37.1
Adjustments for:				
Depreciation		**5.6**	6.7	12.2
Amortisation and impairment of intangible assets		**1.1**	0.7	1.6
Share based payment expense		**0.9**	1.9	2.2
Scheme funded pension administration costs		**0.4**	0.7	1.1
Other items		**(0.5)**	-	0.2
Decrease / (increase) in inventories		**5.2**	(2.3)	12.8
Increase in receivables		**(1.0)**	(2.8)	(2.2)
Decrease in payables and provisions		**(3.3)**	(13.7)	(12.9)
Adjusted operating cash flow		**21.4**	10.2	52.1
Reimbursement from pension schemes net of funding payments		**-**	(1.8)	9.4
Restructuring and acquisition related costs		**(1.4)**	(0.5)	(0.6)
Net cash generated from operations		**20.0**	7.9	60.9
Income taxes paid		**(3.6)**	(4.5)	(9.7)
Net cash flow from operating activities		**16.4**	3.4	51.2
Cash flows from investing activities				
Purchase of property, plant and equipment		**(3.2)**	(3.3)	(6.9)
Proceeds from sale of property, plant and equipment and government grants received		**0.1**	0.2	0.5
Capitalised development expenditure		**(0.7)**	(0.5)	(1.8)
Purchase of other intangibles		**-**	-	(0.5)
Proceeds from disposal of business		**-**	19.5	17.5
Cash with disposed businesses		**-**	(5.3)	(5.3)
Net cash flow (used in) / from investing activities		**(3.8)**	10.6	3.5
Cash flows from financing activities				
Issue of share capital	12	**0.2**	0.4	0.8
Interest paid		**(4.2)**	(5.6)	(10.6)

Repayment of borrowings		**(20.7)**	(20.0)	(49.2)
Proceeds from borrowings		**3.1**	12.1	15.1
Capital payment of lease liabilities		**(2.0)**	(2.0)	(4.2)
Other items		**-**	(2.0)	(2.1)
Dividends paid by the Company	7	**-**	(8.2)	(12.2)
Net cash flow used in financing activities		**(23.6)**	(25.3)	(62.4)
Net decrease in cash and cash equivalents		**(11.0)**	(11.3)	(7.7)
Cash and cash equivalents at beginning of period including those classified as held for sale	11	**69.1**	76.5	76.5
Exchange differences	11	**(2.4)**	(0.2)	0.3
Cash and cash equivalents at end of period	11	**55.7**	65.0	69.1
Cash and cash equivalents comprise:				
Cash at bank and in hand	11	**55.7**	65.1	69.2
Bank overdrafts	11	**-**	(0.1)	(0.1)
Cash and cash equivalents at end of period	11	**55.7**	65.0	69.1

1. Balances have been restated as described in note 2f.
   1.

Notes to the condensed consolidated financial statements (unaudited)

1. General information

The condensed consolidated financial statements for the six months ended 30 June 2025 are unaudited and were authorised for issue in accordance with a resolution of the Board of Directors. The information for the six months ended 30 June 2025 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. Comparative information for the year ended 31 December 2024 has been taken from the published statutory accounts, a copy of which has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The auditor's report drew attention to a material uncertainty related to going concern as set out in the Going Concern section.

2. Basis of preparation

a) Condensed consolidated half-year financial statements

The 2025 annual financial statements of TT Electronics plc will be prepared in accordance with United Kingdom adopted International Accounting Standards. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 'Interim Financial Reporting'. These condensed consolidated half-year financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2024 Annual Report.

b) Changes in accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following amended standard effective as of 1 January 2025, however this was deemed not to have a material effect on the interim financial statements:
- Amendments to IAS 21 - Lack of Exchangeability

c) Alternative performance measures

The Group presents Alternative Performance Measures ("APMs") in addition to the statutory results of the Group. The Directors consider there to be four main alternative performance measures: adjusted operating profit, free cash flow, adjusted EPS and adjusted effective tax rate.

All alternative performance measures are presented within the section titled 'Reconciliation of KPIs and non IFRS Measures' and are reconciled to their equivalent statutory measures where this is appropriate.

Adjusted operating profit has been defined as operating profit from continuing operations excluding the impacts of significant restructuring programmes, significant one-off items including property disposals, impairment charges significant in nature and/or value, certain one-off pension costs, business acquisition, integration and divestment related activity and the amortisation of intangible assets recognised on acquisition. Acquisition and disposal related items include the writing off of the pre-acquisition profit element of inventory written up on acquisition, other direct costs associated with business combinations and adjustments to contingent consideration related to acquired businesses. Restructuring includes cost of management changes, significant costs associated with the cost of restructuring operations and facilities, including the movement and closure of production facilities. Costs associated with restructuring, acquisitions and disposals are uncertain with regard to their timing and size and therefore their inclusion within operating profit could mislead the reader of the accounts. Adjusted operating profit is not a defined term under IFRS and may not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measures. All APMs relate to the current period results and comparable periods where provided.

In addition to the items above, adjusting items impacting profit after tax include:
- The net effect on tax of significant restructuring from strategy changes that are not considered by the Group to be part of the normal operating costs of the business; and
- The tax effects of adjustments to profit before tax.

These alternative performance measures have been selected by the Directors to assist them in making operating decisions because they represent the underlying operating performance of the Group and facilitate internal comparisons of performance over time.

d) Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed consolidated financial statements requires management to make judgements, estimates and assumptions which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from those estimates.

expense. Actual results may differ from these estimates.

Significant judgements relate to the determination of items of income and expense excluded from operating profit to arrive at adjusted operating profit. Judgements are required as to whether items are disclosed as adjusting with consideration given to both quantitative and qualitative factors. Further information about the determination of adjusting items is included in note 1c of the 2024 Annual Report.

Significant estimates relate to uncertain tax provisions. Accruals for tax contingencies require management to make judgements and estimates in relation to tax authority audits and exposures. Amounts accrued are based on management's interpretation of country-specific tax law and the likelihood of settlement. Tax benefits are not recognised unless the tax positions are probable of being sustained. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation. These amounts are expected to be utilised or to reverse as tax audits occur or as the statute of limitations is reached in the respective countries concerned. The Group's current tax liability at 30 June 2025 includes tax provisions of £11.9 million (2024: £10.7 million). The Group believes the range of reasonable possible outcomes in respect of these exposures is tax liabilities of up to £16.0 million (2024: £14.3 million).

Significant estimates and judgements relate to goodwill. Goodwill, particularly where it relates to the North America group of cash generating units ("CGUs"), includes judgements and estimates in determining the carrying value of goodwill. Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which the goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from CGUs and a suitable discount rate to calculate present value. The Group undertakes the annual impairment review in the second half of the year and for the first half has assessed the existence of indicators of impairment and calculated reasonably possible changes based on these estimates and judgements. Further information and sensitivity analysis is provided in note 8.

e) Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources and financial headroom to continue in operational existence for at least twelve months from the date of signing these interim results. Therefore, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated half-year financial statements.

Page 19 outlines the going concern assessment and the Directors conclusions in this respect. This report identifies and recognises that a material uncertainty which may cast doubt upon the Group's ability to continue as a going concern due to the uncertainty surrounding the macroeconomic and geopolitical developments relating to trade tariffs exists.

f) Prior period restatements

As disclosed in the 2024 Annual Report, certain balances in North America were identified as representing material errors in the 2023 Financial Statements and were therefore included in the opening balances in 2024. This resulted in consistent material errors as at 30 June 2024 which required prior period restatement.

In accordance with IAS 8: 'Accounting Policies, Changes in Accounting Policies and Errors' amounts in the consolidated income statement; consolidated statement of comprehensive income; consolidated statement of financial position; consolidated statement of changes in equity and consolidated statement of cash flows for the period ending 30 June 2024 have been restated.

The impact of this change is shown in the tables below.

June 2024 £million	As published	2023 Restatements affecting opening balances [1]	Restatement of prepayments	Restatement of receivables	Restatement of inventory	**As restated**
Consolidated statement of financial position						
Inventories	148.4	(0.8)			(0.3)	**147.3**
Trade and other receivables	99.0	(5.4)	0.5	(3.4)		**90.7**
Deferred tax assets	15.4	1.2				**16.6**
Retained earnings	149.2	(5.0)	0.5	(3.4)	(0.3)	**141.0**
Total equity	266.9	(5.0)	0.5	(3.4)	(0.3)	**258.7**

June 2024 £million	As published	Restatement of prepayments	Restatement of receivables	Restatement of inventory	**As restated**
Consolidated income statement					
Revenue	274.4		(1.1)		**273.3**
Cost of sales	(211.7)		(2.3)	(0.3)	**(214.3)**
Gross profit	62.7		(3.4)	(0.3)	**59.0**
Administrative expenses	(35.8)	0.5			**(35.3)**
Operating profit	15.1	0.5	(3.4)	(0.3)	**11.9**
Adjusted operating profit	22.2	0.5	(3.4)	(0.3)	**19.0**
Profit before taxation	9.9	0.5	(3.4)	(0.3)	**6.7**
Taxation	(3.9)				**(3.9)**
Profit for the period	6.0	0.5	(3.4)	(0.3)	**2.8**

June 2024 £million	As published	Restatement of prepayments	Restatement of receivables	Restatement of inventory	**As restated**
Earnings per share (p)					
Basic - adjusted	7.2	0.3	(1.9)	(0.2)	**5.4**
Diluted - adjusted	7.1	0.3	(1.9)	(0.2)	**5.3**
Basic	3.4	0.3	(1.9)	(0.2)	**1.6**
Diluted	3.3	0.3	(1.9)	(0.1)	**1.6**

June 2024 £million	As published	Restatement of prepayments	Restatement of receivables	Restatement of inventory	**As restated**
Consolidated statement of cashflows					
Profit for the period	6.0	0.5	(3.4)	(0.3)	**2.8**
Adjusted operating profit	22.2	0.5	(3.4)	(0.3)	**19.0**
Increase in inventories	(2.6)	-	-	0.3	**(2.3)**
Increase in receivables	(5.7)	(0.5)	3.4	-	**(2.8)**
Adjusted operating cash flow	10.2	-	-	-	**10.2**

Net cash generated from operations	7.9	-	-	-	**7.9**
Net cash flow from operating activities	3.4	-	-	-	**3.4**
Net (decrease)/increase in cash and cash equivalents	(11.3)	-	-	-	**(11.3)**

1. Refer to the 2024 Annual Report for details on the restatements relating to 2023.

3. Segmental reporting

The Group is organised into three regions, as shown below. Each of these regions represents an operating segment in accordance with IFRS 8 'Operating segments' and there is no aggregation of segments. The chief operating decision maker is the Chief Executive Officer. The operating segments are:

- Europe - the Europe segment encompasses all the Group's European operations comprising the manufacturing sites in Sheffield, Bedlington, Manchester, Barnstaple, Abercynon, Fairford and Eastleigh as well as the European sales offices. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business;
- North America - the North America segment encompasses all the Group's North American operations comprising Juarez, Mexicali, Dallas, Minneapolis, Kansas, Cleveland and Boston. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business;
- Asia - the Asia segment encompasses all the Group's Asian operations comprising the manufacturing sites in Suzhou and Kuantan and the Singapore sales office. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business.

The key performance measure of the operating segments is adjusted operating profit. Refer to the section titled 'Reconciliation of KPIs and non IFRS Measures' for a definition of adjusted operating profit.

Corporate costs - Resources and costs of the head office managed centrally but deployed in support of the operating units are allocated to segments based on a combination of revenue and adjusted operating profit.

Resources and costs of the head office which are not related to the operating activities of the trading units are not allocated to regions and are separately disclosed, equivalent to the segment disclosure information, so that reporting is consistent with the format that is used for review by the chief operating decision maker. This gives greater transparency of the adjusted operating profits for each segment. Adjusting items are not allocated to regions for reporting purposes. For further discussion of these items see note 4.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Goodwill is allocated to the groups of cash generating units which may be smaller than the segment of which they are part.

						Six months ended 30 June 2025
£million	**Europe**	**North America**	**Asia**	**Total Operating Segments**	**Central**	**Total**
Sales to external customers	**68.5**	**83.2**	**86.2**	**237.9**	**-**	**237.9**
Adjusted operating profit	**10.7**	**(5.0)**	**11.4**	**17.1**	**(4.1)**	**13.0**
Add back: adjustments made to operating profit (note 4)						**(18.1)**
Operating profit						**(5.1)**
Net finance costs						**(4.5)**
Profit before taxation						**(9.6)**

						Six months ended 30 June 2024 (restated)
£million	Europe	North America	Asia	Total Operating Segments	Central	Total
Sales to external customers	77.1	94.4	101.8	273.3	-	273.3
Adjusted operating profit	7.5	1.6	14.0	23.1	(4.1)	19.0
Add back: adjustments made to operating profit (note 4)						(7.1)
Operating profit						11.9
Net finance costs						(5.2)
Profit before taxation						6.7

						Year ended 31 December 2024
£million	Europe	North America	Asia	Total Operating Segments	Central	Total
Sales to external customers	146.3	184.4	190.4	521.1	-	521.1
Adjusted operating profit	18.9	(2.7)	28.5	44.7	(7.6)	37.1
Add back: adjustments made to operating profit (note 4)						(60.6)
Operating profit						(23.5)
Net finance costs						[illegible]

Net finance costs	(9.9)
Loss before taxation	(33.4)

There is no significant intergroup trading between segments.

The tables below show revenue allocated by customer geographies and markets.

£million	**Six months ended 30 June 2025**	Six months Ended June 2024 Restated [1]	Year ended 31 December 2024
United Kingdom	**48.0**	61.8	111.8
Rest of Europe	**36.9**	37.0	71.6
North America	**97.9**	111.6	214.6
Asia	**54.6**	62.7	122.6
Rest of the World	**0.5**	0.2	0.5
	237.9	273.3	521.1

£million	**Six months ended 30 June 2025**	Six months Ended June 2024 Restated [1]	Year ended 31 December 2024
Healthcare	**54.9**	61.9	118.1
Aerospace and defence	**73.3**	70.5	142.1
Automation and electrification	**73.3**	96.4	174.3
Distribution	**36.4**	44.5	86.6
	237.9	273.3	521.1

4. Adjusting items

	Six months ended June 2025		Six months ended June 2024 - Restated		Year ended December 2024	
£million	**Operating profit**	**Tax**	Operating profit restated [1]	Tax restated [1]	Operating profit	Tax
As reported	**(5.1)**	**(0.7)**	11.9	(3.9)	(23.5)	(20.0)
Restructuring costs						
Restructuring costs	**(13.8)**	**3.3**	-	-	0.1	-
	(13.8)	**3.3**	-	-	0.1	-
Pension restructuring costs						
Pension restructuring costs	**(3.0)**	**0.8**	(0.8)	0.2	(1.3)	0.3
	(3.0)	**0.8**	(0.8)	0.2	(1.3)	0.3
Asset impairments and measurement losses						
Asset impairments	**-**	**-**	-	-	(52.2)	3.2
Deferred tax asset derecognition	**-**	**-**	-	-	-	(16.0)
	-	**-**	-	-	(52.2)	(12.8)
Amortisation of intangible assets arising on business combinations						
Amortisation of intangible assets arising on business combinations	**(1.3)**	**0.3**	(1.4)	0.4	(2.7)	0.5
	(1.3)	**0.3**	(1.4)	0.4	(2.7)	0.5
Acquisition and disposal related costs						
Ferranti Power and Control acquisition and integration costs	**-**	**-**	-	-	(0.2)	-
Disposal costs	**-**	**-**	(4.9)	(0.2)	(4.4)	(0.4)
Property sale	**-**	**-**	-	-	0.7	-
Other	**-**	**-**	-	-	(0.6)	0.1
	-	**-**	(4.9)	(0.2)	(4.5)	(0.3)
Total items excluded from adjusted measure	**(18.1)**	**4.4**	(7.1)	0.4	(60.6)	(12.3)
Adjusted measure	**13.0**	**(5.1)**	19.0	(4.3)	37.1	(7.7)

Restructuring costs of £13.8 million include £6.7 million relating to closure costs of the Plano manufacturing site, of which £4.9 million relates to inventory write offs and £1.8 million relates to asset decommissioning, severance and other associated costs; £1.4 million relating to costs associated with the changes in executive leadership; and £5.7 million relating to costs associated with the Cleveland manufacturing site.

These costs for Cleveland relate to an operational restructuring project started to turnaround the site and deliver improved performance. These costs include £3.1 million relating to a review of methodologies applied in inventory and associated provisioning and a £2.0 million inventory write-off resulting from operational challenges identified in our improvement project. An additional amount of £0.5 million was incurred for related specialist resource costs. In the prior period there was a credit of £0.4 million in respect of the closure of our Barbados facility in 2021 offset by costs of £0.4 million in respect of the closure of the Hatfield, USA facility.

Pension restructuring costs of £3.0 million relate to buy-in costs and all anticipated future costs post issuing the notice to trigger wind up.

Acquisition and disposal related costs in the prior period of £4.9 million related to a loss on disposal on the sale of Albert.

5. Taxation

The half-year tax charge of £0.7 million (2024: £3.9 million) is based on a forecast effective tax rate of 60.0 per cent (2024: 31.2 per cent) on adjusted profit and a £4.4 million (2024: £0.4 million) credit on restructuring, asset impairments and acquisition related costs. The higher than usual rate in the current year is a result of losses within the North American region and the inability to currently recognise a deferred tax asset in respect of those losses.

The enacted UK tax rate applicable since 1 April 2023 is 25 per cent.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares in issue during the period.

Pence	**Six months ended June 2025**	Six months ended June 2024 - Restated [1]	Year ended December 2024
Earnings/(loss) per share (pence)			
Basic	**(5.8)**	1.6	(30.2)
Diluted	**(5.8)**	1.6	(30.2)

The numbers used in calculating statutory and adjusted earnings per share are shown below:

£million (unless otherwise stated)	**Six months ended June 2025**	Six months ended June 2024 - Restated [1]	Year ended December 2024
(Loss) / profit for the period attributable to owners of the Company	**(10.3)**	2.8	(53.4)
Restructuring costs	**13.8**	-	(0.1)
Pension restructuring costs	**3.0**	0.8	1.3
Asset impairments and measurement losses	**-**	-	52.2
Amortisation of intangible assets arising on business combinations	**1.3**	1.4	2.7
Acquisition and disposal related costs	**-**	4.9	4.5
Tax effect of adjusting items (see note 4)	**(4.4)**	(0.4)	12.3
Adjusted earnings	**3.4**	9.5	19.5
Adjusted earnings per share (pence)	**1.9**	5.4	11.0
Adjusted diluted earnings per share (pence)	**1.9**	5.3	10.9

The weighted average number of shares used to calculate statutory and adjusted earnings per share are disclosed below:

million	**Six months ended June 2025**	Six months ended June 2024 - Restated [1]	Year ended December 2024
Basic	**177.7**	176.7	176.9
Adjustment for share awards	**1.6**	3.0	1.6
Diluted	**179.3**	179.7	178.5

The calculation of the diluted earnings per share excludes 1,919,880 (30 June 2024: 1,178,315) share options whose effect would have been anti-dilutive. Adjusted earnings per share is based on the adjusted profit after interest and tax.

7. Dividends

	2025 pence per share	**2025 £million**	2024 pence per share	2024 £million
Final dividend paid for prior year	**-**	**-**	4.65	8.2
Interim dividend declared for current year	**-**	**-**	2.25	4.0

The Directors have not proposed or paid an interim dividend.

8. Goodwill

Goodwill arising from acquisitions represents the premium paid above the fair value of net assets, including identified intangible assets, at the time of acquisition. Future enhancements to acquired businesses - driven by strategic direction, operational efficiencies, and investment - are expected to improve profitability over the ownership period.

Goodwill is allocated to groups of CGUs and monitored at this level. Each group of CGUs comprises multiple CGUs which are primarily individual manufacturing sites. At 30 June 2025, the Group held goodwill of £97.9 million (31 December: £105.4 million).

The Group tests goodwill impairment annually or more frequently if there are indications that goodwill might be impaired. The Group has assessed the existence of indicators of impairment and has concluded that no indicators of impairment exist as at 30 June 2025. However, the North America group of CGUs, which holds goodwill of £34.9 million, remains highly sensitive to reasonably possible changes in the forecast assumptions as illustrated below:

- a 1 per cent increase in the discount rate would result in a reduction in value in use, and headroom, of £12.4 million
- a 5 per cent decrease in operating profit over the entire assessment period (driven by lower than anticipated margin) would result in a reduction in value in use, and headroom, of £9.6 million
- a 10 per cent reduction in the terminal value of operating profit (driven by lower than anticipated margin) would result in a reduction in the value in use, and headroom, of £11.7 million
- if working capital cash inflows expected in 2026 fail to materialise this would result in a reduction in value in use, and headroom, of £1.9 million
- a 12 month delay in the anticipated improvement in the financial performance of our Cleveland manufacturing site would result in a reduction in value in use, and headroom, of £19.7 million

It is possible that a combination of these changes could occur in the same period and, for example, a 1 per cent increase in the discount rate combined with a 12 month delay in the anticipated improvement in the financial performance of our Cleveland manufacturing site would result in a reduction in value of use of £32.1 million, and impairment of £1.9 million. It is anticipated that the annual goodwill impairment review for the North America group of CGUs will be carried out as at 30 September 2025 that the annual goodwill impairment review for the North America group of CGUs will be carried out as at 30 September 2025.

9. Fair value of financial instruments

IFRS 13 "Fair Value Measurement" requires an analysis of those financial instruments that are measured at fair value at the end of the period in a fair value hierarchy. In addition, IFRS 13 requires financial instruments not measured at fair value but for which fair value is disclosed to be analysed in the same fair value hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

£million	Fair value hierarchy	**At 30 June 2025** Carrying value	**At 30 June 2025** Fair value	At 30 June 2024 Restated [1] Carrying value	At 30 June 2024 Restated [1] Fair value	At 31 December 2024 Carrying value	At 31 December 2024 Fair value
Held at amortised cost							
Cash and cash equivalents	n/a	55.7	55.7	65.1	65.1	69.2	69.2
Trade receivables	n/a	76.9	76.9	77.8	77.8	76.3	76.3
Trade and other payables	n/a	(87.3)	(87.3)	(97.3)	(97.3)	(92.7)	(92.7)
Borrowings (excluding unsecured loan notes)	2	(54.0)	(54.0)	(99.8)	(99.8)	(74.2)	(74.2)
Unsecured loan notes	3	(75.0)	(67.7)	(75.0)	(61.3)	(75.0)	(66.0)
Held at fair value							
Derivative financial instruments (assets)	2	2.4	2.4	2.4	2.4	0.7	0.7
Derivative financial instruments (liabilities)	2	(2.0)	(2.0)	(3.7)	(3.7)	(7.8)	(7.8)
Held at depreciated cost							
Investment properties	3	-	-	-	0.7	-	-

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- cash and cash equivalents, trade and other receivables and trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments;
- the fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt and remaining maturities (level 2);
- the fair value of unsecured loan notes has been derived from available market data for borrowings of similar terms and maturity period (level 3);
- the fair value of derivative financial instrument assets (£2.4 million) and liabilities (£2.0 million) are estimated by discounting expected future cash flows using current market indices such as yield curves and forward exchange rates over the remaining term of the instrument (level 2).

The Group continues to manage foreign currency risk at a transactional level through the use of hedges which are monitored by the Group Treasury Committee. The Group Treasury Committee regularly reviews counterparty credit risk and ensures cash balances are held with carefully assessed counterparties with strong credit ratings. Pages 50 to 57 of the 2024 Annual Report provide details of the Group's policy on managing its operational and financial risks.

10. Retirement benefit schemes

At 30 June 2025 the Group operated one defined benefit scheme in the UK (the TT Group (1993) scheme) and one overseas defined benefit scheme in the USA. These schemes are closed to new members and the UK scheme is closed to future accrual. Given the nature of the Company's control of the plan under the Scheme's rules, a pension surplus has been recognised under IFRIC 14.

The liabilities of the TT Group Scheme have been fully insured under a bulk insurance contract since 2022 and there is no requirement for any further contributions to be paid to the Scheme. The Trustees formally triggered the wind-up of the Scheme on 31 March 2025 and are expected to complete the buy-out transaction with the insurer and wind-up in 2026.

The amounts recognised in the condensed consolidated statement of financial position are:

£million	**30 June 2025**	30 June 2024	31 December 2024
TT Group (1993)	**10.5**	24.0	7.1
USA scheme	**(1.4)**	(1.5)	(1.5)
Net surplus	**9.1**	22.5	5.6

Due to the favourable funding position the Trustee and Company have agreed that there was no requirement for any further funding contributions to the TT Group Scheme. In December 2024 a £15.0 million refund of surplus assets was paid to the Group out of the TT Group Scheme by the trustee (£11.25 million after tax due, which was paid by the Scheme).

£million	**30 June 2025**	30 June 2024	31 December 2024
Fair value of assets	**313.9**	350.8	317.1
Defined benefit obligation	**(304.8)**	(328.3)	(311.5)
Net surplus recognised in the statement of financial position	**9.1**	22.5	5.6
Represented by			
Schemes in net surplus	**10.5**	24.0	7.1
Schemes in net deficit	**(1.4)**	(1.5)	(1.5)
	9.1	22.5	5.6

The costs recognised in the condensed consolidated income statement are:

31 December

£million	30 June 2025	30 June 2024	2024
Scheme administration costs	0.4	0.6	1.0
Past service cost, settlements and other restructuring (excluded from adjusted operating profit)	3.0	0.8	1.3
Net interest credit	(0.2)	(0.6)	(1.1)

Amounts recognised in the consolidated statement of comprehensive income are a gain of £4.4 million (H1 2024: loss of £0.9 million) which includes a gain of £4.5 million on the remeasurement of the schemes' obligations in respect of a member data cleanse exercise. Following the buy-in of the UK pension scheme in 2022, all actuarial remeasurements on the UK scheme liabilities are fully offset by movements in the value of the buy-in contract.

The triennial valuation of the TT Group Scheme as at April 2022 showed a net surplus of £45.4 million against the Trustee's funding objective. Following notice from the Company, the Trustee resolved to commence the wind-up of the TT Group Scheme from 31 March 2025. The Trustees are aiming to complete the buy-out transaction with the insurer and wind-up the Scheme in 2026. As such, the requirements for the 2025 triennial valuation are diminished and the Trustees are not expected to need to complete a full exercise.

11. Reconciliation of net cash flow to movement in net debt

£million	Net cash	Lease liabilities	Borrowings	Net debt
At 1 January 2024	76.5	(20.8)	(181.9)	(126.2)
Cash flow	(7.7)	-	-	(7.7)
Disposals of business	(3.6)	2.6	-	(1.0)
Repayment of borrowings	-	-	20.0	20.0
Proceeds from borrowings	-	-	(12.1)	(12.1)
Net movement in loan arrangement fees	-	-	(0.3)	(0.3)
Payment of lease liabilities	-	2.0	-	2.0
New leases	-	(0.9)	-	(0.9)
Exchange differences	(0.2)	(0.2)	(0.4)	(0.8)
At 30 June 2024	**65.0**	**(17.3)**	**(174.7)**	**(127.0)**
Cash flow	3.6	-	-	3.6
Repayment of borrowings	-	-	29.2	29.2
Proceeds from borrowings	-	-	(3.0)	(3.0)
Net movement in loan arrangement fees	-	-	0.1	0.1
Payment of lease liabilities	-	2.2	-	2.2
New leases	-	(2.1)	-	(2.1)
Exchange differences	0.5	(0.1)	(0.8)	(0.4)
At 31 December 2024	**69.1**	**(17.3)**	**(149.2)**	**(97.4)**
Cash flow	**(11.0)**	**-**	**-**	**(11.0)**
Repayment of borrowings	**-**	**-**	**20.7**	**20.7**
Proceeds from borrowings	**-**	**-**	**(3.1)**	**(3.1)**
Net movement in loan arrangement fees	**-**	**-**	**(0.5)**	**(0.5)**
Payment of lease liabilities	**-**	**2.0**	**-**	**2.0**
New leases	**-**	**(0.2)**	**-**	**(0.2)**
Exchange differences	**(2.4)**	**1.1**	**3.1**	**1.8**
At 30 June 2025	**55.7**	**(14.4)**	**(129.0)**	**(87.7)**

The Group's primary source of finance is the £162.4 million committed revolving credit facility (RCF) which was signed in June 2022 and will mature in June 2027. At 30 June 2025 £55.2 million of this facility had been drawn down. The Group's RCF is payable on a floating rate basis above GBP SONIA, USD SOFR or EURIBOR depending on the currency of the loan.

In December 2021, TT issued £75 million of private placement fixed rate loan notes with three institutional investors; the issue is evenly split between 7 and 10 year maturities with an average interest rate of 2.9% and covenants in line with our bank facility.

In December 2024 the RCF and the unsecured loan note lenders agreed to a relaxation of the covenant relating to the ratio of consolidated EBITDA to consolidated net finance charges for each of the reporting periods up to, and including, 31 December 2025. This is 3.00x at 30 June 2025 and 3.25x at 31 December 2025.

As part of this agreed relaxation, the Group has committed that, should it wish to issue a dividend, it will test the covenant ratio both for the measurement period immediately prior to the distribution and the forecasts for the subsequent two measurement periods, against the original interest cover covenant ratio of more than 4.00x.

12. Share capital

During the period the Company issued 166,259 ordinary shares (2024: 309,366) as a result of share options being exercised under the Sharesave scheme and Share Purchase plans. The aggregate consideration received in respect of all new issues of shares was £0.2 million (2024: £0.4 million), which was represented by a £0.1 million (2024: £0.1 million) increase in share capital and a £0.1 million (2024: £0.3 million) increase in share premium.

During the period grants of awards were made under the LTIP for the issue of shares in 2028. An award is a contingent right to receive shares in the future, subject to continued employment and the achievement of predetermined performance criteria. During the period grants of awards were made under the 2025 LTIP scheme for the issue of up to 4,163,254 shares in 2028.

13. Related party transactions

Transactions between the company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. No related party transactions have taken place during the six months ended 30 June 2025 that have materially affected the financial position or performance of the Group.

14. Subsequent events

There were no subsequent events to report between the balance sheet date of 30 June 2025 and the date of issue of these financial statements.

Reconciliation of KPIs and non IFRS Measures

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA), additional information is provided on the APMs used by the Group below.

To assist with the understanding of earnings trends, the Group has included, within its financial statements, APMs, adjusted operating profit and other adjusted profit measures. The APMs used are not defined terms under IFRS and therefore may not be comparable to similar measures used by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

Management uses adjusted measures to assess the operating performance of the Group, having adjusted for specific items as detailed in note 4. They form the basis of internal management accounts and are used for decision making, including capital allocation, with a subset also forming the basis of internal incentive arrangements. By using adjusted measures in segmental reporting, this enables readers of the financial statements to recognise how incentive performance is targeted. Adjusted measures are also presented in this announcement because the Directors believe they provide additional useful information to shareholders on comparable trends over time. Finally, this presentation allows for separate disclosure and specific narrative to be included concerning the adjusting items; this helps to ensure performance in any one period can be more clearly understood by the user of the financial statements. These APMs remain consistent with those disclosed in the 2024 annual report and accounts.

Income statement measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Adjusted operating profit	Operating profit	Adjusting items as disclosed in note 4	Adjusted operating profit has been defined as operating profit from continuing operations excluding the impacts of significant restructuring programmes, significant one-off items including property disposals, impairment charges significant in nature and/or value, certain one-off pension costs, business acquisition, integration, and divestment related activity and the amortisation of intangible assets recognised on acquisition. Acquisition and disposal related items include the writing off of the pre-acquisition profit element of inventory written up on acquisition, other direct costs associated with business combinations and adjustments to contingent consideration related to acquired businesses. Restructuring includes cost of management changes, significant costs associated with the cost of restructuring operations and facilities, including the movement and closure of production facilities. To provide a measure of the operating profits excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Adjusted operating margin	Operating profit margin	Adjusting items as disclosed in note 4	Adjusted operating profit as a percentage of revenue. To provide a measure of the operating profits excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Adjusted earnings per share	Earnings per share	See note 6 for the reconciliation and calculation of adjusted earnings per share	The profit for the period attributable to the owners of the Group adjusted to exclude the items not included within adjusted operating profit divided by the weighted average number of shares in issue during the period. To provide a measure of earnings per share excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.

Income statement measures continued:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Adjusted diluted earnings per share	Diluted earnings per share	See note 6 for the reconciliation and calculation of adjusted diluted earnings per share	The profit for the period attributable to the owners of the Group adjusted to exclude the items not included within adjusted operating profit divided by the weighted average number of shares in issue during the period, adjusted for the effects of any potentially dilutive options. To provide a measure of earnings per share excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Prior period revenue and adjusted operating profit at constant currency	Revenue and operating profit	See note APM 1	Revenue and adjusted operating profit for the prior period retranslated at the current period's foreign exchange rates.
Organic revenue and adjusted operating profit	Revenue	See note APM 2	This is the percentage change in revenue from continuing operations in the current period compared to the prior period, excluding the effects of currency movements, acquisitions and disposals. This measures the underlying growth or decline of the business. To provide a comparable view of the revenue growth of the business from period to period excluding acquisition and disposal impacts.

Adjusted effective tax charge	Effective tax charge	See note APM3	Tax charge adjusted to exclude tax on items not included within adjusted operating profit divided by adjusted profit before tax, which is also adjusted to exclude the items not included within adjusted operating profit. To provide a tax rate which excludes the impact of adjusting items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Return on invested capital	None	See note APM4	Adjusted operating profit for the period divided by average invested capital for the period. Average invested capital excludes pensions, provisions, tax balances, derivative financial assets and liabilities, cash and borrowings and is calculated at average rates taking twelve monthly balances. This measures how efficiently assets are utilised to generate returns with the target of exceeding the cost to hold the assets.

Statement of financial position measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Net debt	Cash and cash equivalents less borrowings and lease liabilities	Reconciliation of net cash flow to movement in net (debt)/ funds (note 11)	Net debt comprises cash and cash equivalents and borrowings including lease liabilities. This is additional information provided which may be helpful to the user in understanding the liquidity and financial structure of the business.
Leverage (bank covenant)	Cash and cash equivalents less borrowings	APM12	Leverage is the net debt defined as per the banking covenants (net debt (excluding lease liabilities) adjusted for certain terms as per the bank covenants) divided by EBITDA excluding items removed from adjusted profit and further adjusted for certain terms as per the bank covenants. Provides additional information over the Group's financial covenants to assist with assessing solvency and liquidity.
Net capital and development expenditure (net capex)	None	See note APM5	Purchase of property, plant and equipment net of government grants (excluding property disposals), purchase of intangibles (excluding acquisition intangibles) and capitalised development. A measure of the Group's investments in capex and development to support longer term growth.
Dividend per share	Dividend per share	Not applicable	Amounts payable by dividend in terms of pence per share. Provides the dividend return per share to shareholders.

Statement of cash flows measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Adjusted operating cash flow	Operating cash flow	See note APM6	Adjusted operating profit, excluding depreciation of property, plant and equipment and amortisation of intangible assets less working capital and other non-cash movements. An additional measure to help understand the Group's operating cash generation.
Adjusted operating cash flow post capex	Operating cash flow	See note APM7	Adjusted operating cash flow less net capital and development expenditure. An additional measure to help understand the Group's operating cash generation after the deduction of capex.
Working capital cashflow	Cashflow - inventories payables, provisions and receivables	See note APM8	Working capital comprises three statutory cashflow figures: (increase)/decrease in inventories, increase/(decrease) in payables and provisions, and (increase)/decrease in receivables. This definition includes the movement of any provisions over trade receivables. To provide users a measure of how effectively the group is managing its working capital and the resultant impact on liquidity.
Free cash flow	Net increase/ decrease in cash and cash equivalents	See note APM9	Free cash flow represents cash generated from trading after all costs including restructuring, pension contributions, tax and interest payments. Cashflows to settle LTIP schemes are excluded. Free cash flow provides a measure of how successful the company is in

			creating cash during the period which is then able to be used by the Group at its discretion.
Cash conversion	None	See note APM 10	Adjusted operating cash flow post capex (less any property disposals which were part of restructuring programmes) divided by adjusted operating profit. Cash conversion measures how effectively we convert profit into cash and tracks the management of our working capital and capital expenditure.
R&D cash spend as a percentage of revenue	None	See note APM 11	R&D cash spend and R&D investment as a percentage of revenue excludes revenue from contract manufacturing services as these activities do not give rise to intellectual property. To provide a measure of the company's expenditure on R&D relative to its overall size which may be helpful in considering the Group's longer-term investment in future product pipeline.

APM 1 - Prior period revenue and adjusted operating profit at constant currency:

£million	Europe	North America	Asia	Total
2024 revenue - restated [1]	77.1	94.4	101.8	**273.3**
Foreign exchange impact	-	(1.7)	(2.3)	**(4.0)**
2024 revenue at 2025 exchange rates	77.1	92.7	99.5	**269.3**

1. H1 2024 results have been restated as described in note 2f.

£million	Europe	North America	Asia	Total Operating Segments	Central	Total
2024 adjusted operating profit - restated [1]	7.5	1.6	14.0	23.1	(4.1)	**19.0**
Foreign exchange impact	-	(0.3)	(0.5)	(0.8)	0.1	**(0.7)**
2024 adjusted operating profit at 2025 exchange rates	7.5	1.3	13.5	22.3	(4.0)	**18.3**

1. H1 2024 results have been restated as described in note 2f.

APM 2 - Organic revenue and adjusted operating profit:

£million	Europe	North America	Asia	Total
2025 revenue	68.5	83.2	86.2	**237.9**
Removal of businesses disposed				**-**
2025 revenue on an organic basis	68.5	83.2	86.2	**237.9**
2024 revenue	77.1	94.4	101.8	**273.3**
Removal of businesses disposed	(11.8)	-	(4.3)	**(16.1)**
Foreign exchange impact	-	(1.7)	(2.4)	**(4.1)**
2024 revenue on an organic basis	65.3	92.7	95.1	**253.1**
Organic revenue increase / (decrease) (%)	5%	(10%)	(9%)	**(6%)**

£million	Europe	North America	Asia	Total Operating Segments	Central	Total
2025 operating profit	10.7	(5.0)	11.4	17.1	(4.1)	**13.0**
Removal of businesses disposed	-	-	-	-	-	**-**
2025 operating profit on an organic basis	10.7	(5.0)	11.4	17.1	(4.1)	**13.0**
2024 operating profit - restated	7.5	1.6	14.0	23.1	(4.1)	**19.0**
Removal of businesses disposed	0.5	-	(0.3)	0.2	-	**0.2**
Foreign exchange impact	-	(0.3)	(0.5)	(0.8)	0.1	**(0.7)**
2024 operating profit on an organic basis	8.0	1.3	13.2	22.5	(4.0)	**18.5**
Organic operating profit increase / (decrease) (%)	34%	(485%)	(14%)	(24%)	(2%)	**(30%)**

APM 3 - Effective tax charge:

£million	**Six months ended June 2025**	Six months ended June 2024 Restated [1]	Year ended December 2024
Adjusted operating profit	**13.0**	19.0	37.1
Net interest	**(4.5)**	(5.2)	(9.9)
Adjusted profit before tax	**8.5**	13.8	27.2
Adjusted tax	**(5.1)**	(4.3)	(7.7)
Adjusted effective tax rate	**60.0%**	31.2%	28.3%

1. H1 2024 results have been restated as described in note 2f.

APM 4 - Return on invested capital:

£million	Six months ended June 2025	Six months ended June 2024 Restated [1]	Year ended December 2024
Adjusted operating profit	**13.0**	19.0	37.1
Adjusted operating profit H2 prior year (adjustment required for half year only)	**18.1**	24.9	-
Average invested capital	**311.9**	418.1	371.0
Return on invested capital	**10.0%**	10.5%	10.0%

1. H1 2024 results have been restated as described in note 2f.

APM 5 - Net capital and development expenditure (net capex):

£million	Six months ended June 2025	Six months ended June 2024 Restated [1]	Year ended December 2024
Purchase of property, plant and equipment	**(3.2)**	(3.3)	(6.9)
Proceeds from sale of investment property, plant and equipment and capital grants received	**0.1**	0.2	0.5
Capitalised development expenditure	**(0.7)**	(0.5)	(1.8)
Purchase of other intangibles	**-**	-	(0.5)
Net capital and development expenditure	**(3.8)**	(3.6)	(8.7)

1. H1 2024 results have been restated as described in note 2f.

APM 6 - Adjusted operating cash flow:

£million	Six months ended June 2025	Six months ended June 2024 Restated [1]	Year ended December 2024
Adjusted operating profit	**13.0**	19.0	37.1
Adjustments for:			
Depreciation	**5.6**	6.7	12.2
Amortisation of intangible assets	**1.1**	0.7	1.6
Share based payment expense	**0.9**	1.9	2.2
Scheme funded pension administration costs	**0.4**	0.7	1.1
Other items	**(0.5)**	-	0.2
Decrease / (increase) in inventories	**5.2**	(2.3)	12.8
Increase in receivables	**(1.0)**	(2.8)	(2.2)
Decrease in payables and provisions	**(3.3)**	(13.7)	(12.9)
Adjusted operating cash flow	**21.4**	10.2	52.1
(Funding)/Reimbursement (of)/from pension schemes	**-**	(1.8)	9.4
Restructuring and acquisition related costs	**(1.4)**	(0.5)	(0.6)
Net cash generated from operations	**20.0**	7.9	60.9
Net income taxes paid	**(3.6)**	(4.5)	(9.7)
Net cash flow from operating activities	**16.4**	3.4	51.2

1. H1 2024 results have been restated as described in note 2f.

APM 7 - Adjusted operating cash flow post capex:

£million	Six months ended June 2025	Six months ended June 2024 Restated [1]	Year ended December 2024
Adjusted operating cash flow	**21.4**	10.2	52.1
Purchase of property, plant and equipment	**(3.2)**	(3.3)	(6.9)
Proceeds from sale of property, plant and equipment and government grants received	**0.1**	0.2	0.5
Capitalised development expenditure	**(0.7)**	(0.5)	(1.8)
Purchase of other intangibles	**-**	-	(0.5)
Adjusted operating cash flow post capex	**17.6**	6.6	43.4

1. H1 2024 results have been restated as described in note 2f.

APM 8 - Working capital cashflow:

£million	Six months ended June 2025	Six months ended June 2024 Restated [1]	Year ended December 2024
Decrease/(increase) in inventories	**5.2**	(2.3)	12.8
(Increase)/decrease in receivables	**(1.0)**	(2.8)	(2.2)
Decrease in payables and provisions	**(3.3)**	(13.7)	(12.9)
Scheme funded pension administration costs	**0.4**	0.7	1.1
Working capital cashflow	**1.3**	(18.1)	(1.2)

1. H1 2024 results have been restated as described in note 2f.

APM 9 - Free cash flow:

£million	Six months ended June 2025	Six months ended June 2024 Restated [1]	Year ended December 2024
Net cash flow from operating activities	**16.4**	3.4	51.2
Net cash flow from investing activities	**(3.8)**	10.6	3.5
Add back: Proceeds from disposal of business	**-**	(19.5)	(17.5)
Add back: Cash with disposed businesses	**-**	5.3	5.3
Payment of lease liabilities	**(2.0)**	(2.0)	(4.2)
Interest paid	**(4.2)**	(5.6)	(10.6)
Free cash flow	**6.4**	(7.8)	27.7

1. H1 2024 results have been restated as described in note 2f.

APM 10 - Cash conversion:

£million	**Six months ended June 2025**	Six months ended June 2024 Restated [1]	Year ended December 2024
Adjusted operating profit	**13.0**	19.0	37.1
Adjusted operating cash flow post capex	**17.6**	6.6	43.4
Cash conversion	**135%**	35%	117%

1. H1 2024 results have been restated as described in note 2f.

APM 11 - R&D cash spend as a percentage of revenue:

£million	**Six months ended June 2025**	Six months ended June 2024 Restated [1]	Year ended December 2024
Revenue (excluding contract manufacturing)	**126.2**	134.5	269.1
R&D cash spend	**5.2**	6.3	11.3
R&D cash spend as a percentage of revenue	**4.1%**	4.7%	4.2%

1. H1 2024 results have been restated as described in note 2f.

APM 12 - Leverage:

£million	**Six months ended June 2025**	Six months ended June 2024 Restated [1]	Year ended December 2024
Adjusted operating profit	**13.0**	19.0	37.1
Depreciation	**5.6**	6.7	12.2
Amortisation	**1.1**	0.7	1.6
EBITDA	**19.7**	26.4	50.9
Preceding six months' EBITDA (half year only)	**24.5**	29.4	-
Adjustment to align with covenants	**(4.8)**	(7.7)	(5.3)
EBITDA (covenants)	**39.4**	48.1	45.6
Net debt as per note 11	**87.7**	127.0	97.4
Less: leases	**(14.4)**	(17.3)	(17.3)
Net debt excluding leases	**73.3**	109.7	80.1
Adjustment to align with covenants	**1.0**	1.4	2.0
Net debt (covenants)	**74.3**	111.1	82.1
Leverage	**1.9**	2.3	1.8

1. H1 2024 results have been restated as described in note 2f.

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