

CASTINGS P.L.C.
INTERIM MANAGEMENT REPORT
Six months ended 30 September 2025

Interim Management Report

Overview

Revenue for the six months ended 30 September 2025 was £87.6 million (2024 - £89.2 million) with profit before tax increasing to £5.0 million (2024 - £4.1 million), in line with management expectations.

As previously announced, the underlying demand for heavy trucks (approximately 75% of group revenue) has remained at lower levels during the period with OEM's suggesting that European heavy-truck demand was 10% - 15% below the normalised trend level. The current demand landscape remains unchanged in Europe, with US demand now exhibiting similar reductions having remained buoyant for longer.

Our Ductile Castings business in Scunthorpe has started to benefit from the engineering investment made and some consolidation in the UK larger casting market; it is pleasing to report an improved short-term order book from a growing customer base.

The commissioning of the new foundry production line at our Dronfield site is now complete and production has commenced. With the additional capacity and enhanced casting dimension capability, the group is well positioned for volume increases when they start to come through.

The group maintains a strong balance sheet with cash levels of over £15 million. These have reduced very slightly in the period due to the payment of dividends totalling £6.2 million and the foundry capacity investment, offset by working capital improvements.

Foundry operations

Output during the period was 20,950 tonnes compared to 20,800 tonnes in the previous period, an increase of 0.7% (a reduction of 1.6% on a like-for-like basis excluding Ductile Castings) and external sales revenue was down by 1.9% to £86.9 million. Of the output weight for the period, 62.0% related to machined castings compared to 65.0% in the previous period.

The profit from the foundry segment of £4.0 million compares to £2.4 million in the equivalent period last year. This represents a segmental profit margin on external sales of 4.6% compared to 2.7% in the prior period.

The overall profitability in the period continues to reflect the lower sales levels, however, it is showing some improvement from the actions taken to right size the cost base. Management believe that the foundries can continue to operate more efficiently at the lower levels of demand during the second half of the year. The changes made have not been of a structural nature which ensures they can be adjusted quickly to take advantage of an upturn in volumes when they come through.

The installation of the new production facility at our Dronfield site was completed in late summer, with commissioning having taken place during September and October. The plant is now operational with new parts specific to this facility going through their development phase. The use of this plant ensures we can streamline production, enabling greater efficiencies to be realised at the current levels of output.

The increased dimensional capabilities of the new plant has enabled us to quote for parts that would previously have been outside of the group's scope. The additional capacity will also allow us to take advantage of new and growing market areas such as wind energy and truck electrification as well as pursuing further opportunities in the US.

The Ductile Castings business in Scunthorpe, producing castings up to 7 tonnes, has seen an increase in demand during Q2 helped, in part, by some consolidation in the UK larger casting market. The business is profitable at these levels of activity and, importantly, the business allows the group to expand its offering to existing customers particularly in the areas of power generation (gas and wind) and infrastructure spending.

We have invested £8.3 million in the foundry businesses during the period which was primarily focussed on the new foundry line.

Machining operation

CNC Speedwell has seen a reduction in total revenue of 5.7% to £15.2 million with external revenue increasing 12.6% to £0.7 million. The company reported a profit of £0.8 million compared to £1.1 million in the previous period.

Given the high investment levels and the capital-intensive nature of the machining business, the lower volumes continue to have an impact on profitability. Overall, the margin on total sales fell from 6.6% to 5.4%.

Investment of £0.8 million in the period has been focussed on replacing older machine types with more efficient, technologically-advanced machining centres.

Outlook

The demand schedules for the remainder of this financial year continue to reflect the lower build rates that the heavy truck OEMs have reported.

Assuming no material further reduction in demand schedules, management believes that the company will trade in line with market expectations for the full year.

In the medium term, there continues to be opportunities for growth including new parts being quoted for our existing heavy-truck customers, the increased dimensional range of the new plant, enhanced reach in the US aided by local warehousing and agent arrangements, the expansion of the customer base at our larger casting facility and the offshore energy, agriculture and rail markets.

Dividend

Dividends

An interim dividend of 4.21 pence per share (2024 - 4.21 pence) has been declared and will be paid on 6 January 2026 to shareholders who are on the register at 28 November 2025.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results.

The directors consider that the principal risks and uncertainties remain substantially the same as those stated on pages 8 to 11 of the Annual Report for the year ended 31 March 2025. The risks identified are in respect of markets and competition; customer concentration; technological change risks within the export-dominated commercial vehicle sector competition; product quality; foreign exchange; risk of disruption to supply of raw materials or the availability of capital equipment and the price risk of input costs; information technology; and regulatory and environmental compliance risks.

Director change

Andrew Eastgate retired as a non-executive director on 26 August 2025 having not sought re-election at the AGM.

Cautionary statement

This Interim Management Report ('IMR') has been prepared solely to provide additional information to shareholders to enable them to assess the group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose. This IMR contains certain forward-looking statements. These are made by the directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

The IMR has been prepared for the group as a whole and therefore gives greater emphasis to those matters which are significant to Castings P.L.C. and its subsidiary undertakings when viewed as a whole.

By order of the board

Castings P.L.C.

A. N. Jones
Lichfield Road

Chairman
Brownhills

West Midlands
WS8 6JZ

12 November 2025

Consolidated Statement of Comprehensive Income
For six months ended 30 September 2025

	Unaudited Half year to 30 September 2025 £'000	Unaudited Half year to 30 September 2024 £'000	Audited Year to 31 March 2025 £'000
Revenue	87,562	89,180	176,969
Cost of sales	(71,767)	(74,183)	(149,478)
Gross profit	15,795	14,997	27,491
Distribution costs	(1,260)	(1,679)	(3,207)
Administrative expenses	(9,740)	(9,822)	(19,512)
Profit from operations	4,795	3,496	4,772
Finance income	252	652	962
Finance expenses	(77)	(37)	(107)

Profit before income tax	4,975	4,111	5,627
Income tax expense	(1,244)	(1,037)	(1,454)
Profit for the period attributable to the equity holders of the parent company	3,731	3,074	4,173
Other comprehensive income for the period:			
Items that will not be reclassified to profit and loss:			
Movement in unrecognised surplus on defined benefit pension schemes net of actuarial gains and losses	-	-	165
Other comprehensive income for the period (net of tax)	-	-	165
Total comprehensive income for the period attributable to the equity holders of the parent company	3,731	3,074	4,338
Earnings per share attributable to the equity holders of the parent company			
Basic	8.58p	7.07p	9.60p
Diluted	8.52p	7.04p	9.56p

Consolidated Balance Sheet
as at 30 September 2025

	Unaudited 30 September 2025 £'000	Unaudited 30 September 2024 £'000	Audited 31 March 2025 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	77,841	63,446	66,123
Right-of-use assets	2,014	1,911	2,056
	79,855	65,357	68,179
Current assets			
Inventories	28,812	33,604	32,780
Trade and other receivables	40,818	48,378	51,743
Current tax assets	787	-	-
Cash and cash equivalents	15,534	16,354	15,564
	85,951	98,336	100,087
Total assets	165,806	163,693	168,266
LIABILITIES			
Current liabilities			
Trade and other payables	30,859	26,729	31,557
Lease liabilities	144	226	228
Current tax liabilities	-	872	132
	31,003	27,827	31,917
Non-current liabilities			
Lease liabilities	1,995	1,707	1,901
Deferred tax liabilities	7,763	6,237	7,013
	9,758	7,944	8,914
Total liabilities	40,761	35,771	40,831
Net assets	125,045	127,922	127,435
Equity attributable to equity holders of the parent company			
Share capital	4,363	4,363	4,363
Share premium account	874	874	874
Treasury shares	(571)	(627)	(627)
Other reserve	13	13	13
Retained earnings	120,366	123,299	122,812
Total equity	125,045	127,922	127,435

Consolidated Cash Flow Statement
For six months ended 30 September 2025

	Unaudited 30 September 2025 £'000	Unaudited 30 September 2024 £'000	Audited 31 March 2025 £'000
Cash flows from operating activities			
Profit before income tax	4,975	4,111	5,627
Adjustments for:			
Depreciation of property, plant and equipment and right of use assets	4,285	4,195	8,898
Loss on disposal of property, plant and equipment	-	-	2
Finance income	(252)	(652)	(962)
Finance expenses	72	37	107
Equity-settled share-based payment expense	89	67	145
Pension administrative costs	-	-	165
Other operating cash outflow	(43)	-	-
Operating cash flow before changes in working capital	9,126	7,758	13,082

Operating cash flow before changes in working capital	5,120	1,133	13,302
Decrease/(increase) in inventories	3,968	(468)	356
Decrease/(increase) in receivables	4,356	(663)	(130)
Decrease in payables	(688)	(5,668)	(1,876)
Cash generated from operating activities	16,762	959	12,332
Tax paid	(1,413)	(664)	(1,045)
Interest received	252	648	957
Finance expense	(72)	(37)	(107)
Net cash generated from operating activities	15,529	906	12,137
Cash flows from investing activities			
Dividends received from listed investments	-	4	5
Purchase of property, plant and equipment	(9,156)	(6,752)	(13,078)
Advanced payments in respect of property, plant and equipment	-	-	(6,676)
Proceeds from disposal of property, plant and equipment	-	-	31
Repayments from pension schemes	1,000	-	3,990
Advances to pension schemes	(1,236)	(1,122)	(2,334)
Net cash used in investing activities	(9,392)	(7,870)	(18,062)
Cash flow from financing activities			
Dividends paid to shareholders	(6,167)	(9,209)	(11,038)
Net cash used in financing activities	(6,167)	(9,209)	(11,038)
Net decrease in cash and cash equivalents	(30)	(16,173)	(16,963)
Cash and cash equivalents at beginning of period	15,564	32,527	32,527
Cash and cash equivalents at end of period	15,534	16,354	15,564

Consolidated Statement of Changes in Equity

	Equity attributable to equity holders of the parent					Total equity £000
	Share capital £000	Share premium £000	Treasury shares £000	Other reserve £000	Retained earnings £000	
Unaudited						
At 1 April 2025	4,363	874	(627)	13	122,812	127,435
Profit for the period	-	-	-	-	3,731	3,731
Total comprehensive income for the period ended						
30 September 2025	-	-	-	-	3,731	3,731
Equity-settled share-based payments	-	-	-	-	89	89
Own shares transferred on vesting	-	-	56	-	-	56
Share option charge on vesting	-	-	-	-	(99)	(99)
Dividends	-	-	-	-	(6,167)	(6,167)
30 September 2025	4,363	874	(571)	13	120,366	125,045

	Equity attributable to equity holders of the parent					Total equity £000
	Share capital £000	Share premium £000	Treasury shares £000	Other reserve £000	Retained earnings £000	
Unaudited						
At 1 April 2024	4,363	874	(627)	13	129,367	133,990
Profit for the period	-	-	-	-	3,074	3,074
Total comprehensive income for the period ended						
30 September 2024	-	-	-	-	3,074	3,074
Equity-settled share-based payments	-	-	-	-	67	67
Dividends	-	-	-	-	(9,209)	(9,209)
30 September 2024	4,363	874	(627)	13	123,299	127,922

	Equity attributable to equity holders of the parent					Total equity £000
	Share capital £000	Share premium £000	Treasury shares £000	Other reserve £000	Retained earnings £000	
Audited						
At 1 April 2024	4,363	874	(627)	13	129,367	133,990
Profit for the year	-	-	-	-	4,173	4,173
Other comprehensive income:						
Movement in unrecognised surplus on defined benefit pension schemes net of actuarial gains and losses	-	-	-	-	165	165
Total comprehensive income for the year	-	-	-	-	4,338	4,338
Equity-settled share-based payments	-	-	-	-	145	145
Dividends	-	-	-	-	(11,038)	(11,038)
At 31 March 2025	4,363	874	(627)	13	122,812	127,435

Notes

1. General information

Castings P.L.C. (the 'company') is a company domiciled in England. The condensed consolidated interim financial statements of the company for the six months ended 30 September 2025 comprise the company and its subsidiaries (together referred to as the 'group').

The principal activities of the group are the manufacture of iron castings and machining operations.

The financial information for the year ended 31 March 2025 does not contain the full audited accounts for that year.

The financial information for the year ended 31 March 2025 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 31 March 2025 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2025 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498 (2) or (3) of the Companies Act 2006.

This report has not been audited and has not been reviewed by independent auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information.

2. Accounting policies

The annual financial statements of Castings P.L.C. are prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK.

Basis of preparation

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed consolidated interim financial statements.

The same accounting policies, presentation and methods of computation are followed in the condensed consolidated interim financial statements as applied in the group's latest annual audited financial statements.

3. Seasonality of operations

The directors do not consider there to be any significant seasonality or cyclical to the results of the group.

4. Segment information

For internal decision making purposes, the group is organised into four operating companies which are considered to represent two operating segments of the group. Castings P.L.C., William Lee Limited and Ductile Castings Limited are aggregated into Foundry Operations and CNC Speedwell Limited is the Machining Operation.

Inter-segment transactions are entered into under the normal commercial terms and conditions that would be available to third parties.

The following shows the revenues, results and total assets by reportable segment for the half year to 30 September 2025.

	Foundry operations £'000	Machining £'000	Elimination £'000	Total £'000
Revenue from external customers	86,873	689	-	87,562
Inter-segmental revenue	10,351	14,523	-	24,874
 Segmental result	 3,975	 820	 -	 4,795
Unallocated income:				
Finance income				252
Finance expenses				(72)
Profit before income tax				4,975
Total assets	152,468	29,890	(16,552)	165,806
Non-current asset additions	8,343	813	-	9,156
Depreciation	2,520	1,765	-	4,285
Total liabilities	(41,462)	(7,184)	7,885	(40,761)

The following shows the revenues, results and total assets by reportable segment for the half year to 30 September 2024.

	Foundry operations £'000	Machining £'000	Elimination £'000	Total £'000
Revenue from external customers	88,568	612	-	89,180
Inter-segmental revenue	11,027	15,521	-	26,548
 Segmental result	 2,428	 1,068	 -	 3,496
Unallocated income:				
Finance income				652
Finance expenses				(37)
Profit before income tax				4,111
Total assets	147,598	31,165	(15,070)	163,693
Non-current asset additions	3,186	2,637	-	5,823
Depreciation	2,375	1,820	-	4,195
Total liabilities	(35,640)	(6,937)	6,806	(35,771)

The following shows the revenues, results and total assets by reportable segment for the year ended 31 March 2024.

	Foundry operations £'000	Machining £'000	Elimination £'000	Total £'000
Revenue from external customers	175,492	1,477	-	176,969
Inter-segmental revenue	22,447	30,655	(53,102)	-

Segmental result				
Unallocated costs:	2,894	2,028	15	4,937
Defined benefit pension cost			(165)	
Finance income			962	
Profit before income tax			5,627	
Total assets	153,887	28,485	(14,106)	168,266
Non-current asset additions	10,203	2,988	-	13,191
Depreciation	5,027	3,871	-	8,898
Total liabilities	(42,976)	(6,677)	8,822	(40,831)

5. Dividends

Amounts recognised as distributions to shareholders in the period:

	Half year to 30 September 2025	Half year to 30 September 2024
Final dividend of 14.19p per share for the year ended 31 March 2026 (2025 - 14.19p per share)	6,167	6,167
Supplementary dividend of 7.00p per share for the year ended 31 March 2024 (2024 - nil)	-	3,042
	6,167	9,209

The directors have declared an interim dividend in respect of the financial year ending 31 March 2026 of 4.21 pence per share (2024 - 4.21 pence in respect of the year ended 31 March 2025), which will be paid on 6 January 2026.

6. Earnings per share and diluted earnings per share

Earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The diluted earnings per share includes the outstanding share options within the weighted average number of shares figure.

	Unaudited Half year to 30 September 2025	Unaudited Half year to 30 September 2024	Audited Year to 31 March 2025
Profit after tax (£'000)	3,731	3,074	4,173
Weighted average number of shares - basic calculation	43,476,771	43,458,068	43,458,068
Weighted average number of shares - diluted calculation	43,766,800	43,672,384	43,672,384
Earnings per share - basic	8.58p	7.07p	9.60p
Earnings per share - diluted	8.52p	7.04p	9.56p

7. Pension schemes

The group operates two defined benefit pension schemes which are closed to new entrants and were closed to future accruals on 6 April 2009. The assets of the schemes are independent of the finances of the group and are administered by trustees. Both schemes are in surplus with the combined position at 31 March 2025 being an unrecognised surplus of £12,233,000.

The pension schemes are related parties of the group and during the period £1,236,000 (2024 - £1,122,000) was paid by the group on behalf of the schemes in respect of pension payments and administration costs. Repayments of £1,000,000 (2024 - nil) were made during the period and, at 30 September 2025, the outstanding balance was £699,000 (2024 - £3,241,000) which is repayable within one year.

8. Interim report

Copies of this interim management report will be available on the company's website, www.castings.plc.uk, and from the registered office.

Statement of Directors' Responsibilities

The directors confirm that the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

By order of the board

S. J. Mant
Group Finance Director
12 November 2025

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