

19 January 2026

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**Dowlais Group plc**  
**Trading update**  
**2025 Performance ahead of previous guidance**

Dowlais Group plc ("Dowlais" or the "Group"), the specialist engineering group focused on the Automotive sector, provides a trading update for the 12 month period to 31 December 2025 ("the period").

Since its Q3 trading update on 11 November 2025, trading and cash flow were better than expected based on unaudited financial accounts. The Group now expects its full year adjusted revenue, operating profit margin and free cash flow for the period to be ahead of its previously stated guidance.

Adjusted revenue<sup>1</sup> for the period is likely to be approximately £5 billion, which would represent 3.1% year-on-year growth at constant currency<sup>2</sup>, with growth delivered by both Automotive and Powder Metallurgy segments. Translational foreign exchange headwinds of approximately £90 million are expected to reduce reported adjusted revenue growth to approximately 1.3%.

Adjusted operating profit for the period is likely to be no less than £370 million, which would represent an increase of 14% compared to prior year. Adjusted operating margin would then be no less than 7.4%, representing a year-on-year increase of at least 80bps, with both Automotive and Powder Metallurgy positively contributing to margin expansion.

The Group's adjusted operating profit improvement reflects the impact of global footprint restructuring initiatives, commercial recoveries from prior volume losses and other ongoing performance improvement actions which are expected to more than offset some operational inefficiencies in two of our plants in North America.

Adjusted free cash flow for the period is likely to be no less than £100 million, ahead of the prior year. This was driven by operating profit growth, lower capital expenditures and certain one-off cash receipts, including proceeds from the sale of surplus land and buildings and customer advances.

**Enquiries**

Investor Relations:

Pier Falcione [investor.relations@dowlais.com](mailto:investor.relations@dowlais.com)

+44(0)7855185420

Media:

Neil Craven [craven@montfort.london](mailto:craven@montfort.london)

+44 (0) 7876475419

Dowlais Group plc LEI Number: 213800XM8WOFLY6VPC92

The person responsible for arranging the release of this Announcement on behalf of Dowlais is John Nicholson, General Counsel & Company Secretary.

**Notes**

1. All "adjusted" financial measures in this trading update are defined in the Alternative Performance Measures section of Dowlais full year 2024 results announcement, published on 05 March 2025

2. All year-on-year changes are stated at constant currency unless stated otherwise

**Profit Estimates**

The following statements contained within this announcement constitute profit estimates (the "**Profit Estimates**") for the purposes of Rule 28 of the City Code on Takeovers and Mergers:

- i. "Adjusted revenue<sup>1</sup> for the period is likely to be approximately £5 billion, which would represent 3.1% year-on-year growth at constant currency<sup>2</sup>, with growth delivered by both Automotive and Powder Metallurgy segments. Translational foreign exchange headwinds of approximately £90 million are expected to reduce reported adjusted revenue growth to approximately 1.3%."
- ii. "Adjusted operating profit for the period is likely to be no less than £370 million, which would represent an increase of 14% compared to prior year. Adjusted operating margin would then be no less than 7.4%, representing a year-on-year increase of at least 80bps, with both Automotive and Powder Metallurgy positively contributing to margin expansion."
- iii. "Adjusted free cash flow for the period is likely to be no less than £100 million."

In line with Rule 28.1(c), the Takeover Panel has granted Dowlais a dispensation from the requirement to include reports from reporting accountants and Dowlais' financial advisers in relation to the Profit Estimates. Other than the Profit Estimates, nothing in this announcement is intended, or is to be construed, as a profit forecast for any period.

The Board confirms that, as at the date of this announcement, the Profit Estimates are valid and have been properly compiled on the basis of the assumptions set out below and that the basis of the accounting used is consistent with Dowlais' accounting policies, which are in accordance with IFRS.

The Dowlais Estimates are based on the unaudited condensed financial statements of Dowlais for the twelve months ended 31 December 2025. The basis of accounting used is consistent with the accounting policies of Dowlais which are in accordance with IFRS and are those that Dowlais expects to apply in preparing its Annual Report and Financial Statements for the financial year ending 31 December 2025. Given that the period to which the Profit Estimates relate has been completed, there are no other principal assumptions underpinning the Profit Estimates.

#### **Forward-Looking Statements**

This trading update includes certain forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Dowlais' control and all of which are based on Dowlais' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of terminology such as "believe", "expects", "may", "will", "would", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "goal", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include matters that are not historical facts, statements regarding the intentions, beliefs or current expectations concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies, and dividend policy and industry of Dowlais. These forward-looking statements and other statements contained in this trading update regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved, and actual events or results may differ materially as a result of risks and uncertainties facing Dowlais. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward-looking statements contained in this trading update speak only to the date of this trading update. Dowlais and its directors expressly disclaim any obligation or undertaking to update these forward-looking statements to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law.

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