Bodycote plc – 2026 Interim Results

H1 in line with expectations; FY Outlook unchanged

Group summary	Adjusted[1]			Statutory		
	Half year 2026	Half year 2025	Change	**Half year 2026**	Half year 2025	Change
Revenue	**£381.2m**	£369.0m	+3.3%	**£381.2m**	£369.0m	+3.3%
Operating profit	**£61.0m**	£55.1m	+10.7%	**£45.6m**	£41.2m	+10.7%
Operating margin	**16.0%**	14.9%	+110bps	**12.0%**	11.2%	+80bps
Operating cash flow	**£41.6m**	£37.7m	+10.3%	**£62.4m**	£65.8m	-5.2%
Basic earnings per share[2]	**25.2p**	21.3p	+18.3%	**18.1p**	15.5p	+16.8%
Interim dividend per share				**7.2p**	6.9p	+4.3%

Core summary[1]	**Half year 2026**	Half year 2025	Organic Change[1]
Revenue	**£372.0m**	£336.6m	+9.6%
Adjusted operating profit	**£60.4m**	£53.5m	+11.0%
Adjusted operating margin	**16.2%**	15.9%	+30bps

Excludes Non-Core sites included in the Optimise programme

Highlights

- Core organic revenue growth of 9.6%, in-line with expectations (Group: 3.3% growth, 6.5% organic)
- Strong growth delivered in our target markets of Aerospace & Defence, Industrial Gas Turbines, Medical, Semiconductors; partly offset by continued weakness in Automotive, particularly in Europe
- Growth led by Specialist Technologies, with organic revenue up 16.7%, reflecting favourable end market mix and Aerospace programme exposure. Precision Heat Treatment organic growth of 6.4%
- Core adjusted operating margins +30bps to 16.2%; growth and Optimise benefits partly offset by higher variable pay and growth project ramp-up costs. Group +110bps as Non-Core scale reduces
- Group adjusted operating profit up 10.7% to £61.0m (Core: £60.4m); Statutory operating profit up 10.7% to £45.6m
- Adjusted basic EPS up 18.3% at 25.2p (H1 25: 21.3p), statutory EPS of 18.1p (H1 25: 15.5p)
- Optimise programme on-track with benefits building. Exploring options to expand programme to include additional sites exposed to more challenging Automotive and Industrial regional markets
- Interim dividend of 7.2p (+4.3%); £12.6m spend in the first half under the current £80m share buyback programme (1.9m shares bought)
- **FY26 outlook unchanged**: expect to deliver organic revenue growth and margin improvement, supported by Optimise benefits and despite higher variable pay and growth investment costs; expect further strategic progress in H2 and remain confident in the delivery of our mid-term targets

Commenting, Jim Fairbairn, Chief Executive Officer, said:

“We progressed well in the first half and have achieved results in line with our expectations. Organic growth was supported by strong demand across our target end markets, partly offset by the ongoing structural weakness in Western European Automotive.

We continue to execute on our Optimise, Perform and Grow strategy. In light of the success of the Optimise programme to-date, as well as continued challenges in some of our Automotive and Industrial regional markets, we are exploring the potential to expand the programme’s scope. In Perform, we have rolled-out more advanced operational excellence tools, starting at four key ‘lighthouse sites’. In Grow, the Spectrum acquisition has integrated well. We are continuing to progress with both organic investments and further M&A opportunities.

Our full year expectations are unchanged, albeit we are mindful of the current geopolitical and macroeconomic environment. We expect to deliver Core organic revenue growth in 2026. The overall pace of revenue growth is likely to moderate in the second half, reflecting prior year comparators. We expect operating margins to improve in 2026, driven by revenue growth and Optimise benefits, partly offset by a normalisation of variable remuneration and the operational ramp-up costs on our new growth initiatives. We remain confident in the delivery of our medium term targets.”

1 Adjusted performance measures and Core measures represent the statutory results excluding certain items; Organic measures are stated at constant currency excluding any acquisitions and disposals in the current and prior periods. These are all considered alternative performance measures (APMs) and a reconciliation to the nearest IFRS equivalent to these measures is provided at the end of these 2026 Interim Results.

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

END

Interim Results Presentation

Bodycote will host an in-person presentation for investors and analysts at **8.45 am GMT on 28 July 2026**. The presentation will also be webcast live. Please find connection instructions below:

Webcast: https://www.bodycote.com/webcastHY2026

Conference call details:
United Kingdom (Local): +44 20 3936 2999
United Kingdom (Toll-Free): +44 808 189 0158
Global Dial-In Numbers
Access Code: 899146
Questions can be asked online via the webcast service. A recording will also be available after the event.

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

Core overview

Core revenue was £372.0m in the first half (H1 25: £336.6m), reflecting organic growth of 9.6% together with a contribution from Spectrum Thermal Processing LLC (‘Spectrum’), acquired in January 2026.

The organic growth was led by Aerospace & Defence (A&D) up 25%, with strong performances across Commercial Aerospace, Defence and Space. Prior year comparators in A&D were soft due to industry-wide supply chain disruptions in H1 2025. Energy revenue increased 5%, led by Industrial gas turbines (IGT) up 11%, with rising demand linked to data centres; Oil & Gas revenue was broadly stable (-2%). Consumer, Medical & Other grew 15%, with Medical returning to good growth and strong demand in Electronics relating to semiconductors. This broad-based growth across our target end markets was partly offset by continued weakness in Automotive (-4%), where conditions remain challenging, particularly in Western Europe. Industrial Markets revenue was broadly stable (+1%), with Europe performing better than North America.

By division, Specialist Technologies delivered +16.7% organic growth, reflecting its attractive end market mix and Aerospace programme exposures, as well as a softer prior year comparator (H1 25: -8%). Precision Heat Treatment delivered organic growth of +6.4% (H1 25: -2%), which included a modest benefit from Optimise revenue transfers from Non-Core sites.

Core adjusted operating profit was £60.4m (H1 25: £53.5m) with adjusted operating margins up 30bps to 16.2% (H1 25: 15.9%). This reflects the good revenue growth and delivery of further Optimise benefits, and was delivered despite the expected headwinds from higher variable pay, as this returns to more normalised levels, and temporary ramp-up costs in our new growth projects.

Group overview

Including Non-Core businesses, total Group revenue was £381.2m (H1 25: £369.0m), with organic growth of 6.5%. After the impact of acquisitions, disposals and FX, total Group growth was 3.3%. Core growth was partly offset by a 72% reduction in Non-Core revenue to £9.2m (H1 25: £32.4m) as the Optimise programme progresses at pace. Group adjusted operating margins increased by 110bps to 16.0%, reflecting improved Core margins alongside the much reduced scale of our low margin Non-Core operations, which now represent a much smaller part of the Group’s portfolio.

Group statutory operating profit was £45.6m for the year (H1 25: £41.2m). Growth was driven by the higher adjusted operating profit, with a modestly higher exceptional charge of £10.4m (H1 25: £9.1m) which related almost entirely to the Optimise programme.

Basic adjusted earnings per share grew 18.3% to 25.2p (H1 25: 21.3p), driven by the 10.7% increase in adjusted operating profit, alongside a reduction in the Group’s share count as a result of the ongoing progress on the share buyback programme. Statutory earnings per share increased to 16.8% to 18.1p (H1 25: 15.5p).

Adjusted operating cash flow was £41.6m (H1 25: £37.7m), with stable cash conversion of 68% (H1 25: 68%). Free cash flow was £14.5m (H1 25: £18.0m), with the reduction driven primarily by higher cash tax. Closing net debt excluding lease liabilities was £135.2m, with leverage at approximately 0.7x net debt/EBITDA. Net debt increased from £104.8m at 31 December 2025, driven by payment of the final 2025 dividend (£27.5m), the acquisition of Spectrum in January (c.£6m) and spend on the share buyback programme (£17.8m), which more than offset the free cash flow of £14.5m in the period.

Divisional Performance

Specialist Technologies	**H1 2026**	H1 2025	Organic Change	Change
Revenue	**121.2**	104.5	16.7%	16.0%
Adjusted operating profit	**31.6**	27.2		16.2%
Adjusted operating margin	**26.1%**	26.0%		+10bps

Precision Heat Treatment	**H1 2026**	H1 2025	Organic Change	Change
Revenue	**250.8**	232.1	6.4%	8.1%
Adjusted operating profit	**37.6**	34.9		7.7%
Adjusted operating margin	**15.0%**	15.0%		0bps

Non-Core	**H1 2026**	H1 2025	Organic Change	Change
Revenue	**9.2**	32.4	-53.2%	-71.6%
Adjusted operating profit	**0.6**	1.6		-62.5%
Adjusted operating margin	**6.5%**	4.9%		+160bps

Specialist Technologies revenue was £121.2m (H1 25: £104.5m). This represented strong organic growth of 16.7%, partly reflecting the soft prior year comparator (H1 25: -8%) which had been impacted by Commercial Aerospace industry-wide supply chain challenges and one-off headwinds in Oil & Gas and Medical. Growth in the period was driven primarily by A&D, which increased 37% organically due to exposure to fast-growing programmes (e.g. the LEAP engine) as well as market share gains, with two long term agreements renewed in the period with additional volumes. A&D now accounts for 50% of Specialist Technologies' revenue. There was also good growth in IGT and Medical, partly offset by continued weakness in Automotive and Industrial Markets. Adjusted operating profit was £31.6m (H1 25: £27.2m), with operating margins broadly stable at 26.1% (H1 25: 26.0%). The stable margins reflected good underlying progress offset by the impact of temporary operational ramp-up costs on new growth projects, increased variable pay (as highlighted at our FY 2025 results) and process mix, with growth led by our Surface Technology business which has a higher level of raw material pass through costs.

Precision Heat Treatment revenue grew by 6.4% organically to £250.8m (H1 25: £232.1m). Strong growth in A&D (+16%), Energy (+9%) and Consumer, Medical and Other (+14%) was partly offset by continued weakness in Automotive (-4%), where market conditions remain challenging, particularly in Western Europe. Industrial markets grew modestly (+4%), including a benefit from revenue transfers from Non-Core sites as part of the Optimise programme. This transferred revenue initially carries a lower margin reflecting the gradual ramp-up of volumes and additional up-front costs required at the receiving sites, with profit benefits to increase through H2 2026 and 2027. As a result of this effect and the higher variable pay impact, operating margins in Precision Heat Treatment were flat at 15.0% (H1 25: 15.0%).

Non-Core revenue declined by 71.6% (53.2% organic), to £9.2m (H1 25: £32.4m). The decline reflected the continued execution on the Optimise programme, including the impact of the sale of ten Automotive and Industrial focused sites in France which completed in November 2025, alongside further site closures and consolidations.

Strategic progress: Optimise, Perform, Grow

We continue to execute at pace on our strategy, with further progress across all three pillars of Optimise, Perform and Grow.

The Optimise programme is on-track, with profit benefits building and a further c.£1m of improvements delivered in H1, in line with our expectations. To-date, 27 out of the 31 planned plant closures, disposals and consolidations are now complete and good progress has been achieved on overhead reductions. In light of the success of the programme as well as continued challenges in certain end markets, we are exploring the potential to expand the scope of the programme; no final decisions have yet been made. The focus of this ongoing work is on the more structurally challenged regional markets within Automotive and Industrial.

In Perform, we have initiated the roll-out of more advanced operational excellence tools, starting at four key 'lighthouse sites' in North America and Europe. These have validated the opportunity which exists from improved efficiency, turnaround times and new product introduction lead time. We remain confident in delivering c.100bps margin improvement from Perform by 2028.

In Grow, we completed the acquisition of Spectrum in January 2026, increasing our A&D capabilities in North America. It has been integrated well and delivered a strong performance in the period. A number of key Aerospace customer Long Term Agreement renewals and extensions were reached in H1 with increased volume capture. We are continuing to progress across a number of organic investment initiatives covering Specialist Technologies sites and expanding further into our target end markets and geographies. These new investments will start to make a positive contribution through 2027. The M&A pipeline continues to develop and mature with the balance sheet capable of supporting selective and value accretive transactions.

Capital allocation

We continue to focus on a balanced approach to capital allocation, aimed at driving shareholder returns while also growing and improving the quality of the Group's portfolio.

To this end, in the first half we deployed £33.5m in capital expenditure (H1 25: £38.0m). This included significant investment in the key organic growth initiatives we previously announced, including: greenfield sites in South Korea and Mexico which are set to go-live in 2027; material HIP capacity expansions in both Europe and North America (serving A&D); and, major upgrades to two Precision Heat Treatment A&D sites in North America. These projects will incur some temporary P&L cost headwinds in 2026, with revenue and profit contribution set to ramp-up in 2027. Alongside this organic investment, we also completed the acquisition of Spectrum in January 2026 for c.£6m; the business has been fully integrated and is performing well with a strong performance in the period. We have built a significant M&A pipeline which we are progressing, focused on attractive opportunities in Specialist Technologies and our strategic target end markets which will further enhance the quality and growth of the Bodycote portfolio.

In the first half we returned c.£45m to shareholders, comprising £27.5m in dividends and £17.8m on the share buyback programme, of which £12.6m relates to the new £80m programme launched in March. Under this new programme, approximately 1.9m shares have been acquired for a volume weighted average price (VWAP) of ~680p. The Board has approved the payment of an interim dividend of 7.2p for 2026, an increase of 4.3% year-on-year (H1 2025: 6.9p).

Outlook

Performance in the first half was in line with our expectations. Our full year guidance is unchanged, albeit we are mindful of the current geopolitical and macroeconomic environment. We expect to deliver Core organic revenue growth in 2026, led by continued strong demand in A&D and IGT, partly offset by continued challenging conditions in Automotive. The pace of growth is likely to moderate in the second half, reflecting the shape of prior year comparators, particularly in A&D. We expect operating margins to improve in 2026, driven by revenue growth and further Optimise benefits, partly offset by a normalisation of variable remuneration and a modest headwind from ramp-up costs on new growth initiatives. Our focus remains on executing our strategy at pace and preserving agility in our cost base.

Financial Review

Financial overview

	H1 2026 £m	H1 2025 £m
Revenue	**381.2**	369.0
Adjusted operating profit	**61.0**	55.1
Exceptional items	**(10.4)**	(9.1)
Amortisation of acquired intangible assets	**(4.8)**	(4.8)
Acquisition costs	**(0.2)**	-
Operating profit	**45.6**	41.2
Net finance charge	**(4.4)**	(4.6)
Profit before taxation	**41.2**	36.6
Taxation charge	**(10.0)**	(8.6)
Profit for the period	**31.2**	28.0

Group revenue grew 3.3% to £381.2m (H1 25: £369.0m), a 6.5% increase on an organic basis. The organic performance was driven by strong Core organic growth (+9.6%) led by A&D and IGT, partly offset by continued weakness in Automotive. The Core growth was partly offset by a 72% reduction in Non-Core revenue, reflecting the execution of the Optimise programme and related plant exits and consolidations.

Group adjusted operating profit was £61.0m in the period (H1 25: £55.1m). The profit growth of 10.7% reflected the higher Core revenue alongside further Optimise benefits. Group margins increased by 110bps to 16.0%, reflecting the impact of growth and benefits of the Optimise programme on the shape and quality of the Group's portfolio. Statutory operating profit increased to £45.6m (H1 25: £41.2m) due to the higher adjusted operating profit, with exceptional items modestly higher year-on-year at £10.4m (H1 25: £9.1m).

Exceptional items

Exceptional charges in the period were £10.4m (H1 25: £9.1m), relating almost entirely to the previously disclosed costs of the Optimise programme. This programme is improving the quality of our portfolio and its financial performance, through the exit and consolidation of a number of poor performing sites. The charge in the period included site closure costs, severance cost provisions, asset impairments and other related costs.

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

Net finance charge

The net finance charge was broadly stable year-on-year at £4.4m, as summarised in the table below:

	H1 2026 £m	H1 2025 £m
Interest on loans and bank overdrafts	**(2.0)**	(1.8)
Lease and other interest charges	**(1.3)**	(1.9)
Finance and bank charges	**(1.3)**	(1.1)
Total finance charges	**(4.6)**	(4.8)
Interest received	**0.2**	0.2
Net finance charge	**(4.4)**	(4.6)

The stable charge reflects modestly higher interest costs and finance and bank charges, offset by lower lease and other interest charges. The Group has access to a £251m Revolving Credit Facility maturing in September 2030. The Group's committed facilities at 30 June 2025 totalled £260m. At 30 June 2026 the Group had available liquidity in committed facilities of £127.4m.

Taxation

The tax charge for the period was £10.0m (H1 25: £8.6m). The adjusted tax rate for the Group was 23.5% (H1 25: 24.2%), before accounting for amortisation of acquired intangibles, acquisition costs and exceptional items. This was in line with our expectations. The effective statutory tax rate was 24.3% (H1 25: 23.5%).

Earnings per share

Basic adjusted earnings per share increased by 18.3% to 25.2p (H1 25: 21.3p), reflecting the higher level of adjusted operating profit in the period alongside a lower share count as a result of the share buyback programme. Basic statutory earnings per share for the year increased 16.8% to 18.1p (H1 25: 15.5p) reflecting the improved statutory profit and reduced share count. Note 4 of the condensed consolidated interim financial statements provides further details of the basis of these calculations.

Management cash flow

	H1 2026	H1 2025
	£m	£m
Adjusted operating profit	**61.0**	55.1
Depreciation and amortisation	**34.4**	35.1
Other, including impairment and profit on disposal of PPE	**(1.0)**	-
Adjusted EBITDA[1]	**94.4**	90.2
Net capital expenditure	**(33.5)**	(38.0)
Principal elements of lease payments	**(6.9)**	(6.8)
Provisions movement	**0.2**	(0.1)
Working capital movement	**(12.6)**	(7.6)
Adjusted operating cash flow	**41.6**	37.7
Restructuring	**(9.5)**	(7.0)
Net finance costs	**(4.0)**	(4.0)
Net tax	**(13.6)**	(8.7)
Free cash flow	**14.5**	18.0
Net lease liability additions and disposals	**5.0**	4.3
Ordinary dividend	**(27.5)**	(28.8)
Net acquisition cash flow	**(5.0)**	-
Ordinary shares purchased for share buyback programme	**(17.8)**	(30.9)
Own shares purchased less share-based payments	**3.4**	2.1
Increase in net debt	**(27.4)**	(35.3)
Opening net debt	**(165.5)**	(131.8)
Foreign exchange movements	**2.0**	(3.2)
Closing net debt	**(190.9)**	(170.3)
Lease Liabilities	**55.7**	57.8
Net debt excluding lease liabilities	**(135.2)**	(112.5)

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

Adjusted operating cash flow increased to £41.6m (H1 25: £37.7m), primarily reflecting the higher adjusted operating profit with cash conversion stable at 68% (H1 25: 68%).

Net capital expenditure was £4.5m lower year-on-year at £33.5m.The reduction largely reflects the phasing of spend on larger projects, with investment increasing in the second half. Working capital was an outflow of £12.6m (H1 25: £7.6m) as a result of higher receivables driven by the level of revenue growth in the period compared with the prior year.

Free cash flow reduced modestly to £14.5m (H1 25: £18.0m), driven by higher restructuring spend and cash tax. Restructuring cash spend increased to £9.5m (H1 25: £7.0m) which reflected spend to deliver the Optimise programme with significant site closure and consolidations taking place in the period. Net tax outflow increased to £13.6m (H1 25: £8.7m), partly reflecting phasing as well as our expectations for a higher level of cash tax in 2026.

Closing net debt was £135.2m excluding lease liabilities, up from £104.8m at 31 December 2025. The increase was driven by shareholder returns on the dividend (£27.5m) and the share buyback programme (£17.8m), alongside the impact of the acquisition of Spectrum (£5.5m), which more than offset the £14.5m free cash flow in the period.

Group principal risks and uncertainties

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

The Board has ultimate responsibility for the Group's systems of risk management and internal control and ensures that they are robust, monitored and evolving to address changing business conditions and threats. The Board provides direction and sets the tone on the importance of risk management, promoting a strong ethical culture within the business. The tone is supported by the Group's purpose and values, Code of Conduct and ways of working, all of which were updated and re-launched during 2025.

The review of financial risk exposure (and twice-yearly review of the system of internal control and risk management) has been delegated to the Group's Audit Committee. The Directors have undertaken a detailed review of the Group's principal and emerging risks including those that would threaten the Group's business model, future performance, solvency and liquidity throughout the period and no material changes were made.

Emerging risks

The Board is satisfied that an ongoing process of identifying, evaluating and managing the Group's principal risks has been in place in the period ending 30 June 2026. The Group's risk framework defines clear roles, responsibilities and accountabilities for risk management based on the 3-Lines of Defence model and continues to develop in line with the Group's strategy and organisation.

The Group considers emerging risks to be those that may materialise in the future but for which the nature or impact is not clear. They are discussed by the Board throughout the year alongside the Group's principal risks. The Group's risks have been considered in the broader context of the geopolitical and macro-economic environments globally and in the countries in which the Group operates. The dynamic and volatile nature of such risks is such that the changing nature and potential impacts of these risks are closely monitored throughout the year. Emerging risk is mitigated by the fact that Bodycote has a global network of sites which allow it to service customers from multiple locations, such that the residual risk exposure is not considered significant.

Other risks include rapidly changing technological risks such as information security threats and the exponential increase in agentic AI. Changes in the supply chain (such as supply chain migration to lower cost/developing economic environments) are monitored on an ongoing basis in key meetings throughout the year.

The Group's principal risks are those that are material and which have the potential to have a significant impact on the Group's operations.

Group principal risks

The principal risks and uncertainties outlined in the strategic report of the 2025 Annual Report set out a description of the Group's principal risks and related mitigation measures, as agreed by the Board, and describe how these principal risks may affect Bodycote's ability to deliver its strategy. The risks have been reviewed in the period to 30 June 2026 and no material changes were made. The identified principal risks relate to:

Market and customer	Operational
Markets; and Competitor activity.	Customer service; Quality and accreditations; Business interruption; Critical equipment; Investment and capital deployment; and Information systems and security (Cyber).

Corporate	Environmental
Health and safety; Legal, regulatory and compliance; and People and capability.	Climate change.

Further details of these principal risks and associated risk management processes, including financial risks, can be found on pages 31 to 37 of the 2025 Annual Report.

Alternative performance measures (APMs)

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

Going concern

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

Responsibility statement

We confirm to the best of our knowledge that:

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

(b) the 2026 Interim Results include a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the 2026 Interim Results include a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

This responsibility statement was approved by the Board of Directors on 27 July 2026 and is signed on its behalf by order of the Board:

J. Fairbairn	**B. Fidler**
Chief Executive Officer	Chief Financial Officer
27 July 2026	27 July 2026

Cautionary statement

These 2026 Interim Results have been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The 2026 Interim Results should not be relied on by any other party or for any other purpose.

These 2026 Interim Results contain certain forward-looking statements. These statements 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 and such statements should be treated with caution due to the inherent uncertainties, including both uncertainties arising from economic and business risk factors, underlying any such forward looking information.

Independent review report to Bodycote plc

Report on the unaudited condensed consolidated interim financial statements

Our conclusion

We have reviewed Bodycote plc's unaudited condensed consolidated interim financial statements (the "interim financial statements") in the 2026 Interim Results of Bodycote plc for the 6 month period ended 30 June 2026 (the "period").

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

The interim financial statements comprise:

- the Unaudited condensed consolidated interim balance sheet as at 30 June 2026;
- the Unaudited condensed consolidated interim income statement and the Unaudited condensed consolidated interim statement of comprehensive income for the period then ended;
- the Unaudited condensed consolidated interim cash flow statement for the period then ended;
- the Unaudited condensed consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2026 Half Year Results of Bodycote plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

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

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We have read the other information contained in the 2026 Half Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

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

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The 2026 Interim Results, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the 2026 Interim Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the 2026 Interim Results, including the interim financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the 2026 Interim Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of this report

This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
27 July 2026

Unaudited condensed consolidated interim income statement

	Note	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Revenue	1	**381.2**	369.0
Cost of sales and overheads[1]		**(328.7)**	(320.2)
Other operating income[1]		**5.0**	2.5
Other operating expenses[1]		**(0.7)**	(0.6)
Net impairment losses on financial assets[1]		**(0.8)**	(0.4)
Operating profit before exceptional items	1	**56.0**	50.3
Exceptional items	2	**(10.4)**	(9.1)
Operating profit		**45.6**	41.2
Finance income		**0.2**	0.2
Finance charges		**(4.6)**	(4.8)
Profit before taxation		**41.2**	36.6
Taxation charge	3	**(10.0)**	(8.6)
Profit for the period		**31.2**	28.0
Attributable to:			
Equity holders of the Parent		**31.0**	27.7
Non-controlling interests		**0.2**	0.3
		31.2	28.0

Earnings per share	4	**Pence**	Pence
Basic		**18.1**	15.5
Diluted		**18.1**	15.5

1 Excludes exceptional items. Total cost of sales and overheads, including exceptional items are £335.8m (30 June 2025: £320.6m), other operating income including exceptional items is £5.3m (30 June 2025: £2.5m), other operating expenses including exceptional items are £4.4m (30 June 2025: £9.3m), and net impairment losses on financial assets including exceptional items are £0.7m (30 June 2025: £0.4m).

Unaudited condensed consolidated interim statement of comprehensive income

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Profit for the period	**31.2**	28.0
Items that may be reclassified subsequently to profit or loss:		
Exchange gains/(losses) on translation of overseas operations	**2.8**	(27.1)
Movements on hedges of net investments	**1.8**	(3.2)
Movements on cash flow hedges	**(0.6)**	0.1
Total other comprehensive income/(expense) for the period	**4.0**	(30.2)
Total comprehensive income/(loss) for the period	**35.2**	(2.2)
Attributable to:		
Equity holders of the parent	**35.1**	(2.1)
Non-controlling interests	**0.1**	(0.1)
	35.2	(2.2)

Unaudited condensed consolidated interim balance sheet

	Note	30 June 2026 £m	31 December 2025 £m
Non-current assets			
Goodwill	5	**201.0**	200.5
Other intangible assets		**99.3**	99.2
Property, plant and equipment		**476.7**	477.7
Right-of-use assets		**49.5**	54.3
Deferred tax assets		**4.2**	3.4
Trade and other receivables		**2.3**	2.6
		833.0	837.7
Current assets			
Inventories		**32.1**	28.7
Current tax assets		**12.0**	13.0
Trade and other receivables		**167.6**	145.2
Cash and bank balances		**23.2**	25.2
		234.9	212.1
Assets held for sale	6	**5.1**	3.8
Total assets		**1,073.0**	1,053.6
Current liabilities			
Trade and other payables		**154.3**	122.2
Current tax liabilities		**30.9**	34.3
Borrowings	8	**2.5**	0.8
Lease liabilities		**12.6**	13.6
Provisions	7	**10.2**	13.1
		210.5	184.0
Net current assets		**24.4**	28.1
Non-current liabilities			
Borrowings	8	**155.9**	129.2
Lease liabilities		**43.1**	47.2
Retirement benefit obligations		**10.1**	10.3
Deferred tax liabilities		**38.1**	38.6
Provisions	7	**2.2**	2.2
Other payables		**0.2**	0.2
		249.6	227.7
Total liabilities		**460.1**	411.7
Net assets		**612.9**	641.9
Equity			
Share capital	9	**29.5**	30.0
Share premium account		**177.1**	177.1
Own shares		**(5.9)**	(6.5)
Translation reserves		**31.7**	28.8
Other reserves		**140.1**	135.5
Retained earnings		**238.7**	275.3
Equity attributable to equity holders of the parent		**611.2**	640.2
Non-controlling interests		**1.7**	1.7
Total equity		**612.9**	641.9

Unaudited condensed consolidated interim cash flow statement

	Note	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Net cash from operating activities	12	**62.4**	65.8
Investing activities			
Purchases of property, plant and equipment		**(35.8)**	(38.0)
Proceeds on disposal of property, plant and equipment		**3.1**	0.4
Purchases of other intangible assets		**(0.2)**	(0.6)
Acquisition of businesses, net of cash acquired	11	**(5.5)**	-
Net proceeds on disposal of business	2	**1.4**	-
Repayments of loans issued		**0.3**	0.1
Interest received		**0.2**	0.2
Net cash used in investing activities		**(36.5)**	(37.9)
Financing activities			
Interest paid		**(4.2)**	(4.2)
Dividends paid	10	**(27.6)**	(28.8)
Principal elements of lease payments		**(6.9)**	(6.8)
Drawdown of bank loans		**88.2**	48.4
Repayments of bank loans		**(61.5)**	(2.6)
Ordinary shares purchased for share buyback	9	**(17.8)**	(30.9)
Net cash used in financing activities		**(29.8)**	(24.9)
Net (decrease)/increase in cash and cash equivalents		**(3.9)**	3.0
Cash and cash equivalents at beginning of year		**24.4**	16.0
Effect of foreign exchange rate changes		**0.2**	(0.4)
Cash and cash equivalents at end of period	12	**20.7**	18.6

Unaudited condensed consolidated interim statement of changes in equity

	Share capital £m	Share premium account £m	Own shares £m	Translation reserves £m	Other reserves £m	Retained earnings £m	Equity attributable to equity holders of the parent £m	Non-controlling interests £m	Total equity £m
1 January 2025	31.6	177.1	(11.1)	38.8	141.3	290.4	668.1	1.8	669.9
Profit for the year	-	-	-	-	-	27.7	27.7	0.3	28.0
Exchange differences on translation of overseas operations	-	-	-	(26.7)	-	-	(26.7)	(0.4)	(27.1)
Movements on hedges of net investments	-	-	-	-	(3.2)	-	(3.2)	-	(3.2)
Movements on cash flow hedges	-	-	-	-	0.1	-	0.1	-	0.1
Total comprehensive loss for the period	-	-	-	(26.7)	(3.1)	27.7	(2.1)	(0.1)	(2.2)
Ordinary shares acquired	(0.9)	-	-	-	0.9	-	-	-	-
Settlement of share awards	-	-	4.6	-	(4.1)	(0.5)	-	-	-
Share-based payments	-	-	-	-	2.1	-	2.1	-	2.1
Dividends	-	-	-	-	-	(28.7)	(28.7)	(0.1)	(28.8)
30 June 2025	**30.7**	**177.1**	**(6.5)**	**12.1**	**137.1**	**288.9**	**639.4**	**1.6**	**641.0**
1 January 2026	30.0	177.1	(6.5)	28.8	135.5	275.3	640.2	1.7	641.9
Profit for the period	**-**	**-**	**-**	**-**	**-**	**31.0**	**31.0**	**0.2**	**31.2**
Exchange differences on translation of overseas operations	**-**	**-**	**-**	**2.9**	**-**	**-**	**2.9**	**(0.1)**	**2.8**
Movements on hedges of net investments	**-**	**-**	**-**	**-**	**1.8**	**-**	**1.8**	**-**	**1.8**
Movements on cash flow hedges	**-**	**-**	**-**	**-**	**(0.6)**	**-**	**(0.6)**	**-**	**(0.6)**
Total comprehensive income for the period	**-**	**-**	**-**	**2.9**	**1.2**	**31.0**	**35.1**	**0.1**	**35.2**
Ordinary shares acquired	**(0.5)**	**-**	**-**	**-**	**0.5**	**(40.4)**	**(40.4)**	**-**	**(40.4)**
Settlement of share awards	**-**	**-**	**0.6**	**-**	**(0.5)**	**(0.1)**	**-**	**-**	**-**
Share-based payments	**-**	**-**	**-**	**-**	**3.4**	**-**	**3.4**	**-**	**3.4**
Deferred tax on share-based payment transactions	**-**	**-**	**-**	**-**	**-**	**0.4**	**0.4**	**-**	**0.4**
Dividends	**-**	**-**	**-**	**-**	**-**	**(27.5)**	**(27.5)**	**(0.1)**	**(27.6)**
30 June 2026	**29.5**	**177.1**	**(5.9)**	**31.7**	**140.1**	**238.7**	**611.2**	**1.7**	**612.9**

The own shares reserve represents the cost of Bodycote plc shares held by the Bodycote International Employee Benefit Trust to satisfy share-based payment awards granted under the Group's incentive schemes. As at 30 June 2026, 861,269 (30 June 2025: 955,532) ordinary shares of $17^{3}/_{11}$p each, that had been acquired in the market, were held by the Bodycote International Employee Benefit Trust. Included within other reserves is a capital redemption reserve of £133.4m (30 June 2025: £132.2m) which consists of £129.8m (30 June 2025: £129.8m) transferred from retained earnings on the conversion of B shares into deferred shares in 2008 and 2009, and a total of £3.6m nominal value of shares arising from share buyback programmes. The nominal value of the shares in the period up to 30 June 2026 of £0.5m (30 June 2025 £0.9m), was transferred to the capital redemption reserve and the remainder of the purchase price recorded within retained earnings.

On 10 March 2026 a new share buyback programme was announced with the intention of purchasing shares to the value of up to £80.0m which is expected to be completed by the end of 2027, and which commenced on 11 March 2026. Refer to note 9 of these condensed consolidated interim financial statements and the 2025 Annual Report for more information on the share buyback programmes.

Notes to the unaudited condensed consolidated interim financial statements

Basis of preparation

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

These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2025, which were prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006. The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for items that are required by UK-adopted international accounting standards to be measured at fair value, principally financial instruments. Historical cost is generally based on the fair value of the consideration given up in exchange for the assets.

The financial information set out above does not constitute statutory accounts as defined by section 434 of the UK Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2025 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was (i) unqualified and (ii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. These condensed consolidated interim financial statements have not been audited.

The Group’s operations are not significantly affected by seasonality. The accounting policies have been applied consistently throughout the current and preceding year.

Going concern

In adopting the going concern basis for preparing these condensed consolidated interim financial statements, the Directors have considered the Group’s business activities, together with the factors likely to affect its future development, performance and position. In addition, the Directors have considered its principal risks and uncertainties. The Financial Review included in the 2026 Interim Results includes a summary of the Group’s financial position, cash flows, liquidity position and borrowings. The principal risks and uncertainties are set out on pages 31-37 of the 2025 Annual Report.

The Directors have considered the current and plausible impact of macroeconomic factors in preparing their going concern assessment, including ongoing conflicts, energy price instability, global manufacturing trends and other factors and risks on the Group’s activities, performance and revenue. The Group has modelled a base case, which reflects the Directors’ current expectations of future trading in addition to potential severe but plausible impacts on revenue, profits and cash flows in a downside scenario.

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

Management’s base case scenario is built upon the budgeting and forecasting processes for 2026 and extended up to December 2027. The Group’s recent record of cash conversion was used to estimate the cash generation and level of net debt over that period.

The severe but plausible downside scenario assumes a significant decline in revenue of 12% year on year in H2 2026 and a further 9% YoY decline in FY 2027. This downside takes account of short-term negative shock events specific to the Group’s end-markets which are intentionally more severe that those used in the impairment analysis in the year ended 31 December 2025. In mitigation to this severe sales decline, a 10% reduction in maintenance capex and a 50% reduction in other capex compared to the base case has been assumed, together with an assumption that there is no growth in dividends over the period and a reduced level of share buyback spend.

Management also performed a reverse stress test. This indicated that revenue in the second half of 2026 would need to decline by over 34% year-on-year with a similar decline in H1 2027, and no growth in H2 2027, before the Group’s loan covenants were breached at the December 2027 test date. In this scenario, minimum liquidity was over £90m throughout the entire period. This

scenario included the same mitigations as the downside scenario, with an additional reduction in capital expenditure assumed to reflect the more negative growth environment and a larger reduction in the share buyback programme.
The Group meets its working capital requirements through a combination of committed and uncommitted facilities and overdrafts. For the purposes of the going concern assessment, the Directors have only taken into account the capacity under existing committed facilities, being predominantly the Group's Revolving Credit Facility.

The Group has access to a £251.0m Revolving Credit Facility maturing in September 2030. The Group's other committed facilities as at 30 June 2026 totalled £9.1m. At 30 June 2026, the Group's committed facilities had total drawings of £155.9m (31 December 2025: £129.2m) and the Group's net debt (excluding lease liabilities) was £135.2m (31 December 2025: £104.8m). The liquidity headroom on the committed facilities, net of cash and cash equivalents of £23.2m, was £127.4m as at 30 June 2026 (31 December 2025: £156.2m).

Following this assessment, the Directors have formed a judgement, at the time of approving the condensed consolidated interim financial statements, that there are no material uncertainties that cast doubt on the Group's ability to continue as a going concern for the foreseeable future and that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the approval date of the condensed consolidated interim financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

Accounting policies

There are no changes in the Group's accounting policies, presentation and methods of computation that have an impact on the condensed consolidated interim financial statements from those that were applied in the Group's latest annual audited financial statements as detailed in the 2025 Annual Report, except for the tax charge for the interim period. To determine the tax charge the Group has applied the forecast annual effective corporate income tax rate to the pre-tax income for the six-month period, in accordance with IAS 34 Interim Financial Reporting. The accounting policies have been applied consistently throughout the current period and preceding year.

Critical accounting judgements and significant accounting estimates

Preparing the condensed consolidated interim financial statements and applying the Group's accounting policies requires management to make estimates and judgements that affect the amounts recognised in the condensed consolidated interim financial statements. Although the estimates and judgements are based on management's best information about current circumstances and future events and actions, actual outcomes may differ which could result in material amounts being recorded in the income statement in future periods. The Group's latest annual audited financial statements set out the critical accounting judgements, significant accounting estimates and the other areas of judgement and accounting estimates that were made in preparing those financial statements. The critical and significant accounting judgements made in applying the Group's accounting policies to these condensed consolidated interim financial statements relate to the recognition of tax provisions and goodwill impairment and significant judgments relate to the determination of which costs meet the definition of exceptional items. These areas of critical and significant judgements, and estimation uncertainty, remain the same as the year end.

As described in the 2025 Annual Report the Group does not apply IAS 29 (Financial Reporting in Hyperinflationary Economies) to its operations in Turkey since doing so would not have a material impact on the Group's financial statements. The Group recognises climate change as a principal risk and in preparing the condensed consolidated interim financial statements, it did not have a material impact on the financial reporting judgements and estimates.

Further detail of these judgements and accounting estimates can be found in the Group accounting policies section on pages 152-153 of the 2025 Annual Report.

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

The following amendments to standards became applicable during the current reporting period. The amendments did not have a material effect on the Group's condensed consolidated interim financial statements and the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

- **Amendments to IFRS 9 and IFRS 7: Contracts referencing nature-dependent electricity arrangements.** These amendments introduce requirements for the treatment of contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather).

Amendments to IFRS 9 and IFRS 7: the Classification and Measurement of Financial Instruments. These amendments make various changes to the treatment of certain financial instruments with ESG linked features and the settlement of financial liabilities using electronic payment systems.

- **Annual Improvements to IFRS Accounting Standards – Vol. 11**. Volume 11 of the IASB's annual improvements includes a number of changes that affect hedge accounting on first time adoption, disclosures about financial instruments, the derecognition of lease liabilities, de-facto agents, and the use of the cost method.

New standards and interpretations not yet applied
At the date of authorisation of these condensed consolidated interim financial statements, the Group has not applied the following new and revised IFRS Standards and amendments that have been issued by the International Accounting Standards Board (IASB) and endorsed for use in the UK.

- **IFRS 18 Presentation and disclosure in Financial Statements**: On 9 April 2024 the IASB issued IFRS 18 to replace IAS 1 Presentation of Financial Statements with an effective date of 1 January 2027. IFRS 18 sets out requirements for the presentation and disclosure of information in financial statements. This standard introduces a number of new mandatory categories, subtotals and totals to the income statement, gives further guidance on aggregation and disaggregation of items, and introduces further requirements in respect of management-defined performance measures. Whilst the Group does not expect the new standard to result in changes to its profit for the year, cashflow, or assets, the Group is reviewing its potential effect on the presentation of the Group's financial statements including the presentation of the income and cashflow statements and use and reconciliation of alternative performance measures (APM's).

Notes to the unaudited condensed consolidated interim financial statements

1. Segmental analysis

The Group has 131 operational locations across the world providing a range of market sectors with thermal processing services. It organises its plants into three divisions:

Specialist Technologies: This division includes the Group's Hot Isostatic Pressing ('HIP') business; its Speciality Stainless Steel Processes ('S^3P') business and its Surface Technology ('ST') business.

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

Non-core: The Group has identified a number of plants that form part of its Optimise programme ("Optimise") and are considered non-core. These plants typically provide heat treatment services using older, less efficient and more carbon intensive technologies. The Group is managing these sites with a view to merging them with other plants in the portfolio, closing, or selling them.

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

In determining the segments' adjusted operating profit, the Group makes certain allocations of costs that are incurred centrally to benefit each of the segments. To the extent that these costs are of a nature that will continue to be incurred after the Group's Optimise programme has been completed, they are not allocated to the non-core segment.

In July 2025 the Group expanded its Optimise programme to include a further 13 plants, with one plant being removed from the program. Consequently the prior year segmental analysis has been restated to reflect the updated Optimise programme and the way that the Group is now viewed by the CODM.

	Half year to 30 June 2026					
	Specialist Technologies £m	Precision Heat Treatment £m	Central costs and eliminations £m	Total core £m	Non-core £m	Total Group £m
Revenue	121.2	250.8	-	372.0	9.2	381.2
Result						
Adjusted operating profit/(loss)	31.6	37.6	(8.8)	60.4	0.6	61.0
Amortisation of acquired intangible assets	(4.1)	(0.7)	-	(4.8)	-	(4.8)
Acquisition costs	-	(0.2)	-	(0.2)	-	(0.2)
Operating profit/(loss) before exceptional items	27.5	36.7	(8.8)	55.4	0.6	56.0
Exceptional items	(0.2)	(1.7)	(0.9)	(2.8)	(7.6)	(10.4)
Operating profit/(loss)	27.3	35.0	(9.7)	52.6	(7.0)	45.6
Finance income						0.2
Finance charges						(4.6)
Profit before taxation						41.2
Taxation						(10.0)
Profit for the period						31.2

	Half year to 30 June 2025 restated					
	Specialist Technologies £m	Precision Heat Treatment £m	Central costs and eliminations £m	Total core £m	Non-core £m	Total Group £m
Revenue	104.5	232.1	-	336.6	32.4	369.0
Result						
Adjusted operating profit/(loss)	27.2	34.9	(8.6)	53.5	1.6	55.1
Amortisation of acquired intangible assets	(4.3)	(0.5)	-	(4.8)	-	(4.8)
Operating profit/(loss) prior to exceptional items	22.9	34.4	(8.6)	48.7	1.6	50.3
Exceptional items	(0.1)	(0.2)	(1.2)	(1.5)	(7.6)	(9.1)
Operating profit/(loss)	22.8	34.2	(9.8)	47.2	(6.0)	41.2
Finance income						0.2
Finance charges						(4.8)
Profit before taxation						36.6
Taxation						(8.6)
Profit for the period						28.0

The segmental adjusted operating profit has been restated to reflect the expansion of the Optimise programme in July 2025. As a result of the restatement, the core revenue and adjusted operating profit reduced by £15.3m and £0.8m respectively with an equal increase in revenue and adjusted operating profit in non-core, with no effect on the Group's revenue and adjusted operating profit.

Inter-segment revenues are not material in either period.

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

	Half year to 30 June 2026				
Revenue	**Specialist Technologies £m**	**Precision Heat Treatment £m**	**Total core £m**	**Non-core £m**	**Total Group £m**
Western Europe	**54.8**	**119.5**	**174.3**	**6.1**	**180.4**
North America	**62.3**	**89.1**	**151.4**	**2.6**	**154.0**
Emerging Markets	**4.1**	**42.2**	**46.3**	**0.5**	**46.8**
Group	**121.2**	**250.8**	**372.0**	**9.2**	**381.2**

	Half year to 30 June 2025 restated				
Revenue	Specialist Technologies £m	Precision Heat Treatment £m	Total core £m	Non-core £m	Total Group £m
Western Europe	51.8	107.7	159.5	23.2	182.7
North America	49.3	83.1	132.4	8.6	141.0
Emerging Markets	3.4	41.3	44.7	0.6	45.3
Group	104.5	232.1	336.6	32.4	369.0

2. Exceptional items

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Costs associated with expression of interest	**0.6**	-
Optimise programme:	**9.8**	9.1
Impairment of assets	**1.6**	1.4
Severance and redundancy cost	**0.9**	2.8
Site closure and associated costs	**5.2**	4.5
Gains on sale of property, plant and equipment	**(0.4)**	-
Loss on sale of business	**2.0**	-
Other programme costs	**0.5**	0.4
Total exceptional items	**10.4**	9.1

Optimise programme

In 2024 the Group announced the Optimise programme to drive improvements across the business primarily centred on restructuring, and/or closing sites, that were utilising older less efficient, and more carbon intensive technologies. This programme was extended in July 2025 to include a further 13 sites. As at 30 June 2026, the Group had formally announced the closure or impact of all the affected sites, with the majority of sites to close already completed, and remaining affected sites working towards completion. During 2026 the Group recognised an exceptional charge of £9.8m (30 June 2025: £9.1m) which includes costs associated with site closures, restructuring and net loss on sale of assets.

Net impairments of £1.6m (30 June 2025: £1.4m) have been charged to exceptional items relating to property plant and equipment that will no longer generate benefits. This is net of an impairment reversal credit of £0.3m (30 June 2025: £nil) for equipment that can now be utilised within the Group.

Site closure costs of £5.2m (30 June 2025: £4.5m) were incurred in respect of closures announced before 30 June 2026, including amounts charged to provisions of £1.7m (30 June 2025: £3.0m), net of provision releases of £0.7m (30 June 2025: £nil). Severance and redundancy costs of £0.9m (30 June 2025: £2.8m) were incurred in the period, net of provision releases of £0.3m (30 June 2025: £0.2m), in relation to staff at sites and in central roles who were informed that they were affected by the Optimise programme before 30 June 2026.

An exceptional gain of £0.4m (30 June 2025: £nil) has been realised on the sale of property, plant and equipment assets that were no longer required as a result of Optimise. Additionally In April 2026, the Group sold a non-core site in Austria with cash consideration received of £1.5m with a loss on disposal of £2.0m. Up to the date of disposal for the six month period ending 30 June 2026, the divested site achieved revenues of £0.9m, and an operating loss before exceptional items of £0.1m.

Other programme costs of £0.5m include costs to manage and oversee the closure of sites and to move equipment to other Bodycote sites and Optimise programme related consultancy costs.

Refer to the 2025 Annual Report for further details of the Optimise programme.

Costs associated with expression of interest

During the year, the Group incurred £0.6m of transaction-related costs associated with a potential acquisition of the Company by a third party, Apollo Global Management Inc., who approached the Group with an expression of interest to purchase the Company. The proposed transaction did not proceed to a firm offer.

The costs comprise of legal, advisory and travel expenses incurred in evaluating the proposal, facilitating due diligence requests and supporting discussions. The associated costs are non-recurring and unrelated to the Group's ongoing operations and have been classified as an exceptional item, in accordance with the Group's accounting policy.

3. Taxation charge

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Current taxation - charge for the period	**11.0**	8.7
Current taxation - adjustments in respect of previous years	**-**	0.1
Deferred tax - charge for the period	**(1.0)**	(0.2)
Total taxation charge	**10.0**	8.6

The adjusted rate of tax for the six months ended 30 June 2026 was 23.5% (30 June 2025: 24.2%) on the adjusted profit before tax. The statutory effective tax rate was 24.3% (30 June 2025: 23.5%). The OECD Pillar II GloBE Rules do not have a material impact on the Group's current tax charge and the Group has applied the exception in IAS 12 and has not recognised, or disclosed, information about deferred tax assets and liabilities related to these rules.

4. Earnings per share

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Earnings		
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**31.0**	27.7

	Number	Number
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**171,144,884**	178,715,657
Effect of dilutive potential on ordinary shares:		
Shares subject to performance conditions	**-**	68,274
Shares subject to vesting conditions	**378,970**	204,808
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**171,523,854**	178,988,739

	Pence	Pence
Earnings per share:		
Basic	**18.1**	15.5
Diluted	**18.1**	15.5

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Adjusted earnings		
Net profit attributable to equity holders of the parent	**31.0**	27.7
Add back:		
Amortisation of acquired intangible assets	**4.8**	4.8
Acquisition costs	**0.2**	-
Exceptional items	**10.4**	9.1
Tax on adjusted earnings	**(3.3)**	(3.6)
Adjusted earnings	**43.1**	38.0

	Pence	Pence
Adjusted earnings per share:		
Basic	**25.2**	21.3
Diluted	**25.1**	21.2

As at 30 June 2026 the performance conditions have not been met for some of the Group's open share plans. There is a nil dilution of earnings per share and 0.1p dilution in adjusted earnings per share (30 June 2025: £nil and 0.1p dilution respectively) as a result of open share plans.

5. Goodwill

	30 June 2026 £m	31 December 2025 £m
Cost		
At 1 January	**278.0**	285.9
Exchange differences	**0.8**	(5.9)
Transfer to assets held for sale	**-**	(2.0)
Total cost	**278.8**	278.0
Accumulated impairment		
At 1 January	**77.5**	78.9
Exchange differences	**0.3**	(1.4)
Total accumulated impairment	**77.8**	77.5
Carrying amount	**201.0**	200.5

Goodwill acquired through a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment at least annually or more frequently if there are indications that its carrying value may not be recoverable. To test the goodwill for impairment, the carrying value of the groups of CGUs containing goodwill are compared to their recoverable amounts, calculated as the higher of their fair value less costs to dispose and value in use. The Group has determined its CGUs based on geography, customer groupings, and processes, to reflect the lowest level at which the Group's operations generate cash inflows that are largely separate to each other.

The lowest level at which management reviews goodwill is the following six groups of CGUs:

- HIP
- S^3P
- Surface Technology ('ST')
- Global Automotive and General Industrial ('AGI'), excluding Emerging markets
- Global Aerospace, Defence and Energy ('ADE')
- Emerging markets

Goodwill is allocated to the Group's reportable segments as set out below:

	30 June 2026 £m	31 December 2025 £m
Specialist Technologies	**45.7**	45.3
Precision Heat Treatment	**155.3**	155.2
	201.0	200.5

A summary of the goodwill allocated to each of the groups of CGUs containing goodwill is set out below:

	Goodwill carrying value 30 June 2026 £m
Specialist technologies:	
HIP	**5.9**
ST	**39.8**
S^3P	**nil**
Precision Heat Treatment:	
AGI	**63.5**
ADE	**79.7**
Emerging markets	**12.1**

The Group performed an indicator assessment to determine whether an impairment test was required in respect of any of its groups of CGUs as at 30 June 2026. This assessment focused on a review of the year to date performance of the groups of CGUs versus the budget and latest forecast, and the headroom as at 31 December 2025, to determine whether it was reasonably possible that the performance of any group of CGUs in the six months ended 30 June 2026 could result in an impairment. No impairment triggers were identified.

Expected future cash flows are inherently uncertain and could change materially over time. They are affected by several factors, including market and production estimates, together with economic factors such as prices, discount rates, currency exchange rates, estimates of operational costs and future maintenance capital expenditure. In the 2025 Annual Report, the Group conducted sensitivity analysis by considering reasonably possible changes to the key assumptions applied in the recoverable amount calculations for each group of CGUs. The sensitivity analysis considered downside scenarios including an increase in discount rates, a reduction in sales growth throughout the forecast period and reduced operating margin growth. With the exception of AGI and ST, no reasonably possible downside reductions to any of the assumptions resulted in an impairment for any of the groups of CGUs as at 31 December 2025.

Sensitivities related to the AGI group of CGUs disclosed in the 2025 Annual Report highlighted that headroom would be fully eroded only in the unlikely event that no benefits from Optimise and other initiatives were achieved and that margins in 2030 remain 150bps below their 2023 base, the level seen before the recent downturn in industrial and automative markets. While industrial and automotive markets were challenging in the six months ended 30 June 2026 the impact is well within the sensitivity headroom. On that basis, management has concluded that no indicator of impairment exists as at 30 June 2026. However, the sensitivity of the valuation of the group of CGUs to further adverse changes remains. For more information of the 2025 impairment exercise including the sensitivity analysis performed refer to note 7 of the 2025 Annual Report.

6. Assets held for sale

	30 June 2026 £m	31 December 2025 £m
Precision Heat Treatment	**-**	0.2
Non-core	**5.1**	3.6
Total assets held for sale	**5.1**	3.8

All assets held for sale are in a saleable condition and are expected to be sold within the next 12 months. The assets consist of a mix of land and buildings of £3.9m (31 December 2025: £3.5m), plant and machinery of £0.5m (31 December 2025: £0.3m) and right-of use assets of £0.7m (31 December 2025: £nil). Assets of £0.7m which were held for sale as at 31 December 2025 were sold in the period.

7. Provisions

	Half year to 30 June 2026			
	Restructuring £m	**Environmental £m**	**Legal £m**	**Total £m**
At 1 January 2026	**9.1**	**3.2**	**3.0**	**15.3**
Additions	**3.9**	**0.6**	**0.4**	**4.9**
Released	**(1.1)**	**(0.1)**	**(0.2)**	**(1.4)**
Utilisation	**(5.7)**	**(0.5)**	**(0.2)**	**(6.4)**
At 30 June 2026	**6.2**	**3.2**	**3.0**	**12.4**
Included in current liabilities				**10.2**
Included in non-current liabilities				**2.2**
				12.4

In 2024 the Group announced that it had commenced the Optimise programme. Refer to note 2 of these condensed consolidated interim financial statements and the 2025 Annual Report for further information of this programme.

Restructuring

Included in restructuring provision additions in the period ending 30 June 2026 are £3.6m (31 December 2025: £13.6m) which have been charged to exceptional items in the unaudited condensed consolidated income statement in respect of the Optimise programme. These charges related to the redundancy and severance of employees who had been notified before the period ending 30 June 2026, along with site closure costs where the announcement has been made. The cash outflows in respect of these provisions are expected to occur within 12 months of the balance sheet date. See note 2 for further details.

Provisions of £0.3m and £0.1m provision releases related to restructuring which were not part of the Optimisation programme were booked to operating profit in the period up to 30 June 2026.

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

The Group could be subjected to regulatory or legislative requirements to remediate sites in the future. However, it is not possible at this time to determine whether, and to what extent, any liabilities exist, other than for those recognised above. Therefore no provision is recognised in relation to these items.

Legal provisions
Legal provisions include, but are not limited to, alleged breach of contract and alleged breach of environmental legislation. While the Group cannot predict the outcome of individual legal actions, a provision is recognised if the exposure can be reliably measured and an outflow of economic benefits is considered probable. The amount provided is based on legal advice. There were no individually material provisions as at 30 June 2026.

8. Financial instruments

In accordance with IFRS 9, the Group categorises its financial instruments into those measured at 'amortised cost', 'fair value through profit or loss' and 'fair value through other comprehensive Income'.

There have been no transfers of assets or liabilities between levels of the fair value hierarchy in the periods ending 30 June 2026 and 31 December 2025. The carrying values of financial instruments at amortised cost as presented in the condensed consolidated interim financial statements approximate their fair values.

Certain EUR, USD and SEK amounts are designated as net investment hedges to the Group's subsidiaries with a matching functional currency on a 1:1 ratio.

The Group has access to a Revolving Credit Facility of £251.0m which is drawn in EUR. As at 30 June 2026, the Group had £95.1m (31 December 2025: £121.8m) available on the £251.0m committed Revolving Credit Facility which, together with cash and cash equivalents of £23.2m (31 December 2025: £25.2m), and other available committed overdraft facilities of £9.1m (31 December 2025: £9.2m), resulted in available liquidity headroom of £127.4m (31 December 2025: £156.2m). The Group also has available uncommitted short-term bank facilities to manage short-term liquidity, which are excluded from the liquidity headroom policy. The Group manages longer term liquidity through its committed bank facilities and will, if appropriate, raise funds on capital markets.

9. Share capital

	Ordinary Shares[1]		Share Capital[2]	
	30 June 2026 Number	31 December 2025 Number	**30 June 2026 £m**	31 December 2025 £m
At 1 January	**173,496,075**	182,897,496	**30.0**	31.6
Share buyback programme	**(2,528,963)**	(9,401,421)	**(0.5)**	(1.6)
Total	**170,967,112**	173,496,075	**29.5**	30.0

1 Excludes shares purchased, but not cancelled, as at 30 June 2026 of 60,000 shares (31 December 2025 £nil).

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

In 2024 a £90m share buyback programme was announced, and extended in July 2025 by £30m to a total of £120m. This programme completed in 2026 with a total of 733,485 shares repurchased for a total price including transactional costs of £5.5m which was paid in cash during the period. In the year ending 31 December 2025 a total of 9,401,421 shares were repurchased for a total price including transactional costs of £57.6m.

On 10 March 2026 a new share buyback programme was announced with the intention of purchasing shares to the value of up to £80m, which is expected to be completed by the end of 2027. This programme commenced on 11 March 2026 with an initial contract to purchase shares up to £40m. As at 30 June 2026 1,855,478 shares have been repurchased under the 2026 share buyback programme for a total price, including transactional costs, of £12.6m, of which £12.3m was paid in cash during the period.

As at 30 June 2026, a liability of £27.9m (31 December 2025: £5.3m) remained for shares contracted to be repurchased, including associated costs but for which the repurchases were still outstanding.

The nominal value of the shares purchased in the period to 30 June 2026 is £0.5m (30 June 2025: £0.9m) which has been transferred to the capital redemption reserve with the difference between the nominal value and the purchase price recorded within retained earnings.

	30 June 2026	31 December 2025
Shares purchased with a nominal value of 17 $^{3}/_{11}$p	**2,588,963**	9,401,421
Consideration excluding costs	**£18.0m**	£57.3m
Costs	**£0.1m**	£0.3m
Total consideration	**£18.1m**	£57.6m

Refer to the 2025 Annual Report for information on the share buyback programmes.

10. Dividends

	2026 Per share	2025 Per share	**2026 £m**	2025 £m
Interim dividend for the year ended 31 December	**7.2**	6.9	**12.2**	12.0
Final dividend for the prior year ended 31 December	**16.1**	16.1	**27.5**	28.7
Total dividend	**23.3**	23.0	**39.7**	40.7

The Board approved the payment of an interim dividend for 2026 of 7.2p to those shareholders on the register of Bodycote plc on 1 October 2026 to be paid on 5 November 2026. The dividend has not been included as a liability in these condensed consolidated interim financial statements. The 2025 final dividend of 16.1p per share was paid on 11 June 2026.

11. Acquisition of businesses

On 14 January 2026 the Group acquired 100% of the ordinary share capital of Spectrum Thermal Processing LLC (‘Spectrum’) in North America for a total gross consideration of £5.9m ($8.0m), including deferred consideration of £0.3m to be paid in January 2027, and receipt of £0.1m of cash and cash equivalent assets. Consideration settled to date of £5.5m was through the Group’s existing cash and borrowing facilities on a debt free basis.

Spectrum is a Precision Heat Treatment business supplying the Aerospace and Defence markets and brings well established Nadcap accredited capabilities in the Northeast US, spanning a range of high-quality Precision Heat Treatment processes complementing the Aerospace and Defence strategy in North America. The transaction has been accounted for as a business combination under IFRS 3. The accounting is provisional as the Group has twelve months to finalise the valuation of the acquired assets and liabilities under IFRS 3. The table below summarises the provisional fair values of net assets acquired:

	Provisional Half year to 30 June 2026 £m
Fair value of net assets acquired:	
Other intangible assets	**4.6**
Property, plant and equipment	**1.0**
Right-of-use assets	**0.7**
Trade and other receivables	**0.4**
Cash and cash equivalents	**0.1**
Trade and other payables	**(0.1)**
Lease liabilities	**(0.7)**
Net deferred tax liabilities	**(0.1)**
Fair value of net assets acquired	**5.9**
Total consideration transferred	**5.9**
Net cash outflow arising on acquisition:	
Cash consideration	**5.9**
Less: cash and cash equivalents acquired	**(0.1)**

Less: deferred consideration	**(0.3)**
	5.5

Acquisition related costs amounted to £0.2m (30 June 2025: £nil) and have been included in the unaudited condensed consolidated interim income statement. The gross contractual value of the trade and other receivables was £0.5m. The best estimate at the acquisition date of the contractual cash flows not expected to be collected was £nil. The business contributed £2.1m revenue and £0.6m of adjusted operating profit for the period between the date of the acquisition and the balance sheet date.

12. Notes to the cash flow statement

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Profit for the year	**31.2**	28.0
Adjustments for:		
Finance income	**(0.2)**	(0.2)
Finance charges	**4.6**	4.8
Taxation charge	**10.0**	8.6
Operating profit	**45.6**	41.2
Non-cash items reflected in operating profit before exceptional items:		
Depreciation of property, plant and equipment	**27.0**	28.2
Depreciation of right-of-use assets	**6.6**	6.3
Amortisation of other intangible assets	**5.6**	5.4
Profit on disposal of property, plant and equipment	**(1.5)**	-
Impairment of property, plant and equipment	**0.5**	-
Non-cash items reflected in exceptional items:		
Profit on disposal of property, plant and equipment	**(0.4)**	-
Disposal of business	**2.0**	-
Impairment of assets	**1.6**	1.4
EBITDA	**87.0**	82.5
Share-based payments	**3.4**	2.1
Increase in inventories	**(3.6)**	(1.2)
Increase in receivables	**(22.0)**	(11.2)
Increase in payables	**12.7**	6.9
(Decrease)/increase in provisions	**(2.9)**	0.1
Cash generated by operations	**74.6**	79.2
Net income taxes paid	**(13.6)**	(8.7)
Net exchange differences	**1.4**	(4.7)
Net cash from operating activities	**62.4**	65.8

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Cash and cash equivalents comprise:		
Cash and bank balances	**23.2**	20.2
Bank overdrafts (included in borrowings)	**(2.5)**	(1.6)
	20.7	18.6

Cash and bank balances include £0.7m (30 June 2025: £0.9m) held in the USA relating to the refund of a pension surplus which the Group intends to use to fund future pension contributions for its USA employees to avoid the full amount becoming subject to regulatory restrictions in the USA.

13. Related party transactions

There have been no material related party transactions since the last annual reporting period of 31 December 2025. Transactions between subsidiaries of the Group, which are related parties to each other, have been eliminated on consolidation and are not therefore disclosed in this note. The notes to the consolidated financial statements in the 2025 Annual Report disclose information on the remuneration of the Board of Directors (note 27) who are considered key management personnel of the Group and information on defined benefit retirement pension schemes that the Group operates (note 25).

14. Contingent liabilities

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

Alternative performance measures (APMs) (unaudited)

The 2026 Interim Results are prepared using the basis of preparation and accounting policies described in the 2025 Annual Report. To provide additional information and analysis and to enable a full understanding of the Group's results, management also makes use of a number of APMs in its internal management of the business and as part of its internal and external reporting. These APMs are prepared and presented as described below:

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

Constant currency results (including constant currency revenue and constant currency adjusted operating profit) present the 2026 results translated into GBP using the same exchange rates as were used in 2025. Constant currency results are intended to provide further insight into the trading performance of the business excluding the effects of foreign exchange movements that are beyond its control.

Organic results (including organic revenue and organic adjusted operating profit) present the results of the business stated at constant currency excluding the results of any businesses acquired or disposed of in either the current or prior year. Organic results are provided to give greater insight into the trading performance of the Group excluding the effects of changes to its composition. The acquisition of Spectrum Thermal Processing LLC has been excluded from the organic results in 2026 (see note 11 for further information). The Group sold one site in Austria in 2026 (see note 2 for more information) and 10 sites in France in 2025 (see 2025 Annual report for more information) and these have been excluded from the organic results.

EBITDA (Earnings before interest, taxation, depreciation and amortisation) is used by management to provide further information about the ability of its businesses to generate cash before working capital and other movements. EBITDA is stated before profits and losses on disposal of assets and impairment charges. A similar measure is used for the Group's covenant calculation. A reconciliation of EBITDA to operating profit and cash generated by activities is included in note 12 to the condensed consolidated interim financial statements.

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

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

Free cashflow is defined as the movement in the Group's net debt excluding payments made to the Group's shareholders in respect of dividends and share purchases, cash flows arising on the acquisitions or disposal of businesses, movements in net debt due to lease liability additions and disposals and non-cash share based payment charges which are deducted as a proxy for the costs of providing the associated benefits to employees. It is presented to give an indication of the business' ability to generate cash to support acquisitive growth and return to shareholders.

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

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

2025 Segmental APMs have been restated to reflect the changes to the Group's segments as a result of the expansion of the Optimise programme announced in July 2025 (see note 1 for details).

Adjusted operating profit

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

Adjusted operating margin

	Half year to 30 June 2026					
	Specialist Technologies £m	Precision Heat Treatment £m	Central cost and eliminations £m	Total core £m	Non-core £m	Consolidated £m
Revenue	**121.2**	**250.8**	**-**	**372.0**	**9.2**	**381.2**
Adjusted Operating Profit/(loss)	**31.6**	**37.6**	**(8.8)**	**60.4**	**0.6**	**61.0**
Adjusted operating margin (%)	**26.1%**	**15.0%**	**n/a**	**16.2%**	**6.5%**	**16.0%**

	Half year to 30 June 2025 restated					
	Specialist Technologies £m	Precision Heat Treatment £m	Central cost and eliminations £m	Total core £m	Non-core £m	Consolidated £m
Revenue	104.5	232.1	-	336.6	32.4	369.0
Adjusted Operating Profit/(loss)	27.2	34.9	(8.6)	53.5	1.6	55.1
Adjusted operating margin (%)	26.0%	15.0%	n/a	15.9%	4.9%	14.9%

Adjusted profit before taxation

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Profit before taxation	**41.2**	36.6
Add back:		
Amortisation of acquired intangibles	**4.8**	4.8
Acquisition costs	**0.2**	-
Exceptional items	**10.4**	9.1
Adjusted profit before taxation	**56.6**	50.5

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

	Half year to 30 June 2026					
	Specialist Technologies £m	**Precision Heat Treatment £m**	**Central cost and eliminations £m**	**Total core £m**	**Non-core £m**	**Consolidated £m**
Revenue	**121.2**	**250.8**	**-**	**372.0**	**9.2**	**381.2**
Constant exchange rates adjustment	**0.7**	**(1.6)**	**-**	**(0.9)**	**(0.2)**	**(1.1)**
Revenue at constant currency	**121.9**	**249.2**	**-**	**371.1**	**9.0**	**380.1**
Less adjustments for revenue from acquisitions and disposals completed in the current or prior year	**-**	**(2.2)**	**-**	**(2.2)**	**(0.9)**	**(3.1)**
Organic revenue	**121.9**	**247.0**	**-**	**368.9**	**8.1**	**377.0**
Adjusted operating profit/(loss)	**31.6**	**37.6**	**(8.8)**	**60.4**	**0.6**	**61.0**
Constant exchange rates adjustment	**0.2**	**(0.3)**	**(0.3)**	**(0.4)**	**-**	**(0.4)**
Adjusted operating profit/(loss) at constant currency	**31.8**	**37.3**	**(9.1)**	**60.0**	**0.6**	**60.6**
Less adjustments for operating profit from acquisitions and disposals completed in the current or prior year	**-**	**(0.6)**	**-**	**(0.6)**	**0.3**	**(0.3)**
Organic adjusted operating profit/(loss)	**31.8**	**36.7**	**(9.1)**	**59.4**	**0.9**	**60.3**

	Half year to 30 June 2025 restated					
	Specialist Technologies £m	Precision Heat Treatment £m	Central cost and eliminations £m	Total core £m	Non-core £m	Consolidated £m
Revenue at constant currency	104.5	232.1	-	336.6	32.4	369.0
Less adjustments from disposals completed in the prior year	-	-	-	-	(15.1)	(15.1)
Organic revenue	104.5	232.1	-	336.6	17.3	353.9
Adjusted operating profit/(loss) at constant currency	27.2	34.9	(8.6)	53.5	1.6	55.1
Less adjustments from disposals completed in the prior year	-	-	-	-	(1.7)	(1.7)
Organic adjusted operating profit/(loss)	27.2	34.9	(8.6)	53.5	(0.1)	53.4

Adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation)

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
EBITDA	**87.0**	82.5
Acquisition costs	**0.2**	-
Exceptional items, excluding gains on sale of property, plant and equipment, impairments, and loss on disposal of business	**7.2**	7.7
Adjusted EBITDA	**94.4**	90.2
Adjusted EBITDA Margin	**24.8%**	24.4%

Adjusted operating cash flow

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Adjusted EBITDA	**94.4**	90.2
Less:		
Net capital expenditure	**(33.5)**	(38.0)
Principal elements of lease payments	**(6.9)**	(6.8)
Provisions movement	**0.2**	(0.1)
Working capital movement	**(12.6)**	(7.6)
Adjusted operating cash flow	**41.6**	37.7

Free cash flow

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Adjusted operating cash flow	**41.6**	37.7
Less:		
Restructuring cash flows	**(9.5)**	(7.0)
Net income taxes paid	**(13.6)**	(8.7)
Net interest paid	**(4.0)**	(4.0)
Free cash flow	**14.5**	18.0

Adjusted operating cash conversion

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Adjusted operating cash flow	**41.6**	37.7
Adjusted operating profit	**61.0**	55.1
Adjusted operating cash conversion	**68.2%**	68.4%

Free cash flow conversion

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Free cash flow	**14.5**	18.0
Adjusted operating profit	**61.0**	55.1
Free cash flow conversion	**23.8%**	32.7%

Adjusted tax charge

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Tax charge	**10.0**	8.6
Tax on amortisation of acquired intangibles	**1.2**	1.2
Tax on exceptional items	**2.1**	2.4
Adjusted tax charge	**13.3**	12.2

Adjusted tax rate

	Half year to 30 June 2026 £m	Half year to 30 June 2025 £m
Adjusted tax charge	**13.3**	12.2
Adjusted profit before taxation	**56.6**	50.5
Adjusted tax rate	**23.5%**	24.2%

Adjusted earnings and adjusted earnings per share

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

Net debt excluding lease liabilities

	Half year to 30 June 2026 £m	Full year to 31 December 2025 £m
Cash and bank balances	**23.2**	25.2
Bank overdrafts (included in borrowings)	**(2.5)**	(0.8)
Bank loans (included in borrowings)	**(155.9)**	(129.2)
Net debt excluding lease liabilities	**(135.2)**	(104.8)
Lease liabilities	**(55.7)**	(60.8)
Net debt	**(190.9)**	(165.6)

A reconciliation of movements in net debt excluding lease liabilities to Free Cash Flow is included in the Financial Review of this press release.