Senior plc

2025 Interim Results

Delivering on strategy, strong results in line with expectations

Senior plc, an international manufacturer of high technology components and systems, is pleased to announce interim results for the half-year ended 30 June 2025.

Financial highlights **Continuing operations** **Senior (excluding Aerostructures)**	**Half-year to 30 June** **2025**	 **2024**	**change**	**change** **(constant currency)** [(4)]
Revenue	£371.2m	£361.7m	+3%	+5%
Operating profit	£29.0m	£23.8m	+22%	+26%
Adjusted operating profit [(1)]	£31.2m	£28.3m	+10%	+14%
Adjusted operating margin [(1)]	8.4%	7.8%	+60 bps	+60 bps
Profit before tax	£22.8m	£17.8m	+28%	+32%
Adjusted profit before tax [(1)]	£25.3m	£23.0m	+10%	+13%
Basic earnings per share	5.07p	3.77p	+34%	
Adjusted earnings per share [(1)]	5.07p	4.69p	+8%	
Interim dividend per share	0.85p	0.75p	+13%	
Free cash flow [(2)]	£10.6m	£7.4m	+43%	
Cash conversion [(5)]	66%	64%	+200 bps	
ROCE [(3)]	11.9%	13.6%	-170 bps	
From continuing and discontinued operations **(Senior including Aerostructures)**				
Revenue	£519.4m	£501.4m	+4%	+5%
Adjusted operating profit	£31.7m	£25.1m	+26%	+30%
Adjusted profit before tax	£24.3m	£18.4m	+32%	+37%
Adjusting items (see Note 4)	£(45.8)m	£(5.2)m		
Reported profit before tax	£(21.5)m	£13.2m	-263%	-268%
ROCE [(3)]	7.8%	7.3%	+50 bps	
Net debt excluding capitalised leases [(2)] - 30 June 2025 / 31 December 2024	£162.4m	£153.4m	£9m increase	
Leverage (net debt to EBITDA)	1.9x	1.8x		

Please see page 15 for explanation of Notes

Highlights

- Agreed sale of Aerostructures with completion expected by end of FY25
- Net proceeds to reduce net debt and fund a £40m share buyback programme
- Strong trading performance from continuing operations
  - Revenue up 5%[(4)] and adjusted operating profit up 14% [(4)] driven by improved performance in Aerospace
  - Operating margin increased 60 bps to 8.4% [(1)]
  - Adjusted earnings per share increased 8%

- Free cash flow of £10.6m, up 43%

- Robust balance sheet with leverage (net debt to EBITDA) of 1.9x (FY 2024: 1.8x)
- Interim dividend increased by 13% to 0.85p
- Trading in line with expectations, 2025 outlook unchanged
- Focused on delivering medium-term targets

Commenting on the results, David Squires, Group Chief Executive Officer of Senior plc, said:

"Senior has delivered a strong set of results in H1 2025 in line with our expectations. In July, we announced that we had reached agreement to sell our Aerostructures business: a crucial element in delivering our strategy to be a market leading, pure play fluid conveyance and thermal management company.

For our continuing business, our Aerospace division sales and profitability have grown, with good performance in the first half of the year. Our outlook for the full year is unchanged.

Flexonics delivered a strong set of results in H1, outperforming end markets. For the full year, we continue to expect performance to be broadly similar to 2024.

Overall, on a constant currency basis, the Board's expectations for the continuing Group for the full year are unchanged.

Aerostructures delivered an improved performance in the first half of 2025 compared to H1 2024. We continue to expect Aerostructures' operating profit in the range of £9m to £11m for the full year, at constant currency.

Looking ahead, we are delivering on our strategy which gives us confidence in our ability to achieve our medium-term financial targets."

Enquiries

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Notes

The Group's principal foreign exchange translation exposure is to the US Dollar. The average rate applied in the translation of Income Statement and cash flow items for H1 2025 was $1.30 (H1 2024: $1.26) and the rate applied in the translation of balance sheet items at 30 June 2025 was $1.37 (30 June 2024: $1.26; 31 December 2024: $1.25). Our current assumption is that the average US Dollar to Pound Sterling exchange rate for the full-year 2025 is $1.31.

Webcast

There will be a presentation on Monday 4 August 2025 at 09:30am BST accessible via a live webcast on Senior's website at www.seniorplc.com/investors. The webcast will be made available on the website for subsequent viewing.

Cautionary Statement

This Interim Report (the "Report") has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority and is not audited. No representation or warranty, express or implied, is or will be made in relation to the accuracy, fairness or completeness of the information or opinions contained in this Report. Statements in this Report reflect the knowledge and information available at the time of its preparation. Certain statements included or incorporated by reference within this Report may constitute "forward-looking statements" in respect of the Group's operations, performance, prospects and/or financial condition. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance shall not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities shall not be taken as a representation that such trends or activities will continue in the future. The information contained in this Report is subject to change without notice and no responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this Report shall be construed as a profit forecast.

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About Senior

Senior is a global, market leading, pure play fluid conveyance and thermal management systems provider with operations in 10 countries. It is listed on the FTSE 250 main market of the London Stock Exchange (symbol SNR). Senior designs and manufactures high value-added FCTM products and systems for the principal original equipment manufacturers in the worldwide aerospace, defence, land vehicle and power & energy markets. Senior's Purpose is "we help engineer the transition to a sustainable world for the benefit of all our stakeholders."

INTERIM MANAGEMENT REPORT 2025

Delivery of Group Strategy

Senior is delivering on its strategy to be a market leading pure play fluid conveyance and thermal management ("FCTM") business.

Aerostructures Divestment

The sale of our Aerostructures business, for an enterprise value of up to £200m, will support the Group's strategy by:

- Simplifying the Group and allowing it to focus on its high quality, differentiated products, combined with design-rich IP and expert know-how
- Positioning Senior to operate in attractive and structurally resilient end markets
- Improving the financial position and performance of the Group, delivering:
    - structurally higher operating margins
    - a reduction in the Group's net debt including removal of the lease liabilities associated with Aerostructures
    - stronger operational cash flow conversion with lower capex and working capital investment requirements
    - improved returns on capital employed
- Providing optionality both for investment in growth and shareholder returns in line with our capital allocation priorities.

The transaction is expected to complete by the end of 2025.

Global, market-leading, fluid conveyance and thermal management systems provider

Senior designs and manufactures high value-added FCTM products and systems for the principal original equipment manufacturers in the worldwide aerospace & defence, land vehicle, power & energy markets, and adjacent markets.

Investment proposition post divestment

- Differentiated products, combined with design-rich IP and expert know-how
- Well-positioned for growth, outperforming attractive and structurally resilient end markets
- Sustained profitable growth and lower capital intensity, driving improved returns and enhanced value for shareholders
- Stronger operational cash flow conversion, supporting investment in growth and shareholder returns

With our extensive design expertise, intellectual property and know-how in FCTM, Senior provides solutions highly valued by our customers in environments where extreme temperature and pressure conditions make the safe and efficient handling of fluids technically demanding, and thermal management very important. For example:

- Managing very hot bleed air from engine to environmental control system ("ECS") requires sophisticated systems design and modelling capability
- Delivering breathable air from the ECS to passengers also draws on deep-seated systems expertise and domain knowledge
- The extreme temperatures, and flow of hydrocarbons, in an oil refinery must be managed to safely protect infrastructure
- Internal combustion engine ("ICE"), electric and hybrid vehicles need sophisticated cooling technology to operate safely, efficiently, and sustainably

As well as managing these performance and safety-critical features for existing customer applications, Senior's technology enables the use of newer technology to support the shift towards lower carbon solutions, whether that be:

- The use of fuel cells or sustainable aviation fuel in aerospace
- The shift towards nuclear and renewable power generation
- The increasing electrification of land vehicles

Senior offers pivotal technologies for environmental efficiency and emissions reduction, enabling cleaner and more efficient conventional technology as well as new low carbon product offerings.

Strategic growth potential

Senior will invest in markets where we believe there is significant growth potential and where the Group's existing FCTM skills and knowledge can be leveraged.

One such area is Aerospace, where highly-engineered fluid conveyance components are designed, qualified and manufactured to international aerospace standards. This market has high barriers to entry and attractive returns. We are broadening our product portfolio for specific products such as flanges, couplings and fittings. Our high-pressure hydraulic fittings business, Spencer Aerospace ("Spencer") has continued to grow strongly with sales up by 66% year-on-year.

Further information on Senior's investment proposition, strategy and strategic priorities and FCTM can be found on pages 32 to 39 of our Annual Report & Accounts 2024 or on our website at www.seniorplc.com.

Medium-term financial targets

Continued successful execution of the Group's strategy will support the delivery of its medium-term financial targets which were announced in March 2025:

- Group adjusted [1] operating margins: at least double-digit margins
    - Aerospace: at least mid-teens
    - Flexonics: 10%-12%
- Cash conversion [2] target: greater than 85% through the cycle
- ROCE [3]: 15-20%

These targets are underpinned by a strong balance sheet, with leverage [4] at 0.5x to 1.5x and supported by an expectation of mid-single digit organic revenue growth through the cycle.

Market Overview

Civil Aerospace (32% of Group)

Air traffic experienced continued growth, with all regions experiencing improvements in the six months ending June 2025. According to the International Air Transport Association (IATA), the latest data indicates that total demand, measured in Revenue Passenger Kilometers (RPKs), increased by 5.1% compared to the first half of 2024. Air traffic is forecast to continue growing as incomes rise, particularly in developing markets in Asia. This growth, together with fleet replacement, is expected to drive a 3-4% per annum increase in new aircraft demand over the long term.

During the first half of 2025, Airbus delivered 306 aircraft compared to 323 in the first half of 2024 and a target of around 820 for the full year (FY24: 766). Airbus stated their A320 Family programme continues to ramp up towards a rate of 75 aircraft per month in 2027. The A330 programme is currently stabilising at a monthly production rate of 4 aircraft and in order to meet customer demand the Company now targets rate 5 in 2029. Airbus continues to target rate 12 for the A350 in 2028 and a monthly A220 production rate of 14 aircraft in 2026.

In the first half of 2025, Boeing delivered 280 aircraft in the period, compared to 175 in the same period in 2024. Boeing stated that the 737 programme increased the production rate to 38 per month in Q2, and plans to stabilise at that rate before requesting approval to increase to 42 per month later this year. Boeing also stated that 787 programme production rate is now at seven per month, from five per month. The 777X programme continues its flight-testing programme with more than 1,400 flights and 4,000 flight hours completed.

Embraer delivered 26 commercial aircraft in the period, a similar number to the first half of 2024. It continues to forecast that it will deliver between 77-85 commercial aircraft in 2025. Embraer delivered 61 business jets in the first half of 2025 (H1 2024: 45), and forecasts it will deliver between 145-155 business jets in 2025. Global business jet activity was up by 3% year-on-year in the first half of 2025 according to WingX, with growth coming from the USA and Middle Eastern market, offsetting weaker demand in Europe. Deliveries of business jets are anticipated to increase by 12% year-on-year in 2025 and by 2% per annum over the next decade according to Honeywell's Global Business Aviation Outlook.

Defence (16% of Group)

Senior develops content for key US and European military aircraft platforms. Currently, Senior's defence are primarily focused on US military aircraft platforms, such as the F-35, T-7A Red Hawk and C-130J, with content also on European programmes such as Eurofighter Typhoon, Dassault Rafale and Airbus A400M.

Lockheed Martin has stated that it continues to experience strong international demand for the F-35, with recently received orders from the UK and Belgium, and with Denmark expressing intent. Lockheed Martin confirmed it remains on track to deliver 170-190 F-35 aircraft in 2025.

With heightened geopolitical tension, defence spending in Europe is anticipated to increase, resulting in higher production rates for the Eurofighter Typhoon and Dassault Rafale fighter jet programmes. According to the respective companies, the former is expected to increase from 14 per annum in 2025 to 20 per annum in 2028, while the latter is increasing production from 24 to 48 per annum by 2028.

Other Aerospace (Adjacent Markets) (9% of Group)

Sales from our Aerospace operating businesses into end markets outside of the civil aerospace and defence markets are classified under "Other Aerospace" and include sales into the semiconductor equipment, space and medical markets. Using our world-class bellows technology, we manufacture highly-engineered proprietary products to provide unique solutions for semiconductor manufacturing equipment and medical device markets.

In the semiconductor sector, global sales are forecast to grow by 11% in 2025 by World Semiconductor Trade Statistics. This is being driven by demand for AI-related and cloud infrastructure such as servers, and advanced consumer electronics, which, in turn, will drive demand for semiconductor-manufacturing equipment.

Land Vehicle (27% of Group)

In the first half of the year, demand in heavy-duty truck markets weakened in both North America and Europe.

According to Americas Commercial Transportation ("ACT") Research, North American heavy-duty truck production in H1 2025, was down 19% year-on-year. Continued weak profitability in the North American road-freight sector, imposition of tariffs, rescinding of environmental regulations and the removal of infrastructure subsidies has led to lower demand. This, coupled with high inventory levels, is likely to limit production levels during the remainder of 2025, with ACT forecasting production to decline by 31% year-on-year in H2 2025 and by 24% for the full year 2025. Looking ahead, production in 2026 is anticipated to be flat based on the assumption that there is no pre-buy driven by an EPA regulation change.

In the European heavy-duty truck market, S&P Global ("S&P") data shows that although production was down 15% year-on-year in H1 2025, production for the full year 2025 is forecast to be up by 3%.

According to S&P, European and North American light vehicle production declined by 5% in H1 2025 year-on-year. S&P is forecasting that light vehicle production in 2025 will fall by 4% in Europe, by 5% in North America and increase by 5% in India.

Power & Energy (16% of Group)

Global electricity consumption increased strongly in the first half of 2025, driven by rising demand from industry, appliances, cooling, data centres and electrification. It is forecast to grow 3% in 2025 and 4% in 2026, according to the IEA.

The first half of 2025 saw a softening in the demand for oil. International Energy Agency ("IEA") revised their 2025 forecast downwards and now expects global oil demand to be the lowest since 2009 (excluding the exceptional drop during 2020), with the second half of 2025 maintaining the current pace.

Global upstream oil and gas investment is forecast to decline by 4% in 2025, with US independent shale producers accounting for the majority of the reductions, reflecting more cautious capital deployment across the industry.

Results Overview – Continuing Operations

Please note that unless stated otherwise, Group references below focus on the continuing operations.

The Group delivered a strong trading performance, with increased revenue and profitability, in the first half of 2025.

While there has been much discussion around trade and tariffs, for Senior, the direct impact of announced tariffs is limited and manageable. We remain mindful of the potential broader macroeconomic impact on the market sectors in which we operate and will continue to monitor the situation and respond appropriately.

Book-to-bill ratio for the period was 1.01, with Aerospace at 1.05, driven by increasing build rates and Flexonics at 0.94, reflecting end-market dynamics described above.

Group revenue increased by 5% on a constant currency basis in the first half of 2025 to £371.2m, with growth in both divisions. Exchange rates had an adverse impact of £8.5m or 2.3% to revenue.

In Aerospace, revenue increased 7% year-on-year on a constant currency basis. The increase reflected improved pricing; continued strong growth of 66% in Spencer Aerospace; higher defence volumes; and good growth in sales to adjacent markets such as semiconductor equipment. Civil OEM production rates are increasing and there continues to be some rebalancing of inventory across the supply chain.

Flexonics performed slightly better than anticipated with revenue increasing 2% compared to prior year, on a constant currency basis. Land vehicle revenues increased 5.3%, as newer contracts moved into series production. The Group continued to see robust demand in our downstream oil & gas and nuclear business, which partially offset the expected lower sales in upstream oil & gas and other industrial sectors.

The Group's adjusted [(6)] operating profit increased by 14% on a constant currency basis to £31.2m (H1 2024: £27.4m). Adjusted [(6)] operating margin increased by 60 basis points, to 8.4% for the half year. The increase in profitability for the Group was driven by improved pricing, higher volumes in Aerospace, favourable mix in Flexonics and strong performance in our joint venture in China. The Group's adjusted [(1)] profit before tax increased by 10% to £25.3m (H1 2024: £23.0m).

Reported operating profit was £29.0m (H1 2024: £23.8m) and this performance is further described in the Other Financial Information section below. Profit before tax was £22.8m (H1 2024: £17.8m) and basic earnings per share was 5.07 pence (H1 2024: 3.77 pence).

The Group generated free cash flow of £10.6m in H1 2025 compared to £7.4m in H1 2024.

Further H1 2025 financial performance is described in the Divisional and Financial Review sections below.

Capital allocation policy

Senior's capital allocation policy prioritises organic growth and a progressive dividend policy, whilst maintaining a strong balance sheet that continues to provide optionality:

- **Organic growth**
  - **R&D investment** - continue to invest 2%-3% of revenue into R&D
  - **Capital expenditure** - is expected to be 1.1x depreciation over the medium-term, in support of growth projects where contracts have been secured
- **Dividends** - continue to follow a progressive dividend policy reflecting earnings per share, free cash flow generation, market conditions, and dividend cover; maintaining earnings cover of 2.5x-3.5x
- **Leverage** - maintain strong balance sheet by targeting net debt to EBITDA of 0.5x to 1.5x
- **Return of capital** - return excess cash to shareholders
- **Value accretive bolt-on M&A** - maintain disciplined approach to additions to our portfolio

Dividends

Reflecting the confidence in the Group's performance, financial position and future prospects, the Board has approved an interim dividend of 0.85 pence per share, representing a 13% increase compared to the prior year (H1 2024: 0.75 pence). This will be paid on 14 November 2025 to shareholders on the register at the close of business on 17 October 2025. In the medium term, we will continue to follow a progressive dividend policy reflecting earnings per share, free cash flow generation, market conditions and dividend cover.

Share buyback programme

Consistent with the Group's capital allocation policy, the upfront net cash proceeds arising from the Aerostructures transaction will be used to reduce net debt and undertake a £40m share buyback programme. The buyback will commence following completion of the Transaction and the receipt of the proceeds. The application of any additional cash proceeds that might become payable as a consequence of the earn out will be determined at the time, in line with our capital allocation priorities.

Sustainability

Senior continues to be a leading performer in sustainability disclosure and action among its peer companies. We remain committed to this priority—an approach that is increasingly aligned with our customers' expectations, as many now view sustainability performance as a critical criterion in supplier selection.

(6) We measure Group performance on an adjusted basis, which excludes items that do not directly reflect the underlying trading performance in the period (see Note 4). References above therefore focus on these adjusted measures.

This year, we continue to make progress toward our greenhouse gas reduction targets by expanding our use of renewable energy and increasing on-site solar generation across our operations.

In the first half of 2025, we continued to make good progress with our key sustainability metrics and activities. In particular, we were awarded by CDP ‘A’ leadership scores for our disclosure and action on climate change for 2024 and for Supplier Engagement.

Outlook

For our continuing business, our Aerospace division sales and profitability have grown with good performance in the first half of the year. Our outlook for the full year is unchanged.

Flexonics delivered a strong set of results in H1, outperforming end markets. For the full year, we continue to expect performance to be broadly similar to 2024.

Overall, on a constant currency basis, the Board’s expectations for the continuing Group for the full year are unchanged. [7]

Aerostructures delivered an improved performance in the first half of 2025 compared to H1 2024. We continue to expect Aerostructures operating profit in the range of £9m to £11m for the full year, at constant currency.

Looking ahead, we are delivering on our strategy which gives us confidence in our ability to achieve our medium-term financial targets.

DAVID SQUIRES
Group Chief Executive Officer

(7) Our current assumption is that the average US Dollar to Pound Sterling exchange rate for the full-year 2025 is $1.31.

DIVISIONAL REVIEW – CONTINUING GROUP

Please note that unless stated otherwise, references below focus on the continuing Group.

Aerospace Division (8)

The Aerospace Division represents 57% (H1 2024: 55%) of Group revenue and consists of operations in the USA, Mexico, France and the United Kingdom. The Division's operating results on a constant currency basis are summarised below:

	H1 2025	H1 2024 (8)	Change
Revenue	£208.9m	£194.8m	+7.2%
Adjusted operating profit	£21.6m	£19.1m	+13.1%
Adjusted operating margin	10.3%	9.8%	+50bps

(8) H1 2024 results translated using H1 2025 average exchange rates - constant currency.

Revenue Reconciliation	£m
H1 2024 revenue	194.8
Civil aerospace	1.9
Defence	7.0
Other adjacent markets	5.2
H1 2025 revenue	208.9

Contract Wins

The Aerospace Division has been awarded several new or extended contracts this year from the following customers:

- Spencer was awarded a 3-year contract award from an industry leading distributor for high pressure hydraulic fittings
- Metal Bellows was awarded a multi-year contract extension from a major OEM for compressor pumps
- Steico Industries was awarded additional scope (multiple parts) on a key defence platform
- Thermal Engineering was awarded a contract extension with improved pricing for proprietary thermal insulation components

H1 Performance

Overall, our Aerospace division continues to make good progress strategically and operationally.

Revenue in the Aerospace Division increased by 7.2% year-on-year on a constant currency basis. The increase reflected improved pricing, higher defence volumes and higher demand from adjacent markets mainly in the semiconductor equipment sector.

Civil aerospace

Civil aerospace OEM production rates are increasing and there is some rebalancing of inventory across the supply chain. As a result, during the period Senior's sales increased by 1.7% compared to prior year. Spencer Aerospace continued to grow strongly, up 66% in the first half compared to 2024. 7% of civil aerospace sales were from widebody aircraft in the first half of 2025, with the other 93% of sales being from single aisle aircraft and regional and business jets.

Defence

Total revenue from the defence sector increased by £7.0m,14.0%, with higher sales to F35, C-130, Typhoon, and aftermarket.

Adjacent markets

Revenue derived from adjacent markets such as space, power & energy, medical and semiconductor equipment, where the Group manufactures products using very similar technology to that used for certain aerospace products, increased 16.9% to £35.9m as a result of the improvement in demand from our semiconductor equipment customers.

Operational performance
Our supply chains continue to stabilise as a result of specific actions we and our suppliers have implemented, with a few remaining hotspots being managed accordingly. We continue to monitor our customers comments on the progress with their supply chains.

Adjusted operating profit

During the period, adjusted operating profit increased by 13.1% to £21.6m (H1 2024: £19.1m) and the adjusted operating margin increased by 50 basis points to 10.3% (H1 2024: 9.8%). This increase reflected improved pricing and higher sales.

Outlook

In Aerospace, for our continuing business, sales and profitability have grown with good performance in the first half of the year. Our outlook for the full year is unchanged.

Flexonics Division [9]

The Flexonics Division represents 43% (H1 2024: 33%) of Group revenue and consists of operations in North America, continental Europe, the United Kingdom, South Africa, India, and China. The Division's operating results on a constant currency basis are summarised below:

	H1 2025	H1 2024 [9]	Change
Revenue	£162.8m	£159.2m	+2.3%
Adjusted operating profit	£18.4m	£17.3m	+6.4%
Adjusted operating margin	11.3%	10.9%	+40bps

(9) H1 2024 results translated using H1 2025 average exchange rates - constant currency.

Revenue Reconciliation	£m
H1 2024 revenue	159.2
Land vehicle	5.0
Power & energy	(1.4)
H1 2025 revenue	162.8

Contract Wins

The Flexonics Division has been awarded a number of important contracts this year which include:

- Supply of fluid conveyance assemblies for multiple light vehicle ICE and hybrid engine types by a global supplier for components used across the range of diesel, gasoline and hybrid platforms
- Exhaust gas recirculation coolers on a new engine type (with Euro 7 specification) to be used on multiple vehicle platforms by a leading global manufacturer of heavy-duty trucks
- Supply of fluid conveyance assemblies to a leading European truck OEM for the heavy-duty commercial market by Cape Town
- Supply of fluid conveyance assembly for the large marine vessel market to a leading European marine engine OEM by Olomouc
- Supply of non-invasive fluid conveyance medical equipment by Bartlett to a medical device OEM
- Pathway awarded expansion joint contract for the space market

H1 Performance

Flexonics revenue increased 2.3% compared to the prior year, on a constant currency basis. The increase reflected the benefit of the launch and ramp up of newer programmes in both North America and Europe.

Land vehicles

Sales to land vehicle markets increased by 5.3%, outperforming end markets, as newer contracts moved into series production. Sales to passenger vehicle markets grew by 41.7% to £31.6m, more than offsetting the market-related reductions in the North American truck and off-highway markets.

Senior's European truck and off-highway sales increased by 0.5% (£21.1m) in the period, as we benefited from the launch and ramp of new programme wins, significantly outperforming the end market which decreased by 15% year-on-year in the first half of 2025.

Sales to other truck and off-highway regions increased by £0.6m to £4.4m driven by growth in India.

As anticipated, Senior's sales to the North American truck market decreased by 13.1% to £27.8m, compared to market production decreasing by 19%. Our North American off-highway sales decreased 5.0% to £15.3m.

Power & energy

In the Group's power & energy and related business, sales decreased by 2.2% to £62.6m in the first half. Sales to oil and gas customers increased by 22.4% to £20.8m as a result of robust demand in our downstream oil and gas business, assisted by the delivery of Pathway's expansion joints to the Government Authority of India Limited's project. Sales to other power & energy markets decreased by 11.1% to £41.8m, reflecting the reduction in sales to our upstream oil and gas customers, due to a lower share of this very competitive market sector, and lower volumes in our other industrial market sectors.

Adjusted operating profit

Adjusted operating profit increased by £1.1m compared to prior period. The divisional adjusted operating margin increased by 40 bps to 11.3% (H1 2024:10.9%) benefiting from favourable mix, particularly, higher downstream oil and gas.

In addition, our joint venture in China performed strongly in the period, contributing £1.8m (H1 2024: £0.7m) to Group adjusted operating profit.

<u>Outlook</u>
Flexonics delivered a strong set of results in H1, outperforming end markets. For the full year, we continue to expect performance to be broadly similar to 2024.

OTHER FINANCIAL INFORMATION – Continuing Operations

Revenue

Group revenue increased by 5% on a constant currency basis in the first half of 2025 to £371.2m, with growth in both divisions. The year-on-year increase reflected improved pricing and higher volumes. Exchange rates had an adverse impact of £8.5m.

Operating profit

Adjusted operating profit increased by 10.2% or £2.9m to £31.2m (H1 2024: £28.3m). Excluding the adverse exchange rate impact of £0.9m, adjusted operating profit increased by 13.9%, of which £3m was a recovery related to a commercial settlement in connection with an insurance claim.

After accounting for £0.8m amortisation of intangible assets from acquisitions (H1 2024: £0.8m) and £1.4m site relocation costs (H1 2024: £2.6m), reported operating profit was £29.0m (H1 2024: £23.8m).

Site relocation costs of £1.4m (H1 2024: £2.6m) include £0.7m related to the continued transfer of manufacturing from Senior Aerospace SSP's facility in California, USA, to its cost competitive facility in Mexico.

The Group also incurred £0.4m costs related to the transfer of Senior's Crumlin engineering and manufacturing business in Wales, UK to a nearby higher-tech facility to better support its scale, design, development, test and qualification capabilities and a further £0.3m related to a site move in New Delhi, India.

Reported operating profit in the Aerostructures Division was £0.5m (H1 2024: £3.2m loss).

Finance costs and income

Gross finance costs, including fair value change of contingent consideration related to the Spencer acquisition were £10.7m (H1 2024: £10.4m) and finance income was £4.5m (H1 2024: £4.4m). Net finance costs (net of finance income and before fair value change of contingent consideration related to the Spencer acquisition) increased to £5.9m (H1 2024: £5.3m).

Net finance costs comprise of IFRS 16 interest charge on lease liabilities of £1.1m (H1 2024: £0.8m), net finance income on retirement benefits of £1.1m (H1 2023: £1.0m) and net interest charge of £5.9m (H1 2024: £5.5m). This increase was driven by higher underlying interest rates and higher borrowings in H1 2025 versus the prior period.

Tax charge

The adjusted tax rate for the period was 17.0% (H1 2024: 15.7%), being a tax charge of £4.3m (H1 2024: £3.6m) on adjusted profit before tax of £25.3m (H1 2024: £23.0m). The adjusted tax rate benefits from enhanced deductions for R&D expenditure in the USA as well as the geographical mix of taxable profits.

The reported tax rate was 7.9%, being a tax charge of £1.8m on reported profit before tax of £22.8m. This included £2.5m tax credit against items excluded from adjusted profit before tax, of which £0.2m credit related to amortisation of intangible assets from acquisitions, £0.4m related to site relocation costs and £1.9m related to corporate undertakings.

The H1 2024 reported tax rate was 12.4%, being a tax charge of £2.2m on reported profit before tax of £17.8m. This included £1.4m tax credit against items excluded from adjusted profit before tax, of which £0.2m credit related to amortisation of intangible assets from acquisitions, £0.7m related to site relocation costs, £0.3m related to US class action lawsuit and £0.2m related to corporate undertakings.

Cash tax paid was £3.6m (H1 2024: £5.0m) and is stated net of tax refunds received of £nil (H1 2024: £0.1m). The refunds arose from the offset of tax losses against taxable profits of prior periods.

Earnings per share

The weighted average number of shares, for the purposes of calculating undiluted earnings per share, increased to 414.3 million (H1 2024: 413.8 million). This was driven by the purchase of shares held by the employee benefit trust ("EBT") during 2024 and H1 2025.

The adjusted earnings per share increased by 8% to 5.07 pence (H1 2024: 4.69 pence). Basic earnings per share was 5.07 pence (H1 2024: 3.77 pence). See Note 7 for details.

Return on capital employed ("ROCE")

ROCE, which is measured on a trailing 12-month basis, was 11.9% for continuing operations at the end of June 2025 (13.6% end of June 2024). The change from prior year mainly reflects the higher adjusted operating profit and lower average capital base in the prior period, as a result of retrospective customer price increases in the second half of 2023 and the impact of the Spencer acquisition. It is worth noting that ROCE for Continuing Operations at the end of June 2025 is considerably higher than ROCE for Continuing and Discontinued Operations of 7.8% in the same period.

Free Cash flow

Free cash flow generated from continuing operations, as set out in the table below, was £10.6m (H1 2024: £7.4m). The Group had a working capital outflow of £13.3m (HY 2024: £15.6m) in the first half with investment in inventory and timing of receivable collections. Working capital represented 16.1% of revenue (31 December 2024: 14.0%).

Gross capital expenditure was £13.9m (H1 2024: £11.4m) which equates to 1.3 times (H1 2024: 1.1 times) depreciation excluding the impact of IFRS16. We continue to invest in our asset base to support organic growth across the business. For example, in the first half, we invested in vertical integration within our Bartlett plant, USA and supported the site relocation of our plant in Crumlin, UK. For the full year 2025, capital expenditure is expected to be above depreciation excluding IFRS 16.

	H1 2025 £m	H1 2024 £m
Operating profit	**29.0**	23.8
Amortisation of intangible assets from acquisitions	**0.8**	0.8
Site relocation costs	**1.4**	2.6
US class action lawsuit	**-**	1.1
Adjusted operating profit	**31.2**	28.3
Depreciation (including amortisation of software)	**14.0**	13.6
Working capital and provisions movement, net of restructuring items	**(13.3)**	(15.6)
Pension contributions	**(0.3)**	(0.3)
Pension service and running costs	**0.8**	0.8
Other items[(1)]	**2.0**	2.8
Interest paid, net	**(6.5)**	(5.8)
Income tax paid, net	**(3.6)**	(5.0)
Capital expenditure	**(13.9)**	(11.4)
Sale of property, plant and equipment	**0.2**	-
Free cash flow	**10.6**	7.4
Acquisition consideration paid	**(1.3)**	(10.7)
Restructuring cash paid	**-**	(0.3)
Site relocation costs paid	**(1.4)**	(0.7)
Dividend from Joint Venture	**1.0**	1.5
Dividends paid	**(6.8)**	(7.0)
Purchase of shares held by employee benefit trust	**(1.6)**	(3.0)
Net cash flow Continuing Operations	**0.5**	(12.8)
Net cash flow Discontinued Operations	**(13.7)**	(5.7)
Effect of foreign exchange rate changes	**13.9**	(0.5)
IFRS 16 non-cash additions and modifications including acquisition	**(6.1)**	(10.3)
Change in net debt	**(5.4)**	(29.3)
Opening net debt	**(229.6)**	(203.8)
Closing net debt	**(235.0)**	(233.1)

(1) Other items comprises £1.8m share-based payment charges (H1 2024: £2.8m), £(1.8)m profit on share of joint venture (H1 2024: £(0.7)m), £2.2m working capital and provision currency movements (H1 2024: £1.1m) and £(0.2)m profit on sale of fixed assets (H1 2024: £nil).

Retirement benefit schemes

The retirement benefit surplus in respect of the Group's UK defined benefit pension plan ("the UK Plan") decreased by £0.5m to £43.0m (31 December 2024: £43.5m) mainly due to £1.2m net actuarial losses and £0.5m administration costs partly offset by £1.2m net interest income.

The triennial actuarial valuation of the UK Plan as at 5 April 2022 showed a surplus of £24.5m (5 April 2019: deficit of £10.2m). The Group's deficit reduction cash contributions to the UK Plan ceased on 30 June 2022.

Retirement benefit deficits in respect of the US and other territories increased by £0.6m to £7.4m (31 December 2024: £6.8m). The estimated cash contributions expected to be paid in 2025 to the US plans is estimated at £0.4m (2024: £0.4m).

Discontinued operations

Revenue in Aerostructures grew by 6.3% from £140.8m to £149.7m on a constant currency basis. Adjusted operating profit improved by 116.1% to £0.5m (H1 2024: £3.1m loss) on a constant currency basis in H1 2025.

Reported operating profit improved by £3.7m to £0.5m in H1 2025. After accounting for a £39.7m impairment (H1 2024: £nil) following classification as held for sale, £3.6m disposal costs and £1.5m net interest costs, reported loss before tax was £44.3m (H1 2024: £4.6m loss).

Aerostructures had a free cash outflow of £12.1m in H1 2025 (H1 2024: £4.4m outflow), reflecting increased levels of working capital as trading increased in the period.

OTHER FINANCIAL INFORMATION – Continuing and Discontinued Operations

Net debt

Net debt including IFRS 16 lease liabilities increased by £5.4m to £235.0m at 30 June 2025 (31 December 2024: £229.6m). The Group had a net cash outflow of £13.2m (as defined in Note 12c), before £13.9m favourable foreign exchange movements and £6.1m non-cash changes in lease liabilities due to additions and modifications.

The Continued Group generated net cash flow of £0.5m and Discontinued Group of £13.7m outflow. The Group paid £1.3m in respect of the Spencer acquisition consideration, £1.4m in site relocation costs, £6.8m in dividends and purchased £1.6m in shares for the employee benefit trust. In addition, the Group received a £1.0m dividend from its joint venture in China.

Net debt excluding IFRS 16 lease liabilities of £72.6m (31 December 2024: £76.2m) increased by £9.0m to £162.4m at 30 June 2025 (31 December 2024: £153.4m).

Funding and Liquidity

At 30 June 2025, the Group held committed borrowing facilities of £301.9m, comprising six private placement loans and two rolling credit facilities. The Group had headroom of £139.5m under these committed facilities.

In February 2025, new private placement notes of $40m (£32m) were issued and drawn down, carrying an interest rate of 5.46% and are due for repayment in February 2029.

In June 2025, the Group extended the maturity of its $50m US Revolving Credit Facility (“RCF”) to June 2027.

On 24 July 2025, a Term Loan Facility of £30m was issued for a period of 6 months, at a variable interest rate with an option to extend. This facility was issued as a short-term committed facility increasing headroom until the disposal of the Aerostructures business. The weighted average maturity of the Group’s committed facilities was 2.5 years at 30 June 2025 and 2.2 years including Term Loan Facility issued in July 2025.

Net debt (defined in Note 12c) was £235.0m, including £72.6m of capitalised leases. The Group’s lending covenants under its borrowing facilities exclude the impact of these leases.

There are two covenants for committed borrowing facilities, which are tested at June and December: the Group’s net debt to EBITDA (defined in the Notes to the Financial Headlines) must not exceed 3.0x and interest cover and the ratio of EBITDA to interest must be higher than 3.5x.

At 30 June 2025, the Group’s net debt to EBITDA was 1.9x and interest cover was 7.1x, both comfortably within covenant limits. For all testing periods within the Going Concern Period (defined in Note 2), there is sufficient headroom to remain within the covenant limits and the Group’s committed borrowing facilities, even in a severe but plausible downside scenario.

Going concern basis

The Directors have, at the time of approving these Condensed Consolidated Interim Financial Statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the Going Concern Period. Accordingly, they continue to adopt the going concern basis of accounting in preparing these Condensed Consolidated Interim Financial Statements, having undertaken a rigorous assessment of the financial forecasts. Further details are provided in Note 2.

Risks and uncertainties

Pages 50 to 59 of the Annual Report & Accounts 2024 (available at www.seniorplc.com) detail the Group's risk and assurance framework, principal risks and uncertainties that could have a material impact on the Group and the mitigating actions undertaken in response to those principal risks and uncertainties. The principal risks facing the Group relate to geopolitical and economic impact, implementation of strategy, climate change, innovation and technological change, cyber/information security, customer disruption, supply chain challenges, programme management, price-down pressures, talent and skills, financing and liquidity and corporate governance breach.

The principal risks have been reviewed for 30 June 2025 and the Group believes that the principal risks as disclosed in the Annual Report and Accounts 2024 are still appropriate and anticipated to remain unchanged for the remainder of 2025.

Footnotes

This Release, together with other information on Senior plc, can be found at: www.seniorplc.com

(1) Adjusted operating profit and adjusted profit before tax are stated before £0.8m amortisation of intangible assets from acquisitions (H1 2024: £0.8m), £1.4m site relocation costs (H1 2024: £2.6m) and £nil US class action lawsuit (H1 2024: £1.1m). Adjusted profit before tax is also stated before £0.3m costs associated with corporate undertakings (H1 2024: £0.7m costs). A reconciliation of adjusted operating profit to operating profit is shown in Note 4. Adjusted operating margin is the ratio of adjusted operating profit to revenue.

(2) See Note 12b and 12c for derivation of free cash flow and of net debt, respectively.

(3) Return on capital employed ("ROCE") is derived from the last twelve months of adjusted operating profit (as defined in Note 4) divided by the average of the capital employed at the start and end of that twelve-month period, capital employed being total equity plus net debt (as derived in Note 12c).

(4) Constant currency is H1 2024 results translated using H1 2025 average exchange rates.

(5) Cash conversion is operating cash flow divided by adjusted operating profit. Operating cash flow is net cash from operating activities after investment in capital expenditure and excludes adjusting items, but before interest and tax.

(6) We measure Group performance on an adjusted basis, which excludes items that do not directly reflect the underlying trading performance in the period (see Note 4). References below therefore focus on these adjusted measures.

(7) Our current assumption is that the average US Dollar to Pound Sterling exchange rate for the full-year 2025 is $1.31.

(8) The Aerospace Divisional review is on a constant currency basis, whereby H1 2024 results have been translated using H1 2025 average exchange rates and on an adjusted basis to exclude amortisation of intangible assets from acquisitions site relocation costs, US class action lawsuit and costs associated with corporate undertakings.

(9) The Flexonics Divisional review, presented before the share of the joint venture results, is on a constant currency basis, whereby H1 2024 results have been translated using H1 2025 average exchange rates and on an adjusted basis to exclude site relocation costs.

The following measures are used for the purpose of assessing covenant compliance for the Group's borrowing facilities:

- EBITDA is adjusted profit before tax and before interest, depreciation, amortisation and profit or loss on sale of property, plant and equipment. It also excludes EBITDA from businesses which have been disposed and includes EBITDA for businesses acquired and it is based on frozen GAAP (pre-IFRS 16). EBITDA for the 12-month period ending June 2025 was £90.6m.
- Net debt is defined in Note 12c, however for covenant purposes it is based on frozen GAAP (pre-IFRS 16) and as required by the covenant definition, it is restated using 12-month average exchange rates.
- Interest is adjusted finance costs and finance income before net finance income of retirement benefits. It also excludes interest from businesses which have been disposed and it is based on frozen GAAP (pre-IFRS 16).
- The definition of adjusted items in the Condensed Consolidated Income Statement is included in Note 4.

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

1. the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted for use by the UK;
2. the Interim Management Report herein includes a fair review of the information required by:
   a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
   b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By Order of the Board

David Squires Group Chief Executive Officer	Alpna Amar Chief Finance Officer
4 August 2025	4 August 2025

Condensed Consolidated Income Statement

For the half-year ended 30 June 2025

	Notes	Half-year ended 30 June 2025	Half-year [(a)] ended 30 June 2024
		£m	£m
Revenue	3	371.2	361.7
Trading profit		27.2	23.1
Share of joint venture profit	9	1.8	0.7
Operating profit [(1)]	3	29.0	23.8
Finance income		4.5	4.4
Finance costs		(10.7)	(10.4)
Corporate undertakings	4	-	-
Profit before tax [(2)]		22.8	17.8
Tax charge	5	(1.8)	(2.2)
Profit for the period from continuing operations		21.0	15.6
Discontinued operations			
Loss from discontinued operations, net of tax	18	(43.4)	(4.7)
(Loss)/profit for the period		(22.4)	10.9
Attributable to:			
Equity holders of the parent from continuing operations		21.0	15.6
Equity holders of the parent from discontinued operations		(43.4)	(4.7)
Earnings per share			
From continuing and discontinued operations			
Basic [(3)]	7	(5.41)p	2.63p
Diluted [(4)]	7	(5.41)p	2.57p
From continuing operations			
Basic	7	5.07p	3.77p
Diluted		4.92p	3.68p

a) Comparative information has been re-presented due to discontinued operations, see Note 18.

[(1)] Adjusted operating profit – continuing operations	4	31.2	28.3
[(2)] Adjusted profit before tax - continuing operations	4	25.3	23.0
[(3)] Adjusted earnings per share - continuing operations	7	5.07p	4.69p
[(4)] Adjusted and diluted earnings per share - continuing operations	7	4.92p	4.58p

Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 30 June 2025

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
	£m	£m
Profit for the period	(22.4)	10.9
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Gains/(losses) on foreign exchange contracts- cash flow hedges during the period	8.4	(2.9)
Reclassification adjustments for losses included in profit	(1.4)	0.2
Gains/(losses) on foreign exchange contracts- cash flow hedges	7.0	(2.7)
Exchange differences on translation of overseas operations	(20.1)	(2.5)
Tax relating to items that may be reclassified	(2.0)	0.6
	(15.1)	(4.6)
Items that will not be reclassified subsequently to profit or loss:		
Actuarial losses on defined benefit pension schemes	(1.6)	(2.0)
Tax relating to items that will not be reclassified	0.3	0.5
	(1.3)	(1.5)
Other comprehensive expense for the period, net of tax	(16.4)	(6.1)
Total comprehensive (expense)/income for the period	(38.8)	4.8
Attributable to:		
Equity holders of the parent	(38.8)	4.8

Condensed Consolidated Balance Sheet

As at 30 June 2025	Notes	30 June 2025 £m	30 June 2024 £m	31 Dec 2024 £m
Non-current assets				
Goodwill	8	158.8	193.8	195.4
Other intangible assets		27.2	32.4	32.1
Investment in joint venture	9	3.7	4.2	3.3
Property, plant and equipment	10	160.0	284.0	292.1
Deferred tax assets		25.5	23.9	27.5
Retirement benefits	11	43.0	46.7	43.5
Trade and other receivables		2.2	0.5	0.4
Total non-current assets		420.4	585.5	594.3
Current assets				
Inventories		148.3	221.9	236.0
Current tax receivables		1.2	2.7	2.8
Trade and other receivables		109.9	144.3	137.2
Cash and bank balances	12c)	26.7	36.4	45.5
Assets held for sale	18	242.3	-	-
Total current assets		528.4	405.3	421.5
Total assets		948.8	990.8	1,015.8
Current liabilities				
Trade and other payables		140.4	188.1	196.9
Current tax liabilities		10.1	7.7	8.0
Lease liabilities	12c)	6.8	13.0	13.6
Bank overdrafts and loans	12c)	44.0	27.0	75.0
Provisions	13	11.5	12.0	11.3
Contingent consideration		11.3	12.5	13.0
Liabilities directly associated with the assets held for sale	18	88.5	-	-
Total current liabilities		312.6	260.3	317.8
Non-current liabilities				
Bank and other loans	12c)	145.1	165.5	123.9
Retirement benefits	11	6.1	7.8	6.8
Deferred tax liabilities		8.3	9.6	8.2
Lease liabilities	12c)	30.0	64.0	62.6
Provisions	13	15.1	13.5	14.6
Contingent consideration		2.9	6.8	3.5
Others		4.1	9.2	8.5
Total non-current liabilities		211.6	276.4	228.1
Total liabilities		524.2	536.7	545.9
Net assets		424.6	454.1	469.9
Equity				
Issued share capital	14	41.9	41.9	41.9
Share premium account		14.8	14.8	14.8
Equity reserve		6.8	7.2	7.8
Hedging and translation reserve		24.1	32.7	39.2
Retained earnings		345.2	367.1	376.7
Own Shares		(8.2)	(9.6)	(10.5)
Equity attributable to equity holders of the parent		424.6	454.1	469.9
Total equity		424.6	454.1	469.9

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2025

	All equity is attributable to equity holders of the parent							
	Issued share capital	Share premium account	Equity reserve	Hedging reserve	Translation reserve	Retained earnings	Own shares	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2024	41.9	14.8	7.9	(36.1)	73.4	368.0	(12.8)	457.1
Profit for the period	-	-	-	-	-	25.9	-	25.9
Losses on foreign exchange contracts- cash flow hedges	-	-	-	(2.9)	-	-	-	(2.9)
Exchange differences on translation of overseas operations	-	-	-	-	4.0	-	-	4.0
Actuarial losses on defined benefit pension schemes	-	-	-	-	-	(4.8)	-	(4.8)
Tax relating to components of other comprehensive income	-	-	-	0.8	-	1.1	-	1.9
Total comprehensive income/(expense) for the period	-	-	-	(2.1)	4.0	22.2	-	24.1
Share-based payment charge	-	-	4.5	-	-	-	-	4.5
Tax relating to share-based payments	-	-	-	-	-	(0.8)	-	(0.8)
Purchase of shares held by employee benefit trust net of repayments	-	-	-	-	-	2.1	(7.0)	(4.9)
Use of shares held by employee benefit trust	-	-	-	-	-	(9.3)	9.3	-
Transfer to retained earnings	-	-	(4.6)	-	-	4.6	-	-
Dividends paid	-	-	-	-	-	(10.1)	-	(10.1)
Balance at 31 December 2024	41.9	14.8	7.8	(38.2)	77.4	376.7	(10.5)	469.9
Loss for the period	-	-	-	-	-	(22.4)	-	(22.4)
Gains on foreign exchange contracts- cash flow hedges	-	-	-	7.0	-	-	-	7.0
Exchange differences on translation of overseas operations	-	-	-	-	(20.1)	-	-	(20.1)
Actuarial losses on defined benefit pension schemes	-	-	-	-	-	(1.6)	-	(1.6)
Tax relating to components of other comprehensive income	-	-	-	(2.0)	-	0.3	-	(1.7)
Total comprehensive (expense)/income for the period	-	-	-	5.0	(20.1)	(23.7)	-	(38.8)
Share-based payment charge	-	-	2.0	-	-	-	-	2.0
Tax relating to share-based payments	-	-	-	-	-	(0.1)	-	(0.1)
Purchase of shares held by employee benefit trust	-	-	-	-	-	-	(1.6)	(1.6)
Use of shares held by employee benefit trust	-	-	-	-	-	(3.9)	3.9	-
Transfer to retained earnings	-	-	(3.0)	-	-	3.0	-	-
Dividends paid	-	-	-	-	-	(6.8)	-	(6.8)
Balance at 30 June 2025	41.9	14.8	6.8	(33.2)	57.3	345.2	(8.2)	424.6

Condensed Consolidated Statement of Changes in Equity (continued)

	All equity is attributable to equity holders of the parent							
	Issued share capital	Share premium account	Equity reserve	Hedging reserve	Translation reserve	Retained earnings	Own shares	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2024	41.9	14.8	7.9	(36.1)	73.4	368.0	(12.8)	457.1
Profit for the period	-	-	-	-	-	10.9	-	10.9
Losses on foreign exchange contracts- cash flow hedges	-	-	-	(2.7)	-	-	-	(2.7)
Exchange differences on translation of overseas operations	-	-	-	-	(2.5)	-	-	(2.5)
Actuarial losses on defined benefit pension schemes	-	-	-	-	-	(2.0)	-	(2.0)
Tax relating to components of other comprehensive income	-	-	-	0.6	-	0.5	-	1.1
Total comprehensive (expense)/income for the period	-	-	-	(2.1)	(2.5)	9.4	-	4.8
Share-based payment charge	-	-	2.6	-	-	-	-	2.6
Tax relating to share-based payments	-	-	-	-	-	(0.4)	-	(0.4)
Purchase of shares held by employee benefit trust	-	-	-	-	-	-	(3.0)	(3.0)
Use of shares held by employee benefit trust	-	-	-	-	-	(6.2)	6.2	-
Transfer to retained earnings	-	-	(3.3)	-	-	3.3	-	-
Dividends paid	-	-	-	-	-	(7.0)	-	(7.0)
Balance at 30 June 2024	41.9	14.8	7.2	(38.2)	70.9	367.1	(9.6)	454.1

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Condensed Consolidated Cash Flow Statement

For the half-year ended 30 June 2025

	Notes	Half-year ended 30 June 2025	Half-year [(a)] ended 30 June 2024
		£m	£m
Net cash Generated from operating activities	12a)	19.8	14.6
Investing activities			
Interest received		3.1	3.2
Proceeds on disposal of property, plant and equipment		0.2	-
Purchases of property, plant and equipment		(13.7)	(10.9)
Purchases of intangible assets		(0.2)	(0.5)
Acquisition of Spencer		(1.3)	(10.7)
Dividend from joint venture		1.0	1.5
Net cash used in investing activities		(10.9)	(17.4)
Financing activities			
Dividends paid		(6.8)	(7.0)
New loans		99.0	98.3
Repayment of borrowings		(98.5)	(83.8)
Purchase of shares held by employee benefit trust		(1.6)	(3.0)
Repayment of lease liabilities		(3.6)	(3.0)
Net cash (used)/generated in financing activities		(11.5)	1.5
Net decrease in cash and cash equivalents from continuing operations		(2.6)	(1.3)
Net decrease in cash and cash equivalents from discontinued operations		(15.6)	(7.6)
Cash and cash equivalents at beginning of period- continuing operations		45.8	51.5
Reclassification of discontinued cash and cash equivalents to continuing		(0.3)	(5.7)
Effect of foreign exchange rate changes		(0.8)	(0.5)
Cash and cash equivalents at end of period – continuing operations	12c)	26.5	36.4

a) Comparative information has been re-presented due to discontinued operations, see Note 18.

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

These Condensed Consolidated Interim Financial Statements of Senior plc ("the Group"), which were approved by the Board of Directors on 1 August 2025, have been reviewed by KPMG LLP, the Group's auditor, whose report is set out after the Directors' Responsibility Statement.

The comparative figures for the year ended 31 December 2024 do not constitute the Group's statutory accounts for 2024 as defined in Section 434(3) of the Companies Act 2006. Statutory accounts for 2024 have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under Sections 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

Basis of preparation

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 "Interim Financial Reporting" as adopted for use by the UK.

The Annual Financial Statements of the Group for the year ending 31 December 2025 will be prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, these Condensed Consolidated Interim Financial Statements have been prepared by applying the accounting policies and presentation that were applied in the preparation of the published Annual Financial Statements of the Group as at and for the year ended 31 December 2024, which were prepared in accordance with UK-adopted international accounting standards.

These Condensed Consolidated Interim Financial Statements do not include all the information required for full Annual Financial Statements and should be read in conjunction with the Annual Financial Statements of the Group as at and for the year ended 31 December 2024.

Going Concern

The Directors have, at the time of approving these Condensed Consolidated Interim Financial Statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from this reporting date (the "Going Concern Period"). Accordingly, they continue to adopt the going concern basis of accounting in preparing these Condensed Consolidated Interim Financial Statements, having undertaken a rigorous assessment of the financial forecasts.

The Board has considered projections, including severe but plausible downsides covering a period of at least 12 months from the date of this report based on the experiences over recent years, including the robust trading performance in the first half of 2025. These projections are borne out of extensive scenario testing, based on a variety of end market assumptions, while taking account of appropriate mitigating actions within the direct control of the Group.

The Group has two covenants for committed borrowing facilities, which are tested at June and December: the Group's net debt to EBITDA (defined in the Notes to the Financial Headlines) must not exceed 3.0x and interest cover, the ratio of EBITDA to interest must be higher than 3.5x. At 30 June 2025, the Group's net debt to EBITDA was 1.9x and interest cover was 7.1x, both comfortably within covenants limits. The Group's liquidity headroom at 30 June 2025 was £139.5m. For all testing periods within the Going Concern Period, there is sufficient headroom to remain within the covenant limits and the Group's committed borrowing facilities, even in a severe but plausible downside scenario.

Based on the above assessment, the Board has concluded that the Group will continue to have adequate financial resources to realise its assets and discharge its liabilities as they fall due over the Going Concern Period. Accordingly, the Directors have formed the judgement that it is appropriate to prepare these Condensed Consolidated Interim Financial Statements on the going concern basis.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

2. Accounting Policies (continued)

Assets held for sale and discontinued operations

Assets are classified as held for sale if their carrying amount will be recovered by sale rather than by continuing use in the business. Where a group of assets and their directly associated liabilities are to be disposed of in a single transaction, such disposal groups are also classified as held for sale. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition, and Directors must be committed to and have initiated a plan to sell the asset or disposal group which, when initiated, was expected to result in a completed sale within 12 months. Assets that are classified as held for sale are not depreciated. Assets or disposal groups that are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. No reclassification is made in prior periods.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

New policies and standards

The accounting policies, presentation and methods of computation adopted in the preparation of these Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2024, which were prepared in accordance with UK-adopted international accounting standards.

At the date of authorisation of these Condensed Consolidated Interim Financial Statements, there are no relevant and material new standards, amendments to standards or interpretations which are effective at the period ended 30 June 2025.

IFRS 18 Presentation and Disclosure in Financial Statements has been issued but is not effective until 2027. Its impact on the financial statements of Senior Plc is not known yet.

The preparation of the Condensed Consolidated Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group's latest Annual Financial Statements for the year ended 31 December 2024, which are available via Senior's website www.seniorplc.com, set out the key sources of estimation uncertainty and the critical judgements that were made in preparing those Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

3. Segmental analysis

The Group reports its segment information as two operating divisions according to the market segments they serve, Aerospace and Flexonics, which is consistent with the oversight employed by the Executive Committee. The chief operating decision maker, as defined by IFRS 8, is the Executive Committee. The Group is managed on the same basis, as two operating divisions.

Business Segments

Segment information for revenue and operating profit and a reconciliation to the Group profit after tax is presented below:

	Aerospace	Flexonics	Elimin-ations / central costs	**Total**	Aerospace	Flexonics	Elimin-ations / central costs	**Total [a]**
	Half-year ended 30 June 2025	Half-year ended 30 June 2025	Half-year ended 30 June 2025	**Half-year ended 30 June 2025**	Half-year ended 30 June 2024	Half-year ended 30 June 2024	Half-year ended 30 June 2024	**Half-year ended 30 June 2024**
	£m	£m	£m	**£m**	£m	£m	£m	**£m**
External revenue	208.6	162.6	-	**371.2**	198.3	163.4	-	361.7
Inter-segment revenue	0.3	0.2	(0.5)	**-**	0.7	0.2	(0.9)	-
Total revenue	208.9	162.8	(0.5)	**371.2**	199.0	163.6	(0.9)	361.7
Continuing adjusted trading profit	21.6	18.4	(10.6)	**29.4**	19.4	17.9	(9.7)	27.6
Share of joint venture profit	-	1.8	-	**1.8**	-	0.7	-	0.7
Continuing adjusted operating profit	21.6	20.2	(10.6)	**31.2**	19.4	18.6	(9.7)	28.3
Amortisation of intangible assets from acquisitions	(0.8)	-	-	**(0.8)**	(0.8)	-	-	(0.8)
Site relocation costs	(0.8)	(0.6)	-	**(1.4)**	(2.3)	(0.3)	-	(2.6)
US class action lawsuit	-	-	-	**-**	(1.1)	-	-	(1.1)
Operating profit	20.0	19.6	(10.6)	**29.0**	15.2	18.3	(9.7)	23.8
Finance income				**4.5**				4.4
Finance costs				**(10.7)**				(10.4)
Profit before tax				**22.8**				17.8
Tax charge				**(1.8)**				(2.2)
Profit for the period from continuing operations				**21.0**				15.6
Loss for the period from discontinued operations				**(43.4)**				(4.7)
(Loss)/profit after tax and discontinued operations				**(22.4)**				10.9

a) Comparative information has been re-presented due to discontinued operations, see Note 18.

Trading profit and adjusted trading profit is operating profit and adjusted operating profit respectively before share of joint venture profit. See Note 4 for the derivation of adjusted operating profit.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

3. Segmental analysis (continued)

Segment information for assets and liabilities is presented below.

	30 June 2025	30 June 2024	31 Dec 2024
Assets	£m	£m	£m
Aerospace	396.6	664.6	679.6
Flexonics	209.3	212.4	213.0
Segment assets for reportable segments	605.9	877.0	892.6
Unallocated			
Central	4.0	4.1	3.7
Cash	26.7	36.4	45.5
Deferred and current tax	26.7	26.6	30.3
Retirement benefits	43.0	46.7	43.5
Assets held for sale	242.3	-	-
Others	0.2	-	0.2
Total assets per Consolidated Balance Sheet	948.8	990.8	1,015.8

	30 June 2025	30 June 2024	31 Dec 2024
Liabilities	£m	£m	£m
Aerospace	101.9	192.8	202.8
Flexonics	77.7	81.6	77.7
Segment liabilities for reportable segments	179.6	274.4	280.5
Unallocated			
Central	20.4	15.1	17.3
Debt	189.1	192.5	198.9
Deferred and current tax	18.4	17.3	16.2
Retirement benefits	6.1	7.8	6.8
Deferred and contingent consideration	14.2	19.3	16.5
Liabilities directly associated with the assets held for sale	88.5	-	-
Others	7.9	10.3	9.7
Total liabilities per Consolidated Balance Sheet	524.2	536.7	545.9

Notes to the Condensed Consolidated Interim Financial Statements (continued)

3. Segmental analysis (continued)

Total revenue is disaggregated by market sectors as follows:

	Half-year ended 30 June 2025	Half-year [(a)] ended 30 June 2024	Year [(a)] ended 31 Dec 2024
	£m	£m	£m
Civil Aerospace	114.5	113.4	215.8
Defence	58.5	53.0	110.1
Other	35.9	32.6	65.2
Aerospace	208.9	199.0	391.1
Land Vehicles	100.2	97.8	187.6
Power & Energy	62.6	65.8	130.1
Flexonics	162.8	163.6	317.7
Eliminations	(0.5)	(0.9)	(1.4)
Total revenue from continuing operations	371.2	361.7	707.4
Total revenue from discontinued operations	149.7	141.2	272.4

a) Comparative information has been re-presented due to discontinued operations, see Note 18.

Other Aerospace comprises space and non-military helicopters and other markets, principally including semiconductor, medical, and industrial applications.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

4. Adjusted operating profit and adjusted profit before tax

The presentation of adjusted operating profit and adjusted profit before tax measures, derived in accordance with the table below, has been included to identify the performance of the Group prior to the impact of amortisation of intangible assets from acquisitions, site relocation costs, US class action lawsuit and costs associated with corporate undertakings. The Board has a policy to separately disclose items it considers are outside the normal course of management oversight and control on a day-to-day basis and are not reflective of in-year trading performance. Indicative criteria such as period to which the item relates and external driven factors that are outside of the control of the Group in combination with the magnitude and consistency of application are also considered.

The amortisation charge relates to the acquisition of Spencer Aerospace. It is charged on a straight-line basis and reflects a non-cash item for the reported year. Site relocation costs relate to transfer of business activities into new or existing cost competitive facilities to support the Group's strategic initiatives. The US class action lawsuit relates to a historic legal matter. Corporate undertakings relate to business acquisition and disposal activities. None of these charges are reflective of in year performance. Therefore, they are excluded by the Board and Executive Committee when measuring the operating performance of the businesses.

	Half-year ended 30 June 2025	Half-year [(a)] ended 30 June 2024	Year [(a)] ended 31 Dec 2024
	£m	£m	£m
Operating profit from continuing operations	29.0	23.8	46.9
Operating profit/(loss) from discontinued operations	0.5	(3.2)	(6.6)
Operating profit	29.5	20.6	40.3
Amortisation of intangible assets from acquisitions	0.8	0.8	1.6
Site relocation costs	1.4	2.6	3.5
US class action lawsuit	-	1.1	1.1
Adjusted operating profit	31.7	25.1	46.5
Profit before tax from continuing operations	22.8	17.8	37.1
Loss before tax from discontinued operations	(44.3)	(4.6)	(9.3)
(Loss)/profit before tax from continuing and discontinued operations	(21.5)	13.2	27.8
Adjustments to profit before tax as above	2.2	4.5	6.2
Corporate undertakings	43.3	-	1.2
Corporate undertakings – change in fair value on acquisition contingent consideration	0.3	0.7	(2.2)
Total Corporate undertakings	43.6	0.7	(1.0)
Adjusted profit before tax from continuing and discontinued operations	24.3	18.4	33.0

a) Comparative information down to profit before tax from continuing operations has been re-presented due to discontinued operations, see Note 18.

4. Adjusted operating profit and adjusted profit before tax (continued)

Site relocation costs

In the first half of 2025, £1.4m of site relocation costs (H1 2024: £2.6m) of which £0.4m related to the transfer of our Senior Flexonics Crumlin business to a nearby high-tech facility in Wales to better showcase its design, development, test and qualification capabilities in support of the Group's strategic initiatives. The Group also recognised costs of £1.0m related to the transfer of existing business to other cost competitive facilities.

US class action lawsuit

In June 2022, a wage and hour class action lawsuit was filed against one business based in California, USA. This lawsuit alleged violations of state regulations concerning meal and rest breaks and related penalties covering the period 2021 through the first half of 2024. Mediation took place in April 2024, resulting in a Company agreed settlement and related costs of £1.1m, which is now expected to be paid in the second half of 2025.

Corporate undertakings

In the first half of 2025, the Group recorded £3.6m disposal costs relating to the divestment of Aerostructures, £39.7m impairment of Aerostructures held for sale assets (H1 2024: £nil; see Note 18) and £0.3m relating to fair value changes in Spencer acquisition contingent consideration (H1 2024: £0.7m).

Notes to the Condensed Consolidated Interim Financial Statements (continued)

5. Tax charge

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
	£m	£m
Current tax:		
Current year charge	5.5	2.0
Irrecoverable withholding tax	0.3	0.2
	5.8	2.2
Deferred tax:		
Current year (credit)/charge	(4.9)	0.1
Total tax charge	0.9	2.3
Attributable to:		
Continuing operations	1.8	2.2
Discontinued operations	(0.9)	0.1

Tax for the half-year ended 30 June 2025 for continuing and discontinued operations is calculated at -4.2% (H1 2024: 17.4%) on the profit before tax, representing the half-year allocation of the estimated weighted average annual tax rate expected for the full financial year in accordance with IAS 34. The estimated tax rate is weighted to reflect the tax impact of significant events taking place during the interim period.

The UK tax rate of 25% has been applied to the UK profits for the period.

The OECD Pillar Two Globe Rules introduce a global minimum corporate tax rate, initially at 15%, applicable to multinational enterprise (MNE) groups with global revenue over €750m. All participating OECD members are required to incorporate these rules into national legislation. On 20 June 2023 the UK substantially enacted legislation to apply Pillar Two Globe rules into UK law which will first apply to the Group from 1 January 2024. The Group has provided £0.1m in the half year in respect of this liability.

We have applied the guidance contained in International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) released on 23 May 2023 that provides for a temporary mandatory exception from deferred tax accounting for Pillar 2.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

6. Dividends

	Half-year ended 30 June 2025 £m	Half-year ended 30 June 2024 £m
Amounts recognised as distribution to equity holders in the period:		
Final dividend for the year ended 31 December 2024 of 1.65p per share (2023: 1.70p)	6.8	7.0
Interim dividend for the year ending 31 December 2025 of 0.85p per share (2024: 0.75p) per share	3.5	3.1

The interim dividend was approved by the Board of Directors on 1 August 2025 and has not been included as a liability in these Condensed Consolidated Interim Financial Statements, in accordance with the requirements of IFRS.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

7. Earnings per share

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

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
Number of shares	million	million
Weighted average number of ordinary shares for the purposes of basic earnings per share	414.3	413.8
Effect of dilutive potential ordinary shares:		
Share options	12.1	10.0
Weighted average number of ordinary shares for the purposes of diluted earnings per share	426.4	423.8

Earnings and earnings per share ("EPS")	Half-year ended 30 June 2025 Earnings £m	Half-year ended 30 June 2025 EPS Pence	Half-year ended 30 June 2024 Earnings £m	Half-year ended 30 June 2024 EPS Pence
(Loss)/profit for the period from continuing and discontinued operations	(22.4)	(5.41)	10.9	2.63
Adjust:				
Amortisation of intangible assets from acquisitions net of £0.2m tax credit (H1 2024: £0.2m credit)	0.6	0.14	0.6	0.14
Corporate undertakings net of £3.1m tax credit (H1 2024: £0.2m credit)	40.5	9.79	0.5	0.12
Site relocation costs net of £0.4m tax credit (H1 2024: £0.7m)	1.0	0.24	1.9	0.46
US class action lawsuit net of nil tax credit (H1 2024: £0.3m)	-	-	0.8	0.20
Adjusted earnings after tax - continuing and discontinued operations	19.7	4.76	14.7	3.55
Adjusted earnings after tax - continuing operations	21.0	5.07	19.4	4.69
Earnings per share				
- basic from continuing operations		5.07p		3.77p
- diluted from continuing operations		4.92p		3.68p
- basic from continuing and discontinued operations		(5.41)p		2.63p
- diluted from continuing and discontinued operations		(5.41)p		2.57p
- adjusted – continuing operations		5.07p		4.69p
- adjusted and diluted – continuing operations		4.92p		4.58p

The denominators used for all basic, diluted and adjusted earnings per share are as detailed in the table above.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

7. Earnings per share (continued)

The presentation of adjusted earnings per share, derived in accordance with the table above, has been included to identify the performance of the Group prior to the impact of amortisation of intangible assets from acquisitions, site relocation costs, US class action lawsuit and corporate undertakings.

The Board has a policy to separately disclose items it considers are outside the normal course of management oversight and control on a day-to-day basis and are not reflective of in-year trading performance. Indicative criteria such as period to which the item relates and external driven factors that are outside of the control of the Group in combination with the magnitude and consistency of application are also considered. See Note 4 for further details.

8. Goodwill

The change in goodwill from £195.4m at 31 December 2024 to £158.8m at 30 June 2025 reflects a decrease of £36.6m due to foreign exchange differences of £9.4m and £27.2m impairment of Aerostructures goodwill as a result of remeasurement of Aerostructure held for sale assets.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. No such indicators have been identified other than the Aerostructures goodwill impairment as part of held for sale remeasurement to estimated fair value less costs to sell.

9. Investment in joint venture

The Group has a 49% interest in Senior Flexonics Technologies (Wuhan) Limited, a jointly controlled entity incorporated in China. The Group's investment of £3.7m (30 June 2024: £4.2m; 31 December 2024: £3.3m) represents the Group's share of the joint venture's net assets as at 30 June 2025. During the first half of 2025, the Group received £1.0m dividend from the joint venture (H1 2024: £1.5m).

10. Property, plant and equipment

During the period, the Group invested £19.2m of which £5.5m related to discontinued operations (H1 2024: £16.3m) on the acquisition of property, plant and equipment (excluding right-of-use assets). The Group also disposed of machinery with a carrying value of £0.2m (H1 2024: £nil) for proceeds of £0.2m (H1 2024: £nil).

At 30 June 2025, right-of-use assets were £59.1m of which £27.3m related to discontinued operations (30 June 2024: £67.3m; 31 December 2024: £65.5m). Right-of-use asset depreciation was £5.8m for the six months ending 30 June 2025 (H1 2024: £5.2m).

11. Retirement benefit schemes

Aggregate retirement benefit liabilities of £7.4m of which £1.3m related discontinued operations (30 June 2024: £7.8m; 31 December 2024: 6.8m) comprise the Group's US defined benefit pension funded schemes with a total deficit of £1.9m (30 June 2024: £2.7m; 31 December 2024: £1.4m) and other unfunded schemes, with a deficit of £5.5m (30 June 2024: £5.1m; 31 December 2024: £5.4m).

The retirement benefit surplus of £43.0m (30 June 2024: £46.7m; 31 December 2024: £43.5m) comprises the Group's UK defined benefit pension funded scheme. The liability and asset values of the funded schemes have been assessed by independent actuaries using current market values and discount rates.
On 5 June 2025, the Department for Work and Pensions (DWP) announced that the Government will introduce legislation to give pension schemes affected by the Virgin Media ruling the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The defined benefit obligation presented in these condensed financial statements reflects the plan benefits currently being administered and therefore treats all past rule changes as being valid.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

12. Notes to the Cash Flow Statement

a) Reconciliation of operating profit to net cash from operating activities

	Half-year ended 30 June 2025	Half-year [(1)] ended 30 June 2024
	£m	£m
Operating profit from continuing operations	29.0	23.8
Adjustments for:		
Depreciation of property, plant and equipment	13.5	13.1
Amortisation of intangible assets	1.3	1.3
Share of joint venture	(1.8)	(0.7)
Share-based payment charges	1.8	2.4
Profit on sale of fixed assets	(0.2)	-
Pension contributions	(0.3)	(0.3)
Pension service and running costs	0.8	0.8
Increase in inventories	(9.4)	(7.8)
Increase in receivables	(15.7)	(3.0)
Increase/decrease in payables and provisions	11.8	(5.1)
Site relocation costs	-	1.9
US class action lawsuit	-	1.1
Working capital and provisions currency movements	2.2	1.1
Cash generated by operations	33.0	28.6
Income taxes paid	(3.6)	(5.0)
Interest paid	(9.6)	(9.0)
Net cash from operating activities	19.8	14.6

(1) Comparative information has been re-presented due to discontinued operations, see Note 18.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

12. Notes to the Cash Flow Statement (continued)

b) Free cash flow

Free cash flow, a non-statutory item, enhances the reporting of the cash-generating ability of the Group prior to corporate activity such as the items reconciling reported profit before tax and adjusted profit before tax defined in Note 4, financing and transactions with shareholders. It is derived as follows:

	Half-year ended 30 June 2025	Half-year[(1)] ended 30 June 2024
	£m	£m
Net cash from operating activities	19.8	14.6
Net restructuring costs paid	-	0.3
Site relocation costs paid	1.4	0.7
Interest received	3.1	3.2
Proceeds on disposal of property, plant and equipment	0.2	-
Purchases of property, plant and equipment	(13.7)	(10.9)
Purchase of intangible assets	(0.2)	(0.5)
Free cash flow	10.6	7.4

(1) Comparative information has been re-presented due to discontinued operations, see Note 18.

c) Analysis of net debt - continuing and discontinued operations

	At 1 January 2025	Net Cash flow	Exchange movement	Other Lease move-ments	At 30 June 2025
	£m	£m	£m	£m	£m
Cash and bank balances	45.5	(18.0)	(0.8)	-	26.7
Overdrafts	-	(0.2)	-	-	(0.2)
Cash and cash equivalents	45.5	(18.2)	(0.8)	-	26.5
Debt due within one year	(75.0)	27.0	4.2	-	(43.8)
Debt due after one year	(123.9)	(27.5)	6.3	-	(145.1)
Lease liabilities [(2)]	(76.2)	5.5	4.2	(6.1)	(72.6)
Liabilities arising from financing activities	(275.1)	5.0	14.7	(6.1)	(261.5)
Total	(229.6)	(13.2)	13.9	(6.1)	(235.0)

(2) The change in lease liabilities in the six months ended 30 June 2025 includes lease rental payments of £7.3m (£1.8m of these payments relates to lease interest), £4.2m exchange movement and £6.1m other movements related to lease additions and modifications.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

12. Notes to the Cash Flow Statement (continued)

c) Analysis of net debt continuing and discontinued operations (continued)

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
Cash and Cash equivalents comprise:	£m	£m
Cash and bank balances	26.7	36.4
Overdrafts	(0.2)	-
Total	26.5	36.4

Cash and cash equivalents (which are presented as a single class of assets on the face of the Condensed Consolidated Balance Sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

d) Analysis of working capital and provisions

Working capital comprises the following:

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
	£m	£m
Inventories	148.3	221.9
Trade and other receivables	109.9	144.3
Trade and other payables	(140.4)	(188.1)
Working capital, including derivatives	117.8	178.1
Items excluded:		
Foreign exchange contracts	(2.1)	2.5
Total	115.7	180.6

Working capital and provisions movement, net of restructuring items, a non-statutory cash flow item, is derived as follows:

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
	£m	£m
Increase in inventories	(9.4)	(7.8)
Increase in receivables	(15.7)	(3.0)
Increase/(decrease) in payables and provisions	11.8	(5.1)
Working capital and provisions movement, excluding currency effects	(13.3)	(15.9)
Items excluded:		
Decrease in net restructuring provision	-	0.3
Total	(13.3)	(15.6)

Notes to the Condensed Consolidated Interim Financial Statements (continued)

13. Provisions

Current and non-current provisions include warranty costs of £20.2m (30 June 2024: £17.7m; 31 December 2024: £19.2m), restructuring of nil (30 June 2024: £0.2m; 31 December 2024: nil) and other provisions including contractual matters, claims and legal costs that arise in the ordinary course of business of £6.4m (30 June 2024: £7.6m; 31 December 2024: £6.7m). Warranty costs include a provision of £12.5m related to one specific disputed commercial matter (30 June 2024: £10.9m; 31 December 2024: £11.8m). The range of reasonably possible outcomes considered by the Board is £6m, which reflects a reasonably possible increase of £4m or decrease of £2m. No further details on the matter are disclosed to avoid prejudicing the contractual position.

14. Share capital

Share capital as at 30 June 2025 amounted to £41.9m (30 June 2024 and 31 December 2024: £41.9m). No shares were issued during the period.

15. Contingent liabilities

The Group is subject to various claims which arise from time to time in the course of its business including, for example, in relation to commercial matters, product quality or liability, and tax audits. Where the Board has assessed there to be a more likely than not outflow of economic benefits, a provision has been made for the best estimate as at 30 June 2025 (see Note 13). For all other matters, the Board has concluded that it is not more likely than not that there will be an economic outflow of benefits. While the outcome of some of these matters cannot be predicted with any certainty, the Directors do not expect any of these arrangements, legal actions or claims, after allowing for provisions already made where appropriate, to result in significant loss to the Group.

16. Related party transaction

Barbara Jeremiah, Senior Independent Non-Executive Director and Chair of the Remuneration Committee was appointed a non-executive director of Johnson Matthey Plc with effect from 1 July 2023. Johnson Matthey Plc, a related party of the Group, has been renting excess car parking space from one of the Group's operating businesses on a rolling monthly basis. The lease contract was in place prior to the acquisition of Thermal Engineering in 2013 by the Group. In the first six month of 2024, £0.04m car park rental was received (H1 2024: £0.04m). There are no outstanding amounts at 30 June 2025 (30 June 2024: £nil).

The Group has also related party relationships with a number of pension schemes (see Note 11) and with Directors and Senior Managers of the Group.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

17. Financial Instruments

Categories of financial instruments

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
	£m	£m
Carrying value of financial assets:		
Cash and bank balances	26.7	36.4
Trade receivables	133.9	129.9
Other receivables	0.1	0.3
Financial assets at amortised cost	160.7	166.6
Foreign exchange contracts- cash flow hedges	4.6	1.0
Foreign exchange contracts- held for trading	-	0.3
Total financial assets	165.3	167.9
Carrying value of financial liabilities:		
Bank overdrafts and loans	189.1	192.5
Lease liabilities	72.6	77.0
Trade payables	102.7	105.6
Other payables	60.4	61.8
Financial liabilities at amortised cost	424.8	436.9
Contingent Consideration - fair value through profit or loss	14.2	19.3
Foreign exchange contracts- cash flow hedges	0.5	5.4
Foreign exchange contracts- held for trading	-	0.2
Total financial liabilities	439.5	461.8

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
	£m	£m
Undiscounted contractual maturity of financial liabilities at amortised cost:		
Amounts payable:		
On demand or within one year	227.9	215.5
In the second to fifth years inclusive	200.3	187.4
After five years	49.2	91.4
	477.4	494.3
Less: future finance charges	(52.6)	(57.4)
Financial liabilities at amortised cost	424.8	436.9

17. Financial Instruments (continued)

The carrying amount is a reasonable approximation of fair value for the financial assets and liabilities noted above except for bank overdrafts and loans, where the Directors estimate the fair value to be £189.7m (30 June 2024: £187.5m). The fair value has been determined by applying a make-whole calculation using prevailing treasury bill yields plus the applicable credit spread for the Group.

Fair values

The following table presents an analysis of financial instruments that are measured subsequent to initial recognition at fair value. All financial instruments are measured at either level 2 or level 3. Level 2 are those fair values which are derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 are those fair values which are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). There has not been any transfer of assets or liabilities between levels. There are no non-recurring fair value measurements.

Half-year ended 30 June 2025	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Assets				
Foreign exchange contracts – cash flow hedges	**-**	**4.6**	**-**	**4.6**
Total assets	**-**	**4.6**	**-**	**4.6**
Liabilities				
Contingent consideration – fair value through profit or loss	**-**	**-**	**14.2**	**14.2**
Foreign exchange contracts – cash flow hedges	**-**	**0.5**	**-**	**0.5**
Total liabilities	**-**	**0.5**	**14.2**	**14.7**

Half-year ended 30 June 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Foreign exchange contracts – cash flow hedges	-	1.0	-	1.0
Foreign exchange contracts – held for trading	-	0.3	-	0.3
Total assets	-	1.3	-	1.3
Liabilities				
Contingent consideration – fair value through profit or loss	-	-	19.3	19.3
Foreign exchange contracts – cash flow hedges	-	5.4	-	5.4
Foreign exchange contracts – held for trading	-	0.2	-	0.2
Total liabilities	-	5.6	19.3	24.9

Notes to the Condensed Consolidated Interim Financial Statements (continued)

18. Assets held for sale and discontinued operations

At 30 June 2025, the potential divestment of the Aerostructures business (“Aerostructures”) met the held for sale criteria described above in accordance with IFRS 5. In particular, the potential divestment did meet the threshold of highly probable, including meeting the expectation that it would be completed within 12 months when assessed at 30 June 2025 based on facts available and circumstances at that time. In making this judgment, the Board considered the substantial progress made on drafting up terms and conditions of the potential sale with one bidder, which included consideration of the timeline to expected completion date. Aerostructures is also classified as a discontinued operation as a result of the held for sale classification and also it represents a major line of business of the Group.

As a result of classifying Aerostructures as held for sale, the corresponding net assets were remeasured at the lower of their carrying amount at 30 June 2025 and fair value less costs to sell. Given the estimated loss on completion of the sale of £43.3m described below, an impairment of £39.7m was recognised in the first half of 2025, after £3.6m disposal costs incurred to date. The impairment loss has been allocated against goodwill first with the remaining balance proportionately allocated to property, plant and equipment and right-of-use-assets.

In July 2025, the Group reached a binding agreement to sell its Aerostructures business to Sullivan Street Partners, a UK-based mid-market private equity investor, for a total enterprise value of up to £200m. Following completion of the transaction, the continuing Group will be a high quality, pure play fluid conveyance and thermal management ("FCTM") business.

The sale is expected to incur a total charge of £43.3m, after taking into account the following estimates: £12m disposal costs, £204m fair value of net assets disposed (including £27m goodwill and £36m lease liabilities), offset by net recycled foreign exchange gains and consideration of £173m after customary adjustments. The transaction is expected to complete by the end of 2025 and the final financial impact is subject to customary completion adjustments and foreign currency movements up to and including the date of completion.

The results of the discontinued operation, which have been included in the Consolidated Income Statement, were as follows:

	Half-year ended 30 June 2025 £m	Half-year ended 30 June 2024 £m
Results of discontinued operations		
Revenue	149.7	141.2
Trading profit/(loss)	0.5	(3.2)
Operating profit/(loss)	0.5	(3.2)
Loss before tax	(1.0)	(4.6)
Tax charge	(0.3)	(0.1)
Loss from operating activities, net of tax	(1.3)	(4.7)
Corporate undertakings – disposal costs	(3.6)	-
Corporate undertakings - Impairment of held for sale assets	(39.7)	-
Tax on loss on remeasurement	1.2	-
Loss for the period from discontinued operations, net of tax	(43.4)	(4.7)
Other comprehensive expense	(8.8)	(2.8)
Total comprehensive expense for the period	(52.2)	(7.5)

Notes to the Condensed Consolidated Interim Financial Statements (continued)

18. Assets held for sale and discontinued operations (continued)

Cash flows from discontinued operations

	Half-year ended 30 June 2025	Half-year ended 30 June 2024
	£m	£m
Net cash generated/(used) in operating activities	(8.0)	(0.2)
Net cash from investing activities	(5.7)	(5.5)
Net cash used in financing activities	(1.9)	(1.9)
Net cash flow for the period	(15.6)	(7.6)

As at 30 June 2025, the disposal group comprised following assets and liabilities.

	As at 30 June 2025
	£m
Assets	
Other intangible assets	1.2
Property, plant and equipment	78.6
Right of use assets	27.3
Deferred tax assets	3.3
Inventories	88.8
Current tax receivable	1.6
Trade and other receivables	41.5
Total assets	242.3

	As at 30 June 2025
	£m
Liabilities	
Trade and other payables	50.0
Retirement benefits	1.3
Lease liabilities	35.8
Other creditors	1.4
Total liabilities	88.5