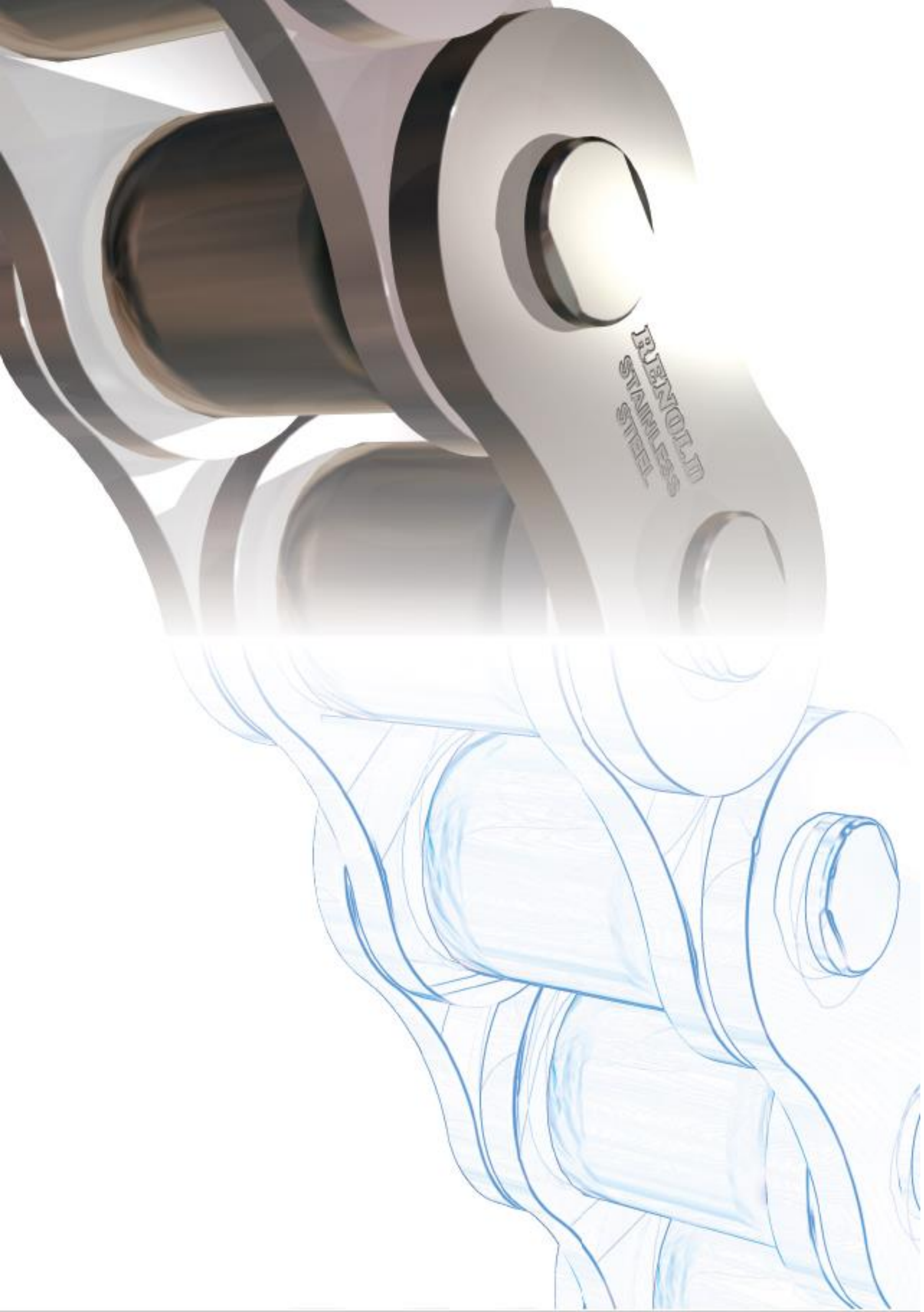
RENOLD



Full Year Results

Year ended
31 March 2023

RENOLD

"Record trading performance and order book ….significant revenue and earnings growth"

Financial highlights

- Revenue up 26.6%, 18.8% at constant exchange rates
- Adjusted operating profit up 58.2% to £24.2m (FY22 £15.3m)
- Return on sales increase of 200bps to 9.8%; inflationary cost increases recovered
- Net debt increase due to acquisition of YUK
- Adjusted EPS growth of 51.2% to 6.5p (FY22 4.3p)
- Pension deficit reduced by 28.6% to £62.2m (FY22 £87.1m)

"Successful integration of bolt on acquisition … successful management of high inflation and supply chain disruption"

Business highlights

- Strong performance despite significant economic turmoil, cost pressure, material availability and global supply chain disruption
- Order intake of £257.5m (FY22: £223.9m) up 15.0% and ahead of sales
- Closing order book of £99.5m up 15.1% vs FY22 at constant exchange rates
- Highly complementary acquisition of YUK successfully completed, performing ahead of expectations
- Continued delivery of increased performance through operational efficiency and productivity projects
- Successful capital investment; improving efficiency, productivity and capability of manufacturing locations

Financial review
Jim Haughey
Group FD

Financial review – Group summary

RENOLD

	FY23	FY22	Change	Constant exchange rates
	£m	**£m**	**%**	**%**
Revenue	**247.1**	195.2	+26.6%	+18.8%
Adjusted operating profit	**24.2**	15.3	+58.2%	+46.4%
Return on sales	***9.8%***	*7.8%*		
Adjusting items	**(1.3)**	0.9		
Statutory operating profit	**22.9**	*16.2*	+41.4%	
Profit before tax	**17.3**	12.4		
Effective tax rate	***31.8%***	*17.7%*		
Adjusted EBITDA	**36.2**	25.8	+40.3%	
Adjusted EBITDA margin	***14.6%***	*13.2%*		
Net debt	**29.8**	13.8		
Adjusted EPS	**6.5p**	4.3p	+51.2%	
Basic EPS	**5.7p**	4.7p	+21.3%	

- Revenue growth reflects strong order books
- Significant improvement in adjusted operating profit and return on sales, despite the impact of the widely reported economic headwinds, impacting raw material availability and inflation
- Net debt increased due to the acquisition of YUK

Significant revenue growth and strong increase in earnings

Financial review - Divisional summary

RENOLD

Chain	FY23 £m	FY22 £m	Change %	Constant exchange rates %
Revenue	**202.4**	159.2	+27.1%	+19.3%
Adjusted operating profit	**27.2**	18.9	+43.9%	+35.4%
Return on sales	***13.4%***	*11.9%*		
Non-recurring items	**(0.7)**	1.6		
Reported operating profit	**26.5**	20.5	+29.3%	+21.5%

- Record revenue and strong closing order book in Europe and Americas
- Acquisition of YUK completed and trading ahead of expectations
- FY22 flattered by £1.7m of loans forgiven under US Government Paycheck Protection Program
- Amortisation of acquired intangibles treated as non recurring items

Torque Transmission	FY23 £m	FY22 £m	Change %	Constant exchange rates %
Revenue	**48.8**	40.4	+20.8%	+13.9%
Adjusted and reported operating profit	**5.4**	4.1	+31.7%	+24.4%
Return on sales	***11.1%***	*10.1%*		

- Increased activity in Australian and North American market
- Timing on long-term military contract

Central costs	FY23 £m	FY22 £m
Intersegment revenue elimination	**(4.1)**	(4.4)
Central costs	**(8.4)**	(7.7)
Non-recurring items	**(0.6)**	(0.7)
Reported operating loss	**(9.0)**	(8.4)

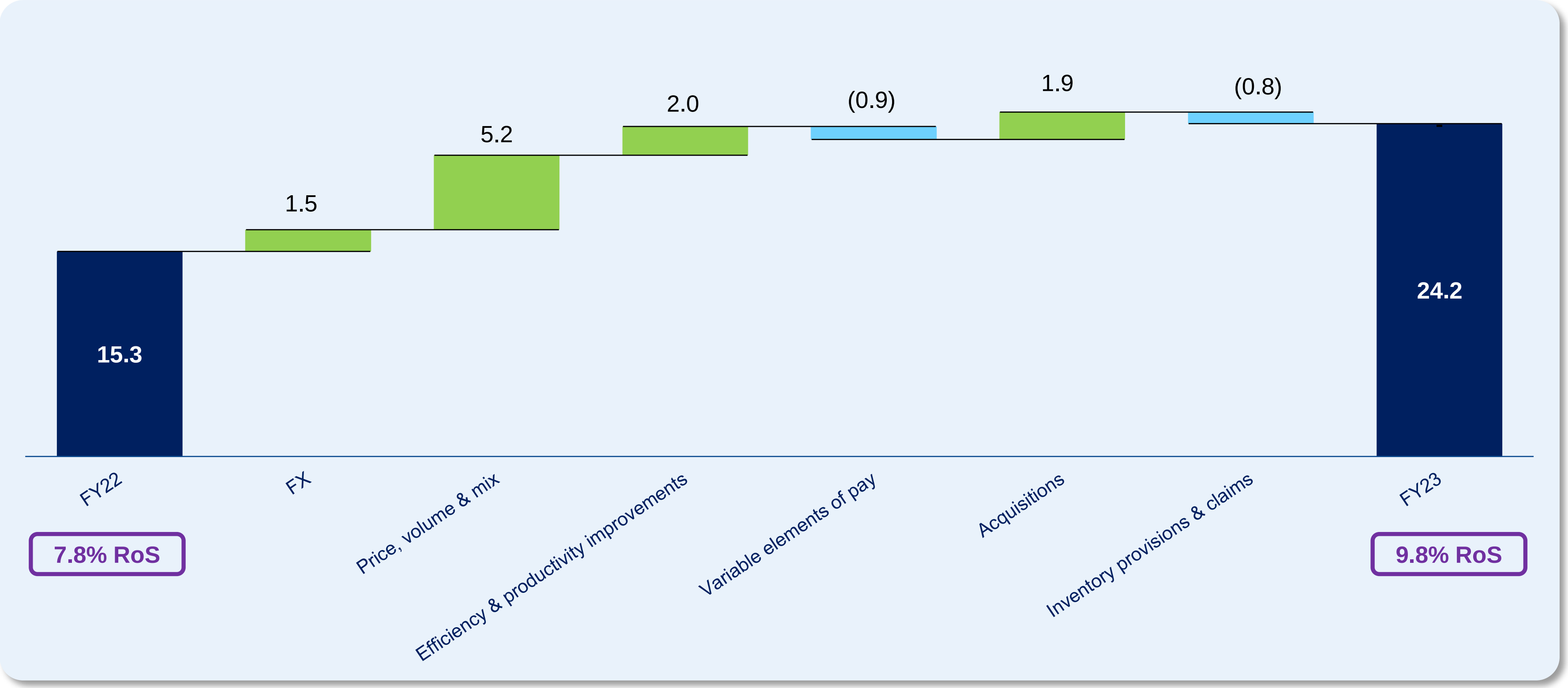
- Central costs increase due to non-recurrence of rental income related to closed sites and cost inflation
- Non-recurring items includes £0.6m of acquisition costs in FY23 (£0.7m related to closed site in FY22)

Resilient margins despite inflationary cost pressures

Financial review - Operating profit

RENOLD

Adjusted operating profit bridge, £m



- Cost inflation recovered through proactive price increases
- Strategic plan benefitting operating profit as a result of:
  - Measurable efficiency and productivity improvements
  - Successful acquisitions

Business improvements are delivering growth

Financial review – Cash flow

RENOLD

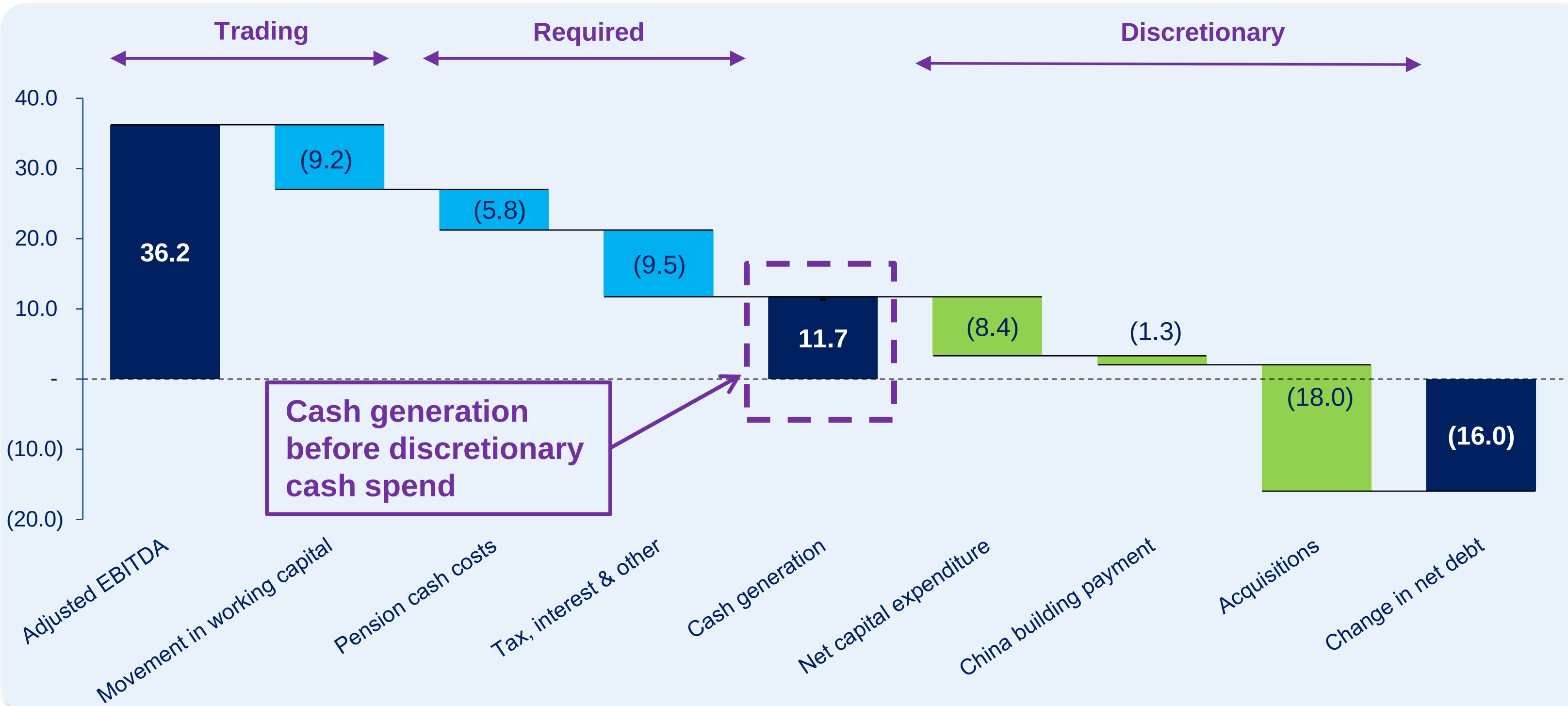
	FY23 £m	FY22 £m
Adjusted operating profit	**24.2**	15.3
Depreciation and amortisation	**10.4**	9.4
Loss on disposal of PPE	**0.3**	-
Share-based payments	**1.3**	1.1
Adjusted EBITDA	**36.2**	25.8
Movement in working capital	**(10.5)**	(0.2)
Net capital expenditure	**(8.4)**	(5.1)
Operating cash flow	**17.3**	20.5
Income taxes	**(2.7)**	(1.7)
Pensions cash costs[1]	**(5.8)**	(4.8)
Leasing	**(2.9)**	(4.2)
Financing costs paid	**(3.3)**	(1.8)
Consideration paid for acquisitions	**(18.0)**	(0.5)
Own shares purchased	**-**	(4.9)
Other movements	**(0.6)**	2.0
Cash (outflow) / inflow	**(16.0)**	4.6
Closing net debt	**(29.8)**	(13.8)

Operating cash conversion 71% (FY22: 134%)

[1] *Pension cash costs exclude pension administration costs which are included within operating profit*

- Net debt increased due to successful acquisition of YUK
- Working capital growth due to inflation and planned inventory increases
- Financing costs increased due to the higher level of net debt, with increasing interest rates
- Capital investment increasing
- UK Pension scheme contributions return in line with Pension Trustee agreement, including the repayment of previously deferred contributions
- Refinancing agreed, new facilities £85m plus £20m accordion, leverage covenant expanded to 3.0x EBITDA

Cash flow bridge, £m

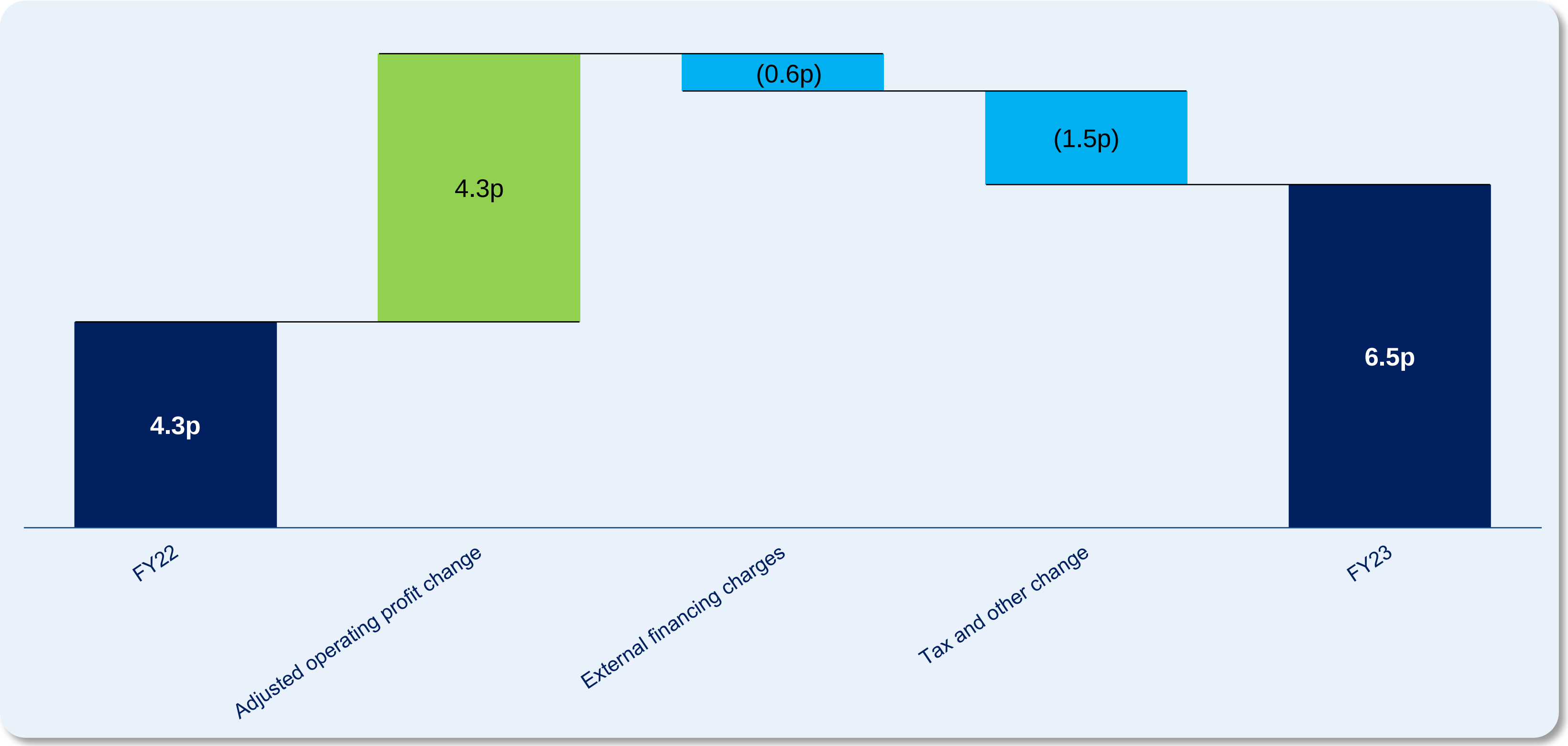


- Future discretionary cash commitments to end in FY25:
  - China building payments (FY23: £1.3m, FY24: £2.3m, FY25: £3.0m)
  - Deferred consideration for acquisitions (FY24: €2.0m, FY25: €2.0m)

Sustained and improving cash generation projected for future years

Financial review – Earnings per share

Adjusted EPS bridge, FY22 vs FY23

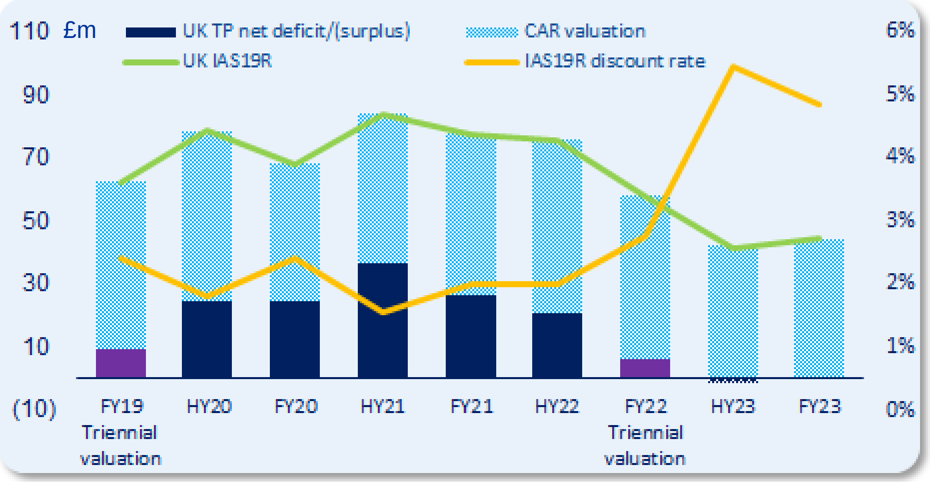


- Adjusted EPS growth of 51.2% to 6.5p
- Higher financing charges due to increasing interest rates and higher borrowings
- Effective tax rate increase due to greater profits in higher tax rate jurisdictions
- Non-recurring transfer pricing tax charge in FY23 due to post Brexit structural changes

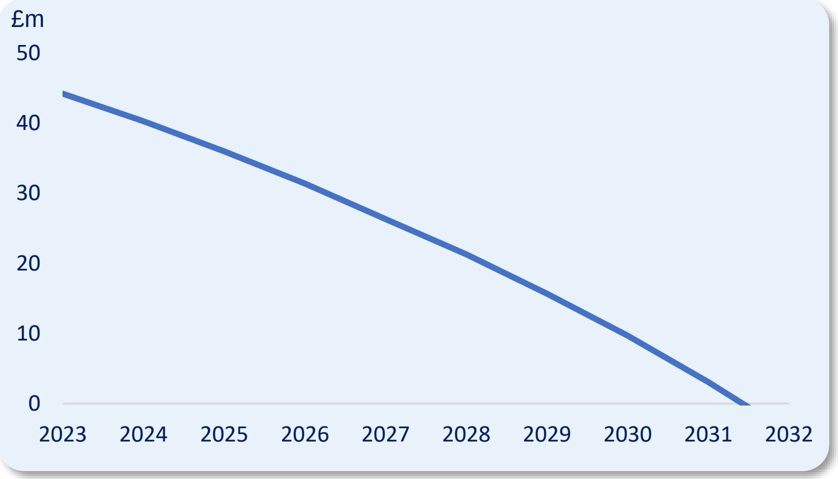
Record adjusted EPS

Financial review – Pensions

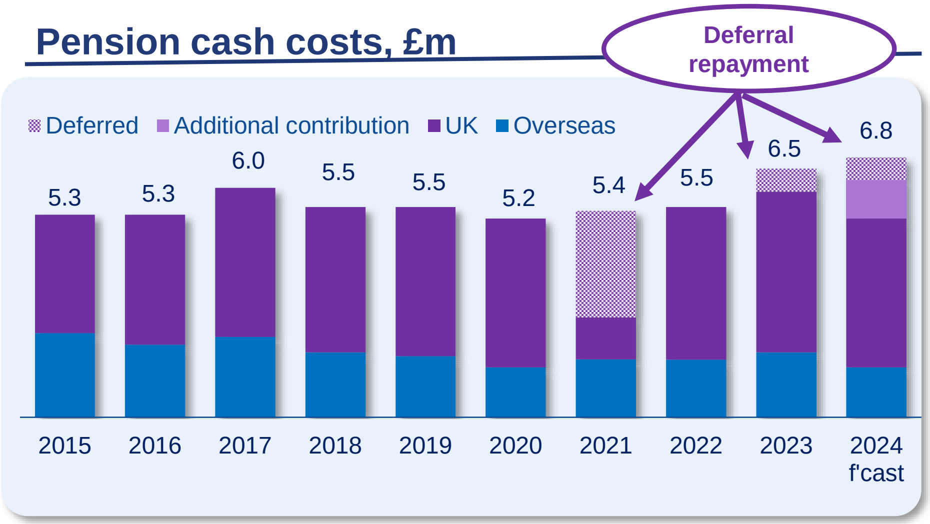
UK scheme deficit



UK scheme: future outlook

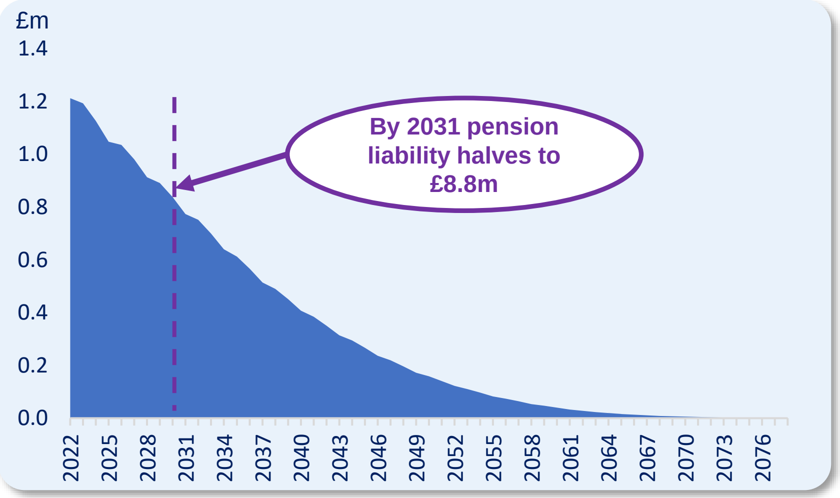


Pension cash costs, £m



Cash costs include pension administration costs which are included within operating profit (FY23: £0.7m), and NZ pension scheme closure costs (FY23: £0.2m)

German scheme: future cash commitment

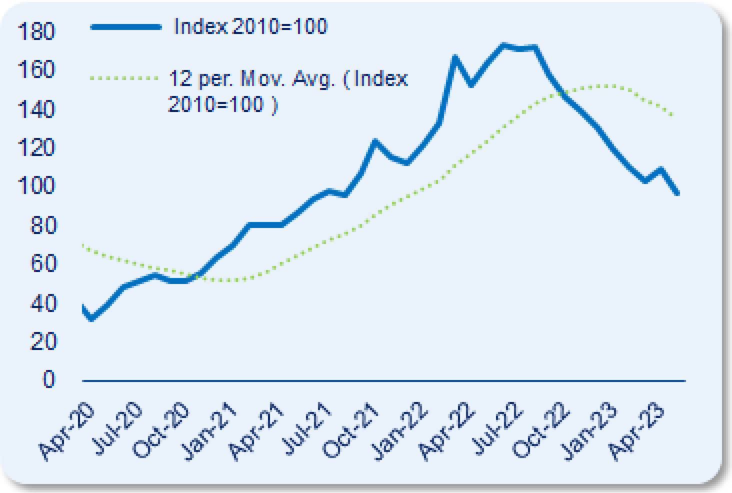


Sustainable and predictable pension cashflows

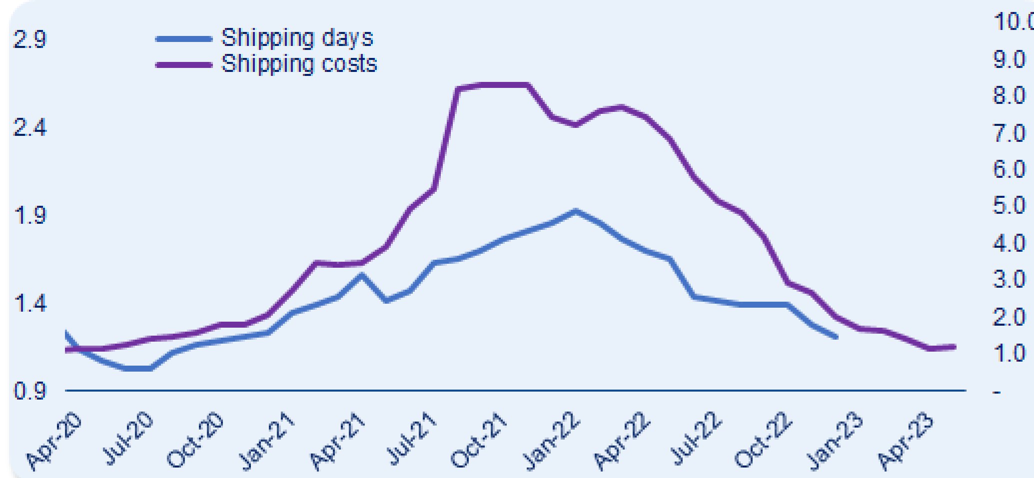
Business review
Robert Purcell
CEO

Market backdrop

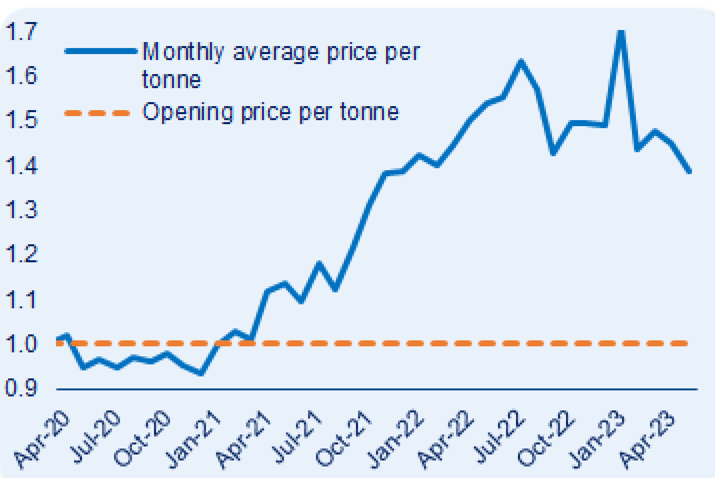
Global energy prices, indexed



Shipping time and costs, indexed



Group steel purchase price, indexed

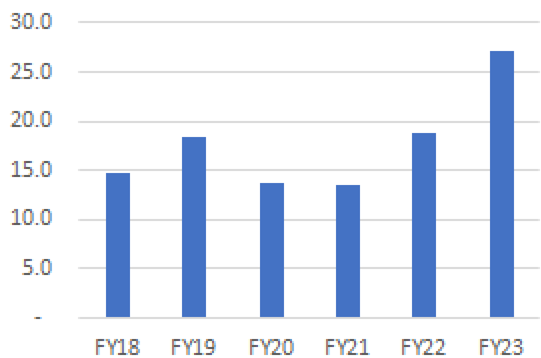


- Energy prices have peaked and are currently reducing
- Group steel prices are flat with some small decreases seen in China and Europe
- Asian shipping costs and times returning to pre-pandemic levels
- Q4 sales boosted by normalisation of shipment times
- European winter energy prices likely to be volatile

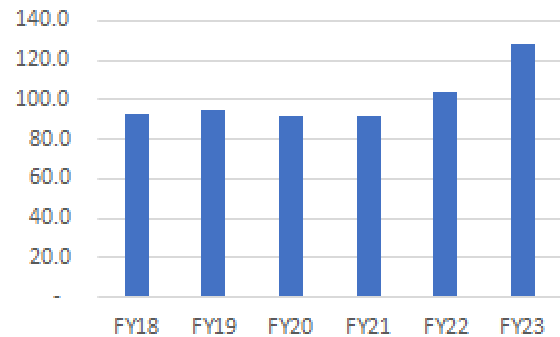
Successful management of high inflation and supply chain disruption

Chain

Adjusted Operating Profit



Sales per employee



RoS%

11.2%
FY19

13.4%
FY23

ROACE (%)

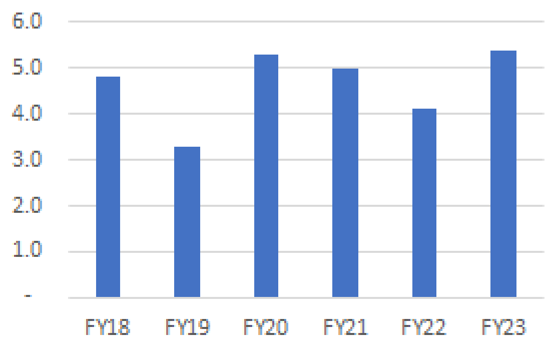
24.1%
FY19

34.2%
FY23

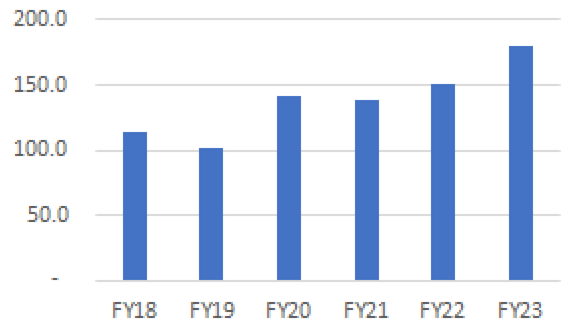
Adjusted operating profit four-year CAGR to FY23 of
c.10%

Torque Transmission

Adjusted Operating Profit



Sales per employee



RoS%

9.2%
FY19

11.1%
FY23

ROACE (%)

19.8%
FY19

32.5%
FY23

Adjusted operating profit four-year CAGR to FY23 of
c.13%

RoS – Return on sales
ROACE – Return on average capital employed

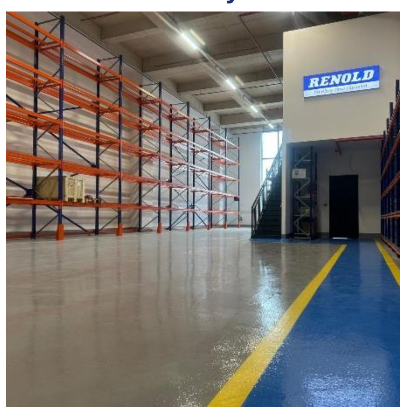
Significant potential remains

Investments

Strategic Investments in Equipment

Strategic Investments in Locations

Turkey



US – West Coast

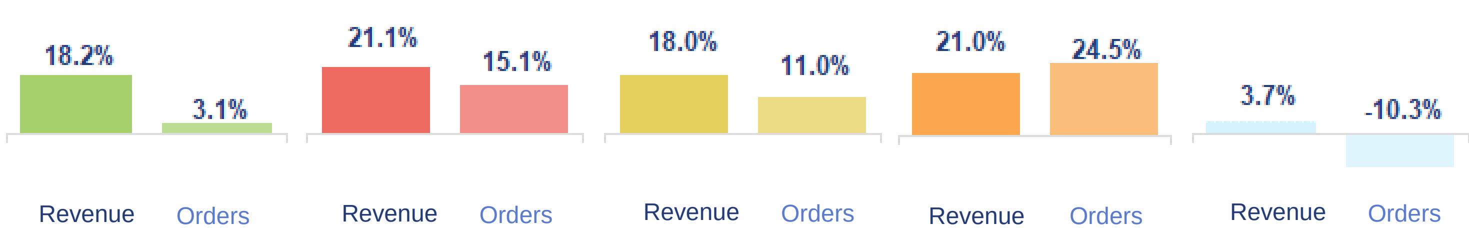
Central India

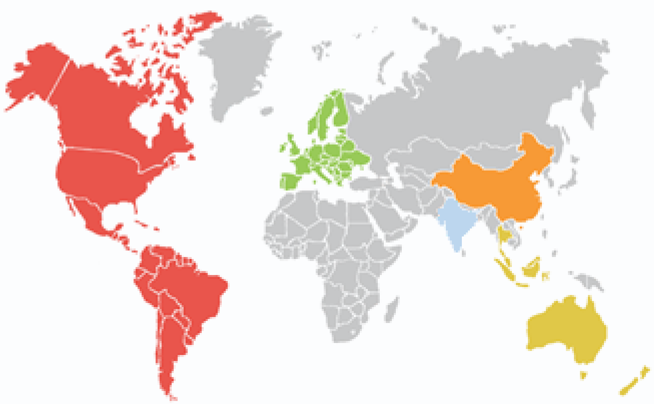
Market dynamics

Europe[1]	Americas	Australasia	China	India[2]
book to bill 94%	book to bill 107%	book to bill 105%	book to bill 104%	book to bill 78%

FY23 v FY22

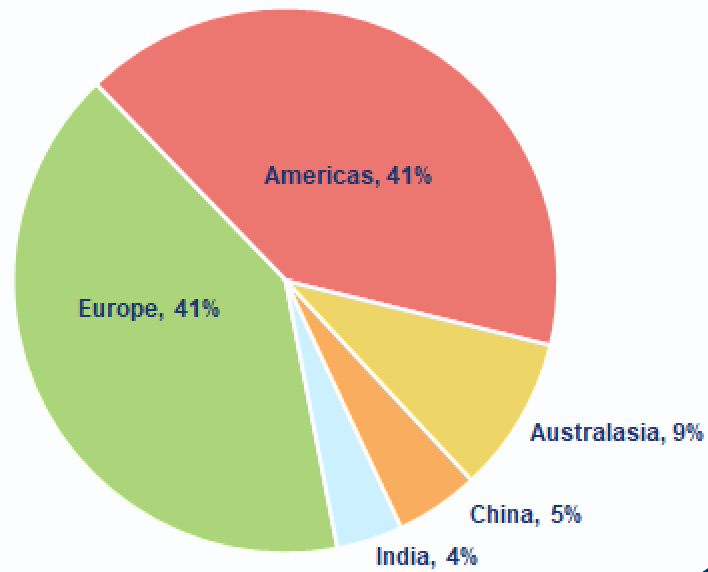
Revenue: +18.8%
Orders[1]: +9.2%





Record closing orderbook; £99.5m at FY23

Proportion of Group revenue by region



[1] *European orders have been normalised to exclude the £8.9m (FY22: £11.0m) long term military contract*
[2] *India site was closed during May 2021 due to the Covid-19 pandemic*

Note: External revenue and orders for key territories based on data to 31 March 2023 and 31 March 2022
Data combines Chain & Torque Transmission divisions using constant exchange rates

Market dynamics

RENOLD

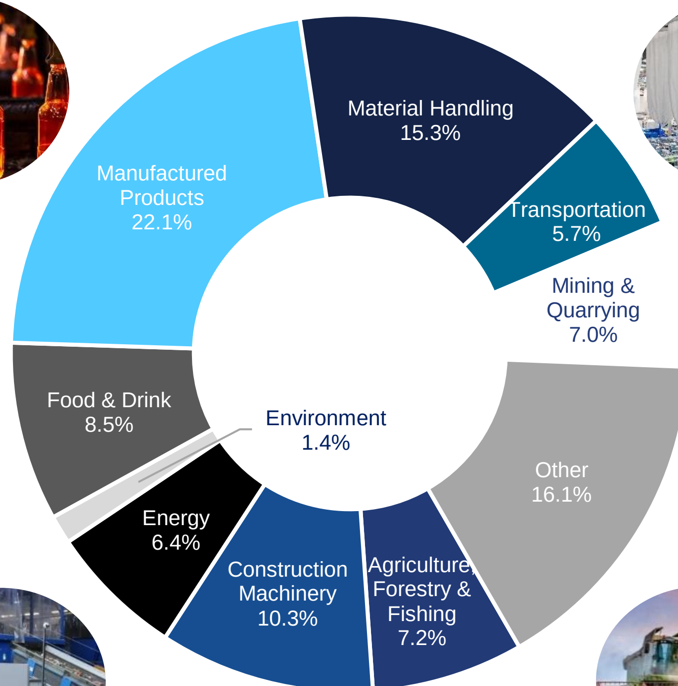
Revenue by sector, FY23 % of total sales

Glass Bottles

Water Treatment

Food Production

Recycling



Analysis excludes distribution sales

Commercial Laundry

Warehouse Automation

Theme Park

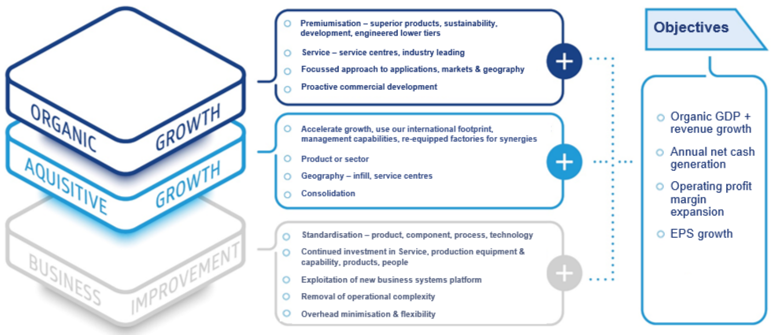
Agriculture

- Revenue increasing across all sectors, Q4 turnover breaks £70m barrier
- Closing order book another record high
- Highest sales growth in the European manufactured products, Australian and Americas mining / quarrying sectors
- Return of End User demand, particularly in Europe and Australia

Renold benefits from significant geographic, customer and sector diversity

RENOLD

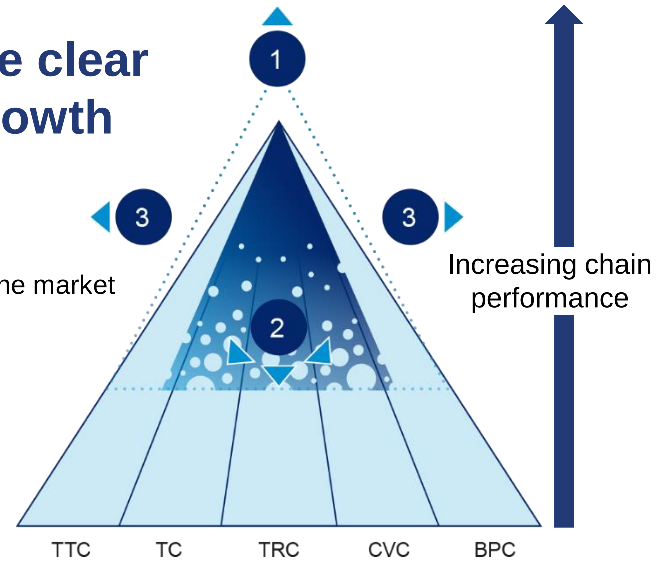
A leading premium supplier of high specification, sustainable, Industrial Chain and Torque Transmission products that facilitate others to achieve complex operational needs more reliably and with lower total cost of ownership. Our products whilst critical are a small part of the total cost.



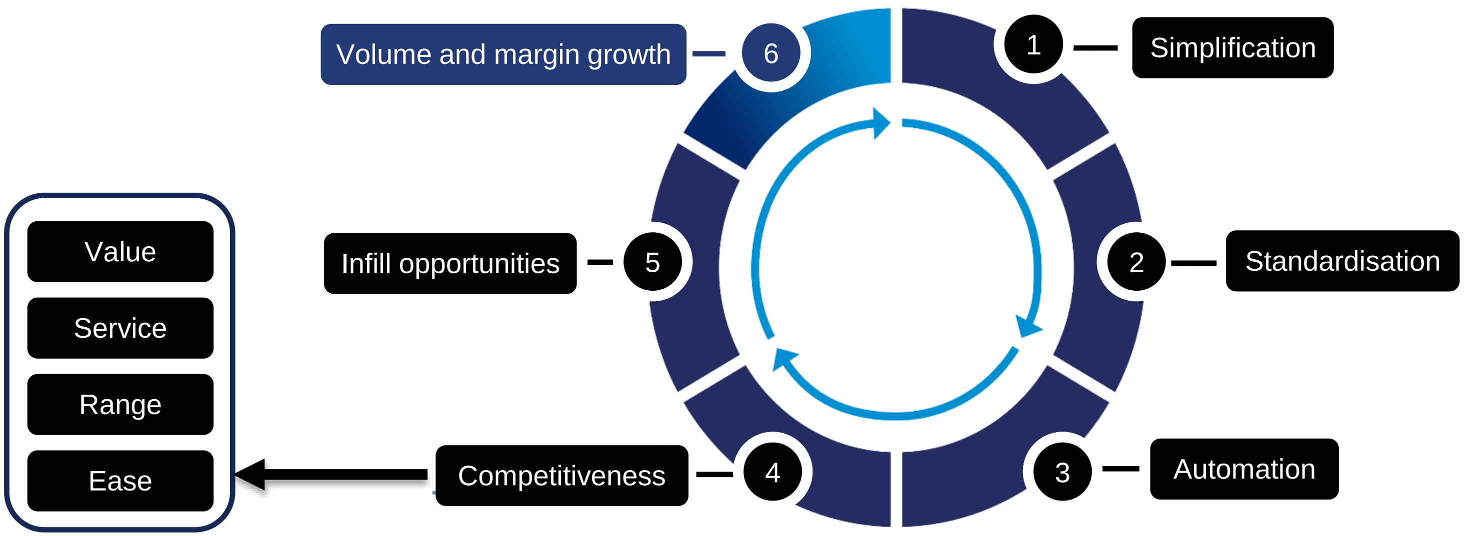
Renold, 2nd largest in the global Chain market, strong brand, less than 10% market share. International footprint with no dependency on any geography, customer, product or application. International supply chain and manufacturing footprint.

We have three clear routes to growth

1. Technically stretch the market
2. Market penetration
3. Range extension



Our improvement activities facilitate it



Acquisitions

Industrias YUK S.A. – completed August 2022

The base business

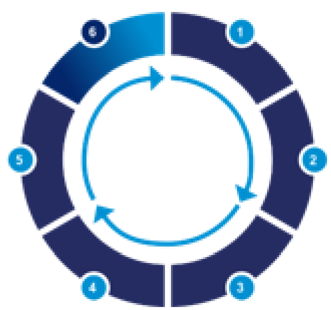
- €18m top-line, continuing to trade well
- State-of-the-art warehouse
- Competitive CVC manufacturing
- Diversified product range
- Market-leading levels of service and responsiveness

What it does for Renold

- Trading is ahead of management expectations
- European CVC manufacturing platform
- >100 new customers and > £1m sales won quoting YUK products through Renold sales network
- Third party product routed to Renold factories
- Strengthened market position in Iberia
- Step change in customer service to existing Iberian customers

Positioned for growth

Acquisitions accelerate our business improvement virtuous cycle



Aventics Tooth Chain	Brooks Conveyor Chain	Industrias YUK
		
Adjacent product range	Top-line with consolidation	Added product, service range & supply synergies

2016 2017 2018 2019 2020 2021 2022

Acquisitions a springboard for growth

Summary

- STEP2 strategy is progressing well
- Successful acquisition of YUK
- Significant order growth of 15.0%
- Record closing order book
- Strong profit growth
- Return on sales up 200bps to 9.8%; improving profitability despite significant cost inflation and global supply chain disruption
- Adjusted EPS up 51.2%
- Refinancing agreed, new facilities £85m plus £20m accordion, leverage covenant expanded to 3.0x EBITDA
- Effective management in an uncertain economic environment
- Well placed for future value added acquisitions

Strong momentum in trading and strategy execution

Q&A

Appendices

Appendix – Overview of Renold

Renold plc is the second largest industrial chain company in the world, and from it's global manufacturing footprint delivers to customers in over 100 countries worldwide

Renold Plc

Sales in over	Employ over	Revenue of	Adjusted operating profit of	Market capitalisation of
100 countries	**1,850** staff worldwide	**£247m** in 2023[1]	**£24.2m** in 2023[1]	**c. £60m**

Chain

80% of Group Sales

- Global leader in the manufacture of industrial chains including:
  - Transmission chain
  - Conveyor chain
  - Tooth chain
- Reputation for quality recognised worldwide
- Supplied into diverse end customer markets

Torque Transmission (TT)

20% of Group Sales

- Supplier of specialist power transmission products including gearboxes, couplings and gear spindles
- Highly specialist products
- Niche applications
- Often supplied into major OEM customers in addition to specialist aftermarket service

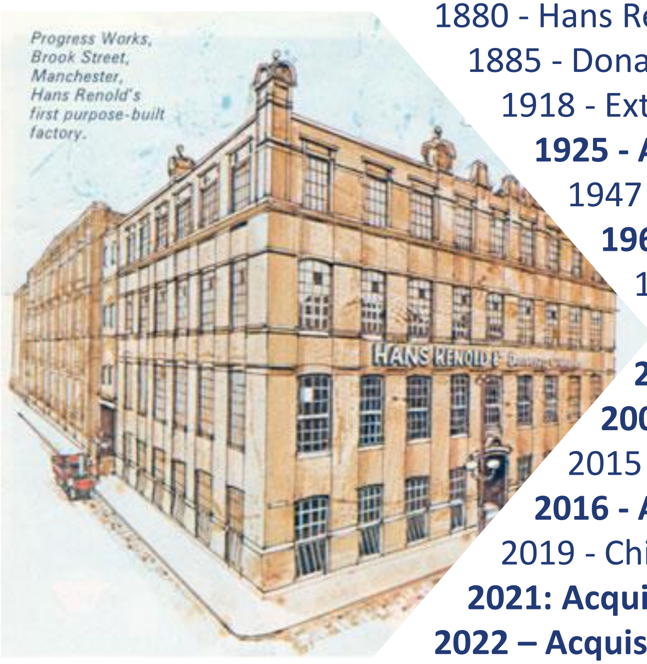
[1] *Financial year ended 31 March 2023*

RENOLD

Renold is the oldest established transmission chain company in the world

- Renold is amongst the world's leading industrial brands
- 150 years of engineering know-how
- Providing premium products and engineered solutions that customers trust
- Second largest industrial chain manufacturer in the world with <10% market share

A history built by acquisition



1873 - Hans Renold, emigrates to Manchester, England from Switzerland
1880 - Hans Renold invents bush roller chain and an industry was born
1885 - Donates cycle chain design to world (and later the sprocket profile)
1918 - Extra strong chains for use on motor cycles
1925 - Acquisition of Brampton, France
1947 - Greenfield operation set up in Australia
1963 - Acquisition of Arnold and Stolzenberg, Germany
1975 - Renold introduces GP Motor Cycle Chains
2000 - Acquisition of Jeffrey Chain, USA
2007 - Acquisition of Shanshui Chain Co. China
2008 - Acquisition of LGB Chain, India
2015 - STEP 2020 strategic plan announced
2016 - Acquisition of Aventics Tooth Chain, Germany
2019 - Chinese factory relocated to Jintan
2021: Acquisition of Brooks conveyor chain business
2022 – Acquisition of Industrias YUK S.A.
2022 – STEP2: Growth strategic plan announced

RENOLD

Renold has a truly global footprint, with major manufacturing in Europe, North America, Asia and Australia

Westfield
Products manufactured:
- Couplings and gear spindles
- Sales channel for UK manufactured gearboxes and couplings

Milnrow
Products manufactured:
- Specialist manufacturer of gearboxes
- Particular strength in worm-gear products

Cardiff
Products manufactured:
- Industrial couplings
- Hi-Tec couplings
- Couplings for difficult applications

Jintan
Products manufactured:
- High volume transmission chain
- Fork lift truck / Leaf chain
- Standard conveyor chain

Morristown
Products manufactured:
- Conveyor chain
- Large pitch transmission chain

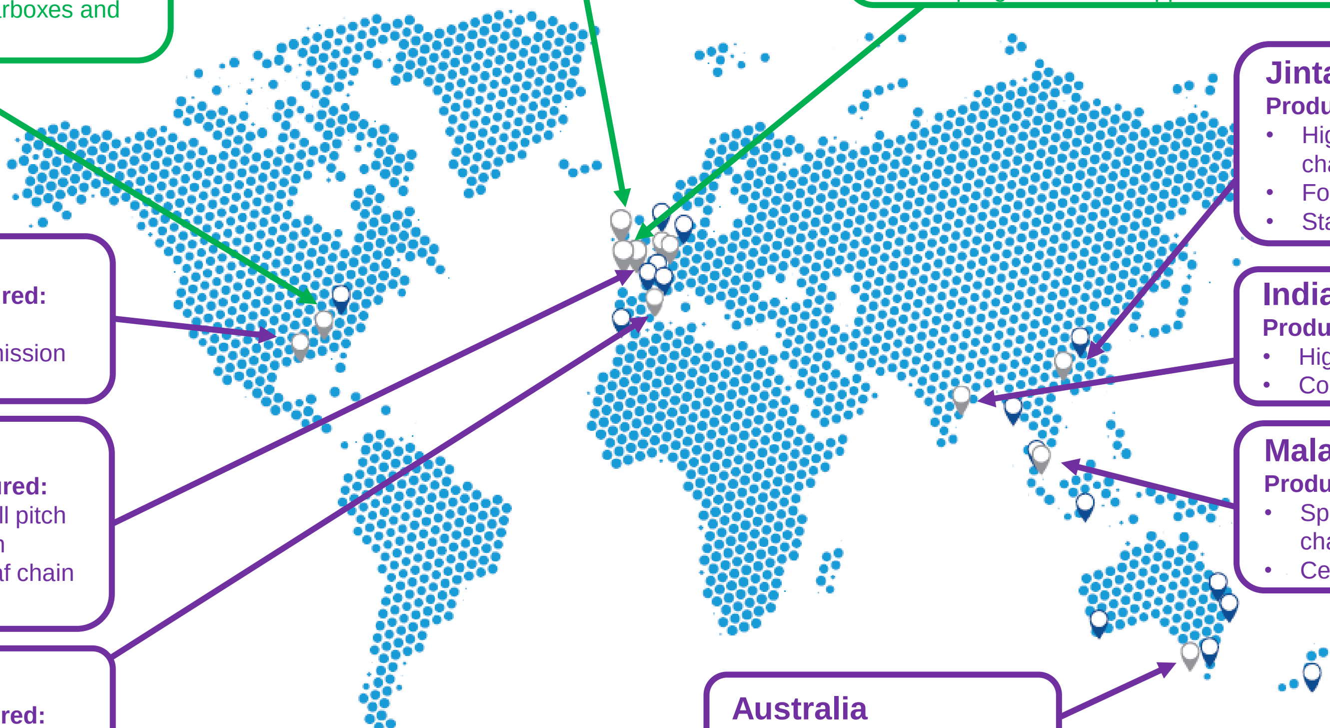
India
Products manufactured:
- High volume roller
- Conveyor chain

Einbeck
Products manufactured:
- High volume, small pitch transmission chain
- Fork lift truck / Leaf chain
- Specials

Malaysia
Products manufactured:
- Specialist sector conveyor chains
- Cement and Palm Oil

YUK
Products manufactured:
- Conveyor chain

Australia
Products manufactured:
- Conveyor chain



Map key:
Manufacturing and sales company
Sales location

Chain / Torque Transmission

Appendix – Our market

Warehouse Automation

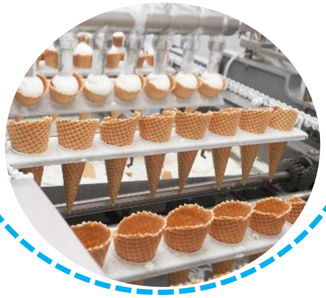
Recycling

Automated Parking

Entertainment

Agriculture

Food Production



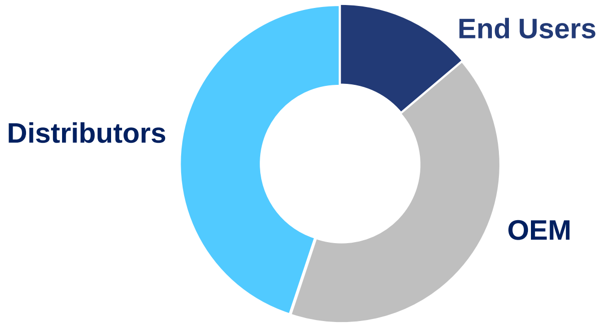
Aviation and Travel

Our applications are wide ranging, including both traditional and fast growing industries

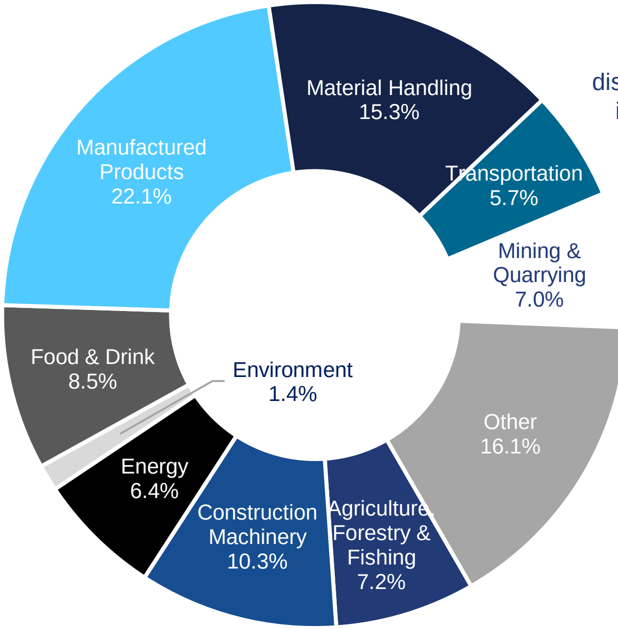
- Products are used in many demanding, high-tech and cutting edge end applications
- Renold products are often a relatively low cost when compared to the customers final project costs, but they are critical to the performance of the entire system
- Renold is amongst the world's leading industrial brands, with 150 years of engineering know-how, providing premium products and engineered solutions that customers trust

Appendix – Our customers

Revenue by customer type

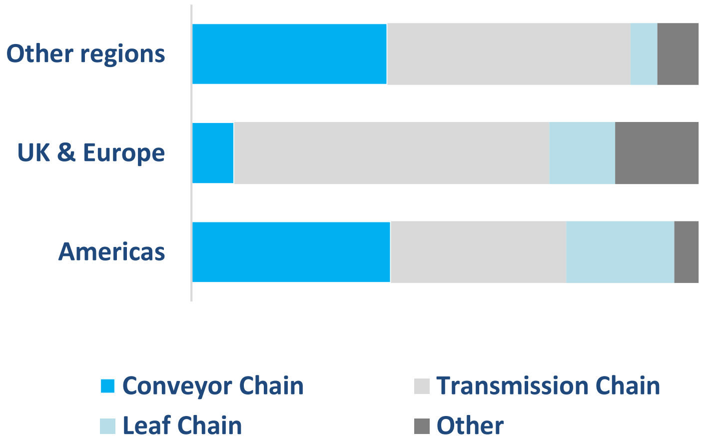


Revenue by sector

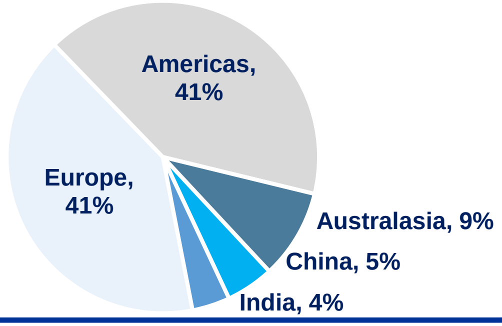


Excluding distributors who in-turn supply products to diverse end-customer sectors

Proportion of sales by product type



Proportion of Group revenue by region



Renold benefits from significant geographic, customer and sector diversity

Valued and Recognised Brand and Engineering Expertise

With over 150 years of history, within its sectors, Renold is amongst the world's leading industrial brands providing premium products and engineered solutions that customers trust. Our products are specified by a significant number of OEM's and customers frequently ask for our products by name.

Broad Base of Customers and End-user Markets

Renold's products are used in an extremely broad base of final applications, market sectors, for both MRO and capital projects, resulting in a huge spread of customers and industries served. There is no customer or sector dependency. Our product range is second to none.

High Specification Products that Deliver Operational and Environmental Benefits

Our products are engineered and manufactured to class-leading specifications, delivering major benefits to customers:

- Longer life – reduced material and energy requirements, and improved efficiency
- Lower or no lubrication requirements – reduced contamination opportunity, lower cost to run
- Ability to operate in difficult or harsh environments
- Greater efficiency – reduced energy requirements

Global Market Position and Unique Geographical Manufacturing Capability

Renold is a global market-leading supplier of industrial chain and torque transmission products produced across the world utilising a unique manufacturing footprint. We are the second largest industrial chain company in the world with less than 10% market share in a highly fragmented market.

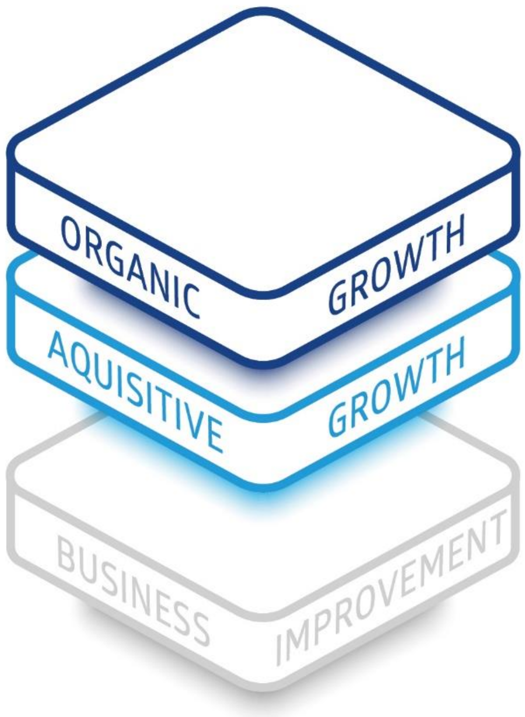
Relatively Low Cost but Critical Products

Renold products are often a relatively low cost when compared to the cost of the overall assembly or system of which they are part; but they are critical to the performance of the entire system. The consistent, reliable performance of our class leading products for over a century has demonstrated to customers the value proposition we offer both in MRO and OEM markets.

Appendix – STEP2: Growth

RENOLD

A leading premium supplier of high specification, sustainable, Industrial Chain and Torque Transmission products that facilitate others to achieve complex operational needs more reliably and with lower total cost of ownership. Our products whilst critical are a small part of the total cost.



- Premiumisation – superior products, sustainability, development, engineered lower tiers
- Service – service centres, industry leading
- Focussed approach to applications, markets & geography
- Proactive commercial development

- Accelerate growth, use our international footprint, management capabilities, re-equipped factories for synergies
- Product or sector
- Geography – infill, service centres
- Consolidation

- Standardisation – product, component, process, technology
- Continued investment in Service, production equipment & capability, products, people
- Exploitation of new business systems platform
- Removal of operational complexity
- Overhead minimisation & flexibility

Objectives

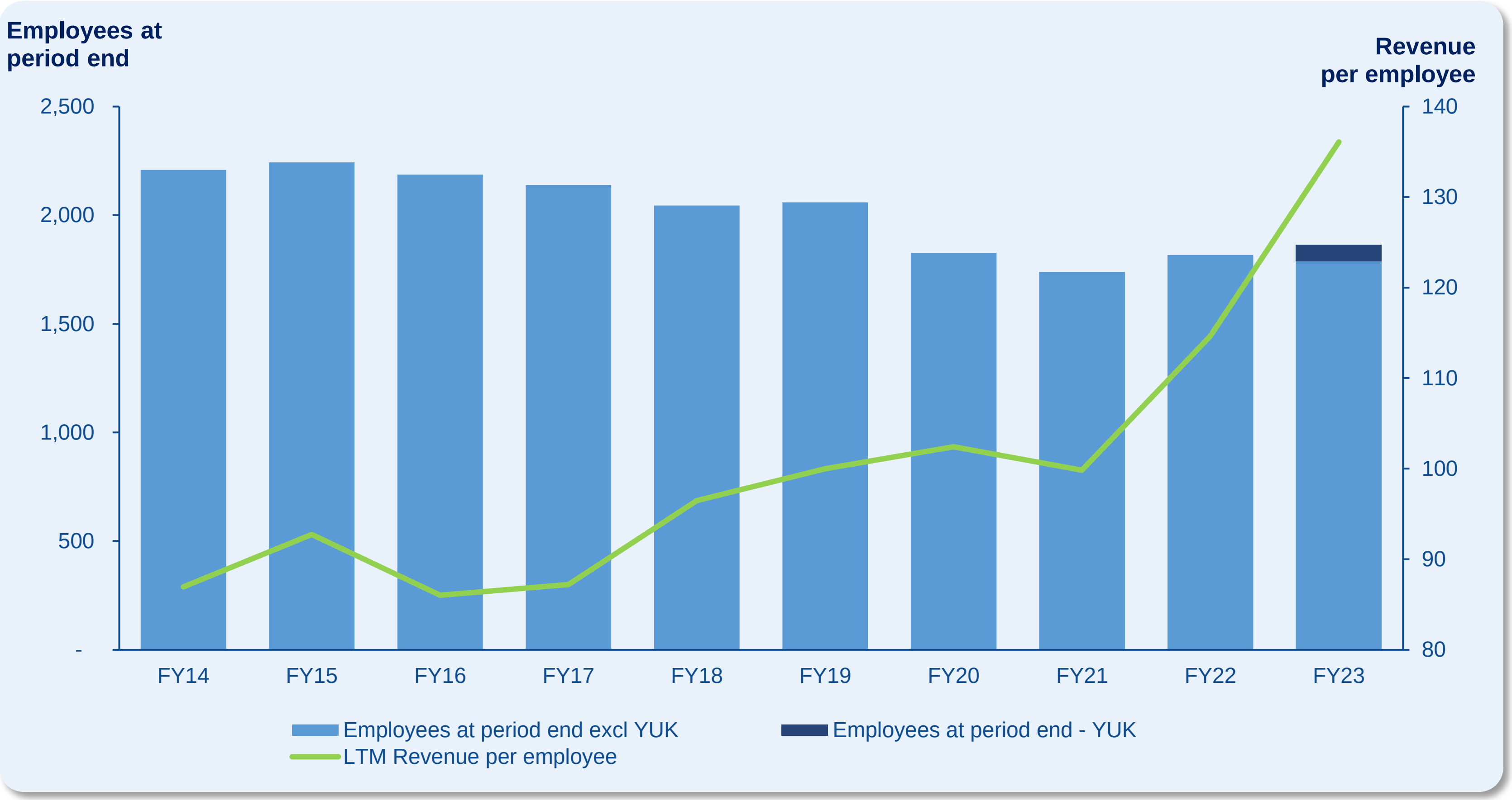
- Organic GDP + revenue growth
- Annual net cash generation
- Operating profit margin expansion
- EPS growth

Renold, 2nd largest in the global Chain market, strong brand, less than 10% market share. International footprint with no dependency on any geography, customer, product or application. International supply chain and manufacturing footprint.

Well placed to achieve growth

Appendix - Improving productivity

Revenue per employee, constant exchange rates



Appendix – Sustainability: Strategy

"We believe that the focus on sustainability, as well as being the right thing to do, will contribute to lasting economic success."

A few "top down" group-driven projects delivering in critical areas

Sustainability Progress

Local sustainability roadmaps identifying locally relevant projects and driving employee engagement

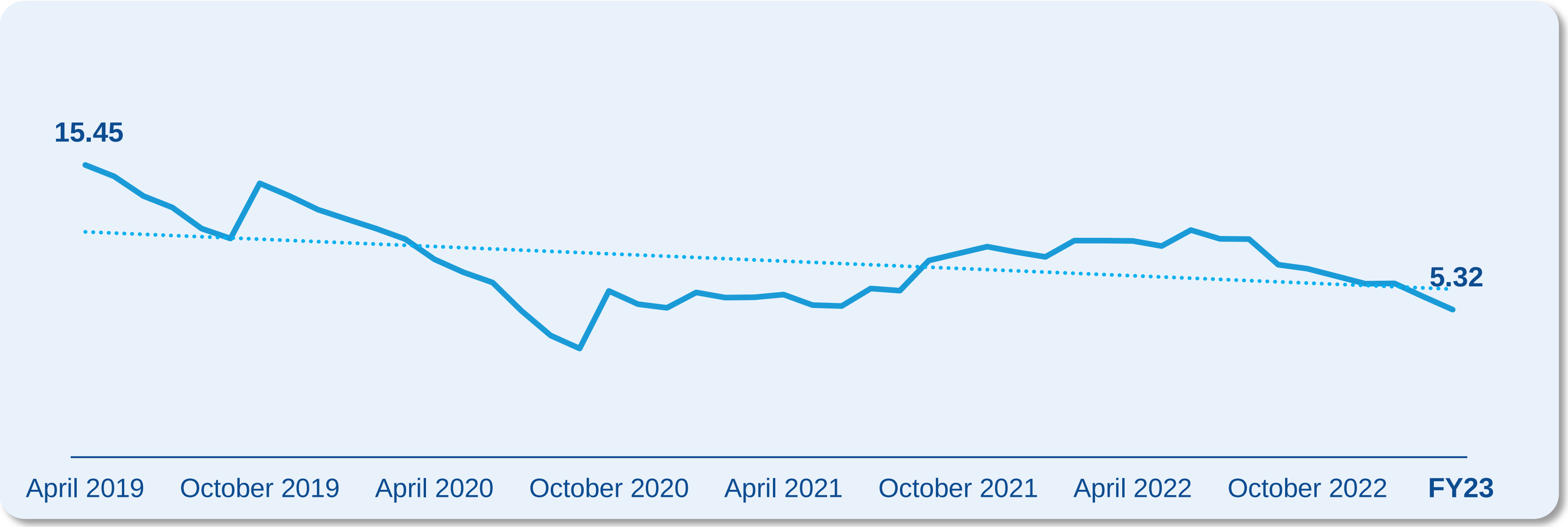
- Environmental sustainability
  - Reduced emissions intensity
  - Energy, packaging and chemical projects
- Customer sustainability
  - Lubrication and lower emission projects
  - Renold chain = Less power usage = Kinder to the environment
- Community sustainability
  - Vaccination clinics and Food Drive
  - Renold natural disaster fund
- Governance sustainability
  - Business integrity and ethics
  - Our values

Phased action plan: realistic, ongoing, proportionate, manageable, scalable, delivers real & lasting outcomes

Positively making a difference with real sustainable improvements

RENOLD

Lost time accident frequency rate



- We are committed to providing a safe workplace
- Accident reporting continues to be key agenda for all Board and Executive meetings
- All accidents are thoroughly investigated and lessons learnt are shared throughout the Group
- Continued drive to increase near miss reporting and the sharing of good practice
- Regaining the positive momentum we built in previous years

Health, safety and wellbeing is our number one priority

Appendix – Liquidity, currency & tax

Liquidity

- Refinancing agreed, new facilities £85m plus £20m accordion, leverage covenant expanded to 3.0x EBITDA
- Good level of liquidity, with access to sufficient multi-currency debt facilities
- The Group continues to have clear headroom on all covenants

Covenants	At 31 March 2023
Net debt/EBITDA[1]: Max 2.5x	0.9
Interest cover: Min 4.0x	13.7

[1]Net debt/EBITDA calculated in accordance with the Group's banking agreement; this differs to the quoted leverage ratio following the adoption of IFRS 16

Currency

- Every US dollar cent worth c.£90k of adjusted operating profit
- Every Euro cent worth c.£130k of adjusted operating profit

Analysis by currency, 12 months ended 31 March 2023

Taxation

- Effective tax rate as used for adjusted EPS of 31.8% (FY22: 17.7%)
- Non-recurring transfer pricing tax charge in FY23 due to post Brexit structural changes

Clear covenant headroom

Appendix – Income statement

RENOLD

	FY23 £m	FY22 £m	Var £m
Revenue	**247.1**	195.2	51.9
Operating profit	**22.9**	16.2	6.7
Pension scheme financing charges	**(2.1)**	(1.8)	(0.3)
External financing charges	**(2.3)**	(1.1)	(1.2)
Interest on lease liabilities	**(0.7)**	(0.5)	(0.2)
Other financing costs	**(0.5)**	(0.4)	(0.1)
Profit before tax	**17.3**	**12.4**	**4.9**
Taxation	(5.5)	(2.2)	(3.3)
Profit after tax	**11.8**	**10.2**	**1.6**
Basic EPS	**5.7p**	4.7p	

Appendix – Balance sheet

	FY23 £m	FY22 £m	Var £m
Goodwill	28.2	22.7	5.5
Intangible assets	10.9	5.1	5.8
Fixed assets	56.8	49.3	7.5
Right-of-use assets	16.5	8.0	8.5
Deferred tax	4.0	12.5	(8.5)
Inventories	61.8	48.4	13.4
Receivables	43.5	35.7	7.8
Payables	(57.2)	(48.5)	(8.7)
Working capital	**48.1**	**35.6**	**12.5**
Net debt	(29.8)	(13.8)	(16.0)
Lease liabilities	(20.2)	(12.0)	(8.2)
Provisions	(5.0)	(4.0)	(1.0)
Retirement benefit deficit	(62.2)	(87.1)	24.9
Current tax liability	(6.0)	(4.1)	(1.9)
Other	(2.2)	(5.2)	3.0
Net assets/(liabilities)	**39.1**	**7.0**	**32.1**
Leverage ratio[1]	**0.8 times**	**0.5 times**	

[1]Leverage is calculated as net debt / adjusted EBITDA