



# **Full Year Results**

Year ended 31 March 2025

"Strategic and operational progress driving record earnings growth"

**Financial highlights** 

- Revenue £245.1m, up 3.9% at constant exchange rates, up 1.5% at reported rates due to currency headwinds
- Adjusted operating profit up 11.4% at constant rates, up 8.4% at reported rates to £32.2m (FY24 £29.7m)
- Return on sales increased by 80bps to 13.1%
- Net debt increased to £44.8m due to acquisition of Mac Chain, purchase of Cardiff site and final payments for YUK acquisition and Chinese building
- Adjusted EPS growth of 15.4% to 9.0p (FY24 7.8p)
- Pensions deficit reduced by 17.7% to £47.0m (FY24 £57.1m)

**Business highlights** 

- Rebound in order intake up 9.9% at constant currency, with a strong sales performance in difficult markets
- Closing order book of £83.0m remains strong (FY24 £83.6m)
- Acquisition of Mac Chain in September 2024, for US\$30.9m, increases the Group's access to the Pacific west coast forestry chain market.
   The business is performing in line with expectations
- On 25 June 2025 the Group announced the acquisition of Ognibene s.p.a., a leading supplier of transmission chain in Italy, for a cash consideration of €10.0m.
- Good progress on capital investment, productivity improvements and cost reduction programmes
- Valencia flood rebuild on track, with costs covered by insurance

"Record financial performance for third successive year"



### Financial review – Group summary



				Constant exchange
	FY25 £m	FY24 £m	Change %	rates %
Revenue	245.1	241.4	1.5%	3.9%
Adjusted operating profit Return on sales	32.2 13.1%	29.7 12.3%	8.4%	11.4%
Adjusting items	(3.7)	0.8		
Statutory operating profit	28.5	30.5	-6.6%	-3.9%
Profit before tax  Effective tax rate	20.6 26.7%	22.9 25.3%		
Adjusted EBITDA  Adjusted EBITDA margin	44.2 18.0%	40.9 16.9%	8.1%	
Net debt	44.8	24.9	79.9%	
Adjusted EPS Basic EPS	9.0p 7.6p	7.8p 8.3p	15.4% -8.4%	

- Constant currency revenue growth driven by strong improvement in TT, and acquisitions
- Further improvement in adjusted operating profit, up 11.4% at constant rates
- Return on sales increased by 80bps to 13.1%, a record high primarily driven by productivity enhancements
- Net debt increases due to acquisition of Mac Chain, purchase of long lease on Cardiff site, payment of YUK deferred consideration and final Chinese building payment



## Productivity improvements leading to strong earnings growth



### Financial review - Divisional summary



Chain				Constant exchange
	FY25	FY24	Change	rates
	£m	£m	%	%
Revenue	195.3	192.8	1.3%	3.9%
Adjusted operating profit	32.1	31.5	1.9%	4.4%
Return on sales	16.4%	16.3%		
Non-recurring items	(2.6)	1.3		
Reported operating profit	29.5	32.8	-10.1%	-7.9%

•	Productivity improvements lead to continued growth in Chain margins to achieve 16.4% ROS
•	Acquisition of Mac Chain completed and

- performing in line with expectations

   FY25 includes non-recurring items of £0.4m
- FY25 includes non-recurring items of £0.4m impact of Valencia flood, £0.6m unwind of fair value inventory uplift, £1.6m (FY24: £1.0m) amortisation of acquired intangibles, vs FY24 £2.3m profit on assignment of lease.

<b>Torque Transmission</b>				Constant exchange
4	FY25	FY24	Change	rates
	£m	£m	%	%
Revenue	54.8	53.5	2.4%	3.7%
Adjusted and reported operating profit	10.4	8.4	23.8%	25.0%
Return on sales	19.0%	15.7%		
Adjusting items	0.5	-		
Reported operating profit	10.9	8.4	29.8%	31.0%

- Increased demand for Military Couplings in Cardiff, strengthening of demand and productivity in North America
- Improved product mix and productivity improvements, ROS increases to 19.0%
- Benefits from automation capex
- Non-recurring provision release on acquisition of leased property
- Small inflationary increase in Central costs
- Non-recurring items includes £1.6m (FY24 £0.5m) of acquisition costs

Control costs	FY25	FY24
Central costs	£m	£m
Intersegment revenue elimination	(5.0)	(4.9)
Central costs	(10.3)	(10.2)
Non-recurring items	(1.6)	(0.5)
Reported operating loss	(11.9)	(10.7)

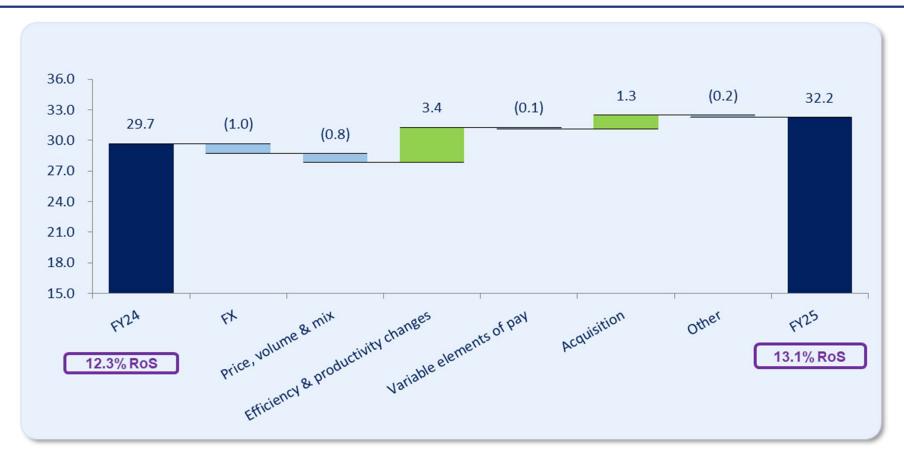


# Improving margins despite market volatility





### Adjusted operating profit bridge, £m



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



## Business improvements are delivering margin growth





	FY25	FY24	
	£m	£m	
Adjusted operating profit	32.2	29.7	
Depreciation and amortisation	10.6	9.8	
Loss on disposal of property, plant and equipment	(0.1)	-	
Share-based payments	1.5	1.4	
Adjusted EBITDA	44.2	40.9	
Movement in working capital	(2.4)	3.8	
Net capital expenditure	(13.3)	(10.1)	
Operating cash flow	28.5	34.6	Operating cash
Income taxes	(7.0)	(3.8)	conversion 89%
Pensions cash costs <sup>1</sup>	(6.1)	(6.0)	(FY24:116%)
Leasing	(3.0)	(2.5)	( 111)
Chinese building repayment	(2.5)	(2.2)	
Financing costs paid	(5.5)	(4.8)	
Consideration paid for acquisitions	(23.4)	(5.2)	
Dividends paid	(1.0)	-	
Own shares purchased	•	(4.5)	
Valencia flood impact	0.1	-	
Other movements	•	(0.7)	
Cash (outflow) / inflow	(19.9)	4.9	
Closing net debt	(44.8)	(24.9)	

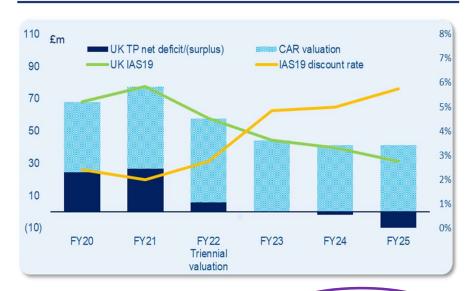
<sup>&</sup>lt;sup>1</sup> Pension cash costs exclude pension administration costs which are included within operating profit

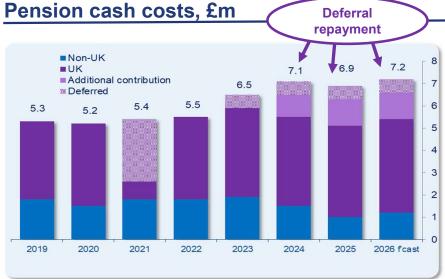
#### Net debt increases due to:

- Successful acquisition of Mac Chain for US\$30.9m (costs £1.3m) and final deferred consideration relating to the YUK acquisition €2.0m (£1.7m)
- Purchase of long lease on Cardiff site (£3.8m)
- Cash tax increases due to full utilisation of US and German tax losses
- Valencia flood cash costs of £1.3m offset by insurance payment on account of £1.4m
- Refinancing April 2025, £105m plus £25m accordion, available to fund acquisition strategy



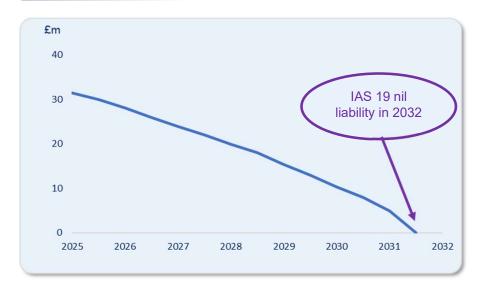
### **UK** scheme deficit



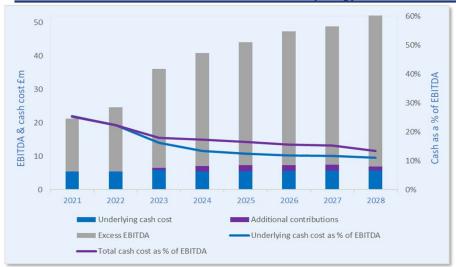


Cash costs include pension administration costs which are included within operating profit (FY26 f'cast: £0.4m).

#### **UK** scheme: future outlook



### Pension cash cost vs EBITDA (Adj)



Excess EBITDA - total bar represents group EBITDA generated in the year



### Relative pension burden is reducing





### Our people are all safe, short-term extraordinary impact but insured minus deductible

#### **Background:**

- On Tuesday 29<sup>th</sup> October, severe flooding in Valencia region
- Renold Valencia CVC manufacturing facility (30% of business) saw extensive flooding
- · Fortunately, no employees were injured, but factory equipment submerged
- Renold Valencia TRC distribution centre (70% of business) unaffected
- Facility insured, including business interruption, excluding insurance deductible (estimated net cost £1.0m)

#### **Recovery status:**

- As of end of December assembly operations successfully relocated to the logistics centre, using outsourced component manufacture. We can supply our full product portfolio
- Overdue orders are now back to normal levels
- Order intake back to pre- flood levels
- Purchase orders have been raised for the replacement of the damaged equipment. Full recovery of our component production capability expected by end of December 2026

#### **Financial impact:**

- Exceptional write off (mostly inventory and factory equipment) £2.4m
- Exceptional trading impact. Latest estimate £3.4m over 2 years treated as exceptional
- Net exceptional charge after accrued insurance income of £0.4m
- Insurance recovery expected in FY26, still to be quantified, estimated at £10.6m

#### **Cashflow:**

- Insurance payments on account totalling £1.4m
- £4.2m interest free Government loan received to fund factory rebuild
- Final insurance settlement expected by end of FY26

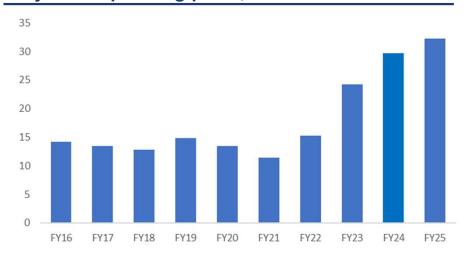
# RENOLD

Business review Robert Purcell CEO

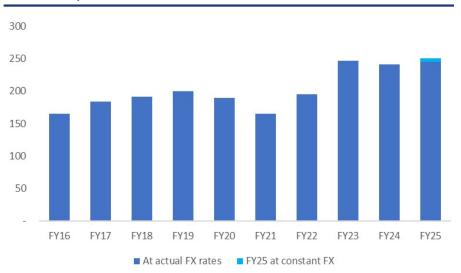




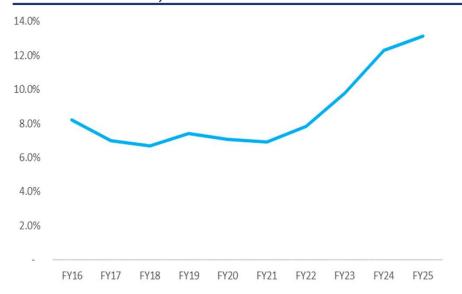
### Adjusted operating profit, £m



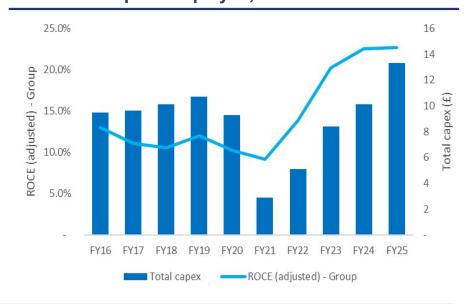
#### Revenue, £'000



#### Return on Sales, %



### Return on Capital Employed, %





# Long term performance improvements

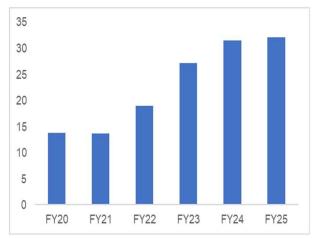


## **Divisional summary**

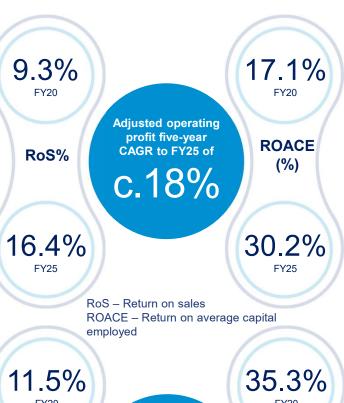
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#### Chain

**Adjusted Operating Profit** 

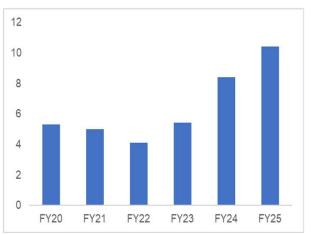




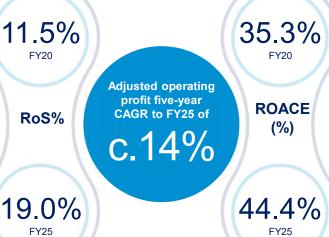


**Torque Transmission** 

**Adjusted Operating Profit** 





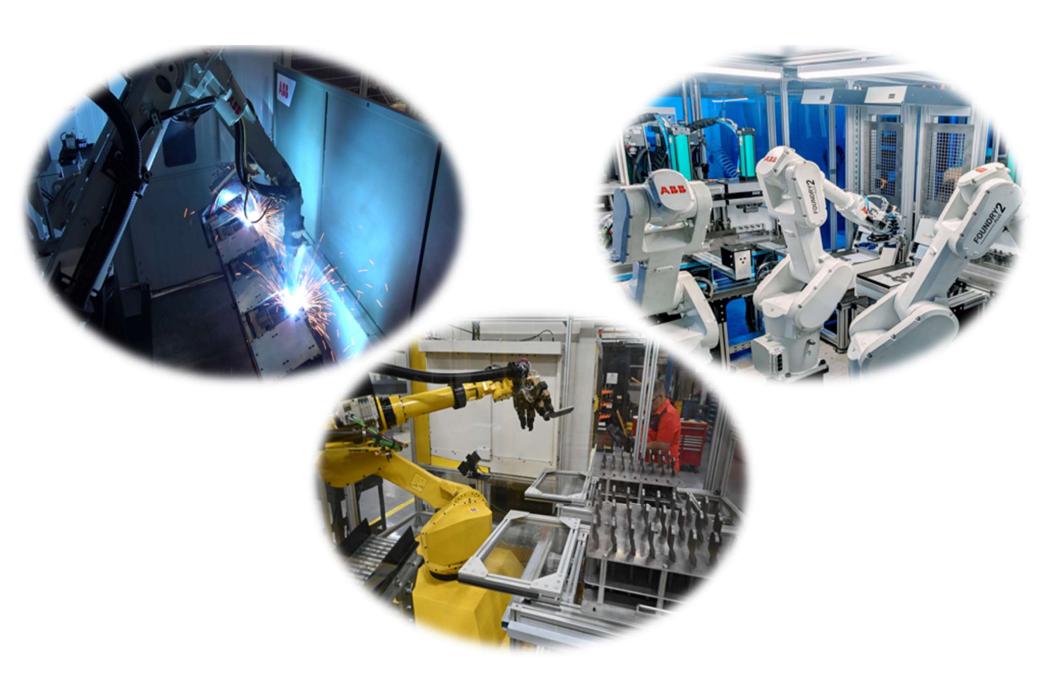




### **Progress continues**



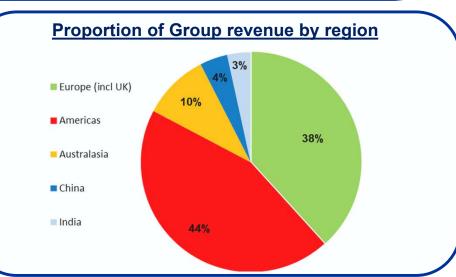














### Mac Chain – completed September 2024

### The Mac Chain business

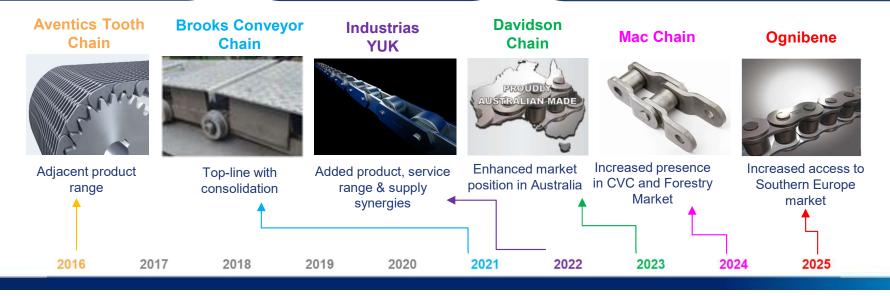
- Manufacturer and distributor of high-quality conveyor chain
- Trading in line with management expectations
- Strong name in forestry
- Strong presence on Pacific North Coast, will enhance Renold's service offering

### The Ognibene business

- Acquired on 25<sup>th</sup> June 2025 for cash consideration of €10m
- Manufacturer and distributor of high-quality transmission chain and ancillary products
- Strong presence in Italy and wider Southern Europe market.
- Generation of manufacturing synergies

#### What it does for Renold

- Enhances geographic coverage
- Significant synergies
  - Manufacturing / purchasing / supply chain / commercial opportunities
- Enhances management depth, bringing a wealth of industry experience and market knowledge
- Immediately enhances Group EPS and accretive to the Group's operating margin
- Chain manufacturing footprint in the US and Canada
- Transmission chain distribution in Italy



## Acquisitions are a springboard for growth





- Record results with strong profit growth, adjusted EPS 9.0p, up 15.4%
- Successful bolt-on acquisition of Mac Chain, in Pacific North West of America, increases forestry market presence
- Acquisition of Ognibene S.P.A, a leading supplier of transmission chain in Italy for a cash consideration of €10m
- Closing order book of £83.0m remains close to a record high, with order intake up 9.9% in the year
- Return on sales 13.1%, up 80bps; improving profitability despite a period of sustained cost inflation and geopolitical uncertainty shows strong business fundamentals
- Further development of margin targeted, through increased automation and efficiency gains
- Refinancing agreed with extension until May 2028, new facilities £105m plus £25m accordion
- Effective management in an uncertain economic environment







# RENOLD





**Appendices** 



### **Overview**

£245m

revenue

£32.2m

Adj. operating profit

c. £120m

market capitalisation

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

c. 1,900

countries sold to

>100

employees worldwide

The addressable market size for our businesses:

Chain >£3 billion

TT Multi-billion

### Renold plc

#### Chain

80% of Group sales

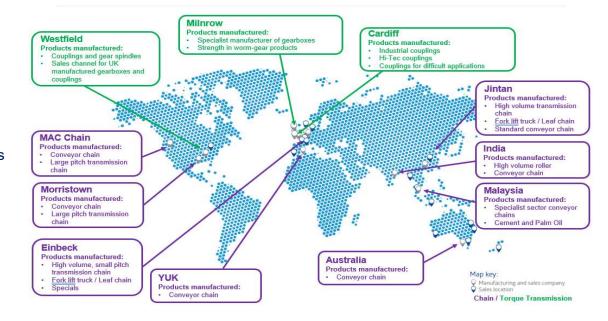
Global leader in the manufacture of industrial chains including:

- · 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





Renold plc is the second largest industrial chain company in the world
With a truly global manufacturing footprint, Renold delivers to customers in over 100 countries worldwide
Our products are used in many demanding, high-tech and cutting-edge end applications





### What we are, and what we are not







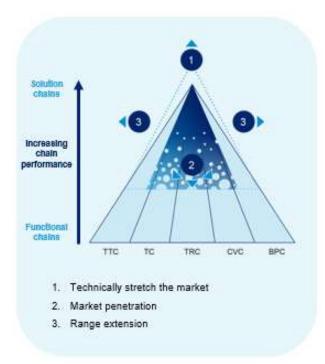
A leading premium supplier of high specification, sustainable, Industrial Chain and Torque Transmission products that facilitate others to achieve complex operational needs more reliably and with lower total cost of ownership. Our products whilst critical are a small part of the total cost.



Renold, a leader 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



# Our improvement activities facilitate it



# And we have the proven capability to do it...

### Organically

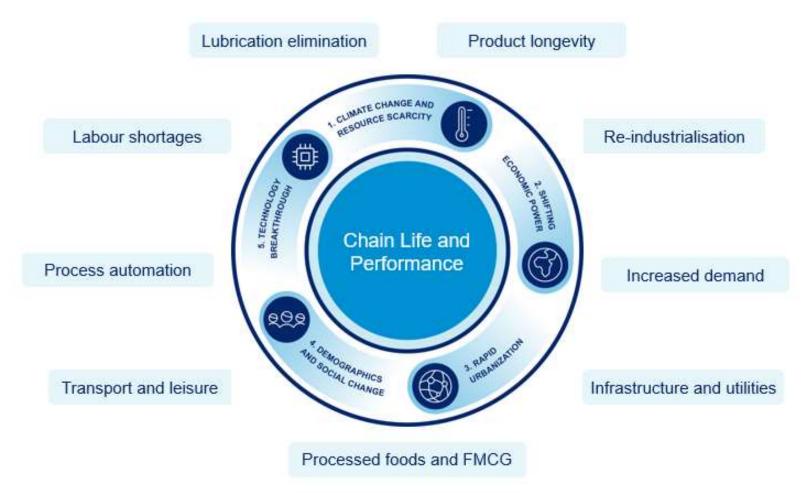
- stretching our technical advantage
- deepening our market share by infilling
- improving service and reach

### Acquisitively

- adding product range
- opening up new geographies
- consolidation



# Economic mega trends support growth





Our markets are attractive - large, growing, highly engineered, complex product

Our market position is good - a market leader, premium, high specification, differentiated with a technical moat

Market trends are a tailwind – sustainability, automation, high performance

Three routes to growth - technically stretch the market, market penetration, range extension

A market ripe for consolidation - global, highly fragmented, many small private, geographically or product specific competitors

We have the capacity and capability to grow - cash generative, management, proven track record