

# Hill & Smith PLC

## Change in reporting currency

June 2026



# Adoption of US dollar for reporting from 2026

- As previously announced, the Group will report its financial results in US dollars (USD) starting with the six months ending 30 June 2026 in order to provide greater transparency and reduce foreign exchange volatility
- Commencing with the interim dividend for the year ending 31 December 2026, due to be paid in January 2027, dividends will be declared in USD. Shareholders will continue to receive dividends in sterling unless they have elected to receive in USD
- The information in this document shows the re-presentation of the Group's Income Statement, Underlying Cash Flows, Net Debt and key financial performance metrics for each period from 2022 to 2025, together with Divisional Analyses for the period from 2023 to 2025
- Re-presented primary consolidated financial statements, together with selected notes, for the years ended 31 December 2025/2024 and the six months ended 30 June 2025 are accessible on the Group's website
- The financial information has been re-presented in USD for comparative purposes in accordance with IAS 21. This includes the retranslation of assets and liabilities at exchange rates prevailing at the relevant balance sheet dates, and the retranslation of income statement and cash flow items at the average exchange rates for the relevant period
- Foreign currency exchange rate sensitivities for revenue and operating profit are provided in the Appendix to enable the user's understanding of the impact of changes in exchange rates on reported USD performance
- The Group's Investor Relations team is available to support analysts' transition to modelling performance and prospects in USD
- The Group's approach to guidance remains consistent with prior periods. As set out in the Group's AGM Statement issued on 21 May 2026, we expect FY2026 underlying operating profit to be at the top end of the range of analyst expectations at that date. The Company compiled analyst consensus at that date was for underlying operating profit with a range of £157.6m to £160.5m, which at an average exchange rate of \$1.32 (being the prevailing exchange rate at the time of the Group's FY25 results announcement in March 2026) translated to a range of \$208.0m to \$211.9m

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# Re-presented key Group financials

# Underlying income statement

USD\$m	FULL YEAR				HALF YEAR			
	2025	2024	2023	2022	2025	2024	2023	2022
Revenue	1,146.8	1,094.5	1,029.0	907.8	561.1	532.6	517.6	454.9
Operating profit	199.7	183.6	151.9	120.4	95.5	86.1	76.9	56.7
<i>Operating margin</i>	17.4%	16.8%	14.8%	13.3%	17.0%	16.2%	14.9%	12.5%
Net finance costs	(11.6)	(14.0)	(13.1)	(11.4)	(5.9)	(6.6)	(6.5)	(4.4)
<b>Profit before taxation</b>	<b>188.1</b>	<b>169.6</b>	<b>138.8</b>	<b>109.0</b>	<b>89.6</b>	<b>79.5</b>	<b>70.4</b>	<b>52.3</b>
Taxation	(47.9)	(43.5)	(34.2)	(24.4)	(22.8)	(20.5)	(17.6)	(12.0)
<b>Profit for the period</b>	<b>140.2</b>	<b>126.1</b>	<b>104.6</b>	<b>84.6</b>	<b>66.8</b>	<b>59.0</b>	<b>52.8</b>	<b>40.3</b>
Weighted average no. of shares (m)	80.3	80.4	80.0	79.9	80.5	80.4	80.1	79.9
Earnings per share (cents)	174.6	157.0	130.7	105.9	82.9	73.4	65.9	50.4
Dividend per share (cents)	70.0	62.7	53.3	43.4	23.4	20.8	18.5	16.9
USD:GBP FX rate (average)	1.32	1.28	1.24	1.24	1.30	1.26	1.23	1.30

# Cash flow statement

USD\$m	FULL YEAR				HALF YEAR			
	2025	2024	2023	2022*	2025	2024	2023	2022*
Underlying operating profit	199.7	183.6	151.9	128.8	95.5	86.1	76.9	62.9
Depreciation and amortisation	42.0	41.5	37.4	37.2	20.9	20.2	18.6	20.4
<b>Underlying EBITDA</b>	<b>241.7</b>	<b>225.1</b>	<b>189.3</b>	<b>166.0</b>	<b>116.4</b>	<b>106.3</b>	<b>95.5</b>	<b>83.3</b>
Working capital	(4.1)	0.8	28.3	(52.8)	(15.3)	(16.5)	(8.9)	(54.0)
Capital expenditure (net)	(43.7)	(32.3)	(35.3)	(38.6)	(15.6)	(11.2)	(15.1)	(22.1)
Repayments of lease liabilities	(12.5)	(11.5)	(11.7)	(11.8)	(6.2)	(5.5)	(5.7)	(6.4)
Movements in provisions/other	0.2	(0.2)	4.3	2.2	1.4	(1.1)	1.2	0.5
<b>Underlying operating cash flow</b>	<b>181.6</b>	<b>181.9</b>	<b>174.9</b>	<b>65.0</b>	<b>80.7</b>	<b>72.0</b>	<b>67.0</b>	<b>1.3</b>
<i>Underlying cash conversion</i>	91%	99%	115%	51%	85%	83%	87%	2%
Restructuring spend (net)	(2.1)	(1.7)	1.1	(8.1)	(0.5)	(1.6)	2.3	(1.2)
Pension deficit payments	(5.0)	(4.7)	(4.6)	(4.6)	(2.5)	(2.4)	(2.3)	(2.5)
Interest paid (incl. IFRS 16)	(10.3)	(13.3)	(12.0)	(8.3)	(5.2)	(5.8)	(5.9)	(3.4)
Tax paid	(36.0)	(33.9)	(39.3)	(19.2)	(13.0)	(13.4)	(18.3)	(10.5)
<b>Free cash flow</b>	<b>128.2</b>	<b>128.3</b>	<b>120.1</b>	<b>24.8</b>	<b>59.5</b>	<b>48.8</b>	<b>42.8</b>	<b>(16.3)</b>
Dividends	(52.0)	(44.2)	(34.7)	(30.6)	(17.2)	(15.1)	(12.8)	(12.5)
M&A	7.3	(63.9)	(70.2)	44.8	10.0	(18.1)	(52.4)	2.0
Lease movement under IFRS 16	6.3	(5.5)	(3.5)	0.6	2.3	(7.2)	2.0	6.1
Share issues/other (net)	(5.4)	0.9	(1.7)	(1.1)	(3.7)	0.8	0.4	1.2
Share buyback	(26.8)	-	-	-	-	-	-	-
<b>Net cash flow</b>	<b>57.6</b>	<b>15.6</b>	<b>10.0</b>	<b>38.5</b>	<b>50.9</b>	<b>9.2</b>	<b>(20.0)</b>	<b>(19.5)</b>
FX impact	(5.1)	1.0	(4.1)	13.2	(5.6)	0.5	(4.2)	14.5
<b>Net debt</b>	<b>68.6</b>	<b>121.1</b>	<b>137.7</b>	<b>143.6</b>	<b>75.8</b>	<b>128.0</b>	<b>167.8</b>	<b>200.3</b>

\* FY22 and HY22 included France Galva, which the Group disposed of in October 2022

# Performance against financial framework

No changes to Group financial framework targets

	Framework	FY25	FY24	FY23	FY22
Organic revenue growth	5-7%	3%	flat	5%	14%
Total revenue growth *	10%+	5%	6%	13%	5%
Operating profit margin	18%+	17.4%	16.8%	14.8%	13.3%
Return on invested capital **	22%+	26.7%	25.2%	21.8%	19.0%
Cash conversion	80%+	91%	99%	115%	51%
Covenant leverage **	1-2 x	0.1 x	0.3 x	0.5 x	0.7 x

\* Differences to reported percentages reflect movements in the average USD:GBP exchange rate from year to year

\*\* Minor changes to the reported percentages arise as a result of the numerator in the return on invested capital calculations being translated at average exchange rates and the denominator at closing exchange rates, and vice versa in respect of covenant leverage

# Divisional analyses

# Divisional income statement data

\$m	FULL YEAR			HALF YEAR	
	2025	2024	2023	2025	2024
<b>US Engineered Solutions</b>					
Revenue	549.9	499.5	433.4	264.6	240.5
Operating profit	99.0	88.8	71.5	47.3	42.2
<i>Operating margin</i>	18.0%	17.8%	16.5%	17.9%	17.5%
<b>UK &amp; India Engineered Solutions *</b>					
Revenue	316.0	341.8	351.7	163.2	167.3
Operating profit	27.6	30.5	23.7	15.6	12.8
<i>Operating margin</i>	8.7%	8.9%	6.7%	9.6%	7.7%
<b>Galvanizing Services</b>					
Revenue	280.9	253.2	243.9	133.3	124.8
Operating profit	73.1	64.3	56.7	32.6	31.1
<i>Operating margin</i>	26.0%	25.4%	23.2%	24.5%	24.9%

\* UK & India Engineered Solutions includes the Group's Swedish and Australian businesses, which were disposed of in Q1 2023 and Q1 2025 respectively, and were not significant to the overall divisional amounts

# Divisional change analysis FY24-25

	2025	Organic	M&A	FX	2024	Constant currency	OCC
<b>US Engineered Solutions</b>							
Revenue (\$m)	549.9	28.9	21.5	-	499.5	+10%	+6%
Operating profit (\$m)	99.0	7.2	3.3	(0.3)	88.8	+12%	+8%
Operating margin	18.0%				17.8%		
<b>UK &amp; India Engineered Solutions</b>							
Revenue (\$m)	316.0	(21.3)	(13.3)	8.8	341.8	-10%	-6%
Operating profit (\$m)	27.6	(5.4)	2.0	0.5	30.5	-11%	-17%
Operating margin	8.7%				8.9%		
<b>Galvanizing Services</b>							
Revenue (\$m)	280.9	24.5	-	3.2	253.2	+10%	+10%
Operating profit (\$m)	73.1	8.4	-	0.4	64.3	+13%	+13%
Operating margin	26.0%				25.4%		
<b>Group</b>							
Revenue (\$m)	1,146.8	32.1	8.2	12.0	1,094.5	+4%	+3%
Operating profit (\$m)	199.7	10.2	5.3	0.6	183.6	+8%	+6%
Operating margin	17.4%				16.8%		

# Divisional change analysis HY24-25

	H1 2025	Organic	M&A	FX	H1 2024	Constant currency	OCC
<b>US Engineered Solutions</b>							
Revenue (\$m)	264.6	7.7	16.4	-	240.5	+10%	+3%
Operating profit (\$m)	47.3	2.8	2.5	(0.2)	42.2	+13%	+7%
Operating margin	17.9%				17.5%		
<b>UK &amp; India Engineered Solutions</b>							
Revenue (\$m)	163.2	(2.5)	(6.0)	4.4	167.3	-5%	-1%
Operating profit (\$m)	15.6	1.6	0.9	0.3	12.8	+19%	+12%
Operating margin	9.6%				7.7%		
<b>Galvanizing Services</b>							
Revenue (\$m)	133.3	6.9	-	1.6	124.8	+6%	+6%
Operating profit (\$m)	32.6	1.3	-	0.2	31.1	+4%	+4%
Operating margin	24.5%				24.9%		
<b>Group</b>							
Revenue (\$m)	561.1	12.1	10.4	6.0	532.6	+4%	+2%
Operating profit (\$m)	95.5	5.7	3.4	0.3	86.1	+11%	+7%
Operating margin	17.0%				16.2%		

# Appendix

# Exchange rates and sensitivities

	FULL YEAR				HALF YEAR			
	2025	2024	2023	2022	2025	2024	2023	2022
Average rate (USD:GBP)	1.32	1.28	1.24	1.24	1.30	1.26	1.23	1.30
Closing rate (USD:GBP)	1.35	1.25	1.27	1.20	1.37	1.26	1.27	1.21
Average rate (GBP:USD)	0.76	0.78	0.81	0.81	0.77	0.79	0.81	0.77
Closing rate (GBP:USD)	0.74	0.80	0.79	0.83	0.73	0.79	0.79	0.83

## Translation impact of FX movements on FY25 reported results

GBP:USD exchange rate	Revenue change (\$m)	Operating profit change (\$m)
0.77	+5.3m	+0.3m
0.76	-	-
0.75	-5.4m	-0.3m

The table illustrates the effect of a 1 pence movement in the average GBP:USD exchange rate on FY25 revenue and operating profit reported in US dollars

# Disclaimer

## **Cautionary statement**

This presentation contains forward looking statements which are made in good faith based on the information available at the time of its publication.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of risks and uncertainties that are inherent in any forward-looking statement which could cause actual results to differ materially from those currently anticipated. Nothing in this document should be regarded as a profits forecast.



Hill & Smith PLC