Hill & Smith PLC

Interim results
For the six months ended 30 June 2026

Contents

Hill & Smith PLC
Half Year Results (unaudited) for the six months ended 30 June 2026

Strong first half performance driven by double-digit US growth; FY26 expectations raised

Hill & Smith PLC ('Hill & Smith' or 'the Group'), a leading provider of solutions that enhance the resilience of vital infrastructure and the built environment, announces its unaudited results for the six months ended 30 June 2026 ('the period'). As previously announced, the Group has adopted the US dollar for reporting in 2026 and throughout this report the comparatives have been restated accordingly.

Financial Results

	Underlying*		*Change*			Statutory		
	30 June 2026	*30 June 2025*	***Reported %***	***Constant Currency %***	***OCC ^ %***	***30 June 2026***	*30 June 2025*	*Change %*
Revenue	**$606.7m**	$561.1m	***+8%***	***+7%***	***+5%***	**$606.7m**	$561.1m	*+8%*
Operating profit	**$102.9m**	$95.5m	***+8%***	***+7%***	***+3%***	**$76.5m**	$88.3m	*-13%*
Operating margin	**17.0%**	17.0%	**-**			**12.6%**	15.7%	*-310bps*
Profit before tax	**$96.1m**	$89.6m	***+7%***			**$69.2m**	$82.4m	*-16%*
Earnings per share	**90.6c**	82.9c	***+9%***			**60.2c**	76.3c	*-21%*
Dividend per share	**25.0c**	23.4c	***+7%***			**25.0c**	23.4c	*+7%*

Highlights:

- **Strong trading performance**
  - Group organic constant currency (OCC) revenue growth of 5% driven by robust demand for infrastructure solutions in the US, partially offset by weaker performance in our UK Engineered Solutions businesses
  - US businesses delivered 14% OCC revenue growth, supported by strong demand across both Engineered Solutions and Galvanizing
  - Revenue from higher-growth priority end markets increased to 39% of Group revenue (FY25: 34%), reflecting growth in power transmission & distribution and data centre-related markets
  - Underlying operating margin of 17.0% (H1 25: 17.0%), with further margin expansion in the US offset by lower margins in UK & India Engineered Solutions

- **Disciplined portfolio management and capital allocation**
  - Organic growth projects in US transmission & distribution and galvanizing on track, with capacity expected to come online from the end of 2026
  - Freeberg and Hentech acquisitions performing well; particularly strong momentum at Freeberg where the new factory commissioning is well underway
  - Active and growing pipeline of further attractive M&A opportunities
  - UK portfolio actions taken, including the disposal of our permanent steel road barrier business in May 2026, reducing exposure to UK roads, as well as cost reductions in other portfolio businesses

- **Strong balance sheet and returns**
  - ROIC increased to 26.7% (H1 2025: 25.8%), reflecting good growth in our larger US Engineered Solutions businesses and well above the Group's 22%+ target
  - Covenant leverage remains low at 0.4 times, providing significant capital allocation flexibility
  - Interim dividend of 25.0c (2025: 23.4c), an increase of 7%
  - Continued execution of £100m share buyback programme with £58.6m completed as at 10 August 2026

- **Full year expectations raised**
  - Given the strong first half performance, and with sustained momentum in our US businesses, underlying operating profit for FY26 is now expected to be modestly ahead of our previous expectations† with a small FY margin progression compared to the 2025 year
  - Continued confidence in the medium-term growth outlook, reflecting the Group's strong positions in structurally high growth infrastructure and built environment end markets.

Rutger Helbing, CEO, said:
"This has been another period of strong progress for Hill & Smith, led by double-digit organic growth in the US and continued strong demand across our infrastructure end markets. Our recent acquisitions of Freeberg and Hentech are performing well, and the on-track commissioning of Freeberg's new Arizona facility further enhances our capability in a key strategic market.

"While UK trading conditions remain challenging as expected, we are taking decisive portfolio and operational actions to improve resilience and margins over time.

"We remain in a strong financial position, with disciplined capital allocation enabling us to invest for organic growth, pursue attractive M&A opportunities, and continue to return capital to shareholders whilst maintaining significant financial flexibility.

"Overall, we are making good strategic progress, and we are well positioned to continue delivering against our medium-term financial framework. Following the strong first half and with sustained US momentum we now expect FY26 underlying operating profit to be modestly ahead of our previous expectations."

† *The Group's AGM statement released on 21 May 2026 indicated underlying operating profit for the 2026 year was expected to be around $212m.*

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There will be an in-person presentation for analysts and institutional investors this morning at 10:15am, hosted at Deutsche Numis, 21 Moorfields, London EC2Y 9DB, as well as a webcast and conference call with a facility for Q&A for virtual attendees. To register for the webcast, please use this link. For conference call details, please contact jake.terry@mhpgroup.com.

A copy of the presentation will be made available at https://hsgroup.com/investors/reports-and-presentations/.

** All underlying measures exclude certain non-underlying items, which are as detailed in note 6 to the Financial Statements and described in the Financial Review. References to an underlying profit measure throughout this announcement are made on this basis. Non-underlying items are presented separately in the Consolidated Income Statement where, in the Directors' judgement, the quantum, nature or volatility of such items gives further information to obtain a proper understanding of the underlying performance of the business. Underlying measures are deemed alternative performance measures ("APMs") under the European Securities and Markets Authority guidelines and a reconciliation to the closest IFRS equivalent measure is detailed in note 5 to the financial statements. They are presented on a consistent basis over time to assist in comparison of performance.*

^ Where we refer to organic constant currency (OCC) movements, these exclude the impact of currency translation effects and acquisitions, disposals and closures of subsidiary businesses. In respect of acquisitions, the amounts referred to represent the amounts for the period in the current year that the business was not held in the prior year. In respect of disposals and closures of subsidiary businesses, the amounts referred to represent the amounts for the period in the prior year that the business was not held in the current year. Constant currency amounts are prepared using exchange rates which prevailed in the current year.

Notes to Editors

Hill & Smith PLC is a leading provider of solutions that enhance the resilience of vital infrastructure and the built environment. The Group has c.5,000 people, with the majority employed by its autonomous, agile, customer-focused operating companies based in the UK, USA and India. The Group office is in the UK and Hill & Smith PLC is quoted on the London Stock Exchange (LSE: HILS.L).

The Group's operating companies are organised into three divisions:

- *US Engineered Solutions*
- *UK & India Engineered Solutions*
- *Galvanizing Services*

Our US Engineered Solutions businesses provide a range of composite and steel solutions for infrastructure construction including energy transmission & distribution, data centres, waterfront protection, transportation, and other industrial facilities. The division also supplies engineered supports for the water, power and liquid natural gas markets, seismic protection solutions for commercial construction, road work zone safety products and off-grid solar lighting and power solutions.

Our UK Engineered Solutions businesses supply products and services to a range of end markets including transport infrastructure, residential construction, data centres, and other industrial and commercial construction. The division also supplies hostile vehicle mitigation (HVM) and off-grid solar lighting solutions. Our business in India manufactures engineered supports primarily for energy markets.

Our Galvanizing Services operations, based in the US and UK, increase the sustainability and maintenance free life of steel products including structural steelwork, lighting, bridges, and other products for infrastructure and construction end markets.

H1 review

The Group has delivered a strong first half performance, led by continuing robust demand for infrastructure products and services in the US, and initial contributions from the acquisitions of Freeberg and Hentech.

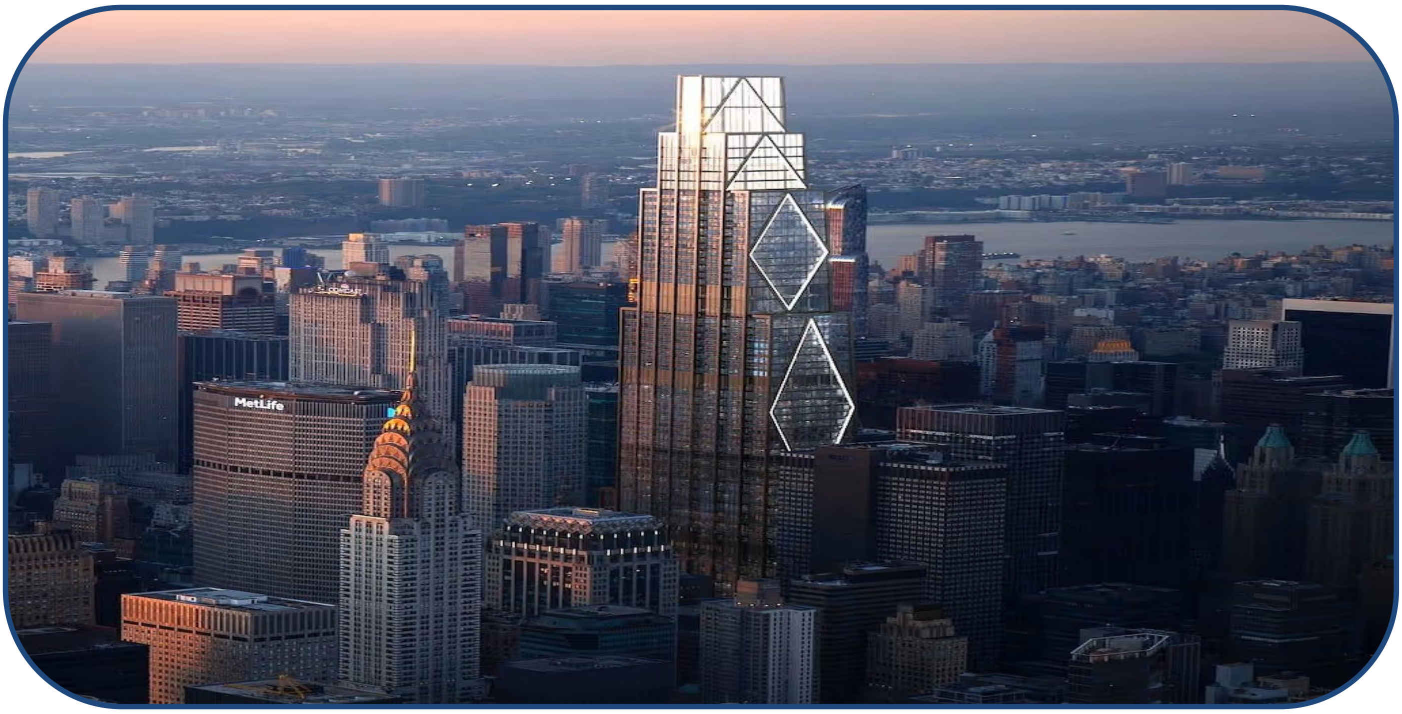
Revenue in the first half was up 5% on an organic constant currency (OCC) basis, with overall revenues up 7% in constant currency. Underlying operating profit was also up 7% on a constant currency basis. Growth was led by our US businesses which accounted for 66% (2025: 61%) of Group revenue and 84% (2025: 76%) of underlying operating profit in the first half. Group underlying operating margin was in line with the comparative period at 17.0%, with continued growth in US margins offsetting weaker performance in our UK Engineered Solutions businesses. We anticipate 2026 full year margins will be slightly ahead of the prior year, and remain confident in our ability to increase margins to at least the targeted level of 18%+ over time.

US Engineered Solutions delivered a very strong performance, with OCC revenue growth of 14%. Overall, revenue and operating profit grew in constant currency by 18% and 20% respectively. We saw continued robust demand for our products and services across our larger platform businesses, which serve a range of attractive structural growth end markets including electricity transmission & distribution, data centres, water and wastewater, and infrastructure construction. Operating margins increased by 20bps to 18.1% (2025: 17.9%).

UK & India Engineered Solutions saw a continuation of subdued demand in the UK, as expected, with OCC revenue declining 13% in the period. Operating margins reduced to 5.3% (2025: 9.6%). Performance reflected reduced activity levels in road infrastructure, industrial infrastructure and residential construction markets, whilst the prior year benefited from project activity in UK transport infrastructure markets. The Group has responded decisively, reallocating resources to higher-growth end markets, combining existing businesses to create larger, more efficient operations, and disposing of the UK permanent steel road barrier business. These actions are expected to improve resilience and support margin recovery over time.

Galvanizing Services delivered a strong first half performance with revenue up 11% on an OCC basis, reflecting robust demand in our higher margin US business and good demand in the UK. Volumes grew by 12% overall, with 16% growth in the US and 6% in the UK. Operating margins expanded by 110 bps to 25.6% (2025: 24.5%).

The Group retains a robust financial position, delivering strong returns. Cash conversion of 50% was below the comparative period (2025: 85%), reflecting an increase in working capital to support growth in several of our faster-growing US businesses, but is expected to increase significantly during the second half of the year as this build in working capital begins to reverse. We continue to expect cash conversion over time to be 80%+, in line with our financial framework. The Group's return on invested capital (ROIC) increased to 26.7% (2025: 25.8%), reflecting a continuing focus on capital efficiency. The Group's balance sheet remains strong at 0.4 times covenant leverage, providing significant capital allocation flexibility. We continue to execute our £100m share buyback programme, with £58.6m having been completed as at 10 August 2026.



Strategic progress update

Operating company framework and priority end markets

Our operating company framework and focus on priority end markets continue to enable us to set the ambition for our operating companies to drive further long-term growth, and to inform our capital allocation, resource planning and portfolio management decision making. During the first half, we grew the proportion of revenues from our high growth emerging markets and resilient growth anchors to 39% (FY25: 34%) with improvements across all geographies, reflecting particularly strong growth in power transmission & distribution and data centre-related end markets. The Freeberg and Hentech acquisitions further enhance our end market revenue profile.

Active portfolio management

Our strategic framework remains crucial in informing our decision-making processes for both organic and inorganic growth investments.

The organic investment projects announced in March 2026 in our US transmission & distribution and galvanizing businesses are progressing well and will support continued growth in activity levels as they start to come online from the end of 2026.

We are pleased to have completed the acquisitions of Freeberg and Hentech during the period for combined consideration of $45.8m (including closing adjustments), providing excellent exposure to a number of our higher growth priority end markets including data centres and power generation, and we continue to see significant potential to use M&A to help us accelerate growth. We have further strengthened our resources focused on deal sourcing and remain confident in our growing pipeline of attractive opportunities. Our ambition remains unchanged, and we still expect to invest, on average, between $65m-$95m per annum on M&A.

In May, we completed the disposal of our UK permanent steel road barrier business for a consideration of $7.1m (£5.3m), having concluded that it did not fit well within the Group's operating company framework. In 2025, the business delivered revenue of $32m (£25m) and a breakeven operating profit. During the period to disposal in May 2026, the business generated revenue of $12m and a breakeven operating profit, in line with the equivalent prior year period.

Actions to strengthen our UK operations

Given the challenging market backdrop, we have initiated a range of measures to strengthen our UK operations overall, making our businesses more resilient in the current environment, and better able to capitalise upon opportunities as markets recover:

- **Increased focus on higher-growth end markets**. Barkers Engineering, our perimeter security business based in Stoke-on-Trent, has been very effective over recent years in moving away from lower-margin cyclical construction markets towards the Group's faster-growing priority end markets, with almost 90% of its revenues being generated from high-growth end markets in the first half of 2026. During the period we transferred the galvanizing activities in Barkers to our principal UK galvanizing operation, Joseph Ash Group. This change releases incremental capacity at Barkers to further increase activity in data centre and other higher-margin sectors.
- **Steps to combine existing businesses to create larger, more efficient operations**. During the period we combined two existing UK operating companies, Prolectric and Mallatite, to create a single business under a common leadership team, focused on the provision of infrastructure and power products to a diverse range of end markets. This combination is expected to produce both revenue and operational synergies which will be accretive to divisional margins over the medium term.
- **Portfolio actions to reshape the UK group**, aligned to our operating company framework:
    - Following the Hentech acquisition in March, close collaboration with our existing UK industrial flooring business has enabled us to better access Hentech's strong routes into European data centre markets.
    - The disposal of our UK permanent steel road barrier business reduces our exposure to the lower growth UK roads market, enabling us to prioritise resources toward more attractive opportunities in other sectors.

We remain focused on further improving the strength and resilience of our UK businesses, and expect the actions being taken to deliver improved financial performance.

Sustainability
Sustainability underpins the Group's growth strategy, with an ongoing commitment to progress against our sustainability focus areas and goals.

Within that, the health and safety of our people remain our top priority. During the first half of the year, we launched our new cultural change programme, "I Own Safety", with very positive feedback received from colleagues across the business. By the end of the year, every employee around the Group will have been trained to recognise unsafe behaviours, and equipped with the means to intervene to prevent accidents from occurring.

We continue to focus on carbon reduction, with each operating company executing plans to reduce carbon emissions within their business. In 2026 our UK galvanizing business, Joseph Ash, will transition its vehicle fleet to use Hydrotreated Vegetable Oil (HVO), which will mark a further important step towards meeting the Group's greenhouse gas emissions targets.

Talented people are critical to our success, and their wellbeing and development continue to play a vital part in delivery of our long-term strategy. During the period, we launched a Group-wide talent and succession planning process to ensure that we can continue to retain and develop our talented people, ensuring they have the opportunities to grow within Hill & Smith. Alongside this, we continued to selectively recruit talent to strengthen and support our businesses as they continue to evolve and grow.

Adoption of US dollar for Group reporting
As previously announced, the Group has changed its presentation currency from sterling to US dollars, to better reflect the profile of the Group's business and to provide investors and other stakeholders with greater transparency of the Group's performance and reduced foreign exchange volatility over time. The comparatives in this report have been restated to reflect this change. Historical financial data presented in US dollars is available here:
https://hsgroup.com/media/lrtjdhlk/change-in-reporting-currency-re-presented-historical-divisional-and-key-financial-metrics.pdf

Recent board updates
As previously announced, Alan Giddins stepped down from Chair of the Board and Nomination Committee following the AGM on 21 May 2026 and was succeeded by Nick Anderson, who joined the Board on 11 March 2026.

Dividend
Our aim is to provide a growing dividend to shareholders. Given the strong first half performance and our continued confidence in the Group's prospects, we have declared an interim dividend of 25.0c per share, an increase of 7% (2025: 23.4c (18.0 pence)). The interim dividend will be paid on 8 January 2027 to shareholders on the register on 27 November 2026.

Shareholders will continue to receive dividends in sterling unless they have elected to receive them in US dollars, the last date for elections being 15 December 2026. The exchange rate used to determine the sterling equivalent dividend will be announced separately in advance of the payment date.

Outlook
The Group enters the second half with sustained momentum in its larger US platform businesses. Demand remains supported by structural investment in infrastructure renewal, grid modernisation, water infrastructure, data centres, and onshoring. We remain confident in our active and growing pipeline of attractive M&A opportunities aligned to our strategic framework.

UK market conditions are expected to remain challenging in the near term, particularly in road infrastructure and residential construction. However, the operational and portfolio actions now underway are expected to improve resilience and support margin recovery over time.

Given the strong first half performance, and with sustained momentum in our US businesses, underlying operating profit for FY26 is now expected to be modestly ahead of our previous expectations, with a small full year margin progression compared to the 2025 year. The Board has continued confidence in the medium-term growth outlook, reflecting the Group's strong positions in structurally high growth infrastructure and built environment end markets.

Operational Review

US Engineered Solutions (51% of Group revenue; 55% of Group underlying operating profit)

	$m		Reported %	Constant currency %	OCC %
	2026	2025			
Revenue	**311.6**	264.6	+18	+18	+14
Underlying operating profit [(1)]	**56.5**	47.3	+20	+20	+14
Underlying operating margin % [(1)]	**18.1%**	17.9%			
Statutory operating profit	**47.6**	42.5			

(1) Underlying measures are set out in note 5 to the Financial Statements and exclude certain non-underlying items, which are detailed in note 6 to the Financial Statements.

Our US Engineered Solutions businesses provide a range of composite and steel solutions for infrastructure construction including energy transmission & distribution, waterfront protection, transportation, data centres, and other industrial facilities. The division also supplies engineered supports for the water, power and liquid natural gas markets, seismic protection solutions for commercial construction, and off-grid solar lighting and power solutions.

The division delivered a very strong performance, with revenue and operating profit both growing by 14% on an OCC basis, driven by robust demand for our infrastructure products and solutions across a range of end markets. Demand was driven by ongoing investment to upgrade and onshore vital infrastructure and support technology change. Underlying operating margins increased by 20 bps to 18.1% (2025: 17.9%), including a benefit from Freeberg, which we acquired in April 2026.

Our composites business continued to see solid demand for its products and services across a range of infrastructure end markets including electrical grid infrastructure, industrial facilities, waterfront protection, and data centre construction. The business delivered modest revenue growth against a strong comparator, although margins were slightly lower reflecting end market mix.

Our electrical transmission & distribution business, which supplies substation products and components for grid infrastructure connectivity, delivered very strong growth with demand benefiting from both the need to upgrade aging infrastructure and the increasing demands on the electric grid arising from technology growth. The business enters the second half of the year with record order books following continued strong order intake in the first half. The organic investment projects announced in March 2026 are progressing well and are expected to support continued growth in activity levels as they come online, starting from the end of 2026.

Our engineered supports business also delivered very good growth, driven by robust demand from industrial and infrastructure projects including data centres, energy and water end markets. Our main site in Waggaman, Louisiana, is benefiting from its recent expansion, providing efficient incremental manufacturing capacity to serve a diverse range of attractive end markets.

Performance in our off-grid solar lighting business showed initial signs of improvement, as expected, during the first half. Against a positive demand backdrop, the business continued to integrate the message board division of Hill & Smith Inc., our US road products business, initiated during the second half of 2025. Whilst we continue to expect 2026 to be a transition year, we anticipate the combined business will deliver an improved margin performance over time from its wider customer base and integrated manufacturing platform.

Profitability in our road traffic safety product business was ahead of the prior year, with performance improved as a result of better product mix. The outlook for the core barrier and attenuator products lines is encouraging, with demand supported by state and federal investment to upgrade road infrastructure and the phased implementation of developments in safety standards.

Freeberg, our newly acquired business engaged in the design and manufacture of custom enclosures and other engineered solutions, has been successfully integrated into the Group and performed well in the period. Revenues were in line with our expectations, reflecting robust demand from all end market segments, with operating margins somewhat above expectations, reflecting strong operational execution. Revenue is expected to accelerate during the second half of 2026 with the commissioning of Freeberg's new Arizona facility, initially at lower margins whilst activity builds.

Overall prospects for future growth in our US Engineered Solutions businesses remain strong. We expect market growth to be supported by investment to modernise the ageing electric grid and multi-year state and federal funding to upgrade infrastructure, alongside investment to onshore vital components and deliver additional data centre capacity.

UK & India Engineered Solutions (24% of Group revenue; 7% of Group underlying operating profit)

	$m		Reported	Constant	OCC
	2026	2025	%	currency %	%
Revenue	**144.2**	163.2	-12	-14	-13
Underlying operating profit [(1)]	**7.7**	15.6	-51	-52	-61
Underlying operating margin % [(1)]	**5.3%**	9.6%			
Statutory operating (loss)/profit	**(8.2)**	13.9			

(1) Underlying measures are set out in note 5 to the Financial Statements and exclude certain non-underlying items, which are detailed in note 6 to the Financial Statements.

Our UK Engineered Solutions businesses supply products and services to a range of end markets including transport infrastructure, residential construction, data centres, and other industrial and commercial construction. The division also supplies hostile vehicle mitigation (HVM) and off-grid solar lighting solutions. Our business in India manufactures engineered supports primarily for international and domestic energy markets.

Revenue for the first half was 13% lower on an OCC basis, reflecting the anticipated reduction in activity levels in road and industrial infrastructure and residential construction markets, as well as the benefit in the prior year from project activity in UK transport infrastructure markets. Operating margins reduced to 5.3% (2025: 9.6%).

As expected, both revenue and underlying operating profit in our retained UK roads operations were lower than the same period last year. The publication of Road Investment Strategy 3 ('RIS3'), which provides clarity over the framework of investment in UK roads over the next five years, is expected to lead to an improvement in activity levels, although likely to have limited impact in 2026.

Our building products business experienced a continuation of weaker demand levels, with the impact of operational leverage and a more competitive trading environment both weighing on operating margins. We remain cautious around the scale and timing of recovery in UK residential construction markets.

The industrial flooring business benefitted from good demand from data centre fabrication projects, with the acquisition of Hentech contributing to a growth in activity pipelines in this priority end market. Demand from broader industrial and commercial markets was more subdued, with customers displaying higher levels of caution given the broader uncertain economic backdrop. Hentech, our newly acquired access flooring business based in Wexford, Ireland, has been successfully integrated and has performed in line with expectations to date.

Revenue and profitability across our perimeter security businesses were ahead of the comparative period, with improving mix driving meaningful growth in operating margins. Performance reflected good growth in our high security fencing business, particularly in data centre construction, where the order book and opportunity pipeline are strong and present significant short to medium term prospects.

Our UK off-grid solar energy business delivered revenue and profit growth, with improved activity in transport, commercial construction, water infrastructure, technology and defence end markets. The business continues to focus on product innovation and has seen a growing order book.

Our Indian engineered supports business delivered revenue growth in the period, although margins were slightly below the comparative period due to the mix of projects undertaken. Wider market activity levels remain healthy, and the business has a robust pipeline of future business, with an increasing focus on domestic energy infrastructure investments augmenting the international LNG project pipeline.

Whilst we anticipate a continuation of the challenging conditions in the UK during the second half of the year, we expect an improvement in margins over the medium term as a result of a combination of end market recovery and the benefit of measures being taken to strengthen our UK operations.

Galvanizing Services (25% of Group revenue; 38% of Group underlying operating profit)

	$m		Reported %	Constant currency %	OCC %
	2026	2025			
Revenue	**150.9**	133.3	+13	+11	+11
Underlying operating profit [(1)]	**38.7**	32.6	+19	+18	+18
Underlying operating margin % [(1)]	**25.6%**	24.5%			
Statutory operating profit	**37.1**	31.9			

(1) Underlying measures are set out in note 5 to the Financial Statements and exclude certain non-underlying items, which are detailed in note 6 to the Financial Statements.

The Galvanizing Services division offers hot-dip galvanizing and powder coating services with multi-plant facilities in the US and the UK. Hot-dip galvanizing is a proven steel corrosion protection solution which significantly extends the service life of steel structures and products. The division benefits from a wide sectoral spread of customers who operate in a range of infrastructure and built environment end markets including industrial and commercial construction, transport products and infrastructure, and transmission & distribution.

The division delivered a very good performance in the first half, with 11% revenue growth and 18% underlying operating profit growth on an OCC basis. The operating margin increased to 25.6% (2025: 24.5%) with an increase in both the US and UK businesses.

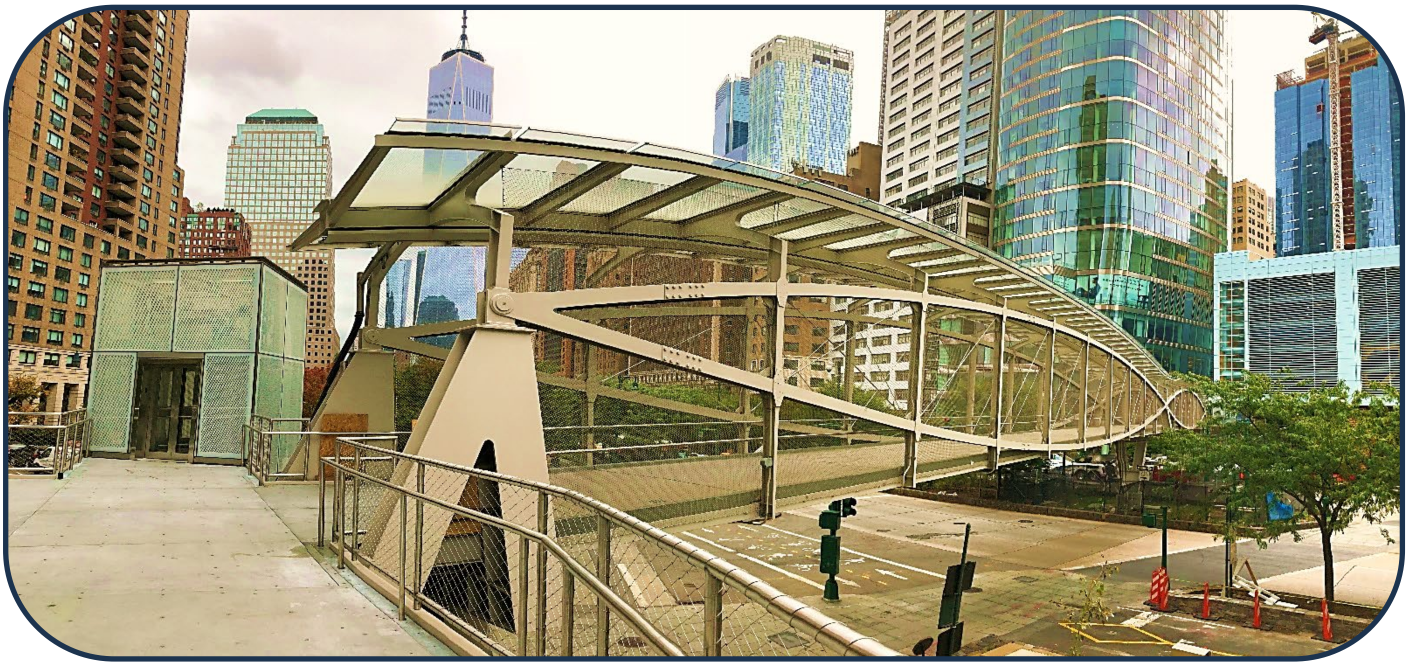
US

Our US galvanizing business delivered another very strong performance, with 16% OCC revenue growth and record operating profit. The strong growth is attributable to a 16% increase in production volumes, with good demand from a balanced mix of end markets. Margins were above the prior period, reflecting the excellent quality and service levels provided by our local teams. We expect another good performance in the second half, with a continuation of margins achieved in the first half.

In the medium to longer term, the outlook for US galvanizing is very positive. The business is well placed to benefit from federal, state and private investment to support industrial expansion and technology change, as well as the ongoing shift towards onshoring of manufacturing. Our organic growth investment project, to increase capacity within our existing network of facilities, is progressing well, with commissioning expected by the end of 2026.

UK

In the UK, galvanizing revenue was 6% ahead of the same period last year, reflecting a 6% growth in volumes. Volume growth was ahead of the wider market and reflects the benefits of recent developments in the business including ongoing improvements in productivity. The outlook for the second half and the longer term remains positive.



Financial Review

Results

The Group has delivered a strong set of results for the first half of 2026. Revenue was $606.7m (2025: $561.1m), up 7% at constant currency and up 5% on an OCC basis. Underlying operating profit was $102.9m (2025: $95.5m), an increase of 8% on a reported basis. OCC operating profit growth was 3% and constant currency growth was 7%. Overall operating margins were stable at 17.0% (2025: 17.0%), reflecting growth in our US businesses offset by lower UK Engineered Solutions margins. Underlying profit before taxation was $96.1m (2025: $89.6m). Reported operating profit was $76.5m (2025: $88.3m) and reported profit before tax was $69.2m (2025: $82.4m). Underlying earnings per share increased to 90.6c (2025: 82.9c) and reported earnings per share were 60.2c (2025: 76.3c).

The principal reconciling items between underlying and reported operating profit were charges of $13.2m associated with strategic and operational actions to improve the strength and resilience of our UK portfolio, and the amortisation of acquisition intangibles of $7.4m. Note 6 to the financial statements provides further details on the Group's non-underlying items.

Cash generation

Underlying cash conversion in the first half of 50% was below the comparative period (2025: 85%), reflecting an increase in working capital to support growth in several of our faster-growing US businesses. We expect cash conversion to increase in the second half as this build in working capital begins to reverse. The calculation of our underlying cash conversion ratio can be found in note 5 to the financial statements.

Operating cash flow before movement in working capital was $117.1m (2025: $117.9m). The working capital outflow in the period was $44.8m (2025: $15.3m), with working capital at the end of the period representing 16.4% (2025: 15.6%) of annualised sales.

Capital expenditure of $23.3m (2025: $16.0m) represents a multiple of depreciation and amortisation of 1.6 times (2025: 1.1 times) and included amounts relating to the capacity expansion projects underway in our US transmission & distribution and galvanizing businesses.

Net financing costs for the period were $7.3m (2025: $5.9m), which includes amortisation of costs relating to refinancing activities of $0.6m (2025: $0.4m).

The Group generated $30.9m of free cash flow in the period (2025: $66.8m), providing funds to support our capital allocation policy.

Net debt and financing

Net debt at the end of the period amounted to $170.9m (31 December 2025: $68.7m) and includes lease liabilities under IFRS 16 of $69.4m (31 December 2025: $53.9m). Outflows during the period included $56.4m relating to acquisitions, principally Freeberg and Hentech (including $9.6m of lease liabilities), and $44.9m of share repurchases under the Group's ongoing share buyback programme.

The Group's principal financing facilities comprise a £300m revolving credit facility that expires in November 2029, and a $35m remaining tranche of senior unsecured notes maturing in June 2029, together with a further $8.2m of on-demand local overdraft arrangements. In June 2026 the Group repaid the first $35m tranche of senior unsecured notes upon their maturity. Throughout the year the Group has operated well within its facilities, and at 30 June 2026 the Group had $341.4m of headroom ($333.2m committed, $8.2m on demand). Approximately 20% of the Group's drawn debt at 30 June 2026 was subject to fixed interest rates, providing a hedge against potential market movements.

The principal borrowing facilities are subject to covenants that are measured biannually in June and December, being net debt to EBITDA of a maximum of 3.0 times and interest cover of a minimum of 4.0 times. The ratio of covenant net debt to EBITDA at 30 June 2026 was 0.4 times (31 December 2025: 0.1 times) and interest cover was 26.1 times (31 December 2025: 28.4 times).

Return on Invested Capital

The Group uses return on invested capital (ROIC) to measure overall capital efficiency, with a target of achieving returns in excess of 22%, well above the Group's cost of capital, through the cycle. The Group continued to deliver strong returns in the first half, achieving a ROIC of 26.7% for the period (2025: 25.8%), the increase reflecting the faster growth in our larger US Engineered Solutions businesses.

Tax

The underlying effective tax rate for the period was 25.3% (FY 2025: 25.5%). The tax charge for the period was $21.5m (2025: $21.0m) and includes a $2.8m credit (2025: $1.8m credit) in respect of non-underlying items, principally the amortisation of acquisition intangibles. Cash tax paid in the period was $14.9m (2025: $13.0m).

Exchange rates

The Group is exposed to movements in exchange rates when translating the results of its non-US operations into dollars, although this exposure has reduced following the change to reporting in US dollars. Retranslating 2025 half year revenue and underlying operating profit using average exchange rates for 2026 would have increased revenue by $7.5m and underlying operating profit by $0.3m. A one pence movement in the average sterling exchange rate currently results in an adjustment of approximately $5m to the Group's annual revenues and $0.3m to annual underlying operating profit.

Non-underlying items

The total non-underlying items charged to operating profit in the Consolidated Income Statement amounted to $26.4m (2025: $7.2m) and included $13.2m of charges associated with the actions being taken to improve the strength and resilience of our UK operations, $7.4m amortisation of acquisition intangible assets, and $3.3m of expenses related to acquisitions and disposals. The net cash cost of these items is $1.0m, with a non-cash element of $25.4m comprising amortisation, impairments and asset write-offs. Further details are set out in note 6 to the Financial Statements.

Pensions

The Group operates defined benefit pension plans in the UK and the US. The IAS 19 surplus of these plans at 30 June 2026 was $10.3m, an improvement of $4.0m from 31 December 2025 ($6.3m). The surplus on the UK scheme, the largest employee benefit obligation in the Group, was $11.1m (31 December 2025: surplus of $7.0m), the improvement due to the Group's deficit recovery payments in the period, which ended in March 2026 given that the scheme is now in a small surplus, and a positive asset performance.

The Group continues to be actively engaged in dialogue with the UK scheme's Trustees with regards to management, funding and investment strategies. The triennial value of the scheme as at April 2025 was finalised during the period and showed a small deficit at that date, which has since been eliminated through further deficit contributions.

Going concern

After making enquiries, the Directors have reasonable expectations that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and for the period to 31 December 2027. Accordingly, they continue to adopt the going concern principle.

When making this assessment, the Group considers whether it will be able to maintain adequate liquidity headroom above the level of its borrowing facilities and to operate within the financial covenants on those facilities. The Group has carefully modelled its cash flow outlook for the period to December 2027, considering the ongoing uncertainties in global economic conditions. In this 'base case' scenario, the forecasts indicate significant liquidity headroom will be maintained above the Group's borrowing facilities and financial covenants will be met throughout the period, including the covenant tests at 31 December 2026, 30 June 2027 and 31 December 2027.

The Group has also carried out 'reverse stress tests' to assess the performance levels at which either liquidity headroom would fall below zero or covenants would be breached in the period to 31 December 2027. The Directors do not consider the resulting performance levels to be plausible given the Group's positive trading performance in the period and the resilience of the infrastructure and built environment end markets in which we operate.

Principal risks and uncertainties

The Group has a process for identifying, evaluating and managing the principal risks and uncertainties that it faces, and the Directors have reviewed these principal risks and uncertainties during the period. It is the Directors' opinion that the principal risks set out on pages 63 to 65 of the Group's Annual Report for the year ended 31 December 2025 remain applicable to the current financial year.

The key consideration relating to the review of principal risks and uncertainties during the period is set out below:

Principal Risk	Considerations
Change in global economic outlook and geopolitical environment	Heightened geopolitical tensions remain, including the ongoing conflicts in the Middle East and Ukraine. To date we have not seen any significant impact on the Group, but we will continue to monitor the risk in terms of the potential impact on our supply chains, energy costs and end markets.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

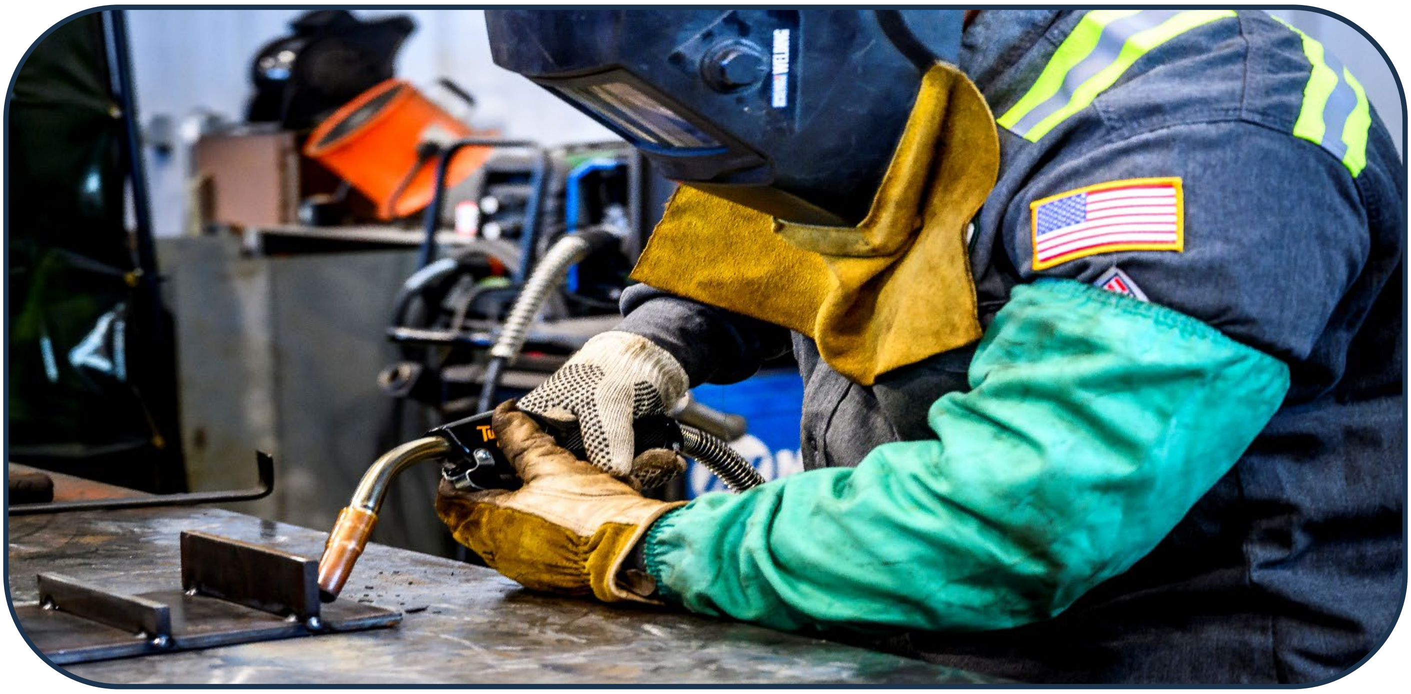
- The condensed set of Financial Statements has been prepared in accordance with IAS 34: Interim Financial Reporting as contained in UK-adopted IFRS;
- The interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure 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 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 including any changes in the related party transactions described in the last Annual Report that could do so.

This report was approved by the Board of Directors on 12 August 2026 and is available on the Company's website (www.hsgroup.com).

Rutger Helbing	**Chris McLeish**
Chief Executive Officer	Chief Financial Officer



Financial Statements

Condensed Consolidated Income Statement

Six months ended 30 June 2026

	Notes	6 months ended 30 June 2026 Underlying $m	6 months ended 30 June 2026 Non-underlying* $m	6 months ended 30 June 2026 Total $m	6 months ended 30 June 2025 Underlying $m	6 months ended 30 June 2025 Non-underlying* $m	6 months ended 30 June 2025 Total $m	Year ended 31 December 2025 Underlying $m	Year ended 31 December 2025 Non-underlying* $m	Year ended 31 December 2025 Total $m
Revenue	4	**606.7**	**-**	**606.7**	561.1	-	561.1	1,146.8	-	1,146.8
Cost of sales		**(364.2)**	**-**	**(364.2)**	(333.6)	-	(333.6)	(680.2)	-	(680.2)
Gross profit		**242.5**	**-**	**242.5**	227.5	-	227.5	466.6	-	466.6
Distribution costs		**(19.6)**	**-**	**(19.6)**	(16.8)	-	(16.8)	(34.9)	-	(34.9)
Administrative expenses		**(120.2)**	**(26.4)**	**(146.6)**	(115.5)	(7.2)	(122.7)	(232.4)	(41.2)	(273.6)
Other operating income		**0.2**	**-**	**0.2**	0.3	-	0.3	0.4	-	0.4
Operating profit	4,5	**102.9**	**(26.4)**	**76.5**	95.5	(7.2)	88.3	199.7	(41.2)	158.5
Financial income	7	**0.5**	**-**	**0.5**	0.5	-	0.5	1.0	-	1.0
Financial expenses	7	**(7.3)**	**(0.5)**	**(7.8)**	(6.4)	-	(6.4)	(12.6)	-	(12.6)
Profit before taxation		**96.1**	**(26.9)**	**69.2**	89.6	(7.2)	82.4	188.1	(41.2)	146.9
Taxation	8	**(24.3)**	**2.8**	**(21.5)**	(22.8)	1.8	(21.0)	(47.9)	9.9	(38.0)
Profit for the year attributable to the owners of the parent		**71.8**	**(24.1)**	**47.7**	66.8	(5.4)	61.4	140.2	(31.3)	108.9
Basic earnings per share	9			**60.2c**			76.3c			135.6c
Diluted earnings per share	9			**59.7c**			75.5c			134.1c

* The Group's definition of non-underlying items and further details of the amounts included are set out in note 6.

Condensed Consolidated Statement of Comprehensive Income

Six months ended 30 June 2026

	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Profit for the period	**47.7**	61.4	108.9
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of overseas operations	**(4.3)**	9.4	7.5
Exchange differences on foreign currency borrowings denominated as net investment hedges	**1.2**	6.4	5.4
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on defined benefit pension schemes	**2.7**	0.6	2.2
Taxation on items that will not be reclassified to profit or loss	**(0.7)**	(0.2)	(0.6)
Other comprehensive (expense)/income for the period	**(1.1)**	16.2	14.5
Total comprehensive income for the period attributable to owners of the parent	**46.6**	77.6	123.4

Condensed Consolidated Statement of Financial Position

	Notes	30 June 2026 $m	30 June 2025 $m	31 December 2025 $m
Non-current assets				
Intangible assets		**297.2**	297.9	273.4
Property, plant & equipment		**254.7**	241.4	250.3
Right-of-use assets		**61.6**	54.4	49.7
Retirement benefit surplus		**11.1**	3.0	7.0
Deferred tax assets		**-**	0.2	0.2
Other non-current assets		**4.4**	-	-
		629.0	596.9	580.6
Current assets				
Inventories		**152.3**	132.6	131.1
Trade and other receivables		**290.4**	230.2	218.5
Current tax assets		**-**	-	3.3
Cash and cash equivalents	13,14	**83.4**	97.8	95.0
		526.1	460.6	447.9
Total assets		**1,155.1**	1,057.5	1,028.5
Current liabilities				
Trade and other liabilities		**(221.6)**	(181.8)	(175.1)
Current tax liabilities		**(7.5)**	(8.9)	(3.8)
Provisions		**(15.3)**	(8.5)	(15.6)
Lease liabilities	13,14	**(13.2)**	(11.9)	(11.6)
Loans and borrowings	13,14	**(0.2)**	(35.2)	(35.7)
		(257.8)	(246.3)	(241.8)
Net current assets		**268.3**	214.3	206.1
Non-current liabilities				
Other liabilities		**(17.5)**	(11.4)	(9.5)
Provisions		**(3.0)**	(3.7)	(3.1)
Deferred tax liabilities		**(15.4)**	(16.1)	(15.8)
Retirement benefit obligations		**(0.8)**	(0.7)	(0.7)
Lease liabilities	13,14	**(56.2)**	(46.5)	(42.3)
Loans and borrowings	13,14	**(184.7)**	(79.8)	(74.1)
		(277.6)	(158.2)	(145.5)
Total liabilities		**(535.4)**	(404.5)	(387.3)
Net assets		**619.7**	653.0	641.2
Equity				
Share capital		**31.7**	32.4	32.1
Share premium		**76.3**	71.9	74.0
Other reserves		**7.7**	6.9	7.2
Translation reserve		**(125.0)**	(119.0)	(121.9)
Retained earnings		**629.0**	660.8	649.8
Total equity		**619.7**	653.0	641.2

Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2026

	Share Capital $m	Share Premium $m	Other Reserves $m	Translation Reserve $m	Retained Earnings $m	Total Equity $m
At 1 January 2026	**32.1**	**74.0**	**7.2**	**(121.9)**	**649.8**	**641.2**
Comprehensive income						
Profit for the period	-	-	-	-	**47.7**	**47.7**
Other comprehensive expense for the period	-	-	-	**(3.1)**	**2.0**	**(1.1)**
Transactions with owners recognised directly in equity						
Dividends	-	-	-	-	**(19.4)**	**(19.4)**
Credit to equity of share-based payments	-	-	-	-	**2.8**	**2.8**
Own shares held by employee benefit trust	-	-	-	-	**(5.2)**	**(5.2)**
Satisfaction of long-term incentive and deferred bonus awards	-	-	-	-	**(3.8)**	**(3.8)**
Shares issued	**0.1**	**2.3**	-	-	-	**2.4**
Repurchase of shares	**(0.5)**	-	**0.5**	-	**(44.9)**	**(44.9)**
At 30 June 2026	**31.7**	**76.3**	**7.7**	**(125.0)**	**629.0**	**619.7**

Six months ended 30 June 2025

	Share Capital $m	Share Premium $m	Other Reserves $m	Translation Reserve $m	Retained Earnings $m	Total Equity $m
At 1 January 2025	32.4	71.3	6.9	(134.8)	618.5	594.3
Comprehensive income						
Profit for the period	-	-	-	-	61.4	61.4
Other comprehensive income for the period	-	-	-	15.8	0.4	16.2
Transactions with owners recognised directly in equity						
Dividends	-	-	-	-	(17.2)	(17.2)
Credit to equity of share-based payments	-	-	-	-	1.4	1.4
Own shares held by employee benefit trust	-	-	-	-	(0.5)	(0.5)
Satisfaction of long-term incentive and deferred bonus awards	-	-	-	-	(3.2)	(3.2)
Shares issued	-	0.6	-	-	-	0.6
At 30 June 2025	32.4	71.9	6.9	(119.0)	660.8	653.0

Year ended 31 December 2025

	Share Capital $m	Share Premium $m	Other Reserves $m	Translation Reserve $m	Retained Earnings $m	Total Equity $m
At 1 January 2025	32.4	71.3	6.9	(134.8)	618.5	594.3
Comprehensive income						
Profit for the year	-	-	-	-	108.9	108.9
Other comprehensive income for the year	-	-	-	12.9	1.6	14.5
Transactions with owners recognised directly in equity						
Dividends	-	-	-	-	(52.0)	(52.0)
Credit to equity of share-based payments	-	-	-	-	3.9	3.9
Own shares held by employee benefit trust	-	-	-	-	0.5	0.5
Satisfaction of long-term incentive and deferred bonus awards	-	-	-	-	(6.4)	(6.4)
Tax taken directly to the Consolidated Statement of Changes in Equity	-	-	-	-	1.6	1.6
Shares issued	-	2.7	-	-	-	2.7
Repurchase of shares	(0.3)	-	0.3	-	(26.8)	(26.8)
At 31 December 2025	32.1	74.0	7.2	(121.9)	649.8	641.2

Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2026

	Notes	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Profit before tax		**69.2**	82.4	146.9
Add back net financing costs	7	**7.3**	5.9	11.6
Operating profit		**76.5**	88.3	158.5
Adjusted for non-cash items:				
Share-based payments		**2.8**	1.4	3.9
Loss on disposal of subsidiaries		**7.8**	-	0.5
(Gain) / loss on disposal of non-current assets		**(0.2)**	0.1	(0.5)
Depreciation of owned assets		**13.7**	13.3	27.1
Amortisation of intangible assets		**8.6**	8.1	16.0
Right-of-use asset depreciation		**6.8**	6.7	13.3
Gain on lease termination		**(0.1)**	-	-
Revaluation of lease assets and liabilities		**(0.8)**	-	(0.8)
Research & development expenditure credit		**-**	-	(0.1)
Impairment of non-current assets		**2.0**	-	19.3
Operating cash flow before movement in working capital		**117.1**	117.9	237.2
Increase in inventories		**(23.9)**	(4.7)	(3.1)
Increase in receivables		**(67.3)**	(18.8)	(3.1)
Increase in payables		**46.4**	8.2	2.1
Increase in post-acquisition remuneration accrual		**2.5**	-	-
Decrease/(increase) in insurance reimbursement asset		**0.4**	0.1	(4.8)
(Decrease)/increase in provisions and employee benefits		**(1.6)**	(3.3)	0.3
Net movement in working capital		**(43.5)**	(18.5)	(8.6)
Cash generated by operations		**73.6**	99.4	228.6
Purchase of assets for rental to customers		**(0.2)**	(0.2)	(1.8)
Income taxes paid		**(14.9)**	(13.0)	(36.0)
Interest paid		**(5.0)**	(4.4)	(8.7)
Interest paid on lease liabilities		**(1.6)**	(1.3)	(2.6)
Net cash from operating activities		**51.9**	80.5	179.5
Interest received		**0.3**	0.5	1.0
Proceeds on disposal of non-current assets		**0.2**	0.3	1.4
Purchase of property, plant and equipment		**(22.0)**	(14.0)	(38.5)
Purchase of intangible assets		**(1.1)**	(1.8)	(4.9)
Acquisitions of subsidiaries		**(44.2)**	-	-
Deferred consideration in respect of prior year acquisitions		**(2.6)**	(2.2)	(4.1)
Disposals of subsidiaries		**5.9**	8.3	9.8
Net cash used in investing activities		**(63.5)**	(8.9)	(35.3)
Issue of new shares		**4.1**	0.7	1.1
Repurchase of shares		**(44.9)**	-	(26.8)
Purchase of shares for employee benefit trust		**(9.0)**	(3.7)	(5.9)
Dividends paid	10	**(19.4)**	(17.2)	(52.0)
Costs associated with refinancing during the period		**-**	-	(1.8)
Repayment of lease liabilities		**(6.9)**	(6.2)	(12.5)
Cash received from net lease investments		**0.1**	-	-
New loans and borrowings		**143.0**	22.1	55.4
Repayments of loans and borrowings		**(66.0)**	(35.7)	(73.2)
Net cash from/(used in) financing activities		**1.0**	(40.0)	(115.7)
Net (decrease)/increase in cash and cash equivalents net of bank overdraft		**(10.6)**	31.6	28.5
Cash and cash equivalents net of bank overdraft at the beginning of the period		**94.1**	64.1	64.1
Effect of exchange rate fluctuations		**(0.1)**	2.1	1.5
Cash and cash equivalents net of bank overdraft at the end of the period		**83.4**	97.8	94.1

Notes to the Financial Statements

1. Basis of preparation

Hill & Smith PLC is incorporated in the UK. The Condensed Consolidated Interim Financial Statements of the Company have been prepared on the basis of the UK-adopted International Financial Reporting Standards ('IFRSs') and in accordance with IAS 34: Interim Financial Reporting, comprising the Company and its subsidiaries (together referred to as the 'Group').

As required by the Disclosure and Transparency Rules of the Financial Services Authority, the Condensed Consolidated Interim Financial Statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published Consolidated Financial Statements for the year ended 31 December 2025, with the exception of the change in the Group's presentation currency. These statements do not include all of the information required for full Annual Financial Statements and should be read in conjunction with the full Annual Report for the year ended 31 December 2025.

New IFRS standards, interpretations and amendments adopted during 2026
The following amendments apply for the first time in 2026, but do not have any material impact on the Condensed Consolidated Interim Financial Statements of the Group:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The Condensed Consolidated Interim Financial Statements do not constitute statutory financial statements as defined in Section 434 of the Companies Act 2006. The comparative figures for the financial year ended 31 December 2025, restated to reflect the change in the Group's presentation currency (see below) are derived from the Group's statutory accounts for that year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

With effect from 1 January 2026, the Group changed its reporting currency from sterling to US dollars. This change in presentation currency provides greater transparency and reduces foreign exchange volatility. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this change in presentation currency has been applied retrospectively from the earliest period for which retrospective application is practicable, being 1 January 2013, and the prior year comparatives have been restated.

In accordance with the provisions of IAS 21 The Effects of Changes in Foreign Exchange Rates, consolidated financial information has been re-presented from sterling to US dollars as follows:

- Where the functional currency (being the currency of the primary economic environment in which the entity operates) of an operation is a currency other than US dollars, the assets and liabilities of that operation have been translated into US dollars at the exchange rates at the relevant balance sheet dates;
- Income statements and cash flows have been translated into US dollars at the average exchange rates for the relevant periods;
- Share capital, share premium and other equity items have been translated into US dollars at historical exchange rates either at 1 January 2013, or on the date of each relevant transaction; and
- The cumulative foreign exchange translation reserve was set to nil on 1 January 2013, and this reserve has been re-presented on the basis that the Group has reported in US dollars since that date.

These Condensed Consolidated Interim Financial Statements have not been audited or reviewed by an auditor pursuant to the Auditing Practices Board's Guidance on Financial Information. The Condensed Consolidated Interim Financial Statements are prepared on the going concern basis, as explained in the Financial Review.

2. Financial risks, estimates, assumptions and judgements

The preparation of the Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2025, relating to actuarial assumptions on pension obligations, impairment of goodwill and other indefinite life intangible assets, and liabilities for uncertain tax positions.

3. Exchange rates

The principal exchange rates used were as follows:

	6 months ended 30 June 2026		6 months ended 30 June 2025		Year ended 31 December 2025	
	Average	Closing	Average	Closing	Average	Closing
US Dollar to Sterling ($1 = GBP)	**0.74**	**0.75**	0.77	0.73	0.76	0.74
US Dollar to Indian Rupee ($1 = INR)	**93.07**	**94.67**	85.91	85.80	87.07	89.52
US Dollar to Euro ($1 = EUR)	**0.86**	**0.87**	0.92	0.85	0.89	0.85

4. Segmental Information

The Group has three reportable operating segments which are US Engineered Solutions, UK & India Engineered Solutions, and Galvanizing Services. The Group's internal management structure and financial reporting systems differentiate between these segments, and, in reporting, management have taken the view that they comprise a reporting segment on the basis of the following characteristics:

• **The US Engineered Solutions** segment comprises all US operating companies excluding Galvanizing Services;

• **The UK & India Engineered Solutions** segment comprises all UK operating companies and India, excluding Galvanizing Services;

• **The Galvanizing Services** segment contains a group of companies supplying galvanizing and related materials coating services.

Corporate costs are allocated to reportable segments in proportion to the revenue of each of those segments.

Segmental Income Statement

	6 months ended 30 June 2026			6 months ended 30 June 2025		
	Revenue $m	Reported operating profit $m	Underlying operating profit $m	Revenue $m	Reported operating profit $m	Underlying operating profit $m
US Engineered Solutions	**311.6**	**47.6**	**56.5**	264.6	42.5	47.3
UK & India Engineered Solutions	**144.2**	**(8.2)**	**7.7**	163.2	13.9	15.6
Galvanizing Services	**150.9**	**37.1**	**38.7**	133.3	31.9	32.6
Group	**606.7**	**76.5**	**102.9**	561.1	88.3	95.5
Net financing costs		**(7.3)**	**(6.8)**		(5.9)	(5.9)
Profit before taxation		**69.2**	**96.1**		82.4	89.6
Taxation		**(21.5)**	**(24.3)**		(21.0)	(22.8)
Profit after taxation		**47.7**	**71.8**		61.4	66.8

	Year ended 31 December 2025		
	Revenue $m	Reported operating profit $m	Underlying operating profit $m
US Engineered Solutions	549.9	64.7	99.0
UK & India Engineered Solutions	316.0	22.2	27.6
Galvanizing Services	280.9	71.6	73.1
Group	1,146.8	158.5	199.7
Net financing costs		(11.6)	(11.6)
Profit before taxation		146.9	188.1
Taxation		(38.0)	(47.9)
Profit after taxation		108.9	140.2

Transactions between operating segments are on an arm's length basis similar to transactions with third parties. Galvanizing Services sold $2.4m of products and services to US Engineered Solutions (six months ended 30 June 2025: $0.5m, year ended 31 December 2025: $1.3m) and $3.1m of products and services to UK & India Engineered Solutions (six months ended 30 June 2025: $4.5m, year ended 31 December 2025: $9.0m). UK & India Engineered Solutions sold $nil of products and services to US Engineered

Solutions (six months ended 30 June 2025: $0.4m, year ended 31 December 2025: $0.3m). These internal revenues, along with revenues generated within each segment, have been eliminated on consolidation.

In the following tables, revenue from contracts with customers is disaggregated by primary geographical market, major product/service lines and timing of revenue recognition. Revenue by primary geographical market is defined as the end location of the Group's product or service. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	US Engineered Solutions		UK & India Engineered Solutions		Galvanizing Services		Total	
Primary Geographical Markets	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m
UK	**-**	-	**105.0**	131.7	**61.3**	55.8	**166.3**	187.5
Rest of Europe	**0.1**	0.1	**20.3**	19.1	**-**	-	**20.4**	19.2
North America	**309.2**	264.0	**1.3**	0.9	**89.6**	77.5	**400.1**	342.4
The Middle East	**1.5**	0.2	**3.9**	4.7	**-**	-	**5.4**	4.9
Rest of Asia	**0.2**	0.2	**10.0**	5.7	**-**	-	**10.2**	5.9
Rest of the world	**0.6**	0.1	**3.7**	1.1	**-**	-	**4.3**	1.2
	311.6	264.6	**144.2**	163.2	**150.9**	133.3	**606.7**	561.1
Major product/service lines								
Manufacture, supply and installation of products	**308.8**	261.6	**135.9**	154.8	**-**	-	**444.7**	416.4
Galvanizing services	**-**	-	**-**	-	**150.9**	133.3	**150.9**	133.3
Rental income	**2.8**	3.0	**8.3**	8.4	**-**	-	**11.1**	11.4
	311.6	264.6	**144.2**	163.2	**150.9**	133.3	**606.7**	561.1
Timing of revenue recognition								
Products and services transferred at a point in time	**160.8**	137.4	**109.6**	112.9	**150.9**	133.3	**421.3**	383.6
Products and services transferred over time	**150.8**	127.2	**34.6**	50.3	**-**	-	**185.4**	177.5
	311.6	264.6	**144.2**	163.2	**150.9**	133.3	**606.7**	561.1

	Year ended 31 December 2025			
	US Engineered Solutions $m	UK & India Engineered Solutions $m	Galvanizing Services $m	Total $m
Primary Geographical Markets				
UK	0.1	249.3	112.4	361.8
Rest of Europe	0.3	35.6	-	35.9
North America	547.2	2.3	168.5	718.0
The Middle East	2.0	10.4	-	12.4
Rest of Asia	-	15.7	-	15.7
Rest of the world	0.3	2.7	-	3.0
	549.9	316.0	280.9	1,146.8
Major product/service lines				
Manufacture, supply and installation of products	543.4	297.9	-	841.3
Galvanizing services	-	-	280.9	280.9
Rental income	6.5	18.1	-	24.6
	549.9	316.0	280.9	1,146.8
Timing of revenue recognition				
Products and services transferred at a point in time	264.0	206.1	280.9	751.0
Products and services transferred over time	285.9	109.9	-	395.8
	549.9	316.0	280.9	1,146.8

5. Alternative Performance Measures

The Group presents Alternative Performance Measures ("APMs") in addition to its statutory results. These are presented in accordance with the Guidelines on APMs issued by the European Securities and Markets Authority. The principal APMs are:

- Underlying profit before tax
- Underlying operating profit
- Underlying operating profit margin
- Organic and constant currency measures of change in revenue and underlying operating profit
- Underlying cash conversion ratio
- Capital expenditure to depreciation and amortisation ratio
- Covenant net debt to EBITDA ratio
- Underlying earnings per share. A reconciliation of statutory earnings per share to underlying earnings per share is provided in note 9.

All underlying measures exclude certain non-underlying items, which are detailed in note 6. References to an underlying profit measure are made on this basis and, in the opinion of the Directors, aid the understanding of the underlying business performance as they exclude items whose quantum, nature or volatility gives further information to obtain a fuller understanding of the underlying performance of the business. APMs are presented on a consistent basis over time to assist in comparison of performance.

Reconciliation of underlying to reported profit before tax

	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Underlying profit before tax	**96.1**	89.6	188.1
Non-underlying items included in profit before tax	**(26.9)**	(7.2)	(41.2)
Reported profit before tax	**69.2**	82.4	146.9

Reconciliation of underlying to reported operating profit by segment

	US Engineered Solutions		**UK & India Engineered Solutions**		**Galvanizing Services**		**Total**	
	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m
Underlying operating profit	**56.5**	47.3	**7.7**	15.6	**38.7**	32.6	**102.9**	95.5
Non-underlying items								
Expenses related to acquisitions and disposals	**(1.3)**	-	**(2.0)**	(1.5)		-	**(3.3)**	(1.5)
Post-acquisition remuneration	**(2.5)**	-	**-**	-	**-**	-	**(2.5)**	-
(Loss) / profit on disposals of subsidiaries	**-**	-	**(7.8)**	1.5	**-**	-	**(7.8)**	1.5
Business reorganisation costs	**-**	-	**(2.5)**	-	**(0.9)**	-	**(3.4)**	-
Impairments of fixed assets	**-**	-	**(1.5)**	-	**(0.5)**	-	**(2.0)**	-
Amortisation of acquisition intangibles	**(5.1)**	(4.8)	**(2.1)**	(1.7)	**(0.2)**	(0.7)	**(7.4)**	(7.2)
Reported operating profit	**47.6**	42.5	**(8.2)**	13.9	**37.1**	31.9	**76.5**	88.3

	Year ended 31 December 2025			
	US Engineered Solutions $m	UK & India Engineered Solutions $m	Galvanizing Services $m	Total $m
Underlying operating profit	99.0	27.6	73.1	199.7
Non-underlying items				
Expenses related to acquisitions and disposals	(0.8)	(3.5)	-	(4.3)
Profit on disposals of subsidiaries	-	1.5	-	1.5
Business reorganisation costs	(4.8)	-	-	(4.8)
Impairments of assets	(19.3)	-	-	(19.3)
Amortisation of acquisition intangibles	(9.4)	(3.4)	(1.5)	(14.3)
Reported operating profit	64.7	22.2	71.6	158.5

Calculation of underlying operating profit margin

	US Engineered Solutions		UK & India Engineered Solutions		Galvanizing Services		Total	
	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m	**6 months ended 30 June 2026 $m**	6 months ended 30 June 2025 $m
Underlying operating profit	**56.5**	47.3	**7.7**	15.6	**38.7**	32.6	**102.9**	95.5
Revenue	**311.6**	264.6	**144.2**	163.2	**150.9**	133.3	**606.7**	561.1
Underlying operating profit margin	**18.1%**	17.9%	**5.3%**	9.6%	**25.6%**	24.5%	**17.0%**	17.0%

	Year ended 31 December 2025			
	US Engineered Solutions $m	UK & India Engineered Solutions $m	Galvanizing Services $m	Total $m
Underlying operating profit	99.0	27.6	73.1	199.7
Revenue	549.9	316.0	280.9	1,146.8
Underlying operating profit margin	18.0%	8.7%	26.0%	17.4%

Measures of organic and constant currency change in revenue and underlying operating profit

	US Engineered Solutions		UK & India Engineered Solutions		Galvanizing Services		Total	
	Revenue $m	Underlying operating profit $m	**Revenue $m**	Underlying operating profit $m	**Revenue $m**	Underlying operating profit $m	**Revenue $m**	Underlying operating profit $m
2025	**264.6**	47.3	**163.2**	15.6	**133.3**	32.6	**561.1**	95.5
Impact of exchange rate movements from 2025 to 2026	**-**	(0.3)	**5.3**	0.4	**2.2**	0.2	**7.5**	0.3
2025 translated at 2026 exchange rates (A)	**264.6**	47.0	**168.5**	16.0	**135.5**	32.8	**568.6**	95.8
Acquisitions and disposals	**10.4**	2.9	**(1.9)**	1.4	**-**	-	**8.5**	4.3
Organic growth/(decline) (B)	**36.6**	6.6	**(22.4)**	(9.7)	**15.4**	5.9	**29.6**	2.8
2026 (C)	**311.6**	56.5	**144.2**	7.7	**150.9**	38.7	**606.7**	102.9
Organic growth/(decline) % (B divided by A)	**14%**	14%	**-13%**	-61%	**11%**	18%	**5%**	3%
Constant currency change % ((C-A) divided by A)	**18%**	20%	**-14%**	-52%	**11%**	18%	**7%**	7%

Calculation of underlying cash conversion ratio

	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Underlying operating profit	**102.9**	95.5	199.7
Calculation of adjusted operating cash flow:			
Cash generated by operations	**73.6**	99.4	228.6
Less: Purchase of assets for rental to customers	**(0.2)**	(0.2)	(1.8)
Less: Purchase of property, plant and equipment	**(22.0)**	(14.0)	(38.5)
Less: Purchase of intangible assets	**(1.1)**	(1.8)	(4.9)
Less: Repayments of lease liabilities	**(6.9)**	(6.2)	(12.5)
Proceeds on disposal of non-current assets and assets held for sale	**0.2**	0.3	1.4
Add back: Defined benefit pension scheme deficit payments	**1.4**	2.5	5.0
Add back: Cash flows relating to non-underlying items	**6.6**	0.7	4.3
Adjusted operating cash flow	**51.6**	80.7	181.6
Underlying cash conversion (%)	**50%**	85%	91%

Calculation of capital expenditure to depreciation and amortisation ratio

	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Calculation of capital expenditure:			
Purchase of assets for rental customers	**0.2**	0.2	1.8
Purchase of property, plant and equipment	**22.0**	14.0	38.5
Purchase of intangible assets	**1.1**	1.8	4.9
	23.3	16.0	45.2
Calculation of depreciation and amortisation:			
Depreciation of property, plant and equipment	**13.7**	13.3	27.1
Amortisation of development costs	**0.7**	0.7	1.4
Amortisation of other intangible assets	**0.4**	0.2	0.2
	14.8	14.2	28.7
Capital expenditure to depreciation and amortisation ratio	**1.6x**	1.1x	1.6x

Calculation of net debt to EBITDA ratio

	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Reported net debt	**170.9**	75.6	68.7
Lease liabilities	**(69.4)**	(58.4)	(53.9)
Amounts related to refinancing under IFRS 9	**2.4**	1.6	3.1
Covenant net debt (A)	**103.9**	18.8	17.9
Underlying operating profit	**102.9**	95.5	199.7
Depreciation of owned assets	**13.7**	13.3	27.1
Right-of-use asset depreciation	**6.8**	6.7	13.3
Amortisation of development costs	**0.7**	0.7	1.4
Amortisation of other intangible assets	**0.4**	0.2	0.2
Underlying EBITDA	**124.5**	116.4	241.7
Adjusted for:			
Lease payments	**(8.5)**	(7.5)	(15.1)
Share-based payments expense	**2.8**	1.4	3.9
Annualised EBITDA of subsidiaries acquired/disposed	**3.9**	2.2	-
Prior period H2 EBITDA	**118.6**	90.5	n/a
Covenant EBITDA (B)	**241.3**	203.0	230.5
Covenant net debt to EBITDA (A divided by B)	**0.4**	0.1	0.1

6. Non-underlying items

Non-underlying items are disclosed separately in the Consolidated Income Statement where, in the Directors' judgement, the quantum, nature or volatility of such items gives further information to obtain a fuller understanding of the underlying performance of the business. The following are included by the Group in its assessment of non-underlying items:

- Gains or losses arising on disposal, closure, restructuring or reorganisation of businesses that do not meet the definition of discontinued operations.
- Amortisation of intangible fixed assets arising on acquisitions, which can vary depending on the nature, size and frequency of acquisitions in each financial period.
- Expenses associated with acquisitions and disposals, comprising professional fees incurred, any consideration which under IFRS 3 (Revised) is required to be treated as a post-acquisition employment expense, and changes in contingent consideration payable on acquisitions, including the unwinding of the discount and effect of changes in discount rate within financial expenses.
- Impairment charges in respect of tangible or intangible fixed assets, or right-of-use assets.
- Changes in the fair value of derivative financial instruments.
- Significant past service items or curtailments and settlements relating to defined benefit pension obligations resulting from material changes in the terms of the schemes.

The non-underlying tax charge or credit comprises the tax effect of the above non-underlying items.

Details in respect of the non-underlying items recognised in the current period and prior year are set out below.

	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Business reorganisation costs (a)	**(3.4)**	-	(4.8)
Impairments of fixed assets (a)	**(2.0)**	-	(19.3)
(Loss)/profit on disposals of subsidiaries (a)	**(7.8)**	1.5	1.5
Post-acquisition remuneration (b)	**(2.5)**	-	-
Expenses related to acquisitions and disposals	**(3.3)**	(1.5)	(4.3)
Amortisation of acquisition intangibles	**(7.4)**	(7.2)	(14.3)
Amounts included with operating profit	**(26.4)**	(7.2)	(41.2)

Notes:

(a) In 2026, business reorganisation costs, impairments of fixed assets and the loss on disposal of subsidiaries reflect net charges for the actions taken during the period to increase the strength and resilience of the Group's UK operations. These actions include the combination of the Prolectric and Mallatite businesses to create a single integrated platform under common management, the transfer of galvanizing activities out of our perimeter security business to release incremental capacity for activity in higher growth markets, and the disposal of our UK permanent steel road barrier business in May 2026. The loss on disposal was calculated as follows:

	$m
Cash consideration	5.7
Deferred consideration	1.4
Net assets disposed	(14.9)
Loss on disposal	**(7.8)**

In 2025, business reorganisation costs reflected the closure of the Group's message board manufacturing facility in Garland, Texas, impairments of fixed assets primarily represented the impairment of goodwill and acquisition intangible assets relating to National Signal, the Group's US off-grid solar business, and the profits on disposal related to the sales of Parking Facilities, a small UK security business, and our Australian roads operation.

(b) Post-acquisition remuneration represents future payments to the previous owner of Freeberg that are contingent on him remaining in employment post-acquisition. Further details are set out in note 11.

In addition to the above, financial expenses include a $0.5m non-underlying charge relating to the unwinding of discounting on deferred consideration. See note 14 for further details.

7. Net financing costs

	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Interest on bank deposits	**0.3**	0.3	0.8
Interest income on net pension scheme surplus	**0.2**	-	-
Other interest receivable	**-**	0.2	0.2
Financial income	**0.5**	0.5	1.0
Interest on loans and borrowings	**(5.1)**	(4.5)	(8.9)
Interest on lease liabilities	**(1.6)**	(1.3)	(2.6)
Financial expenses related to refinancing activities	**(0.6)**	(0.4)	(0.8)
Unwinding of discount and effect of changes in discount rate on deferred consideration	**(0.5)**	(0.2)	(0.3)
Financial expense	**(7.8)**	(6.4)	(12.6)
Net financing costs	**(7.3)**	(5.9)	(11.6)

8. Taxation

Tax has been provided on the underlying profit at the estimated effective rate of 25.3% (2025: 25.5%) for existing operations for the full year.

9. Earnings per share

The weighted average number of ordinary shares in issue during the period was 79.2m and diluted for the effect of outstanding share options was 79.9m (six months ended 30 June 2025: 80.5m and 81.3m diluted; the year ended 31 December 2025: 80.3m and 81.2m diluted). Underlying earnings per share are shown below as the Directors consider that this measurement of earnings gives valuable information on the underlying performance of the Group:

	6 months ended 30 June 2026		6 months ended 30 June 2025		Year ended 31 December 2025	
	Cents per share	$m	Cents per share	$m	Cents per share	$m
Basic earnings	**60.2**	**47.7**	76.3	61.4	135.6	108.9
Non-underlying items*	**30.4**	**24.1**	6.6	5.4	39.0	31.3
Underlying earnings	**90.6**	**71.8**	82.9	66.8	174.6	140.2
Diluted earnings	**59.7**	**47.7**	75.5	61.4	134.1	108.9
Non-underlying items*	**30.1**	**24.1**	6.6	5.4	38.5	31.3
Underlying diluted earnings	**89.8**	**71.8**	82.1	66.8	172.6	140.2

*Non-underlying items as detailed in note 6.

10. Dividends

Dividends paid in the period were the prior year's interim dividend of $19.4m (2025: $17.2m). Dividends declared after the balance sheet date are not recognised as a liability, in accordance with IAS 10. The Directors have declared an interim dividend for the current year of $19.6m, 25.0c per share (2025: $19.4m, 23.4c per share), which will be paid on 8 January 2027 to shareholders on the register on 27 November 2026.

11. Acquisitions

Freeberg

In April 2026 the Group acquired 80% of the share capital of Freeberg Industrial Fabrication LLC for initial consideration of $38.8m (including closing adjustments). Details of the acquisition are set out below:

	Pre-acquisition carrying amount $m	Provisional policy alignment and fair value adjustments $m	Total $m
Intangible Assets:			
Customer lists	-	20.1	20.1
Brand name	-	1.5	1.5
Order backlog	-	8.1	8.1
Property, plant and equipment	1.7	-	1.7
Right-of-use assets	-	8.7	8.7
Inventories	4.5	(1.0)	3.5
Current assets	8.1	1.9	10.0
Cash	2.0	-	2.0
Total assets	**16.3**	**39.3**	**55.6**
Lease liabilities	-	(8.7)	(8.7)
Current liabilities	(5.2)	-	(5.2)
Total liabilities	**(5.2)**	**(8.7)**	**(13.9)**
Net assets	**11.1**	**30.6**	**41.7**
Consideration			
Cash in the period			38.8
Future cash			7.0
Goodwill			**4.1**
Cash flow effect			
Consideration in the period			(38.8)
Cash acquired			2.0
Net cash consideration shown in the Consolidated Statement of Cash Flows			**(36.8)**

Customer lists, brands and the order backlog have been recognised as specific intangible assets as a result of the acquisition. The residual goodwill is attributable to opportunities with new customers as the business expands its product and customer base, and Freeberg's highly skilled workforce. Policy alignment and fair value adjustments have been made to align the accounting policies of the acquired business with the Group's accounting policies and to reflect the fair values of assets and liabilities acquired. In respect of leases, the Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the terms of the leases relative to market terms. The fair value of the current assets acquired includes $6.2m of trade receivables, which have a gross value of $6.2m. Freeberg will be a separate CGU for the purpose of annual goodwill impairment testing.

The acquisition agreement sets out how contingent consideration for the remaining 20% of Freeberg's shares could become payable. The Group and the previous owners of the business hold mirroring put and call options over two tranches, with a maximum of $24m being payable for 11.25% of the business on 31 December 2028, and a maximum of $26m being payable for the remaining 8.75% on 31 December 2031, depending on Freeberg's future performance. Under IFRS 3, these put and call options result in the Group being considered to have a 'present ownership interest' over the remaining 20% shareholding. Accordingly, Freeberg has been consolidated as if it were 100% owned by the Group, with no amounts attributable to non-controlling interests.

The amount of contingent consideration is dependent on Freeberg's EBITD for the two-year period ending at each of the option dates. As at the acquisition date, the undiscounted fair value of the total expected future payments was estimated to be $39.1m, calculated on a probability-weighted basis. Of this amount, $11.1m is not linked to the continued employment of Freeberg's previous owner and therefore has been recognised as deferred contingent consideration at its present value of $7.0m. The remaining $28.0m is contingent on Freeberg's previous owner remaining in employment until 31 December 2028, and in accordance with the requirements of IFRS 3 will therefore be recognised as post-acquisition remuneration over that period. The results for the six months ending 30 June 2026 include a charge within non-underlying items of $2.5m in respect of that remuneration.

Post-acquisition the acquired business has contributed $10.4m revenue and $2.9m underlying operating profit, which are included in the Group's Consolidated Income Statement. If the acquisition had been made on 1 January 2026, the Group's results for the period would have shown revenue of $616.0m, underlying operating profit of $104.6m and reported operating profit of $78.2m.

Hentech

In March 2026 the Group acquired Hentech Fabrication, an Irish manufacturer of engineered steel solutions primarily for European data centre markets, for consideration of $7.0m (including closing adjustments). Details of the acquisition are set out below:

	Pre-acquisition carrying amount $m	Provisional policy alignment and fair value adjustments $m	Total $m
Intangible Assets:			
Customer lists	-	3.9	3.9
Order backlog	-	0.4	0.4
Property, plant and equipment	1.3	-	1.3
Right-of-use assets	-	0.9	0.9
Inventories	0.9	-	0.9
Current assets	0.8	-	0.8
Total assets	**3.0**	**5.2**	**8.2**
Lease liabilities	-	(0.9)	(0.9)
Current liabilities	(1.4)	-	(1.4)
Total liabilities	**(1.4)**	**(0.9)**	**(2.3)**
Net assets	**1.6**	**4.3**	**5.9**
Consideration			
Cash in the period			7.4
Working capital adjustment			(0.4)
Goodwill			**1.1**
Cash flow effect			
Consideration in the period			(7.4)
Net cash consideration shown in the Consolidated Statement of Cash Flows			**(7.4)**

Customer lists and the order backlog have been recognised as specific intangible assets as a result of the acquisition. The residual goodwill is attributable to opportunities with new customers as the business expands its product and customer base, and Hentech's highly skilled workforce. Policy alignment and fair value adjustments have been made to align the accounting policies of the acquired business with the Group's accounting policies and to reflect the fair values of assets and liabilities acquired. In respect of leases, the Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the terms of the leases relative to market terms. The fair value of the current assets acquired includes $0.7m of trade receivables, which have a gross value of $0.7m. Hentech will be a separate CGU for the purpose of annual goodwill impairment testing.

The deal structure contained no contingent or deferred consideration. The working capital adjustment was received in July 2026.

Post-acquisition the acquired business has contributed $3.7m revenue and $0.5m underlying operating profit, which are included in the Group's Consolidated Income Statement. If the acquisition had been made on 1 January 2026, the Group's results for the period would have shown revenue of $607.4m, underlying operating profit of $102.2m and reported operating profit of $75.8m.

12. Intangible assets

Impairment of goodwill and indefinite life intangible assets

IAS 36 *Impairment of Assets* requires the Group to test goodwill and other indefinite life intangible assets for impairment annually, or at other reporting period ends where there is an indication of impairment. In determining which Cash Generating Units (CGUs) to test at 30 June 2026, the Group identified those where the trading performance in the first six months of the year had fallen significantly below previous expectations, or where impairment testing at the prior year end had indicated a relatively low level of headroom and sensitivities to the calculations. On this basis, impairment tests were carried out on the ATG Access and Prolectric CGUs.

Consistent with past practice and as disclosed in the Group's 2025 Annual Report, impairment tests on the carrying values of goodwill are performed by comparing the carrying value allocated to each CGU against its value in use. Value in use is calculated as the net present value of that unit's discounted future cash flows. Short-term cash flows are based on latest management forecasts for the second half of 2026 and strategic plans for the following four years, which are prepared taking into account a range of factors including past experience, the forecast future trading environment and macroeconomic conditions in the Group's key markets. The cash flows beyond the strategic plan period use growth rates which reflect the long-term historical growth in GDP of the economies in which each CGU is located, which are 2.0% for the UK and 2.5% for the US. The Board believes the use of long-term historical growth rates is currently the most reliable indicator of future growth rates, given the uncertainty in any forward-looking growth projections at the reporting date. Discount rates are derived from a market participant's cost of capital, risk adjusted for individual CGU's circumstances.

Based on the methodology outlined above, the impairment reviews for ATG Access and Prolectric at 30 June 2026 concluded that no impairment charges were required to be recorded in the period. The Group then applied sensitivities to assess whether any reasonably possible changes in assumptions could cause an impairment of the goodwill in each tested CGU.

Sensitivities

Prolectric

Prolectric manufactures, sells and rents a range of off-grid solar energy products including temporary and permanent solar lighting, lighting towers and hybrid power generators, to construction contractors, hire companies and private businesses across the UK infrastructure markets. Following a strong performance subsequent to the Group's acquisition of the business in 2021, its results in 2023 were impacted by a downturn in the UK construction market as well as operational challenges, which led to lower revenues and profitability. As expected, performance in 2024 remained subdued while the operational challenges were resolved, however recent order intake rates have improved and the results for 2025 and the first half of 2026 continue to be encouraging. The Group's projections for the business result in calculated headroom of $23.0m, an increase of $2.7m on the prior year, reflecting the ongoing recovery that Prolectric has delivered in 2026 and the resulting improvement in the outlook. However, we acknowledge that there could be variations in the pace of further recovery in underlying UK construction activity and in growth across Prolectric's other markets, and if lower than that assumed in our projections, could result in a future impairment. Revenue growth and gross profit margins are the key assumptions on which the impairment calculations are most sensitive. The following table provides information on the impact on calculated headroom of possible scenarios for each of those key assumptions (independently in each case), the first showing the Board approved projections, the second the assumptions that result in zero headroom, and the third a severe but plausible downside scenario which would trigger a material impairment. The calculations are not particularly sensitive to other assumptions such as long-term growth rates or the discount rate, and we do not believe that there are any reasonable possible changes in assumptions for these metrics that could lead to a material impairment.

Input	Scenario	Sensitivity applied %	Headroom/ (impairment) $m
Compound annual revenue growth 2025-2030	Base case	**19.3**	**23.0**
	Zero headroom	**11.1**	**-**
	H&S sensitivity	**8.4**	**(7.0)**
Average gross profit margin 2025-2030	Base case	**47.8**	**23.0**
	Zero headroom	**38.5**	**-**
	H&S sensitivity	**35.2**	**(7.0)**

ATG

ATG Access operates in niche security markets, manufacturing and distributing hostile vehicle mitigation and related products. Its future performance is largely dependent on the UK and global security products markets, which itself is inherently dependent on both public/customer behaviour and broader economic conditions. Following several years of growth, in 2025 ATG experienced a downturn in performance, principally reflecting lower UK demand due to the weak economic backdrop, however recent order intakes rates have improved and the result for the first half of 2026 is encouraging. The Group's projections for the business result in calculated headroom of $8.0m, similar to the headroom reported at 31 December 2025. We acknowledge that there could be variations in the pace of recovery in underlying UK markets and in growth across ATG's other markets, and if lower than that assumed in our projections, could result in a future impairment. Revenue growth and gross profit margins are the key assumptions on which the impairment calculations are most sensitive. The following table provides information on the impact on calculated headroom of possible scenarios for each of those key assumptions (independently in each case), the first showing the Board approved projections, the second the assumptions that result in zero headroom, and the third a severe but plausible downside scenario which would trigger a material impairment. The calculations are not particularly sensitive to other assumptions such as long-term growth rates or the discount rate, and we do not believe that there are any reasonable possible changes in assumptions for these metrics that could lead to a material impairment.

Input	Scenario	Sensitivity applied %	Headroom/ (impairment) $m
Compound annual revenue growth 2025-2030	Base case	**9.4**	**8.0**
	Zero headroom	**6.7**	**-**
	H&S sensitivity	**4.0**	**(7.0)**
Average gross profit margin 2025-2030	Base case	**40.0**	**8.0**
	Zero headroom	**35.6**	**-**
	H&S sensitivity	**31.8**	**(7.0)**

13. Analysis of net debt

	6 months ended 30 June 2026 $m	6 months ended 30 June 2025 $m	Year ended 31 December 2025 $m
Cash and cash equivalents in the Consolidated Statement of Financial Position			
Cash and cash equivalents	**83.4**	97.8	95.0
Bank overdraft	**-**	-	(0.9)
Cash and cash equivalents net of bank overdraft	**83.4**	97.8	94.1
Interest bearing loans and other borrowings			
Amounts due within one year	**(0.2)**	(35.2)	(34.8)
Amounts due after more than one year	**(184.7)**	(79.8)	(74.1)
Lease liabilities due within one year	**(13.2)**	(11.9)	(11.6)
Lease liabilities due after more than one year	**(56.2)**	(46.5)	(42.3)
Net debt	**(170.9)**	(75.6)	(68.7)
Change in net debt			
Operating profit	**76.5**	88.3	158.5
Non-cash items	**40.6**	29.6	78.7
Operating cash flow before movement in working capital	**117.1**	117.9	237.2
Net movement in working capital	**(44.8)**	(15.3)	(4.1)
Increase in post-acquisition remuneration accrual	**2.5**	-	-
Decrease/(increase) in insurance reimbursement asset	**0.4**	0.1	(4.8)
(Decrease)/increase in provisions and employee benefits	**(1.6)**	(3.3)	0.3
Operating cash flow	**73.6**	99.4	228.6
Income taxes paid	**(14.9)**	(13.0)	(36.0)
Net financing costs paid	**(4.7)**	(3.9)	(7.7)
Capital expenditure	**(23.3)**	(16.0)	(45.2)
Proceeds on disposal of non-current assets and assets held for sale	**0.2**	0.3	1.4
Free cash flow	**30.9**	66.8	141.1
Dividends paid	**(19.4)**	(17.2)	(52.0)
Acquisitions of subsidiaries	**(56.4)**	(2.2)	(4.1)
Disposals of subsidiaries	**6.0**	12.2	9.8
Amortisation of costs (interest) associated with refinancing activities	**(0.6)**	(0.3)	(0.8)
Purchase of shares for employee benefit trust	**(9.0)**	(3.7)	(5.9)
Issue of new shares	**4.1**	0.7	1.1
Repurchase of shares	**(44.9)**	-	(26.8)
Cash received from net lease investments	**0.1**	-	-
Lease additions, terminations and remeasurements	**(14.2)**	(4.0)	(6.5)
Leases disposed of	**1.1**	-	4.0
Interest on lease liabilities	**(1.6)**	(1.3)	(2.6)
Net debt (increase)/decrease	**(103.9)**	51.0	57.3
Effect of exchange rate fluctuations	**1.7**	(5.6)	(5.0)
Net debt at the beginning of the period	**(68.7)**	(121.0)	(121.0)
Net debt at the end of the period	**(170.9)**	(75.6)	(68.7)

14. Financial instruments

The table below sets out the carrying value of the Group's financial assets and liabilities as at 30 June 2026, 30 June 2025 and 31 December 2025. The fair values of all financial assets and liabilities are not materially different to the carrying values.

	Carrying value at 30 June 2026 $m	Carrying value at 30 June 2025 $m	Carrying value at 31 December 2025 $m
Cash and cash equivalents net of bank overdraft *	**83.4**	97.8	95.0
Bank overdraft +	**-**	-	(0.9)
Loans and other borrowings due within one year	**(0.2)**	(35.2)	(34.8)
Loans and other borrowings due after more than one year	**(184.7)**	(79.8)	(74.1)
Lease liabilities due within one year	**(13.2)**	(11.9)	(11.6)
Lease liabilities due after more than one year	**(56.2)**	(46.5)	(42.3)
Derivative assets/(liabilities)	**0.1**	(0.1)	0.1
Other assets	**235.7**	197.2	185.9
Other liabilities	**(185.6)**	(153.2)	(148.4)
Contingent consideration	**(19.4)**	(16.3)	(14.5)
Total	**(140.1)**	(48.0)	(45.6)

*Included within cash and cash equivalents net of bank overdrafts are overdrafts amounting to $30.0m (30 June 2025: $21.0m; 31 December 2025: $39.6m) for which the Group has a legally enforceable right of offset and the intention to settle on a net basis.

+Represents an overdraft for which the Group has no right of offset.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either as a direct price or indirectly derived from prices.
- Level 3: inputs for the asset or liability that are not based on observable market data.

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Derivative assets	**-**	**0.1**	**-**	**0.1**
Contingent consideration	**-**	**-**	**(19.4)**	**(19.4)**
Total at 30 June 2026	**-**	**0.1**	**(19.4)**	**(19.3)**
Derivative liabilities	-	(0.1)	-	(0.1)
Contingent consideration	-	-	(16.3)	(16.3)
Total at 30 June 2025	-	(0.1)	(16.3)	(16.4)
Derivative assets	-	0.1	-	0.1
Contingent consideration	-	-	(14.5)	(14.5)
Total at 31 December 2025	-	0.1	(14.5)	(14.4)

At 30 June 2026 the Group did not have any assets or liabilities classified at Level 1 in the fair value hierarchy (30 June 2025: nil, 31 December 2025: nil). There have been no transfers in any direction in the period.

The following table presents the changes in level 3 instruments for the interim period ended 30 June 2026:

	Trident $m	**Freeberg $m**	**Other $m**	**Contingent consideration $m**
At 1 January 2026	**(13.9)**	**-**	**(0.6)**	**(14.5)**
Acquisitions	**-**	**(7.0)**	**-**	**(7.0)**
Payments of contingent consideration	**2.0**	**-**	**0.6**	**2.6**
Unwinding of discount on contingent consideration	**(0.2)**	**(0.3)**	**-**	**(0.5)**
At 30 June 2026	**(12.1)**	**(7.3)**	**-**	**(19.4)**

Details of the contingent consideration arising on acquisitions made in the current and prior year are set out in the table below. During the period, $2.6m has been paid in respect of contingent consideration. As at 30 June 2026, the fair values of the contingent consideration liabilities were materially equal to the fair value determined at the acquisition dates. No re-measurements have therefore been recognised in the Consolidated Income Statement during the current period.

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Contingent consideration liability - Trident	Discounted cash flow method	• Probability weighted revenue • Discount rate	• 10% increase/(decrease) in the probability weighted revenues would result in an increase/(decrease) in the fair value of the liability by $1.3m • 100bps increase/(decrease) in the discount rate would result in an increase/(decrease) in the fair value of the liability by $0.3m
Contingent consideration liability - Freeberg	Discounted cash flow method	• Probability weighted EBITD • Discount rate	• 10% increase/(decrease) in the probability weighted EBITD would result in an increase/(decrease) in the fair value of the liability by $0.7m • 100bps increase/(decrease) in the discount rate would result in an increase/(decrease) in the fair value of the liability by $0.3m

Financial Calendar

Ex-dividend date for 2026 interim dividend	26 November 2026
Record date	27 November 2026
Last date for USD dividend elections	15 December 2026
Payment of interim dividend for 2026	8 January 2027

Dividend Reinvestment Plan

Hill & Smith offers a Dividend Reinvestment Plan ('Plan'). The Plan, administered by the Company's Registrars, Computershare Investor Services, allows shareholders to reinvest their cash dividends in Hill & Smith ordinary shares.

Shareholders who have not already joined the Plan in respect of the interim dividend to be paid on 8 January 2027 must elect to do so by 15 December 2026 and can contact Computershare Investor Services either by telephoning 0370 707 1058 or by visiting their website at www.computershare.com/investor/UK.

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