

Hill & Smith PLC
Full Year Results for the year ended 31 December 2025

Strong US performance underpins good FY25 results; well placed for further progress in FY26
Two highly complementary acquisitions agreed

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 preliminary results for the year ended 31 December 2025.

Financial Results

	Underlying *					Statutory		
	31 Dec 2025	31 Dec 2024	Reported %	Constant Currency %	OCC ^ %	31 Dec 2025	31 Dec 2024	Change %
Revenue	£868.8m	£855.1m	+2%	+4%	+3%	£868.8m	£855.1m	+2%
Operating profit	£151.3m	£143.5m	+5%	+8%	+6%	£120.1m	£115.4m	+4%
Operating margin	17.4%	16.8%	+60bps			13.8%	13.5%	+30bps
Profit before tax	£142.5m	£132.6m	+7%			£111.3m	£104.5m	+7%
Earnings per share	132.2p	122.6p	+8%			102.7p	95.0p	+8%
Dividend per share	53.0p	49.0p	+8%			53.0p	49.0p	+8%

Key Highlights:

Good trading performance with increased momentum in H2

- Full year OCC revenue growth of 3%, accelerating to 4% in the second half. Performance reflected strong growth from US platform businesses
- Underlying operating profit growth of 6% OCC
- Positive underlying operating margin expansion to 17.4% (2024: 16.8%)
- Underlying EPS up 8% to 132.2p (2024: 122.6p)
- Statutory profit before tax of £111.3m (2024: £104.5m) impacted by goodwill impairment and restructuring costs in US off-grid solar business

Strong financial position with excellent cash generation and returns

- Underlying cash conversion 91% (2024: 99%)
- ROIC up 190bps to 26.7% (2024: 24.8%)
- Covenant leverage at 0.1 times, providing significant capital allocation flexibility
- Final dividend proposed of 35.0p, making a total dividend of 53.0p, up 8%

Successful delivery of M&A strategy

- Agreement, subject to regulatory approvals, to acquire an 80% stake in Freeberg Industrial Fabrication Corp. (“Freeberg”) in the US for consideration of \$36m (c.£27m)
- Acquisition of Hentech Fabrication Limited (“Hentech”) in Ireland for €7.3m (c.£6.4m)
- We continue to have an active M&A pipeline

Disciplined capital allocation

- Additional £35m to be invested to expand network capacity in higher growth US platform businesses over next two years to accelerate medium and long term growth
- £100m share buyback initiated in August 2025, with £32.5m completed as at 9 March 2026

Confident of making further good progress in FY26 and beyond

- Strong US trading momentum expected to continue in 2026
- Remain cautious about the degree of recovery in UK market conditions and level of project activity during 2026

Rutger Helbing, Chief Executive Officer, commenting on the results, said:

“The Group has delivered a strong performance with momentum accelerating in the second half of the year. In particular, our US platform businesses have delivered another year of excellent growth and margin expansion.

“We remain in a very robust financial position, with the Group highly cash generative and continuing to deliver strong returns for shareholders. Our disciplined approach to capital allocation enables us to invest for organic growth and pursue an attractive pipeline of M&A opportunities, and we are pleased to have agreed two highly complementary acquisitions in Freeberg and Hentech. We are also able to continue to return cash to shareholders, while maintaining balance sheet strength and growing returns on capital.

“Alongside this, we have continued to make good strategic progress, positioning the Group for future growth. Our focus on structurally growing niche end markets, together with our disciplined approach to capital allocation and the benefits of our agile operating model, provide confidence that the Group will continue to make further good progress in 2026 and beyond.”

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There will be an in-person presentation for analysts and institutional investors this morning at 10:00am, hosted at Deutsche Bank, 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/rep-orts-and-presentations/>.

** All underlying measures exclude certain non-underlying items, which are as detailed in note 4 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 3 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 employs c.4,500 people, with the majority employed by its autonomous, agile, customer focussed operating businesses based in the US, UK 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.

Chief Executive's Review

2025 review

I am pleased to report that the Group has delivered a strong performance, underpinned by the excellent performance of our US businesses. I would like to pay tribute to the skill and commitment of our leadership teams who, along with colleagues across the Group, have enabled us to achieve another year of robust progress.

Our US operations now account for 79% of Group underlying operating profit and continue to benefit from strong demand for our infrastructure products and solutions, serving a range of attractive structural growth markets that are being driven by ongoing investment to upgrade and onshore vital infrastructure and support technology change. As expected, our UK businesses experienced a more challenging market backdrop with weaker demand, particularly in the second half of the year, delivering a result which was below the comparative year.

Group revenue for the full year was up 3% on an organic constant currency ('OCC') basis, with growth accelerating to 4% during the second half of the year. We achieved strong year-on-year OCC revenue growth in our higher margin US Engineered Solutions (+6%) and Galvanizing Services (+10%) businesses, with growth in both accelerating during the second half of the year. Underlying operating profit was up 8% on a constant currency basis, with OCC growth of 6%. Underlying operating margin for the year increased by 60bps to 17.4%, reflecting an improved portfolio mix, with further margin expansion in our US Engineered Solutions and Galvanizing Services businesses.

US Engineered Solutions delivered another impressive performance, with OCC revenue growth of 6% and an increase in operating margin to 18.0% (2024: 17.8%). Performance reflected high demand for our products and services across our platform businesses, which serve a range of attractive structural growth markets including electricity transmission & distribution, data centres, water and wastewater, and infrastructure construction. Momentum increased as the year progressed, with OCC revenue growth of 8% in the second half.

Galvanizing Services delivered another record performance, reflecting strong momentum in our higher-margin US business which delivered 13% OCC revenue growth with volume also up 13%. Volume growth in the US accelerated during the second half, following a slower start to the year due to adverse weather conditions. Our UK galvanizing business also delivered good progress, with 5% OCC revenue growth, driven by a 9% year-on-year volume increase.

UK & India Engineered Solutions experienced a more challenging market backdrop. Revenue reduced by 6% on an OCC basis, with underlying operating profit reducing by 11% in constant currency, reflecting lower activity levels across many of the Group's UK markets while maintaining market share. Whilst we made good progress in increasing our share of revenue from data centre end markets via our perimeter security and access flooring businesses, the overall demand backdrop in the UK remains weak, with limited visibility around the scale and timing of recovery in the Group's key infrastructure and construction markets. As a result, we are assessing 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.

The Group continues to allocate capital in a disciplined way. During the year we invested a total of around £10m in several capacity expansion projects to support the growing demand in US Engineered Solutions. Given the strength and forward visibility of demand, and with capacity utilisation at higher levels, we will invest £35m to expand network capacity in our US transmission & distribution and galvanizing operations over the next two years, increasing capacity within their existing network of facilities. Benefits are expected from the 2027 year, with returns from 2028 at least in line with the Group's financial framework.

In March 2026, we reached agreement to acquire Freeberg for a headline consideration of \$36m (c.£27m) for 80% of the equity, subject to US regulatory approvals which are expected during the second quarter. Further consideration is payable for the remaining 20% of equity dependent on future profitability, up to a maximum of \$50m (c.£37m). Freeberg, a leading US designer and manufacturer of custom enclosures and other engineered solutions, is closely aligned with our operating company framework and will increase the Group's exposure to some of our higher growth priority end markets. We also completed the bolt-on acquisition of Hentech, an Irish manufacturer of engineered steel solutions primarily for European data centre markets, for a consideration of €7.3m (c.£6.4m). We expect the acquisitions to be earnings enhancing in 2026. We have strengthened our resources focused on deal sourcing and continue to actively progress a pipeline of further attractive M&A opportunities, aligned to our priority end market framework.

In addition to our growing dividend, we also announced a £100m share buyback in August 2025, providing additional returns to shareholders within our capital allocation framework and reflecting the Group's strong balance sheet.

The Group remains highly cash generative and continues to deliver strong returns: cash conversion for the year was 91% (2024: 99%), above our targeted level of 80%, with return on invested capital (ROIC) increasing by 190 bps to 26.7% (2024: 24.8%). The Group's balance sheet continues to strengthen, and year end covenant leverage of 0.1 times provides significant flexibility to support both organic and inorganic investment for growth, alongside shareholder returns from a growing dividend and the ongoing share buyback programme.

Strategic Update

Strategic framework

The Group is exposed to attractive infrastructure and built environment end markets with structural growth drivers, and has agile and responsive operating companies well positioned to succeed, underpinning the Board's confidence in the Group's prospects and ongoing value creation for our shareholders. The Group has made significant progress in recent years and, to further underpin our growth ambitions, last year we set out our refreshed purpose, end market focus and operating company framework, all of which are now firmly embedded across the business. I am pleased by the impact this is having on the rigour and consistency of decision-making processes within our local, regional and central teams.

In addition, during 2025 we established a set of Group-wide values, being the guiding principles that define the culture of our organisation:

- Act with Care – How we do things is just as important as what we do
- Be Bold in what we create – We bring fresh ideas, curiosity and entrepreneurial energy to everything we make
- Customer First - Always – We listen closely and act decisively to find solutions that add value and help our customers to grow
- Deliver as a Team – We strongly believe working as a team will always bring us the best solutions
- Empower through Trust – Based on common goals and a track record of consistent outstanding results

In our decentralised operating model, the ability to attract, retain and develop the most talented people is central to our success. These Group values will provide a framework for our talent development and succession planning programmes, which will be a critical area of focus for us in the years ahead.

Hill & Smith operating company framework

A Hill & Smith operating company has a strong focus on customer service and a deep understanding of customer needs. This allows our businesses to create innovative value-add solutions for customers and to drive differentiation versus their competitors. By doing so, our teams can create and maintain a source of competitive advantage, enabling us to grow our market positions over time. Our businesses are also experts in their specific manufacturing or industrial processes which are typically low to medium in capital intensity.

Alongside this, our decentralised operating model promotes a highly driven and entrepreneurial culture where we foster very capable and agile local management teams who drive growth in both core and adjacent markets. Our objective is to develop high quality platform businesses with good potential for bolt-on M&A. Our local management teams play a key role in identifying potential M&A opportunities, building close relationships with owners and leading on acquisition integration. We have a small central team responsible for Group capital allocation and performance management. This team also ensures that the right controls and KPIs are in place, and works with local management in setting the ambition for each operating company.

An enhanced focus on priority end markets

We are focused on end markets which serve vital infrastructure and the built environment, which have long-term growth drivers, and which benefit from secular tailwinds given the growing need for upgrade and renewal to maintain a properly functioning economy. Our particular focus is on businesses which are leaders in niche markets with high barriers to entry and where our offering is typically a small fraction of the total system cost for customers.

As set out in March 2025, we categorise our end markets into four groups:

- High growth emerging markets: including data centres, renewables and gigafactories
- Resilient growth anchors: including electrical transmission & distribution and water infrastructure
- Stable growth markets: including transport products, transport infrastructure and public construction
- Cyclically sensitive markets: including industrial, residential and commercial construction

This disciplined focus on end market dynamics enables us to set the ambition for our operating companies to drive further long-term growth. It also informs our capital allocation, resource planning and portfolio management decision making.

Over time, we expect to increase our exposure to higher growth markets, and during 2025 we grew the proportion of our revenues from high growth emerging markets and resilient growth anchors to 34% (2024: 23%).

Active portfolio management

The strategic framework we set out 12 months ago has been crucial in informing the decision-making processes for both organic and inorganic growth investments.

Our M&A strategy is underpinned by a strong balance sheet, capable of supporting organic growth while also allowing us to deploy capital to fund value enhancing acquisitions. We are pleased to have agreed the acquisitions of Freeberg and Hentech, providing excellent exposure to a number of our higher growth priority end markets including data centres and power generation, and I continue to see significant opportunities to use M&A to help us accelerate growth. During the year we strengthened our resources focused on deal sourcing and remain confident in our pipeline of further attractive opportunities aligned to our operating company and priority end market framework.

We continue to take a disciplined approach to portfolio management. As part of this, in the first quarter of 2025, we divested two non-core, loss-making businesses (comprising £12m total revenue in 2024).

Performance against our medium-term financial framework

Our disciplined financial framework is one of the foundations of the Group's long-term success. I believe that the ability to deliver organic growth through the cycle, alongside value enhancing acquisitions, will continue to result in superior earnings growth. A clear focus on cash generation and returns enables the cash generated to be re-invested in high growth, high return opportunities, in line with our disciplined capital allocation framework, while maintaining a strong balance sheet.

Our medium-term financial targets, which were refreshed last year, are as follows:

- Organic revenue growth: 5% -7%
- Total revenue growth including acquisitions: 10%+
- Operating profit margin: 18%+
- Return on invested capital (ROIC): 22%+
- Cash conversion: 80%+
- Covenant leverage: 1-2 times

In 2025, the Group performed well against this framework. The organic revenue growth of 3% was solid, and ahead of the prior year; in particular, growth was within or ahead of our target range in our higher margin US businesses, with Engineered Solutions +6% and Galvanizing +13%, partly offset by weaker market demand in the UK (-3%). Pleasingly, Group OCC revenue growth accelerated during the second half of the year to 4%, from 2% during the first half. Going forward, we remain focused on driving the organic revenue growth of the business, and, for 2026, have introduced a new measure within Group and local management bonus targets.

Our operating profit margin expanded by 60bps to 17.4%, reflecting the mix benefit from growth in our higher margin US businesses. We are confident that the Group can deliver our target of 18%+ operating profit margin through the cycle, given the structural growth drivers in the US and potential improvement in UK margins as a result of a combination of end market recovery and the benefit of measures being taken to strengthen our UK operations.

Return on invested capital (ROIC) was excellent, strengthening further to 26.7% (2024: 24.8%), driven by the trading performance of our higher return US businesses and a continued focus on capital efficiency across the Group. We retain our ROIC target of at least 22%, mindful of maintaining the flexibility to deploy capital into value enhancing M&A where initial returns may be below the targeted level.

Our cash conversion target of 80%+ reflects the Group's track record of strong cash generation, while also allowing for more significant investment in strategic growth capex, as appropriate, through the cycle. We achieved a strong outcome of 91% in 2025 with all parts of the business performing in line with, or above, the Group's target.

Our approach to capital allocation

The Group follows a disciplined approach to capital allocation.

As a first priority, we allocate capital to support organic growth, with a focus on higher return, structurally growing end markets aligned with our priority markets. We require our operating companies to manage working capital efficiently and we invest selectively in capital projects, talent and innovation to support future organic growth. Having completed the expansion of our engineered supports facility in Louisiana in 2025, we plan to invest further organic growth capital of around £35m in our US transmission & distribution and galvanizing operations over the next two years, increasing capacity within their existing network of facilities. This focused investment in our higher growth, higher return US platform businesses will enable us to capitalise on the long-term structural growth dynamics in their end markets. Overall, excluding our new acquisitions we expect capital expenditure of £50m in 2026, with around half of this relating to these major growth investments.

Secondly, we allocate capital to inorganic investment, with a focus on businesses which have a clear alignment with our purpose, end market priorities and strategic framework with good long-term growth and profitability potential. Based on our highly cash generative model, we continue to target reinvestment of around £50m - £70m each year on value enhancing acquisitions aligned with our strategic framework. We follow a structured approach to acquisitions based on an agreed set of criteria, and expect acquisitions to achieve returns above our Group cost of capital within a three-year timeframe. Following the Freeberg and Hentech acquisitions, there remains an active pipeline of M&A opportunities.

Thirdly, we aim to deliver a growing dividend, understanding the importance of providing consistent and growing returns to our shareholders. In 2025 we have grown the full year dividend by 8%.

Lastly, we will return surplus capital to shareholders where leverage is expected to fall below 0.5 times for a sustained period of time. In August 2025, having assessed the capital requirements of the business to fund organic growth, execute on acquisitions and provide a growing dividend, the Board concluded that, given the strength of the Group's balance sheet and cash generation, we had the capacity to make an additional return of capital to shareholders and remain comfortably within our target leverage range of 1-2x. As a result, the Company announced a share buyback of £100m over a period of around 18 months. As at 31 December 2025, £20m had been returned to shareholders under this programme.

Adoption of US dollar for Group reporting

The Group has historically reported its results in sterling since this was the primary currency in which the cash flows of the Group were denominated. Over time, as the asset footprint in the US has grown, the proportion of the Group's revenues and operating profits originating in US dollars has increased, with 63% and 79% of revenue and underlying operating profit respectively being generated by our US businesses in 2025.

As such, the Board believes that a change in presentational currency to the US dollar will provide investors and other stakeholders with greater transparency of the Group's performance and reduced foreign exchange volatility over time. The Group intends to report its financial results in US dollars starting with the six months ending 30 June 2026, and intends to publish comparative information on this basis ahead of those results.

Commencing with the interim dividend for the year ending 31 December 2026, due to be paid in January 2027, dividends will be declared in US dollars. Shareholders will continue to receive dividends in sterling unless they have elected through the Company's registrar to receive dividends in US dollars.

Sustainability

Sustainability underpins the Group's growth strategy, and we remain committed to making progress against our sustainability focus areas and goals. The health and safety of our people remains our top priority, and we delivered a 9% reduction in our Lost Time Incident Rate (LTIR) to 0.30 in 2025 (2024: 0.33). We are committed to achieving best-in-class standards for health and safety for all colleagues, and will be launching a new cultural change programme entitled "I Own Safety" across the Group during 2026.

Talented people are critical to the Group's success, and we have taken important steps to strengthen our talent pool during the year. We carried out our annual Group-wide engagement survey in September 2025, with 88% of our employees participating, up from 83% last year. Overall, our engagement score improved to 58% (2024: 56%), although this remains below the relevant global benchmark. Having taken time to listen to, and understand, the feedback from our employees, we are committed to taking a range of actions to increase engagement further as we move forwards.

We continued to make good progress in reducing carbon during 2025, achieving a 19% reduction in greenhouse gas emissions compared to the prior year. A number of important initiatives have been rolled out across the Group, most notably the use of HVO (Hydrotreated Vegetable Oil) in place of diesel at several of our sites and a range of waste heat recovery measures, particularly at our galvanizing facilities. In addition, our transition to renewable energy contracts has continued, with 91% of our electricity in 2025 sourced through green tariffs.

Board Updates

I was delighted to welcome two new Board members during 2025 whilst also confirming the appointment of our next Chair. Along with my own appointment as CEO in 2024, this represents a significant evolution of our Board over the last 18 months.

Chris McLeish joined the Board in October 2025 as Chief Financial Officer, having performed the same role at Ibstock PLC since 2019. Chris brings a broad skill set and has the experience to help deliver the next stage of the Hill & Smith growth strategy.

Gillian Tomlinson joined as a Non-executive Director in March 2025. Gillian is Chief Data & Digital Officer at FTSE100 engineering company Weir Group PLC, where she is responsible for digital strategy and implementation. Gillian brings a highly complementary skillset to the Board and will provide important insight and expertise. Leigh-Ann Russell stepped down from the Board in March 2025 and on behalf of the Board I would like to thank Leigh-Ann for her contribution during her time with the Group.

We announced on 19 November 2025 the appointment of Nick Anderson as a Non-executive Director with effect from 11 March 2026. Nick was the Group Chief Executive of FTSE100 industrial engineering company Spirax Group plc between 2014 and 2024, during which time the business experienced a period of substantial growth; he has had leadership experience spanning Latin America, Asia, and Europe. Nick is currently a non-executive director of BAE Systems PLC and Weir Group PLC.

As previously announced, having served as a member of the Board since 2017 and Chair since 2019, Alan Giddins will retire from the Board on the date of the next AGM in May 2026, at which time Nick will assume the roles of Chair of the Board and Nomination Committee. I am very much looking forward to working with Nick, and I would like to thank Alan for the invaluable contribution he has made to Hill & Smith, first as a Non-executive Director and then as Chair.

Dividend

Given the strong trading performance and confidence in the Group's prospects, the Board is recommending a final dividend of 35.0p per share, making a total dividend for the year of 53.0p per share (2024: 49.0p), an increase of 8%. The final dividend, if approved, will be paid on 3 July 2026 to shareholders on the register on 29 May 2026.

Outlook

The Group is well positioned to deliver further value creation for shareholders, with exposure to a range of infrastructure and built environment end markets with attractive and sustained growth drivers.

We expect the strong trading momentum in the US to continue in 2026. We remain cautious about the degree of recovery in UK market conditions and anticipate lower levels of project activity during 2026. In light of this, we are assessing 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. We continue to see attractive growth opportunities in our Indian business. We anticipate a slightly increased second half weighting in Group performance in 2026 compared with 2025.

We note the emerging situation in the Middle East. Whilst the Group has no operating footprint in the region, we continue to monitor any potential impacts from broader risks to trade and cost inflation.

Overall, we are confident of making further good progress in FY26 and beyond.

Operational Review

US Engineered Solutions (48% of Group revenue; 49% of Group underlying operating profit)

	£m		Reported %	Constant currency %	OCC %
	2025	2024			
Revenue	416.6	390.3	+7	+10	+6
Underlying operating profit ⁽¹⁾	75.0	69.4	+8	+12	+8
Underlying operating margin % ⁽¹⁾	18.0%	17.8%			
Statutory operating profit	49.0	49.5			

⁽¹⁾ Underlying measures are set out in note 3 to the Financial Statements and exclude certain non-underlying items, which are detailed in note 4 to the Financial Statements.

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.

The division delivered a strong performance in 2025, with 10% revenue and 12% profit growth on a constant currency basis, reflecting continued demand growth across our larger platform businesses and a positive contribution from prior year acquisitions. Underlying operating margins increased by 20bps to 18.0% (2024: 17.8%) reflecting ongoing investment in our platform businesses and reduced margins in National Signal, our US off-grid solar business.

Our composites business continued to see strong 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 a strong performance, with revenue, operating profit and operating margin all ahead of the prior year. Demand for composite utility poles was particularly strong during the latter part of the year, benefiting from the timing of customers' transmission & distribution investment programmes.

Our electrical transmission & distribution business, which supplies substation products and components for grid infrastructure connectivity, continued to benefit from a very positive demand backdrop, and delivered growth in both revenue and operating profit in the year. Capital Steel and Whitlow, which we acquired in January and September 2024 respectively, have both been successfully integrated into the business and are trading well. We continue to see the transmission & distribution market as very attractive, with growth driven by the need to upgrade aging infrastructure, supported by both federal and state investment, and increasing demands on the electric grid resulting from infrastructure developments.

Our engineered supports business delivered further growth against a record prior year comparator, driven by robust demand from industrial and infrastructure projects including energy, clean water, data centres, and semiconductor plant construction. This more than offset some softness in commercial construction markets, with the business delivering strong operating profit margin growth. FM Stainless, which we acquired in March 2024, continues to perform ahead of our expectations at the time of the acquisition. The expansion of our main site in Waggaman, Louisiana, is now complete, with the factory providing efficient incremental manufacturing capacity. The order book for 2026 remains healthy, with the business expected to benefit from its exposure to a diverse range of end markets.

Given the ongoing soft demand backdrop in National Signal, our US off-grid solar business, and the potential operational synergies with the message board division of Hill & Smith Inc., our US road products business, in the second half of 2025 we took the decision to integrate the two, to create a broader unified product platform with a single manufacturing base in La Mirada, California. The combined business is operating as National Signal but is managed by our new Hill & Smith Inc. management team. The resulting closure of our message board manufacturing facility in Garland, Texas, and integration into La Mirada has gone well, and whilst we 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. The Group recognised non-underlying restructuring costs of £4.8m relating to the closure of the manufacturing facility in Garland, and goodwill and other intangible asset impairments totalling £13.6m relating to National Signal, reflecting a more cautious view of the likely pace of recovery.

Hill & Smith Inc.'s core road barrier and attenuator business performed well with revenue and profit ahead of the prior year. Whilst revenue in the first half was below the comparative period, actions taken by the new management team resulted in a stronger second half, especially in crash attenuators. Given this improving picture, the outlook for the business is encouraging, with demand supported by state and federal investment to upgrade road infrastructure and the phased implementation of developments in safety standards.

Overall, prospects for future growth in our US Engineered Solutions businesses remain strong. Looking ahead, 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 private investment from US manufacturers and producers to onshore vital components and deliver additional data centre capacity.

Galvanizing Services (24% of Group revenue; 37% of Group underlying operating profit)

	£m		Reported %	Constant currency %	OCC %
	2025	2024			
Revenue	212.8	197.8	+8	+10	+10
Underlying operating profit ⁽¹⁾	55.4	50.3	+10	+13	+13
Underlying operating margin % ⁽¹⁾	26.0%	25.4%			
Statutory operating profit	54.3	49.2			

⁽¹⁾ Underlying measures are set out in note 3 to the Financial Statements and exclude certain non-underlying items, which are detailed in note 4 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 strong performance in the year, with 10% revenue growth and 13% underlying operating profit growth on an OCC basis. The operating margin increased by 60bps to 26.0%, with an increase in both the US and UK regions. Both the US and UK businesses are benefiting from leadership changes, with recently appointed MDs overseeing improvements in both operational efficiency and commercial execution.

US

Our US galvanizing business delivered a record performance, with strong growth in both revenue and operating profit driven by a 13% increase in volumes, with robust demand from a balanced mix of end markets.

Following a slower start caused by adverse weather conditions, growth increased across the year and particularly in the final quarter, reflecting higher infrastructure-related investments in several end markets, including construction, electrical transmission & distribution and technology. The business saw good margin expansion in the year, and continues to deliver superior operating margins, with customers valuing the excellent service, product quality and additional services provided by our dedicated local teams.

As we look forward, the outlook for US galvanizing remains positive. The business is well placed to benefit from federal, state and private investment to support industrial expansion, infrastructure investment and technology change, as well as the ongoing shift towards onshoring of manufacturing.

UK

In the UK revenue was 5% ahead of the prior year, with a 9% increase in volumes and marginally lower average pricing reflecting end-market mix. Volume growth was ahead of the wider UK market and reflects the benefits of recent developments in the business including an enhanced customer focus and improvements in productivity.

Underlying operating margin increased modestly compared to the prior year, reflecting the impact of higher volumes and a continuing focus on operational efficiency. Whilst we expect the broader macroeconomic backdrop in the UK to remain challenging in 2026, given the actions taken to improve the quality of the business, the outlook for the year ahead remains positive.

UK & India Engineered Solutions (28% of Group revenue; 14% of Group underlying operating profit)

	£m		Reported %	Constant currency %	OCC %
	2025	2024			
Revenue	239.4	267.0	-10	-10	-6
Underlying operating profit ⁽¹⁾	20.9	23.8	-12	-11	-17
Underlying operating margin % ⁽¹⁾	8.7%	8.9%			
Statutory operating profit	16.8	16.7			

⁽¹⁾ Underlying measures are set out in note 3 to the Financial Statements and exclude certain non-underlying items, which are detailed in note 4 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 energy markets.

Revenue for the year was 10% lower on a constant currency basis and 6% lower on an OCC basis, reflecting softer demand across UK road and rail, residential construction and general infrastructure markets. The UK business experienced progressive decline in market demand as the year progressed. Underlying operating profit was 11% lower on a constant currency basis and 17% lower on an OCC basis, reflecting a 20bps reduction in operating margins. The UK business benefited from project activity in transport infrastructure markets which is not expected to repeat in 2026. Considering the challenging market backdrop, we are assessing 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.

As expected, both revenue and underlying operating profit in our UK roads operations were below the prior year. Visibility and delivery of major road schemes remain limited, driven by delays to the release of the UK Government's Road Investment Strategy 3 (RIS3) which is expected during the 2026 year. This led to a lower outturn in our temporary rental and permanent barrier businesses. The project outlook for 2026 remains uncertain and we have taken steps to adjust the cost base accordingly, whilst remaining well placed to benefit when activity improves. Performance across the wider UK roads market was also impacted by local authority budgetary challenges leading to subdued activity. While the immediate prospects remain more muted, RIS3 is expected to provide clarity over the scale and timing of future infrastructure spending although this is expected to have limited impact on activity levels in 2026.

The industrial flooring business benefitted from good demand from data centre fabrication projects and the acquisition of Hentech will support further growth in this market. Demand from broader industrial and commercial markets was more subdued, with customers displaying higher levels of caution given the broader uncertain economic backdrop.

Our building products business experienced a continuation of lower demand levels, although a strong focus on productivity and cost management acted to mitigate the impact on profitability. We remain cautious around the scale and timing of recovery in UK residential construction markets.

Revenue and profitability across our perimeter security businesses were ahead of the prior year, with improving mix driving meaningful growth in operating margins. Performance reflects 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 following a difficult period of trading in 2024, 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, which is encouraging for further progress in the year ahead.

Our Indian engineered supports business delivered operating profit in line with the prior year, with performance, as expected, improving throughout the year. Revenue was marginally lower than the prior year, reflecting the timing of major projects. However, wider market activity levels remain healthy, and the business has a robust pipeline of future business, underpinned by international LNG projects.

Financial Review

Results

The Group has delivered a good set of 2025 results. Revenue was £868.8m (2024: £855.1m), up 2% on a reported basis. Revenue was up 3% on an OCC basis with strong organic growth in our higher margin US Engineered Solutions and Galvanizing Services businesses partially offset by declines in the UK, reflecting a more challenging market backdrop.

Underlying operating profit was £151.3m (2024: £143.5m), an increase of 5% on a reported basis. OCC growth was 6% and constant currency growth was 8%. Operating margins improved to 17.4% (2024: 16.8%) reflecting the benefits of operating leverage and volume growth in our higher margin US businesses. Underlying profit before taxation was £142.5m (2024: £132.6m). Statutory operating profit was £120.1m (2024: £115.4m) and statutory profit before tax was £111.3m (2024: £104.5m). Underlying earnings per share increased to 132.2p (2024: 122.6p) and statutory earnings per share was 102.7p (2024: 95.0p).

The principal reconciling items between underlying and statutory operating profit are: restructuring costs of £4.8m arising from the closure of our message board manufacturing facility in Garland, Texas; the £13.6m write down of goodwill and intangible assets relating to our US off-grid solar business, National Signal; and the amortisation of other acquisition intangibles of £10.8m. Note 4 to the financial statements provides further details on the Group's non-underlying items.

Cash generation

The Group continues to be highly cash generative, delivering 91% underlying cash conversion in 2025. We expect the Group to continue to deliver good cash conversion in 2026, in line with our financial framework. The calculation of our underlying cash conversion ratio can be found in note 3 to the financial statements.

Operating cash flow before movement in working capital was £179.6m (2024: £175.2m). The working capital outflow in the year was £3.1m (2024: £0.6m inflow) with a continued focus on working capital efficiency. Working capital as a percentage of annualised sales was 15.5% (2024: 15.2%) and closing debtor days were 59 days (2024: 62 days).

Capital expenditure of £34.2m (2024: £28.6m) represents a multiple of depreciation and amortisation of 1.6 times (2024: 1.3 times). During the year we made capital investments of around £10m to support organic growth, including completion of the expansion and upgrade of our engineered supports facility in Louisiana, and initial spend on expansion within our existing US galvanizing facility network. Excluding the Freeberg and Hentech acquisitions, we anticipate capital expenditure of around £50m in the 2026 year including major organic growth capital of £25m to expand capacity in our higher growth and returning US platform businesses.

Net financing costs were £8.8m (2024: £10.9m), including £0.6m (2024: £0.5m) amortisation of costs relating to refinancing activities.

The Group generated £106.9m of free cash flow in the year (2024: £108.6m), providing funds to support our capital allocation policy.

Net debt and financing

Net debt at the end of the year amounted to £50.8m (31 December 2024: £96.9m). Outflows in the year included £39.4m for the 2024 interim and final dividends and £20.2m returned to shareholders via the buyback programme initiated in August. Net debt at the year-end includes lease liabilities under IFRS 16 of £39.9m (31 December 2024: £49.0m), the reduction being primarily due to exiting the Group's manufacturing site in Garland, Texas. Net debt excluding lease liabilities was £10.9m (2024: £47.9m).

The Group's principal financing facilities comprise a £300m revolving credit facility, which was increased and extended during the year and now expires in November 2029 with an option for a further one-year extension, and \$70m senior unsecured notes with maturities in June 2026 and June 2029, together with a further £6.2m of on-demand local overdraft arrangements. Throughout the year the Group has operated well within these facilities and at 31 December 2025, had £346.5m of headroom (£340.3m committed, £6.2m on demand). Approximately 63% of the Group's drawn debt at 31 December 2025 is subject to fixed interest rates, providing a hedge against interest rate risk.

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 31 December 2025 was 0.1 times (31 December 2024: 0.3 times) and interest cover was 28.4 times (31 December 2024: 20.4 times).

Return on invested capital

The Group continued to deliver strong returns in 2025, achieving a return on invested capital of 26.7% (2024: 24.8%), the increase reflecting the faster growth in our larger, higher margin US businesses which are typically lower in capital intensity, and continued discipline around capital expenditure and working capital.

Tax

The underlying effective tax rate for the year was 25.5% (2024: 25.6%). The statutory tax charge for the year was £28.8m (2024: £28.1m) and includes a £7.5m credit (2024: £5.9m credit) in respect of non-underlying items, principally relating to impairment charges and the amortisation of acquisition intangibles. Cash tax paid in the year was £27.3m (2024: £26.5m).

Exchange rates

The Group is exposed to movements in exchange rates when translating the results of its overseas operations into sterling. Retranslating 2024 revenue and underlying operating profit using average exchange rates for 2025 would have reduced revenue by £16.8m and underlying operating profit by £4.0m, mainly due to sterling's appreciation against the US dollar. A one cent movement in the average US dollar rate currently results in an adjustment of approximately £4.0m to the Group's annual revenue and £1.0m to annual underlying operating profit.

Given the increasing proportion of the Group's revenues and operating profits denominated in US dollars, with effect from the 2026 year we intend to report our results in US dollars. Our transition to US dollar reporting will eliminate much of this exchange rate volatility.

Non-underlying items

The total non-underlying items charged to operating profit in the Consolidated Income Statement amounted to £31.2m (2024: £28.1m) and included the following:

- Impairment charges of £13.6m in respect of goodwill, acquisition and other intangible assets of National Signal, the Group's US off-grid solar business
- Costs of £4.8m relating to the closure of the Group's message board manufacturing facility in Garland, Texas, and subsequent relocation of operations to our facility in La Mirada, California
- Amortisation of acquisition intangible assets of £10.8m
- Expenses related to acquisitions and disposals of £3.1m

The non-cash element of these charges was £27.4m. Further details are set out in note 4 to the Financial Statements.

Pensions

The Group operates defined benefit pension plans in the UK and the USA. The IAS 19 surplus of these plans at 31 December 2025 was £4.6m, an improvement of £5.4m from 31 December 2024 (£0.8m deficit). The surplus on the UK scheme, the largest employee benefit obligation in the Group, was £5.2m (31 December 2024: £0.2m deficit), the improvement mainly due to the Group's deficit recovery payments in the year, which we expect to end in Q1 2026.

The Group continues to be actively engaged in dialogue with the UK schemes' Trustees with regards to management, funding and investment strategies.

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 30 June 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 June 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 30 June 2026, 31 December 2026 and 30 June 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 30 June 2027. The Directors do not consider the resulting performance levels to be plausible given the Group’s strong trading performance in the period and the resilience of the end markets in which we operate.

Rutger Helbing
Chief Executive Officer

Chris McLeish
Chief Financial Officer

Consolidated Income Statement

	Notes	2025			2024		
		Underlying £m	Non- underlying* £m	Total £m	Underlying £m	Non- underlying* £m	Total £m
Revenue	2	868.8	–	868.8	855.1	–	855.1
Cost of sales		(515.3)	–	(515.3)	(513.3)	–	(513.3)
Gross profit		353.5	–	353.5	341.8	–	341.8
Distribution costs		(26.4)	–	(26.4)	(26.8)	–	(26.8)
Administrative expenses		(176.1)	(31.2)	(207.3)	(172.0)	(28.1)	(200.1)
Other operating income		0.3	–	0.3	0.5	–	0.5
Operating profit	2,3	151.3	(31.2)	120.1	143.5	(28.1)	115.4
Financial income	5	0.8	–	0.8	0.5	–	0.5
Financial expenses	5	(9.6)	–	(9.6)	(11.4)	–	(11.4)
Profit before taxation		142.5	(31.2)	111.3	132.6	(28.1)	104.5
Taxation	6	(36.3)	7.5	(28.8)	(34.0)	5.9	(28.1)
Profit for the year attributable to the owners of the parent		106.2	(23.7)	82.5	98.6	(22.2)	76.4
Basic earnings per share	7			102.7p			95.0p
Diluted earnings per share	7			101.6p			93.9p

* The Group's definition of non-underlying items is included in note 1 and further details on non-underlying items are included in note 4.

Consolidated Statement of Comprehensive Income

	Notes	2025 £m	2024 £m
Profit for the year		82.5	76.4
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of overseas operations		(30.4)	5.6
Exchange differences on foreign currency borrowings designated as net investment hedges		4.1	(0.6)
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain/(loss) on defined benefit pension schemes		1.7	(0.2)
Taxation on items that will not be reclassified to profit or loss	6	(0.5)	–
Other comprehensive (loss)/income for the year		(25.1)	4.8
Total comprehensive income for the year attributable to owners of the parent		57.4	81.2

Consolidated Statement of Financial Position

	Notes	2025 £m	2024 £m
Non-current assets			
Intangible assets		202.5	236.0
Property, plant & equipment		185.4	185.1
Right-of-use assets		36.8	43.2
Retirement benefit surplus		5.2	–
Deferred tax assets	6	0.1	0.1
		430.0	464.4
Current assets			
Assets held for sale		–	12.7
Inventories		97.2	100.1
Trade and other receivables		161.9	162.5
Current tax assets		2.4	1.3
Cash and cash equivalents	9	70.4	55.0
		331.9	331.6
Total assets		761.9	796.0
Current liabilities			
Liabilities held for sale		–	(6.9)
Trade and other liabilities		(129.6)	(133.5)
Current tax liabilities		(2.8)	(0.7)
Provisions		(11.6)	(7.1)
Lease liabilities		(8.6)	(9.1)
Loans and borrowings	9	(26.4)	(0.8)
		(179.0)	(158.1)
Net current assets		152.9	173.5
Non-current liabilities			
Other liabilities		(7.0)	(11.2)
Provisions		(2.3)	(2.3)
Deferred tax liabilities		(11.8)	(12.3)
Retirement benefit obligations		(0.6)	(0.8)
Lease liabilities		(31.3)	(36.9)
Loans and borrowings	9	(54.9)	(98.7)
		(107.9)	(162.2)
Total liabilities		(286.9)	(320.3)
Net assets		475.0	475.7
Equity			
Share capital		19.9	20.1
Share premium		49.0	47.0
Other reserves		5.1	4.9
Translation reserve		1.6	27.9
Retained earnings		399.4	375.8
Total equity		475.0	475.7

Consolidated Statement of Changes in Equity

	Notes	Share Capital £m	Share Premium £m	Other Reserves £m	Translation Reserve £m	Retained Earnings £m	Total Equity £m
At 1 January 2024		20.0	44.6	4.9	22.9	332.1	424.5
Comprehensive income							–
Profit for the year		–	–	–	–	76.4	76.4
Other comprehensive income for the year		–	–	–	5.0	(0.2)	4.8
Transactions with owners recognised directly in equity							
Dividends	8	–	–	–	–	(34.5)	(34.5)
Credit to equity of share-based payments		–	–	–	–	3.4	3.4
Own shares held by employee benefit trust		–	–	–	–	1.6	1.6
Satisfaction of long-term incentive and deferred bonus awards		–	–	–	–	(2.8)	(2.8)
Tax taken directly to the Consolidated Statement of Changes in Equity	6	–	–	–	–	(0.2)	(0.2)
Shares issued		0.1	2.4	–	–	–	2.5
At 31 December 2024		20.1	47.0	4.9	27.9	375.8	475.7
Comprehensive income							
Profit for the year		–	–	–	–	82.5	82.5
Other comprehensive loss for the year		–	–	–	(26.3)	1.2	(25.1)
Transactions with owners recognised directly in equity							
Dividends	8	–	–	–	–	(39.4)	(39.4)
Credit to equity of share-based payments		–	–	–	–	2.9	2.9
Own shares held by employee benefit trust		–	–	–	–	0.3	0.3
Satisfaction of long-term incentive and deferred bonus awards		–	–	–	–	(4.8)	(4.8)
Tax taken directly to the Consolidated Statement of Changes in Equity	6	–	–	–	–	1.1	1.1
Shares issued		–	2.0	–	–	–	2.0
Repurchase of shares		(0.2)	–	0.2	–	(20.2)	(20.2)
At 31 December 2025		19.9	49.0	5.1	1.6	399.4	475.0

Consolidated Statement of Cash Flows

	Notes	2025 £m	2024 £m
Profit before tax		111.3	104.5
Add back net financing costs	5	8.8	10.9
Operating profit	2,3	120.1	115.4
Adjusted for non-cash items:			
Share-based payments		2.9	3.4
Loss on disposal of subsidiaries		0.4	–
Gain on disposal of non-current assets		(0.4)	(0.4)
Loss on disposal of assets held for sale		–	0.2
Depreciation of owned assets		20.5	20.8
Amortisation of intangible assets		12.1	11.1
Right-of-use asset depreciation		10.1	10.4
Gain on lease termination		–	(0.6)
Gain on lease modification		(0.6)	–
Release of accrued contingent consideration		–	(1.7)
Research & development expenditure credit		(0.2)	(0.5)
Impairment of non-current assets		14.7	14.0
Loss on remeasurement of assets held for sale		–	3.1
Operating cash flow before movement in working capital	9	179.6	175.2
(Increase)/decrease in inventories		(2.3)	9.3
Increase in receivables		(2.4)	(11.8)
Increase in payables		1.6	3.1
Increase in insurance reimbursement asset		(3.6)	(3.8)
Increase/(decrease) in provisions and employee benefits		0.2	(3.4)
Net movement in working capital		(6.5)	(6.6)
Cash generated by operations	9	173.1	168.6
Purchase of assets for rental to customers		(1.3)	(2.3)
Income taxes paid		(27.3)	(26.5)
Interest paid		(6.6)	(8.8)
Interest paid on lease liabilities		(2.0)	(2.0)
Net cash from operating activities		135.9	129.0
Interest received		0.8	0.5
Proceeds on disposal of non-current assets		1.1	1.1
Proceeds on disposal of assets held for sale		–	2.3
Purchase of property, plant and equipment		(29.2)	(21.3)
Purchase of intangible assets		(3.7)	(5.0)
Acquisitions of subsidiaries		–	(44.5)
Deferred consideration in respect of prior year acquisitions		(3.1)	(2.1)
Disposals of subsidiaries		7.4	–
Net cash used in investing activities		(26.7)	(69.0)
Issue of new shares		0.8	2.5
Repurchase of shares		(20.2)	–
Purchase of shares for employee benefit trust		(4.5)	(1.2)
Dividends paid	8	(39.4)	(34.5)
Costs associated with refinancing during the year		(1.3)	–
Repayment of lease liabilities		(9.5)	(9.0)
Cash paid on early termination of lease contract		–	(0.1)
New loans and borrowings	9	42.0	62.5
Repayments of loans and borrowings	9	(55.4)	(63.7)
Net cash used in financing activities		(87.5)	(43.5)
Net increase in cash and cash equivalents net of bank overdraft		21.7	16.5
Cash and cash equivalents net of bank overdraft at the beginning of the year		51.3	34.4
Effect of exchange rate fluctuations		(3.3)	0.4
Cash and cash equivalents net of bank overdraft at the end of the year	9	69.7	51.3

1. Group Accounting Policies

Hill & Smith PLC is a company incorporated in the UK.

Basis of preparation

The consolidated financial statements comprise the financial statements of the Company, Hill & Smith PLC, and its subsidiaries as at 31 December 2025. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the Group Financial Statements from the date that control commences until the date that control ceases.

In preparing the consolidated financial statements, management has considered the impact of climate change. This included an assessment of assets with indefinite and long lives and how they could be impacted by measures taken to address global warming. Physical climate change presents a relatively low risk to the Group's future business operations and transition risks are also expected to have a relatively low impact when considered together with the mitigating actions that the Group intends to take. As such, no issues were identified that would impact the carrying values of such assets or have any other impact on the financial statements.

Measurement convention

The Group Financial Statements are prepared on the historical cost basis except where the measurement of balances at fair value is required as explained below. The Group Financial Statements are presented in Sterling and all values are stated in million (£m) rounded to one decimal place, except where otherwise indicated.

Going concern and liquidity risk

In determining the appropriate basis of preparation of its financial statements, the Directors are required to assess whether the Group can continue in operational existence for the foreseeable future, at least 12 months from the date of approval of these financial statements. The Group's going concern assessment period is the 18-month period from the balance sheet date to 30 June 2027 (referred to throughout as 'the going concern period'. 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.

At 31 December 2025, the Group had £353.5m of committed borrowing facilities, and a further £6.2m of on-demand facilities. The Group refinanced its revolving credit facility in November 2025, entering into an 'Amend and Extend' addendum to the original agreement signed in November 2022. The amendments include increasing the total facility to £300m and extending the term for another two years to November 2029. The Group also holds \$70m of Senior Unsecured Notes, one tranche (\$35m) of which is due to expire in June 2026 and the second tranche (\$35m) is due to expire in June 2029; and other local committed borrowing facilities of £1.7m. The amount drawn down under these committed facilities at 31 December 2025 was £82.9m, which together with cash and cash equivalents of £69.7m gave total headroom of £346.5m (£340.3m committed, £6.2m on demand). The Group has not made any changes to its principal borrowing facilities between 31 December 2025 and the date of approval of these financial statements.

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 3.0x and interest cover of a minimum of 4.0x, based on measures as defined in the facilities agreements which are adjusted from the equivalent IFRS amounts. The ratio of net debt to EBITDA at 31 December 2025 was 0.1 times and interest cover was 28.4 times.

The Group has carefully modelled its cash flow outlook for the period to 30 June 2027, taking account of the current 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 30 June 2026, 31 December 2026 and 30 June 2027.

The Group has carried out stress tests against the base case to determine the performance levels that would result in a breach of covenants or a reduction of headroom against its borrowing facilities to nil. For a breach of covenants to occur during the relevant period, the Group would need to experience a sustained revenue reduction of 29% compared with current expectations throughout the 18-month period ending 30 June 2027. A reduction in headroom against borrowing facilities to nil would occur if the Group experienced a sustained revenue reduction of 28% compared with current expectations for the 18-month period ending 30 June 2027, noting that the stress test assumes repayment of \$35m of Senior Unsecured Notes on expiry of the agreement in June 2026. The Directors do not consider any of these scenarios to be plausible given the generally positive outlook across the infrastructure markets in which the Group operates. The Directors also noted the Group's ability to continue its operations throughout the COVID-19 pandemic, noting that revenues fell by only 22% in the second quarter of 2020, the worst-affected period. Furthermore, the Group has several mitigating actions under its control including minimising capital expenditure to critical requirements, reducing levels of discretionary spend, rationalising its overhead base and curtailing future dividend payments which, although not forecast to be required, could be implemented in order to be able to meet the covenant tests and to continue to operate within borrowing facility limits.

After making these assessments, the Directors have reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence during the going concern period. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

New IFRS standards and interpretations adopted during 2025

The following amendments and interpretations apply for the first time in 2025, and therefore were adopted by the Group:

- Amendments to IAS 21 – Lack of exchangeability

The amendment noted above has not had a material impact on the financial statements.

The principal exchange rates used were as follows:

	2025		2024	
	Average	Closing	Average	Closing
Sterling to US Dollar (£1 = USD)	1.32	1.35	1.28	1.25
Sterling to Indian Rupee (£1 = INR)	114.93	120.85	106.95	107.22

Non-underlying items

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 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
- 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 and prior year are set out in note 4 to the Financial Statements.

2. Segmental information

Business segment analysis

The Group previously reported three operating segments: Engineered Solutions, Galvanizing Services and Roads & Security. During the year ended 31 December 2025, the Group has reassessed its reportable segments under IFRS 8 Operating Segments and has determined that these are now US Engineered Solutions, UK & India Engineered Solutions, and Galvanizing Services. The Board concluded these changes better reflect the way the Group is now managed, enabling closer focus on geographic end markets and growth opportunities. 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; and
- **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.

The revised segmental structure was effective from 1 January 2025. As required by IFRS 8, comparative segment information for the US Engineered Solutions and the UK & India Engineered Solutions segments for the year ended 31 December 2024 has been restated, as indicated by "restated" throughout these Consolidated Financial Statements. The restatement does not result in any change to the results of the Galvanizing Services segment or the consolidated Group.

	2025			2024 (restated)		
	Revenue £m	Reported Operating Profit £m	Underlying operating profit £m*	Revenue £m	Reported Operating Profit £m	Underlying operating profit £m*
US Engineered Solutions	416.6	49.0	75.0	390.3	49.5	69.4
UK & India Engineered Solutions	239.4	16.8	20.9	267.0	16.7	23.8
Galvanizing Services	212.8	54.3	55.4	197.8	49.2	50.3
Group	868.8	120.1	151.3	855.1	115.4	143.5
Net financing costs		(8.8)	(8.8)		(10.9)	(10.9)
Profit before taxation		111.3	142.5		104.5	132.6
Taxation		(28.8)	(36.3)		(28.1)	(34.0)
Profit after taxation		82.5	106.2		76.4	98.6

* Underlying operating profit is stated before non-underlying items as defined in note 1 and is the measure of segment profit used by the Chief Operating Decision Maker, who is the Chief Executive. The reported operating profit columns are included as additional information.

Transactions between operating segments are on an arm's length basis similar to transactions with third parties. Galvanizing Services sold £1.0m (2024 (restated): £0.9m) of products and services to US Engineered Solutions and £6.8m (2024 (restated): £7.4m) of products and services to UK & India Engineered Solutions. UK & India Engineered Solutions sold £0.2m (2024 (restated): £0.2m) of products and services to US Engineered Solutions. These internal revenues, along with revenues generated from within their own segments, 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	
	2025 £m	2024 (restated) £m	2025 £m	2024 (restated) £m	2025 £m	2024 £m	2025 £m	2024 £m
Primary Geographical Markets								
UK	0.1	–	188.8	221.2	85.2	80.9	274.1	302.1
Rest of Europe	0.2	0.2	27.0	22.7	–	–	27.2	22.9
North America	414.5	388.2	1.7	2.7	127.6	116.9	543.8	507.8
The Middle East	1.5	1.3	7.9	9.9	–	–	9.4	11.2
Rest of Asia	–	0.1	11.9	6.6	–	–	11.9	6.7
Rest of the world	0.3	0.5	2.1	3.9	–	–	2.4	4.4
	416.6	390.3	239.4	267.0	212.8	197.8	868.8	855.1
Major product/service lines								
Manufacture, supply and installation of products	411.7	385.3	225.7	248.4	–	–	637.4	633.7
Galvanizing Services	–	–	–	–	212.8	197.8	212.8	197.8
Rental of assets to customers	4.9	5.0	13.7	18.6	–	–	18.6	23.6
	416.6	390.3	239.4	267.0	212.8	197.8	868.8	855.1
Timing of revenue recognition								
Products and services transferred at a point in time	200.0	210.4	156.1	177.2	212.8	197.8	568.9	585.4
Products and services transferred over time	216.6	179.9	83.3	89.8	–	–	299.9	269.7
	416.6	390.3	239.4	267.0	212.8	197.8	868.8	855.1

Total assets by geography

	2025 £m	2024 £m
UK	251.1	292.8
Rest of Europe	3.9	4.0
North America	483.6	473.9
Asia	20.5	17.4
Rest of the world	2.8	7.9
Total Group	761.9	796.0

3. 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 taxation
- Underlying operating profit
- Underlying operating 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 7.

All underlying measures exclude certain non-underlying items, which are detailed in note 4. 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

	2025 £m	2024 £m
Underlying profit before tax	142.5	132.6
Non-underlying items included in operating profit	(31.2)	(28.1)
Reported profit before tax	111.3	104.5

Reconciliation of underlying to reported operating profit by segment

	US Engineered Solutions		UK & India Engineered Solutions		Galvanizing Services		Total	
	2025 £m	2024 (restated) £m	2025 £m	2024 (restated) £m	2025 £m	2024 £m	2025 £m	2024 £m
Underlying operating profit	75.0	69.4	20.9	23.8	55.4	50.3	151.3	143.5
Non-underlying items:								
Profit on disposal of subsidiaries	–	–	1.1	–	–	–	1.1	–
Business reorganisation costs	(3.7)	–	–	–	–	–	(3.7)	–
Impairment of assets	(14.7)	(13.2)	–	–	–	–	(14.7)	(13.2)
Loss on remeasurement of assets held for sale	–	–	–	(3.1)	–	–	–	(3.1)
Amortisation of acquisition intangibles	(7.2)	(6.2)	(2.5)	(2.6)	(1.1)	(1.1)	(10.8)	(9.9)
Expenses related to acquisitions and disposals	(0.4)	(0.5)	(2.7)	(1.4)	–	–	(3.1)	(1.9)
Reported operating profit	49.0	49.5	16.8	16.7	54.3	49.2	120.1	115.4

Calculation of underlying operating margin

	US Engineered Solutions		UK & India Engineered Solutions		Galvanizing Services		Total	
	2025 £m	2024 (restated) £m	2025 £m	2024 (restated) £m	2025 £m	2024 £m	2025 £m	2024 £m
Underlying operating profit	75.0	69.4	20.9	23.8	55.4	50.3	151.3	143.5
Revenue	416.6	390.3	239.4	267.0	212.8	197.8	868.8	855.1
Underlying operating profit margin (%)	18.0%	17.8%	8.7%	8.9%	26.0%	25.4%	17.4%	16.8%

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

Organic constant currency measures exclude the impact of currency translation movements, 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.

	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
2024 (restated)	390.3	69.4	267.0	23.8	197.8	50.3	855.1	143.5
Impact of exchange rate movements from 2024 to 2025	(11.8)	(2.4)	(1.4)	(0.3)	(3.6)	(1.3)	(16.8)	(4.0)
2024 translated at 2025 exchange rates (A)	378.5	67.0	265.6	23.5	194.2	49.0	838.3	139.5
Acquisitions and disposals	16.2	2.5	(10.1)	1.5	–	–	6.1	4.0
Organic growth/(decline) (B)	21.9	5.5	(16.1)	(4.1)	18.6	6.4	24.4	7.8
2025 (C)	416.6	75.0	239.4	20.9	212.8	55.4	868.8	151.3
Organic growth % (B divided by A)	6%	8%	-6%	-17%	10%	13%	3%	6%
Constant currency change % ((C-A) divided by A)	10%	12%	-10%	-11%	10%	13%	4%	8%

Calculation of underlying cash conversion ratio

	2025 £m	2024 £m
Underlying operating profit	151.3	143.5
Calculation of adjusted operating cash flow:		
Cash generated by operations	173.1	168.6
Purchase of assets for rental to customers	(1.3)	(2.3)
Purchase of property, plant and equipment	(29.2)	(21.3)
Purchase of intangible assets	(3.7)	(5.0)
Repayment of lease liabilities	(9.5)	(9.0)
Proceeds on disposal of non-current assets and assets held for sale	1.1	3.4
Defined benefit pension scheme deficit payments	3.8	3.7
Add back: Cash flows relating to non-underlying items	3.3	4.0
Adjusted operating cash flow	137.6	142.1
Underlying cash conversion (%)	91%	99%

Calculation of capital expenditure to depreciation and amortisation ratio

	2025 £m	2024 £m
Calculation of capital expenditure:		
Purchase of assets for rental customers	1.3	2.3
Purchase of property, plant and equipment	29.2	21.3
Purchase of intangible assets	3.7	5.0
	34.2	28.6
Calculation of depreciation and amortisation:		
Depreciation of property, plant and equipment	20.5	20.8
Amortisation of development costs	1.1	1.1
Amortisation of other intangible assets	0.2	0.1
	21.8	22.0
Capital expenditure to depreciation and amortisation ratio	1.6x	1.3x

Calculation of covenant net debt to EBITDA ratio

	2025 £m	2024 £m
Reported net debt	50.8	96.9
Lease liabilities	(39.9)	(46.0)
Lease liabilities included in liabilities held for sale	–	(3.0)
Amounts related to refinancing under IFRS 9	2.3	1.5
Covenant net debt (A)	13.2	49.4
Underlying operating profit	151.3	143.5
Depreciation of owned assets	20.5	20.8
Right-of-use asset depreciation	10.1	10.4
Amortisation of development costs	1.1	1.1
Amortisation of other intangible assets	0.2	0.1
Underlying EBITDA	183.2	175.9
Adjusted for:		
Lease payments	(11.5)	(11.0)
Share-based payments expense	2.9	3.4
Annualised EBITDA of subsidiaries acquired/disposed	–	5.5
Covenant EBITDA (B)	174.6	173.8
Covenant net debt to EBITDA (A divided by B)	0.1	0.3

4. Non-underlying items

Included in operating profit

	2025 £m	2024 £m
Profit on disposal of subsidiaries (a)	1.1	–
Business reorganisation costs (b)	(3.7)	–
Impairment of assets (c)	(14.7)	(13.2)
Loss on remeasurement of assets held for sale (a)	–	(3.1)
Amortisation of acquisition intangibles	(10.8)	(9.9)
Expenses related to acquisitions and disposals	(3.1)	(1.9)
Total non-underlying items	(31.2)	(28.1)

Notes:

- a) Following a strategic review in 2024, the Group took the decision to seek buyers for Hill & Smith Pty Limited, the Group's Australian roads business, and Parking Facilities Limited, one of our smaller UK security businesses. At 31 December 2024, in accordance with IFRS 5, the assets and liabilities of the businesses were recognised as disposal groups held for sale. Following the classification, losses on remeasurement of £1.1m relating to Parking Facilities and £2.0m related to Hill & Smith Pty Limited were recognised in 2024 to reduce the carrying amount of the assets in the disposal groups to their fair value less costs to sell.

In January 2025 the sale of Hill & Smith Pty's trade and assets was completed and in February 2025 the Group sold its shareholding in Parking Facilities. The profit on disposal for each disposal group was as follows:

	Parking Facilities	Hill & Smith Australia Pty	Total
Consideration	2.8	5.7	8.5
Net assets disposed	(2.2)	(5.2)	(7.4)
Profit on disposal	0.6	0.5	1.1

The Group also incurred legal fees and other disposal costs of £1.5m, comprising cash costs of £1.1m in the year and a further £0.4m expected to be spent in 2026, which are included within 'expenses related to acquisition and disposals'.

- b) Business reorganisation costs of £3.7m relate to the closure of the Group's trailer-mounted message board manufacturing facility in Garland, Texas, during the second half of the year. Message board operations have now been relocated to National Signal's La Mirada, California, facility. The costs include £1.9m of inventory write-downs and other net closure expenses of £1.8m. A further impairment charge of £1.1m was recognised, comprising £0.5m relating to property right-of-use assets, £0.2m relating to capitalised development costs and £0.4m relating to tangible fixed assets.
- c) In addition to the Garland closure, impairment of assets also includes a full impairment of goodwill and acquisition intangible assets relating to National Signal, the Group's US off-grid solar business. In assessing the carrying value of the National Signal CGU, the Board concluded that National Signal's future cash flows were not sufficient to support its carrying value, resulting in an impairment of the acquisition goodwill of £6.7m, acquisition intangible assets of £6.7m and capitalised development costs of £0.2m.

Impairment losses in the prior year related to H&S Inc., the Group's US road products business.

Included in taxation

The tax effect of the above items is a credit to the income statement of £7.5m (2024: £5.9m).

5. Net financing costs

	2025 £m	2024 £m
Interest on bank deposits	0.6	0.5
Other interest receivable	0.2	–
Financial income	0.8	0.5
Interest on loans and borrowings	(6.7)	(8.8)
Interest on lease liabilities	(2.0)	(2.0)
Financial expenses related to refinancing activities	(0.6)	(0.5)
Interest cost on net pension scheme surplus	–	(0.1)
Unwinding of discount and effect of changes in discount rate on deferred consideration	(0.3)	–
Financial expense	(9.6)	(11.4)
Net financing costs	(8.8)	(10.9)

6. Taxation

	2025 £m	2024 £m
Current tax		
UK corporation tax	5.4	4.1
Overseas tax at prevailing local rates	22.8	23.4
Adjustments in respect of prior years	0.6	(2.3)
	28.8	25.2
Deferred tax		
UK deferred tax	1.4	3.7
Overseas tax at prevailing local rates	(0.3)	(2.4)
Adjustments in respect of prior years	(1.1)	1.6
	–	2.9
Tax on profit in the Consolidated Income Statement	28.8	28.1
Deferred Tax		
Relating to defined benefit pension schemes	0.5	–
Tax on items taken directly to other comprehensive income	0.5	–
Current tax		
Relating to share-based payments	(0.5)	(0.2)
Deferred tax		
Relating to share-based payments	(0.6)	0.4
Tax taken directly to the Consolidated Statement of Changes in Equity	(1.1)	0.2

The tax charge in the Consolidated Income Statement for the period is higher (2024: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2025 £m	2024 £m
Profit before taxation	111.3	104.5
Profit before taxation multiplied by the effective rate of corporation tax in the UK of 25.0% (2024: 25.0%)	27.8	26.1
Expenses not deductible/income not chargeable for tax purposes	1.8	3.1
Benefits from international financing arrangements — current and prior years	(0.1)	(0.1)
Local tax incentives	–	(0.1)
Overseas profits taxed at higher/(lower) rates	(0.2)	(0.2)
Adjustments in respect of prior years	(0.5)	(0.7)
Tax charge	28.8	28.1

In October 2017, the European Commission opened a state aid investigation into the Group Financing Exemption in the UK Controlled Foreign Company ('CFC') legislation, announcing in April 2019 that it believed in certain circumstances the CFC regime constituted State Aid. In 2021 the Group received a charging notice from HMRC requiring it to pay £1.6m in respect of state aid that HMRC considered had been unlawfully received in previous years, which was paid in full in February 2021. Applications to annul the Commission's decision had been made in prior years by the UK Government, the Group and other affected taxpayers. The EU General Court delivered its decision on these applications in June 2022, finding in favour of the Commission. In August 2022, the UK Government and several multinationals, including the Group, appealed against the General Court's decision. The appeal was heard by the Court of Justice of the European Union ('CJEU') on 10 January 2024, and the CJEU's judgement was delivered on 19 September 2024 overturning the Commission's original decision. Following this, HMRC enacted legislation to provide for the tax, and interest, to be repaid, of which £1.6m was received by the Group in March 2025.

7. Earnings per share

The weighted average number of ordinary shares in issue during the year was 80.3m (2024: 80.4m), diluted for the effects of the outstanding dilutive share options to 81.2m (2024: 81.4m). Diluted earnings per share takes account of the dilutive effect of all outstanding share options, calculated using the treasury share method. Underlying earnings per share have been shown because the Directors consider that this provides valuable additional information about the underlying performance of the Group.

	2025		2024	
	Pence per share	£m	Pence per share	£m
Basic earnings	102.7	82.5	95.0	76.4
Non-underlying items*	29.5	23.7	27.6	22.2
Underlying earnings	132.2	106.2	122.6	98.6
Diluted earnings	101.6	82.5	93.9	76.4
Non-underlying items*	29.2	23.7	27.2	22.2
Underlying diluted earnings	130.8	106.2	121.1	98.6

* Non-underlying items as detailed in note 4.

8. Dividends

Dividends paid during the year

	2025		2024	
	Pence per share	£m	Pence per share	£m
Interim dividend paid in relation to year ended 31 December 2023	–	–	15.0	12.0
Final dividend paid in relation to year ended 31 December 2023	–	–	28.0	22.5
Interim dividend paid in relation to year ended 31 December 2024	16.5	13.3	–	–
Final dividend paid in relation to year ended 31 December 2024	32.5	26.1	–	–
Total	49.0	39.4	43.0	34.5

Dividends declared in respect of the year

	2025		2024	
	Pence per share	£m	Pence per share	£m
Interim dividend declared in relation to year ended 31 December 2024	–	–	16.5	13.3
Final dividend declared in relation to year ended 31 December 2024	–	–	32.5	26.1
Interim dividend declared in relation to year ended 31 December 2025	18.0	14.5	–	–
Final dividend proposed in relation to year ended 31 December 2025	35.0	27.9	–	–
Total	53.0	42.4	49.0	39.4

The final dividend for 2025 was proposed after the year end date and was not recognised as a liability at 31 December 2025, in accordance with IAS 10.

9. Cash and borrowings

	2025 £m	2024 £m
Cash and cash equivalents in the Consolidated Statement of Financial Position		
Cash and cash equivalents net of bank overdrafts*	70.4	55.0
Bank overdraft+	(0.7)	(0.3)
Bank overdraft classified as held for sale	–	(3.4)
Cash and cash equivalents net of bank overdraft and overdraft classified as held for sale	69.7	51.3
Interest bearing loans and other borrowings		
Amounts due within one year	(25.7)	(0.5)
Amounts due after more than one year	(54.9)	(98.7)
Lease liabilities due within one year	(8.6)	(9.1)
Lease liabilities due after more than one year	(31.3)	(36.9)
Lease liabilities classified as held for sale	–	(3.0)
Net debt	(50.8)	(96.9)
Change in net debt		
Operating profit	120.1	115.4
Non-cash items	59.5	59.8
Operating cash flow before movement in working capital	179.6	175.2
Net movement in working capital	(3.1)	0.6
Increase in insurance reimbursement asset	(3.6)	(3.8)
Increase/(decrease) in provisions and employee benefits	0.2	(3.4)
Operating cash flow	173.1	168.6
Income taxes paid	(27.3)	(26.5)
Net financing costs paid	(5.8)	(8.3)
Capital expenditure	(34.2)	(28.6)
Proceeds on disposal of non-current assets and assets held for sale	1.1	3.4
Free cash flow	106.9	108.6
Dividends paid	(39.4)	(34.5)
Acquisitions of subsidiaries (including deferred consideration)	(3.1)	(47.4)
Disposals of subsidiaries	7.4	–
Amortisation of costs associated with refinancing activities	(0.6)	(0.5)
Purchase of shares for employee benefit trust	(4.5)	(1.2)
Issue of new shares	0.8	2.5
Leases disposed of	3.0	–
Lease additions, terminations and remeasurements	(4.7)	(13.3)
Repurchase of shares	(20.2)	–
Interest on lease liabilities	(2.0)	(2.0)
Net debt decrease	43.6	12.2
Effect of exchange rate fluctuations	2.5	(0.7)
Net debt at the beginning of the year	(96.9)	(108.4)
Net debt at the end of the year	(50.8)	(96.9)

* Included within cash and cash equivalents net of bank overdrafts are overdrafts amounting to £29.3m (2024: £19.9m) 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.

Reconciliation of movements in financial liabilities to cash flows arising from financing activities

	2025 £m	2024 £m
Interest bearing loans and other borrowings and lease liabilities		
At 1 January	148.2	142.8
New loans and borrowings	42.0	62.5
Repayments of loans and borrowings	(55.4)	(63.7)
Repayment of lease liabilities	(9.5)	(9.0)
Costs associated with refinancing during the year	(1.3)	–
Cash flows used in financing activities	(24.2)	(10.2)
Other changes		
Effect of exchange rate fluctuations	(4.3)	0.8
Amortisation of costs associated with refinancing activities	0.6	0.5
Lease changes:		
Effect of exchange rate fluctuations	(1.4)	0.2
New leases	7.3	16.0
Terminations	(0.1)	(2.2)
Re-measurement	(2.5)	(0.5)
Acquisitions of subsidiaries	–	0.8
Disposals of subsidiaries	(3.1)	–
Interest expense	2.0	2.0
Interest paid	(2.0)	(2.0)
At 31 December	120.5	148.2

10. Subsequent events

In March 2026 the Group reached agreement to acquire 80% of the equity of Freeberg Industrial Fabrication Corp. for a headline cash consideration of \$36m on a debt free, cash free basis. Additional consideration of up to \$50m is payable for the remaining 20% of equity, linked to the achievement of future profit targets. The acquisition is subject to US regulatory approvals, which the Group expects in the second quarter of 2026. Located in Escondido, California, Freeberg is a leading US designer and manufacturer of custom enclosures and other engineered solutions that serve data centre, power generation, and other infrastructure markets.

In March 2026 the Group also completed the acquisition of Hentech Fabrication Limited for a headline cash consideration of €7.3m. Located in Wexford, Ireland, Hentech is a designer, manufacturer and installer of engineered steel solutions, focused on access flooring and other industrial fabrication.

Acquisition accounting for both is currently ongoing.

Notes

1. The financial information previously set out does not constitute the Company's statutory accounts for the years ended 31 December 2025 or 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the registrar of companies, and those for 2025 will be delivered in due course. The auditors have reported on those accounts; their report was:
 - i. unqualified;
 - ii. did not include references to any matters to which the auditors 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.
2. The Annual Report will be posted to shareholders on or around 16 April 2026 and will be displayed on the Company's website at www.hsgroup.com. Copies of the Annual Report will also be available from the registered office at Westhaven House, Arleston Way, Solihull, B90 4LH.
3. Events Calendar:
 - i. The Annual General Meeting will be held at Cranmore Park Conference, Event & Exhibition Centre, Cranmore Avenue, Shirley, West Midlands B90 4LF on 21 May 2026.
 - ii. The proposed final dividend for 2025 will be paid on 3 July 2026 to shareholders on the register on 29 May 2026 (ex-dividend date 28 May 2026).
 - iii. The last date for receipt of Dividend Reinvestment Plan elections is 12 June 2026.
 - iv. Interim results announcement for the period to 30 June 2026 due 12 August 2026.
 - v. Payment of the 2026 interim dividend due January 2027.
4. This preliminary announcement of results for the year ended 31 December 2025 was approved by the Directors on 10 March 2026.

Cautionary Statement

This announcement contains forward looking statements which are made in good faith based on the information available at the time of its approval. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of risks and uncertainties that are inherent in any forward looking statement which could cause actual results to differ materially from those currently anticipated. Nothing in this document should be regarded as a profits forecast.