

# Transforming Tomorrow Together

Renishaw plc

Final results

12 September 2024

**Solid strategic progress  
in challenging market  
conditions**



# Revenue

Good growth from systems sales, offset by weaker demand from the semicon equipment sector

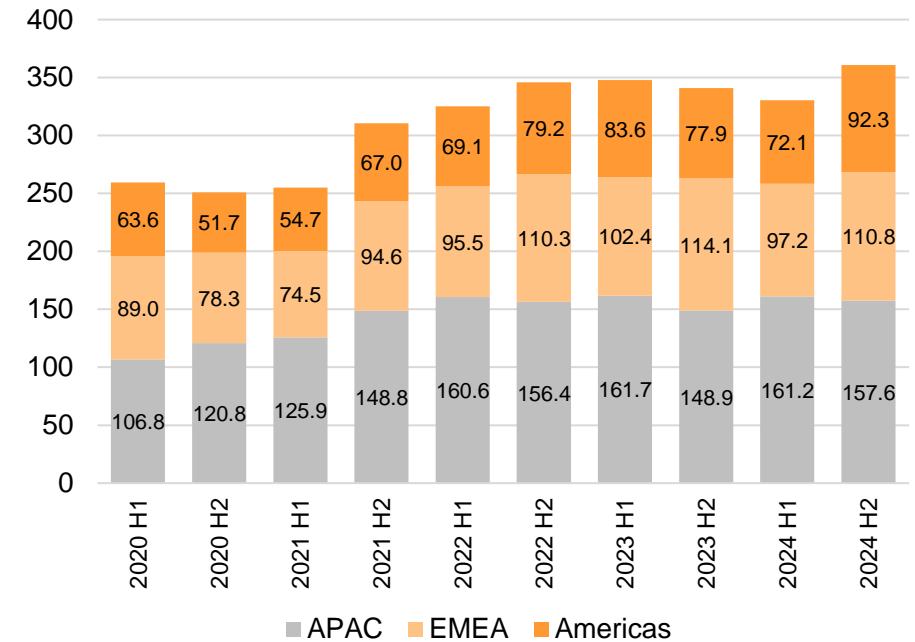
## Revenue growth of 0.4% to £691.3m

- Revenue up 3.7% at constant currency
- H2 revenue 9% higher than H1, strong final quarter
- Manufacturing technologies flat; growth in shop-floor Industrial Metrology (IM) and Additive Manufacturing (AM) systems; lower Position Measurement (PM) demand from semicon equipment sector
- Analytical instruments & medical devices up 7%, record Spectroscopy revenue

## Regional performance

- APAC up 8% at constant currency – good growth in IM, weaker semicon demand for encoders and calibration
- EMEA down 1% at constant currency – strong Spectroscopy sales, weaker demand for IM, PM and AM
- Americas up 2% at constant currency – growth in IM systems and AM

Half-year revenue £m



Revenue	FY 2024 £m	FY 2023 £m	Change %	Const. FX %
APAC	318.8	310.6	3	8
EMEA	208.0	216.5	(4)	(1)
Americas	164.4	161.5	2	2
<b>Group</b>	<b>691.3</b>	<b>688.6</b>	<b>0</b>	<b>4</b>

# Profitability

Continuing control of fixed costs and focus on efficiency, whilst maintaining our commitment to long-term growth

## Adjusted profit before tax 13% lower at £122.6m

- Adjusted operating profit margin reduced to 15.7% (18.9% last year)
- Profit reduction primarily due to a combination of currency impact on revenues and increased employee pay
- Adjusted profit before tax includes £2.1m of severance costs
- Costs arising late in the year, including £3.0m of R&D impairments, £1.9m of realised currency losses, and £0.9m of costs relating to R&D restructuring

## Key metrics – FY2024 vs FY2023

	2024 £m	2023 £m	Change %
Revenue	691.3	688.6	0.4
Adjusted operating profit	108.7	130.4	(17)
Adjusted profit before tax	122.6	141.0	(13)
Statutory profit before tax	122.6	145.1	(16)

## Manufacturing technologies

	2024 £m	2023 £m	Change %
Revenue	648.1	648.2	0
Adjusted operating profit	103.2	125.5	(18)

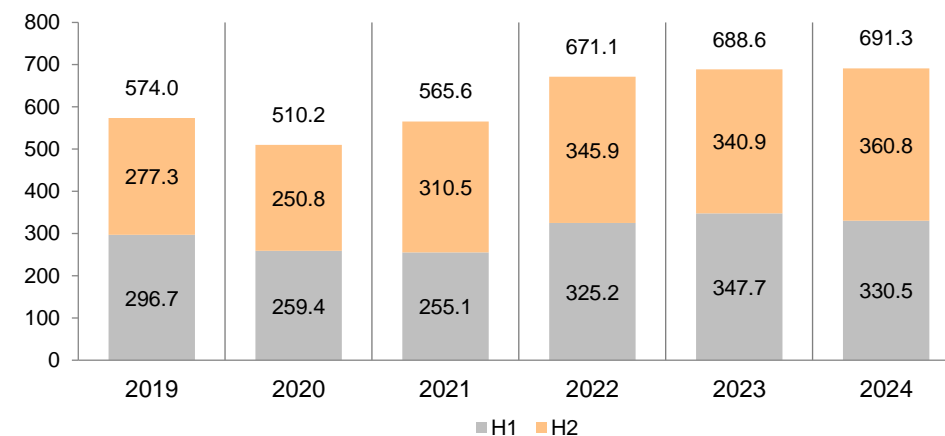
## Analytical instruments & medical devices

	2024 £m	2023 £m	Change %
Revenue	43.2	40.3	7
Adjusted operating profit	5.5	4.9	12

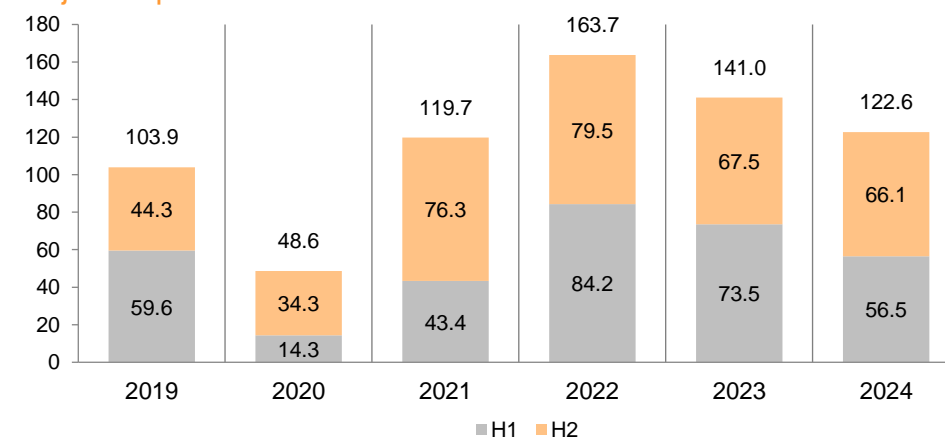
# Financial highlights

	2024 £m	2023 £m	Change %
Revenue	<b>691.3</b>	688.6	0
Adjusted operating profit	<b>108.7</b>	130.4	(17)
Adjusted profit before tax	<b>122.6</b>	141.0	(13)
Pension scheme past service costs, restructuring provisions & fair value gains on financial instruments	-	4.1	
Statutory profit before tax	<b>122.6</b>	145.1	(16)
Tax	<b>(25.7)</b>	(29.0)	
Effective tax rate %	<b>21.0%</b>	20.0%	
Profit after tax	<b>96.9</b>	116.1	(17)
Adjusted earnings per share	<b>133.2p</b>	155.1p	(14)
Statutory earnings per share	<b>133.2p</b>	159.7p	(17)
Interim dividend per share	<b>16.8p</b>	16.8p	-
Final dividend per share proposed	<b>59.4p</b>	59.4p	-

Revenue £m



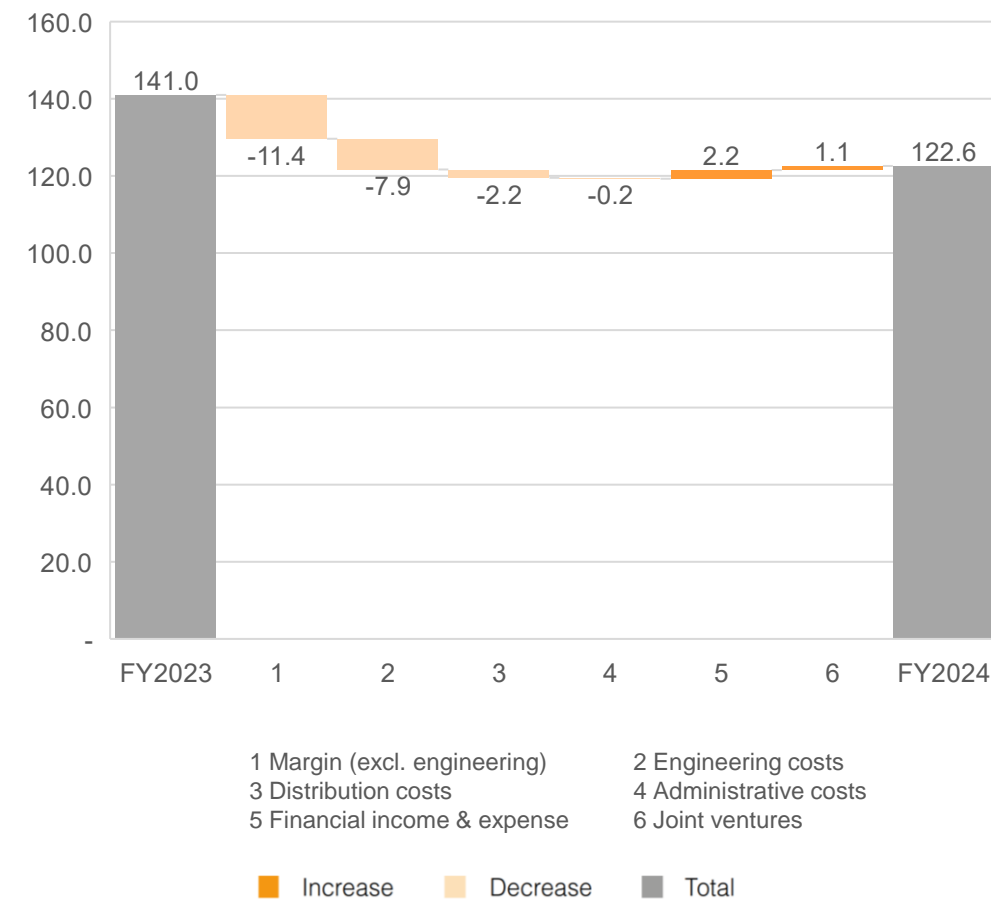
Adjusted profit before tax £m



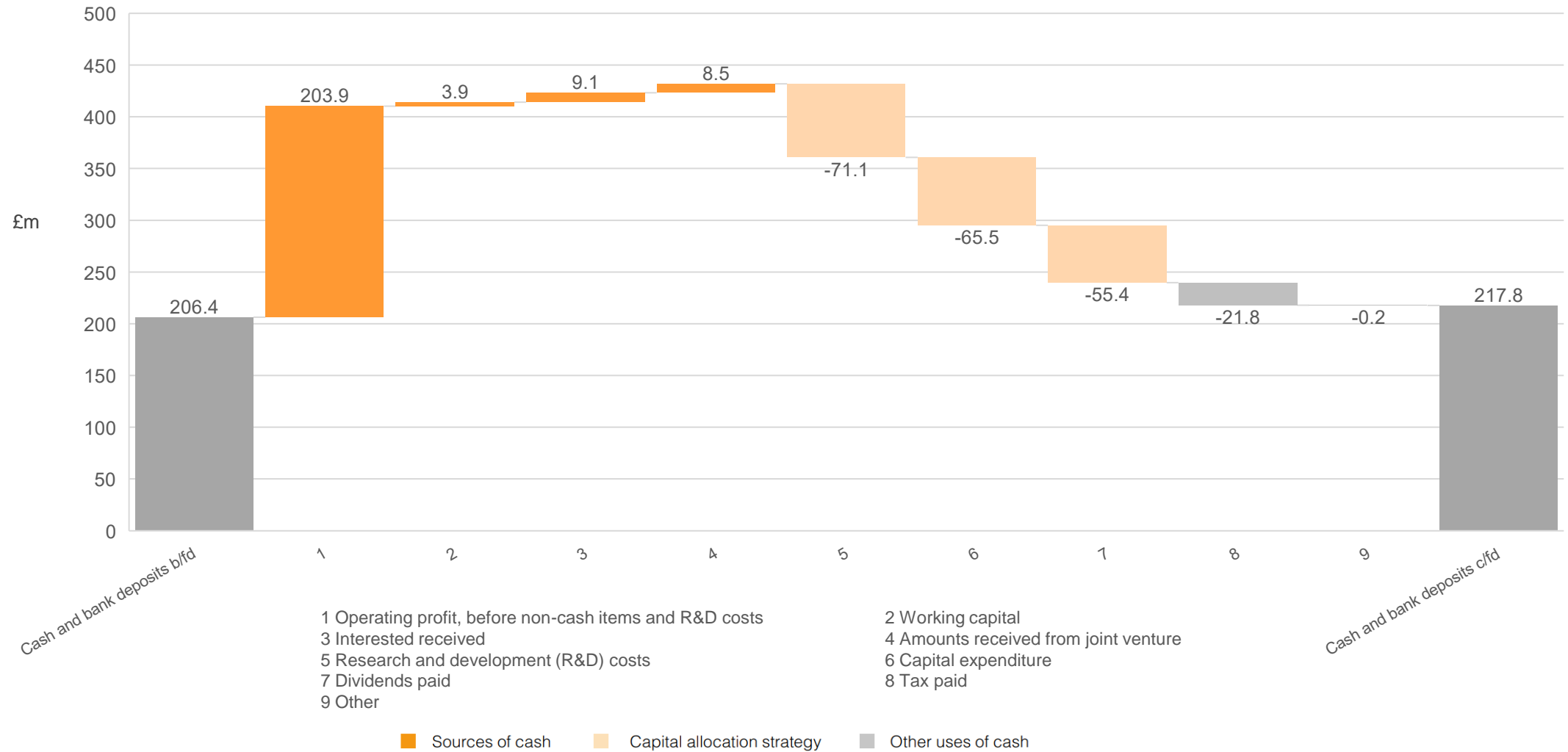
# Income statement

	2024 £m	%	2023 £m	%	Change %
Revenue	691.3	100	688.8	100	-
Cost of sales	(269.6)	(39)	(247.7)	(36)	9
Engineering (incl. R&D)	(98.1)	(14)	(90.2)	(13)	9
Gross profit	323.6	47	350.7	51	(8)
Distribution costs	(139.9)	(20)	(137.7)	(20)	2
Administrative costs	(75.1)	(11)	(74.9)	(11)	-
Pension scheme past service costs & fair value losses on financial instruments	-	-	(3.5)	-	-
Net financial income/(expense)	10.0	2	7.8	1	
Share of profits of associates and joint ventures	3.9	-	2.8	-	
Statutory profit before tax	122.6	18	145.1	21	(16)

Adjusted profit before tax bridge £m



# Sources and uses of cash

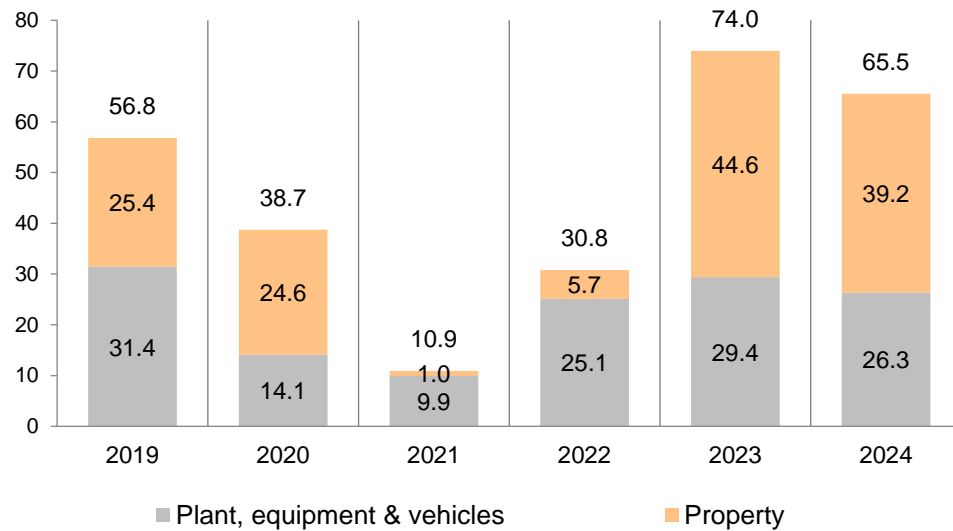


# Investment in our future

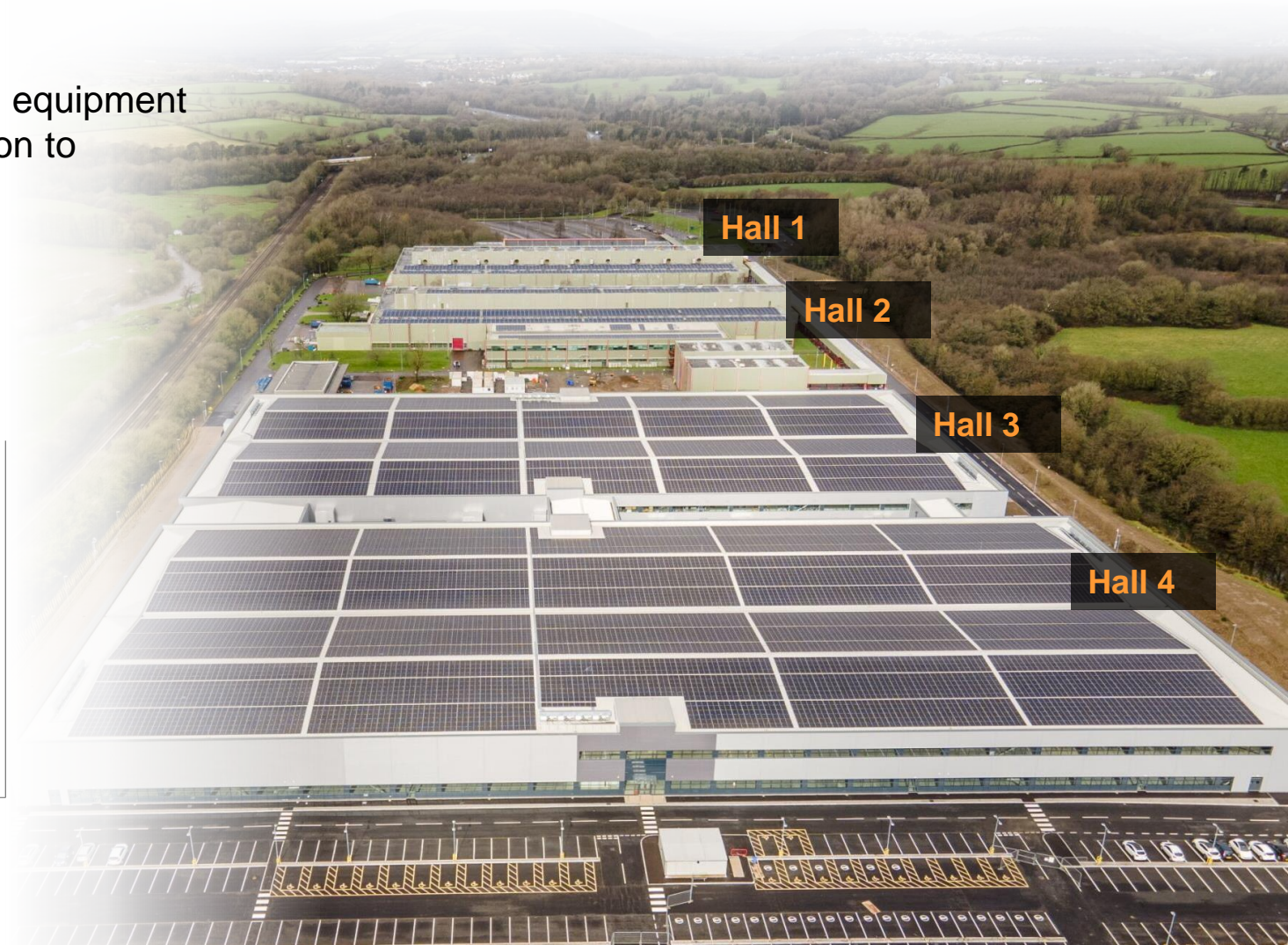
## Capital expenditure

- £65.5m capex in FY2024, including new production equipment and completion of the first phase of Miskin expansion to support planned growth
- Our planned capex in FY2025 is c.£40m

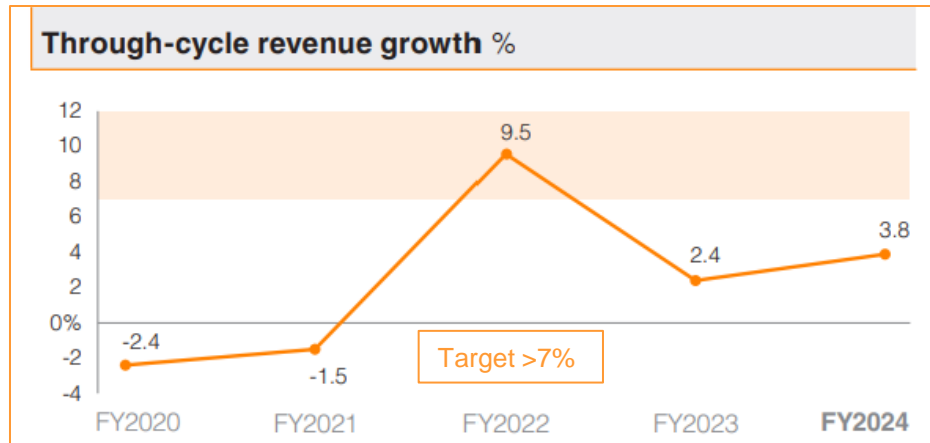
Capital expenditure £m



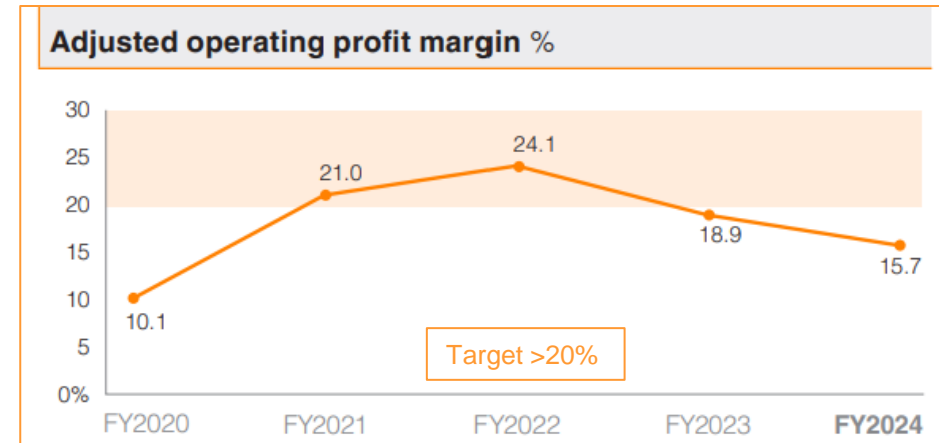
New manufacturing halls at Miskin, South Wales



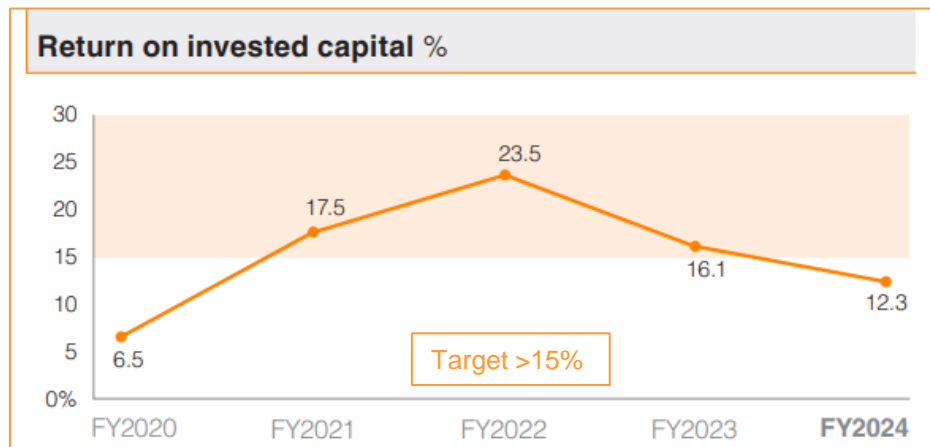
# New key performance indicators (KPIs)



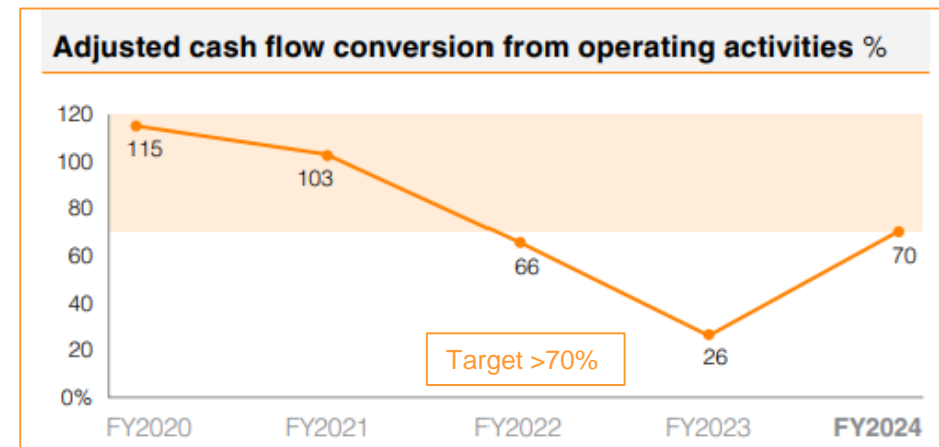
**TCRG** assesses our ability to achieve through cycle long-term revenue growth



**AOPM** assesses the efficiency of our strategy in delivering value for shareholders



**ROIC** assesses our efficiency in allocating capital to profitable investments



**ACFC** assesses our efficiency in converting our operating profits into cash

- Through-cycle revenue growth = compound annual revenue growth rate over a rolling five-year period
- Adjusted operating profit margin = adjusted operating profit / revenue (see note 29)
- Return on invested capital = adjusted profit after tax before bank interest receivable, as a percentage of invested capital (see note 29)
- Adjusted cash flow conversion from operating activities = Adjusted cash flow from operating activities as a percentage of Adjusted operating profit (see note 29)



# Our purpose

## Transforming Tomorrow Together

We make it possible to create the **products**, **materials** and **therapies** that will define our world in the decades to come and touch billions of lives

Manufacturing technologies

Analytical instruments  
& medical devices

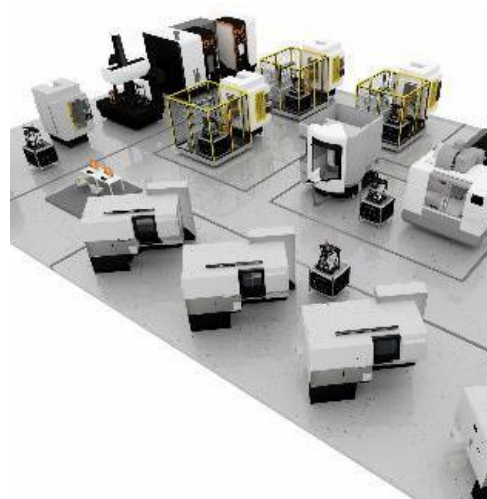
Semicon production  
equipment

Machine  
shop

Robotics &  
automation

Lab &  
clinic

END-USE MARKETS



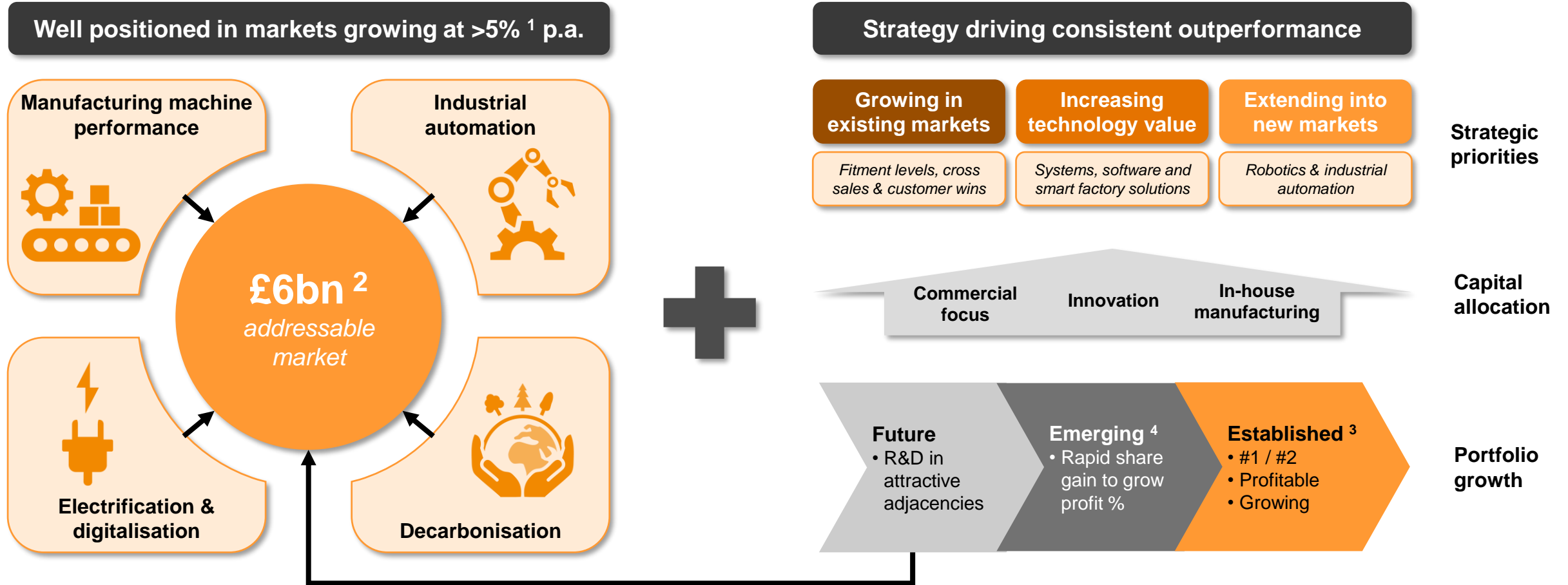
# Our ambition

## To be a manufacturing technology powerhouse, that...

- ▶ Innovates in technologies for an automated, sustainable world
- ▶ Takes leading positions in an expanding range of high-growth markets
- ▶ Develops a portfolio of sensor and software-enabled systems
- ▶ Generates long-term organic growth with sustained profitability
- ▶ Does business responsibly and creates value for all our stakeholders

# Long-term value creation model

Targeting high single digit through-cycle organic growth



- Notes:**
1. Estimated weighted average through-cycle demand growth of Renishaw's addressable markets
  2. Unaudited management estimates from a combination of external market research and Company market knowledge
  3. Established portfolio products occupy a leading market position (#1 or #2 market share)
  4. Emerging portfolio products operate in more fragmented markets with significant opportunity to gain market share

# Growing in existing markets

Growing in  
existing markets

Aim to increase revenue by driving up probe fitment levels, offering higher value sensors and by winning more customers who build machinery.

## FY2024 progress

Full market launch of **RMP24-micro**, the world's smallest wireless machine tool probe:

- designed for compact machine tools that make high-precision miniature components, where probe fitment wasn't previously possible.



RMP24-micro probe inspecting a watch component

Continued to grow revenue from our **FORTiS™ enclosed position encoder**, which is now in series production at 100 machine tool builders.

Won new business for our magnetic, optical and laser position encoders from a wide range of sectors.



FORTiS encoder installed on a machine tool

# Increasing the value of the technology we sell

Increasing technology value

Aim to provide our end-user customers with complete solutions to capture a greater proportion of their investment.

## FY2024 progress

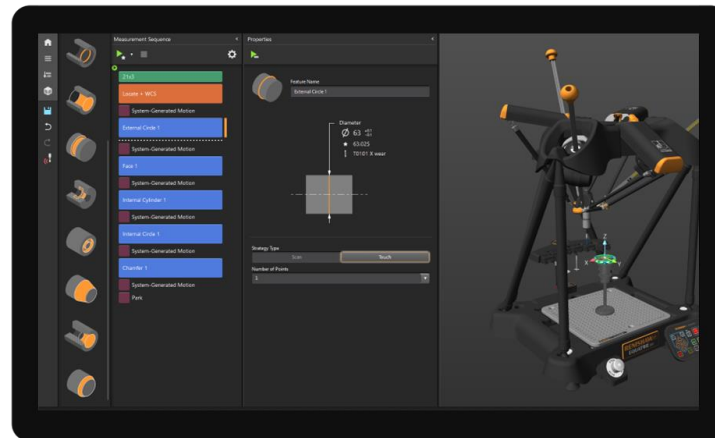
Strong revenue growth for our **Equator™ gauge**, helped by the continuing trend for greater automation of shop-floor process control.

Began the roll out of **MODUS™ IM Gauge and Control** our new generation metrology software, which simplifies the programming of the Equator gauge.

Launched the **RenAM 500 Ultra** additive manufacturing (AM) machine, which incorporates our new **TEMPUS™** technology that reduces build times up to 50%.



Equator gauge inspecting parts on the shop-floor



MODUS IM Gauge and Control



Ren AM 500 Ultra AM system

# Extending into new, high-growth markets

Extending into  
new markets

Aim to diversify into close-adjacent markets where we have strong market understanding and brand awareness.

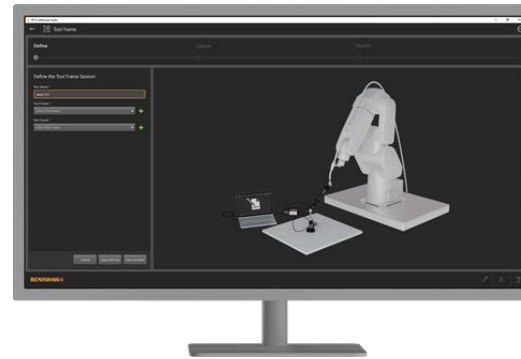
## FY2024 progress

Our new **industrial automation products** (launched at the end of FY2023) have generated a positive response from customers during the first year.

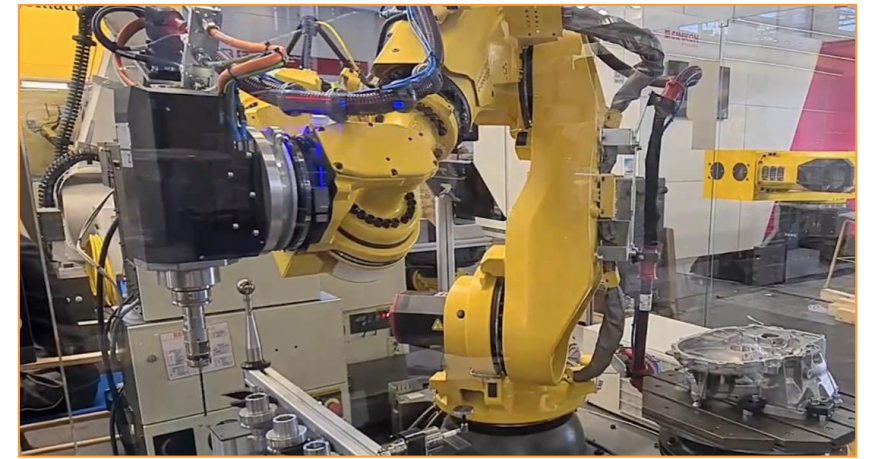
- early success with a major global aerospace company wanting to ensure international consistency in a robotic process
- we are now focused on expanding our sales teams and developing routes to market.



Suite of products to address the challenges of robot operation



Patented software



Demonstration on the FANUC stand at Automatica

# Environmental, social and governance (ESG)

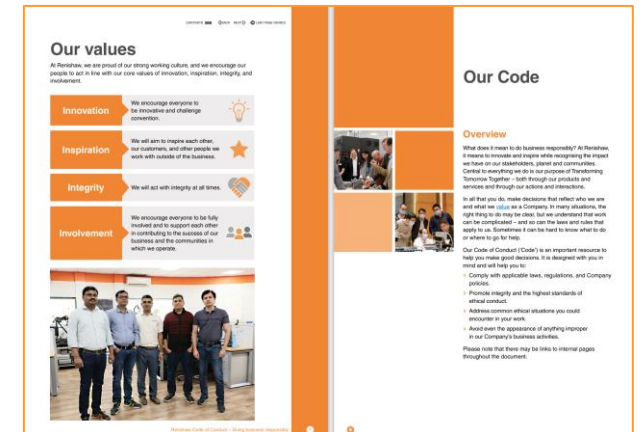
We will only achieve our ambition, and deliver on our strategy and purpose, by supporting our stakeholders, all of whom have a role to play in our continuing success.

## FY2024 progress

- Introduced a new ESG strategy, with three key goals focused on achieving Net Zero, developing a diverse and inclusive team, and ensuring we have appropriate governance structures in place
- Created a new ESG Steering Committee, including two Board members, to oversee progress on the new strategy
- Net Zero progress – reduced statutory GHG emissions as a percentage of revenue; 99% of global purchased electricity is now from certified renewable sources
- People – voluntary employee turnover reduced to 6.2%; ran our first global employee engagement survey with 74% engagement score
- Launched our new Code of Conduct ('Doing Business Responsibly') – a guide to help our employees and business partners to act in line with our values.



New Brazil facility achieved LEED Gold certification



Extract from new Code of Conduct

# Outlook

## Expecting solid revenue growth and improved profitability

- The start of FY2025 has seen continuing improvement in demand for our encoder products from the semiconductor manufacturing sector, primarily in the APAC region. This, together with a range of growth opportunities that we are pursuing, especially for metrology and additive manufacturing systems, means that we are expecting to achieve solid revenue growth in the year ahead.
- We continue to focus on improving productivity in all areas. We expect these efforts, together with higher sales volumes, to drive our operating profit margin towards our target, although inflationary pressures, especially people costs, will affect the rate of improvement in the near term.
- The progress we've made against our three key strategic focus areas this year gives me confidence in our organic growth strategy, and we continue to invest for long-term success.



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