RENISHAW
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Interim report 2025

Renishaw plc

13 February 2025

Interim report for the six months ended 31 December 2024 (H1 FY2025)

Steady progress in H1 with demand picking up at the start of H2

	6 months to 31 December 2024	6 months to 31 December 2023	Change (%)
Revenue (£m)	**341.4**	330.5	+3
Profit before tax* (£m)	**57.5**	56.5	+2
Operating profit* (£m)	**51.6**	47.2	+9
Earnings per share* (pence)	**63.2**	62.1	+2
Dividend per share (pence)	**16.8**	16.8	-
Adjusted* cash flow from operating activities (£m)	**51.5**	22.9	+125

Performance highlights

1. H1 FY2025 revenue 3% higher at £341.4m (H1 FY2024: £330.5m):
    - 2% revenue growth at constant exchange rates*, excluding impact of forward contracts;
    - Growth in Americas and EMEA, lower revenue in APAC;
    - Manufacturing technologies up 4% at £322.6m, with growth from Position Measurement and Additive Manufacturing products, weaker demand from machine builders for Industrial Metrology products; and
    - Analytical instruments and medical devices 3% lower at £18.8m, with growth in Neurological products offset by lower Spectroscopy sales.
2. Profit before tax 2% higher at £57.5m (H1 FY2024: £56.5m):
    - Gross margin excluding engineering costs improved by 1.0% to 61.5%;
    - Operating profit up 9% at £51.6m at actual exchange rates, down 5% at constant currency; and
    - Profit before tax in Q2 was lower than Q1 due to less favourable currency contracts, adverse product mix, and one-off supply chain costs.
3. Adjusted* cash flow conversion from operating activities above target at 100%, reflecting strong operating cash flows and planned lower capital expenditure:
    - Strong balance sheet, with cash and cash equivalents and bank deposit balances of £233.2m (30 June 2024: £217.8m).
4. Continued progress on our strategic priorities, with new product launches in H1 that strengthen our position in established and emerging markets.
5. Interim dividend of 16.8 pence per share.
6. Outlook:
    - Order intake recently improved, steady revenue growth expected to continue in H2;
    - FY2025 revenue range: £695m to £735m; and
    - FY2025 adjusted profit before tax: £105m to £135m.

* For this period and the comparable period there is no difference between 'Statutory' and 'Adjusted' for some of our alternative performance measures, being Adjusted profit before tax, Adjusted earnings per share and Adjusted operating profit. Note 12, Alternative performance measures, defines how other alternative measures are calculated.

Will Lee, Chief Executive, commented:

"We have continued to make steady progress in mixed trading conditions and our order intake has recently improved, particularly from the semiconductor manufacturing and consumer electronics sectors. Supported by our strategic progress, we expect to achieve steady revenue growth this year. Our markets present significant structural growth opportunities, and we are confident that the investment that we are currently making in productivity improvements will drive our operating margins towards our 20% target in the medium term."

About Renishaw

We are a world leading supplier of measuring and manufacturing systems. Our products give high accuracy and precision, gathering data to provide customers and end users with traceability and confidence in what they are making. This technology also helps our customers to innovate their products and processes. We are a global business, with customer-facing locations across our three sales regions; the Americas, EMEA, and APAC. Most of our R&D work takes place in the UK, with our largest manufacturing sites located in the UK, Ireland and India.

Further information can be found at www.renishaw.com

Live Q&A session

There will be a live audio-only question and answer session with Will and Allen at 10:30 GMT on 13 February 2025. Details of how to register for this webcast are available at the following link:

https://www.renishaw.com/en/register-for-the-2025-interim-results-webcast--49582

Questions can be submitted in advance of the webcast to communications@renishaw.com (please submit by 9:30 GMT on 13 February).

A recording of the Q&A session will be made available by 14 February 2025 at: www.renishaw.com/investors.

Enquiries: communications@renishaw.com

Overview for the six months ended 31 December 2024

Revenue

Revenue for the six months ended 31 December 2024 was £341.4m, 3% higher than £330.5m for the corresponding period last year. Manufacturing technologies revenue increased by 4%, with growth in Position Measurement (PM) and Additive Manufacturing (AM) products and weaker demand from machine builders for Industrial Metrology (IM) products. Analytical instruments and medical devices revenue was 3% lower, with growth in Neurological products being offset by lower demand for Spectroscopy products.

At constant currency*, Group revenue increased by 2%. APAC revenue was down 1% at constant currency, with weaker sales of IM products to the consumer electronics sector, although orders from these customers have recently improved. By contrast, sales of position encoders to semiconductor equipment manufacturers rose during the period, also supported by a strengthening order book. EMEA revenue was 5% higher at constant currency, with strong growth in co-ordinate measuring machine (CMM) systems, AM systems and position encoders, but weaker demand for IM sensors from machine builders. Americas revenue also grew by 5% at constant currency, with growth in AM systems and position encoders, and also has an improved order book.

	6 months to 31 December 2024	6 months to 31 December 2023	Change %	Constant fx* change %
Group revenue	£341.4m	£330.5m	+3%	+2%
Comprising:				
APAC	£161.4m	£161.2m	+0%	-1%
EMEA	£102.3m	£97.2m	+5%	+5%
Americas	£77.7m	£72.1m	+8%	+5%

New product introductions and commercialisation

We have made progress during the first six months of the financial year in each of our three strategic priorities:

1. **Growing in our existing markets** – aiming to increase revenue by driving up probe fitment levels, offering usable and higher value sensors, and by winning more machine builder customers.
   - Enhanced the usability of our twin probe system for machine tools, introducing patented Opti-Logic™ technology for fast set-up using a smartphone app.
   - Launched enhancements to our range of modular metrology fixtures, improving ease-of-use and reducing environmental impact.
   - Continued to win new customers and grow revenue from our FORTiS™ enclosed position encoders, now featuring longer axis lengths for larger machine tools.
2. **Increasing the value of the technology we sell** – aiming to provide our end-user customers with complete solutions to capture a greater proportion of their investment.
   - Launched the RenAM 500D dual laser AM machine, featuring our patented TEMPUS™ technology, offering production speeds up to three times faster than conventional single laser systems.
   - Added five new processable materials for our AM machines and new powder layer thicknesses for existing materials.
3. **Extending into new, high-growth markets** – aiming to diversify into close-adjacent markets where we have strong market understanding and brand awareness.
   - Launched our new ASTRiA™ inductive encoder line, offering robust and accurate position measurement in demanding environments, including robotics, defence and medical devices.

Operating profit and costs

Operating profit for the period was £51.6m, a 9.3% increase on the previous period. This amounts to 15% of revenue, against 14% last year, and against our target of 20%. The current period includes significant gains from forward currency contracts, which were entered into at favourable rates following volatility in currency markets arising from the September 2022 UK 'mini Budget'. These benefits were mostly experienced in Q1. When excluding these, and translating H1 FY2025 results at FY2024 exchange rates, operating profit at constant exchange rates* was 4.9% lower than the previous year.

Labour costs have increased by £9.6m compared to the prior financial year. This increase primarily results from January 2024 salary reviews, plus a net headcount increase of 98 (which mostly relates to graduates and apprentices). Our salary review in January 2025 amounted to around 4% of our total labour costs, which will increase our labour costs in the second half of the financial year by around £7m. While we will continue to invest in employee remuneration to ensure competitiveness and retention of highly skilled and trained employees, our recruitment plans will also need to consider the impact of the UK Government's October 2024 Budget, which is expected to increase FY2025 labour costs by £1m and will add £4m to our annual costs.

Our gross margin (excluding engineering costs) for the period was 61.5% of revenue, an improvement of 1% over the comparable period in the previous year. Within this gross margin, we have seen favourable variances relating to currency and component purchase costs, however these have been partly offset by continued pricing pressures, particularly in the APAC region. We have also experienced a specific supply chain quality issue during Q2, which has resulted in around £2m of non-recurring costs. This impacted the pace of product shipments in the period, which we expect to catch up in H2.

We remain committed to our long-term strategy of developing innovative and patented products to create strong market positions. During the first six months of this financial year, our gross engineering spend, including research and development, increased by 8% to £55.5m. This increase mostly related to labour costs, and includes £1.4m of severance costs relating to the closure of a research site in Edinburgh, UK.

We have controlled distribution and administrative expenses, with no significant year-on-year increase at actual exchange rates. This includes further increases in third-party support and maintenance costs in relation to our ongoing IT transformation, which will lead to productivity benefits in future years.

Profit and tax

Financial income less expenses for the period was £4.1m compared with £6.8m last year. While interest on bank deposits increased by £1.3m, we have experienced £1.7m of currency losses (FY2024 H1: £1.0m gain) on intragroup financing balances and mitigating forward currency swap contracts.

The resulting profit before tax for the period was £57.5m (17% of revenue) compared with £56.5m (17% of revenue) last financial year. In previous reporting periods, we have reported adjusted profit measures. For this period and the comparable period there are no adjusting items, and therefore adjusted and statutory profit measures are equivalent.

The income tax expense in the Consolidated income statement has been estimated at a rate of 20.1% (H1 FY2024: 20.1%) and is based on management's best estimate of the full year effective tax rates by geographical unit applied to half-year profits. This compares to 21.0% in FY2024.

Earnings per share were 63.2p, compared with 62.1p last year.

Operating profit for our Manufacturing technologies segment, which comprises our Industrial Metrology, Position Measurement and Additive Manufacturing products, was £52.8m for the first six months, compared with £46.0m for the same period in the last financial year. Our Analytical Instruments and medical devices segment, which comprises our Spectroscopy and Neurological products, made a loss of £1.2m in the first six months compared with a profit of £1.2m for the same period in the last financial year.

Cash flow

In working capital, our trade receivables have reduced by £21.5m, in line with the profile of our quarterly revenue and with minimal movement in debtor days, while we continue to carefully manage our inventory balances, which have reduced by £4.2m to £157.8m.

We have reduced our planned capital expenditure during the period following the significant investment in our manufacturing facility in Wales over the previous two years. The first of the two new halls became operational in FY2024, which provides additional production capacity for our physically larger products including CMMs, additive manufacturing machines and enclosed encoders.

As a result, we have achieved strong adjusted* cash flow conversion from operating activities of 100%, which is above our target of 70%. Cash and cash equivalents and bank deposit balances at 31 December 2024 were £233.2m, compared with £217.8m at 30 June 2024, primarily reflecting cash generated from operating activities of £76.2m, less capital expenditure of £23.4m, and the final dividend payment of £43.2m in respect of FY2024.

Dividend

The Board has approved an interim dividend of 16.8p net per share (FY2024: 16.8p), which will be paid on 8 April 2025 to shareholders on the register on 7 March 2025.

Principal risks and uncertainties
The Board has considered the risks and uncertainties which could have a material effect on the Group's performance and position. While there is heightened uncertainty arising from geopolitical matters and trade tensions, these have not yet impacted our business, and the Board continues to monitor the situation closely. The overall impact and likelihood of our other principal risks is not considered to have changed significantly. This conclusion also reflects the mitigation undertaken by the Group in response to these risks. The principal risks and uncertainties set out on pages 11 to 18 of the 2024 Annual Report therefore remain relevant.

Sustainability
We continue to make strong progress towards our target of Net Zero for Scopes 1 and 2 emissions by 2028. During the period, we have started work on converting heating systems at our facility in Pliezhausen, Germany, from oil to a lower-carbon alternative. We are also focused on reducing our Scope 3 emissions, including working with key suppliers to reduce the carbon impact of the materials that we use to make our products. Last year we increased the recycled content of our raw aluminium supply, generating annual savings of 3,000 tonnes of CO2, and are now working on further supply chain savings with other suppliers and materials.

We continue to see significant commercial opportunities arising from the drive towards sustainable business practices. Our products help our customers to meet their sustainability targets by increasing their manufacturing efficiencies through lower energy consumption and waste, and also by improving the performance of the products they supply to their own customers.

Sir David McMurtry
In December 2024, it was with profound sadness that we announced the death of our co-founder and Non-executive Director, Sir David McMurtry. We have since been overwhelmed by messages of support from around the world. People reflected on David's role as a visionary and empathetic business leader, as a passionate innovator, how he shaped an entire industry, and also his decency, humility and great sense of humour. Whilst his presence is deeply missed, the ethos that he and John Deer instilled in Renishaw continues to guide us.

Directors and employees
The Directors would like to thank our employees for continuing to drive us forward towards our vision to innovate and transform the capabilities of our customers.

Sir David McMurtry's son, Richard McMurtry, joined the Board as a Non-executive Director in July 2024. The Renishaw Board is working to appoint an Independent Non-executive Chair whilst continuing work on succession planning, including additional Non-executive Director recruitment.

Outlook
The Board remains confident in our growth model, built on solving customer problems with innovative products, global service and world-class in-house manufacturing. Whilst we operate in cyclical markets, we aim for high single-digit average organic growth rates through the cycle, to improve our operating profit margins to above 20%, and to generate strong free cash flow.

We have continued to make steady progress in mixed trading conditions and our order intake has recently improved, particularly from the semiconductor manufacturing and consumer electronics sectors. Supported by our strategic progress, we expect to achieve steady revenue growth this year. Our markets present significant structural growth opportunities, and we are confident that the investment that we are currently making in productivity improvements will drive our operating margins towards our 20% target in the medium term.

At this stage we expect full year revenue to be in the range of £695m to £735m. Adjusted profit before tax is expected to be in the range of £105m to £135m.

Will Lee	Allen Roberts
Chief Executive	Group Finance Director

12 February 2025

* For this period and the comparable period there is no difference between 'Statutory' and 'Adjusted' for some of our alternative performance measures, being Adjusted profit before tax, Adjusted earnings per share and Adjusted operating profit. Note 12, Alternative performance measures, defines how other alternative measures are calculated.

Consolidated income statement

from continuing operations	Notes	**Unaudited 6 months to 31 December 2024 £'000**	Unaudited 6 months to 31 December 2023 £'000	Audited Year ended 30 June 2024 £'000
Revenue	2	**341,402**	330,489	691,301
Cost of sales	3	**(182,060)**	(175,904)	(367,658)
Gross profit		**159,342**	154,585	323,643
Distribution costs		**(68,276)**	(68,871)	(139,901)
Administrative expenses		**(39,506)**	(38,520)	(75,075)
Operating profit		**51,560**	47,194	108,667
Financial income	4	**6,339**	7,168	12,336
Financial expenses	4	**(2,221)**	(351)	(2,289)
Share of profits from joint ventures		**1,806**	2,530	3,880
Profit before tax		**57,484**	56,541	122,594
Income tax expense	5	**(11,555)**	(11,364)	(25,705)
Profit for the period		**45,929**	45,177	96,889
Profit attributable to:				
Equity shareholders of the parent company		**45,929**	45,177	96,889
Non-controlling interest		**-**	-	-
Profit for the period		**45,929**	45,177	96,889
		Pence	Pence	Pence
Dividend per share arising in respect of the period	7	**16.8**	16.8	76.2
Earnings per share (basic and diluted)	6	**63.2**	62.1	133.2

Consolidated statement of comprehensive income and expense

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year ended 30 June 2024 £'000
Profit for the period	**45,929**	45,177	96,889
Other items recognised directly in equity:			
Items that will not be reclassified to the Consolidated income statement:			
Remeasurement of defined benefit pension scheme assets/liabilities	**732**	(49,459)	(48,688)
Deferred tax on remeasurement of defined benefit pension scheme assets/liabilities	**(84)**	12,349	12,424
Total for items that will not be reclassified	**648**	(37,110)	(36,264)
Items that may be reclassified to the Consolidated income statement:			
Exchange differences in translation of overseas operations	**(1,864)**	1,576	(4,038)
Exchange differences in translation of overseas joint venture	**(528)**	159	(311)
Current tax on translation of net investments in foreign operations	**-**	(297)	57
Effective portion of changes in fair value of cash flow hedges, net of recycling	**(11,188)**	4,422	5,812
Deferred tax on effective portion of changes in fair value of cash flow hedges	**2,839**	(1,105)	(1,453)
Total for items that may be reclassified	**(10,741)**	4,755	67
Total other comprehensive income and expense, net of tax	**(10,093)**	(32,355)	(36,197)
Total comprehensive income and expense for the period	**35,836**	12,822	60,692
Attributable to:			
Equity shareholders of the parent company	**35,836**	12,822	60,692
Non-controlling interest	**-**	-	-
Total comprehensive income and expense for the period	**35,836**	12,822	60,692

Consolidated balance sheet

	Notes	**Unaudited At 31 December 2024 £'000**	Unaudited At 31 December 2023* £'000	Audited At 30 June 2024 £'000
Assets				
Property, plant and equipment	8	**334,997**	318,036	325,040
Right-of-use assets		**13,773**	10,049	14,746
Investment properties		**10,076**	10,181	10,285
Intangible assets	9	**49,224**	48,319	47,343
Investments in joint ventures		**26,089**	24,529	25,485
Finance lease receivables		**14,430**	8,814	11,944
Employee benefits		**11,410**	9,128	10,845
Deferred tax assets		**17,558**	20,006	17,690
Derivatives	10	**2,052**	3,233	1,387
Total non-current assets		**479,609**	452,295	464,765
Current assets				
Inventories		**157,758**	174,383	161,928
Trade receivables	10	**112,616**	116,268	134,073
Finance lease receivables		**3,382**	3,552	3,861
Current tax		**8,123**	13,642	21,298
Other receivables		**43,756**	37,693	34,076
Derivatives	10	**5,412**	11,585	13,547
Bank deposits		**143,000**	119,000	95,542
Cash and cash equivalents		**90,161**	59,258	122,293
Total current assets		**564,208**	535,381	586,618
Current liabilities				
Trade payables		**23,544**	22,011	21,330
Contract liabilities		**13,806**	7,811	10,880
Current tax		**2,662**	1,452	1,767
Provisions		**3,963**	2,722	2,997
Derivatives	10	**2,385**	1,529	448
Lease liabilities		**3,915**	3,217	3,960
Amounts owed to joint ventures	13	**11,570**	-	8,475
Borrowings		**773**	4,372	747
Other payables		**40,059**	43,654	50,344
Total current liabilities		**102,677**	86,768	100,948
Net current assets		**461,531**	448,613	485,670
Non-current liabilities				
Lease liabilities		**10,313**	7,083	11,062
Borrowings		**2,491**	-	2,775
Employee benefits		**-**	90	-
Deferred tax liabilities		**30,106**	27,007	33,600
Derivatives	10	**2,520**	-	177
Total non-current liabilities		**45,430**	34,180	47,614
Total assets less total liabilities		**895,710**	866,728	902,821
Equity				
Share capital		**14,558**	14,558	14,558
Share premium		**42**	42	42
Own shares held		**(2,367)**	(2,963)	(2,963)
Currency translation reserve		**88**	8,210	2,480
Cash flow hedging reserve		**2,562**	9,869	10,911
Retained earnings		**880,362**	836,649	876,990
Other reserve		**1,042**	940	1,380
Equity attributable to the shareholders of the parent company		**896,287**	867,305	903,398
Non-controlling interest		**(577)**	(577)	(577)
Total equity		**895,710**	866,728	902,821

* December 2023 Other receivables have been reclassified to include Contract assets.

Consolidated statement of changes in equity

Unaudited	Share capital £'000	Share premium £'000	Own shares held £'000	Currency translation reserve £'000	Cash flow hedging reserve £'000	Retained earnings £'000	Other reserve £'000	Non-controlling interest £'000	Total £'000
Balance at 1 July 2023	**14,558**	**42**	**(2,963)**	**6,772**	**6,552**	**871,777**	**497**	**(577)**	**896,658**
Profit for the period	-	-	-	-	-	45,177	-	-	45,177
Other comprehensive income and expense (net of tax)									
Remeasurement of defined benefit pension assets/liabilities	-	-	-	-	-	(37,110)	-	-	(37,110)
Foreign exchange translation differences	-	-	-	1,279	-	-	-	-	1,279
Relating to joint ventures	-	-	-	159	-	-	-	-	159
Changes in fair value of cash flow hedges	-	-	-	-	3,317	-	-	-	3,317
Total other comprehensive income and expense	-	-	-	1,438	3,317	(37,110)	-	-	(32,355)
Total comprehensive income and expense	-	-	-	1,438	3,317	8,067	-	-	12,822
Transactions with owners recorded in equity									
Share-based payments charge	-	-	-	-	-	-	443	-	443
Own shares purchased	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(43,195)	-	-	(43,195)
Balance at 31 December 2023	**14,558**	**42**	**(2,963)**	**8,210**	**9,869**	**836,649**	**940**	**(577)**	**866,728**
Profit for the period	-	-	-	-	-	51,712	-	-	51,712
Other comprehensive income and expense (net of tax)									
Remeasurement of defined benefit pension assets/liabilities	-	-	-	-	-	846	-	-	846
Foreign exchange translation differences	-	-	-	(5,260)	-	-	-	-	(5,260)
Relating to joint ventures	-	-	-	(470)	-	-	-	-	(470)
Changes in fair value of cash flow hedges	-	-	-	-	1,042	-	-	-	1,042
Total other comprehensive income and expense	-	-	-	(5,730)	1,042	846	-	-	(3,842)
Total comprehensive income and expense	-	-	-	(5,730)	1,042	52,558	-	-	47,870
Transactions with owners recorded in equity									
Share-based payments charge	-	-	-	-	-	-	440	-	440
Dividends paid	-	-	-	-	-	(12,217)	-	-	(12,217)
Balance at 30 June 2024	**14,558**	**42**	**(2,963)**	**2,480**	**10,911**	**876,990**	**1,380**	**(577)**	**902,821**
Profit for the period	-	-	-	-	-	45,929	-	-	45,929
Other comprehensive income and expense (net of tax)									
Remeasurement of defined benefit pension assets/liabilities	-	-	-	-	-	648	-	-	648
Foreign exchange translation differences	-	-	-	(1,864)	-	-	-	-	(1,864)
Relating to joint ventures	-	-	-	(528)	-	-	-	-	(528)
Changes in fair value of cash flow hedges	-	-	-	-	(8,349)	-	-	-	(8,349)
Total other comprehensive income and expense	-	-	-	(2,392)	(8,349)	648	-	-	(10,093)
Total comprehensive income and expense	-	-	-	(2,392)	(8,349)	46,577	-	-	35,836
Transactions with owners recorded in equity									
Share-based payments charge	-	-	-	-	-	-	412	-	412
Distribution of own shares	-	-	750	-	-	-	(750)	-	-
Purchase of own shares	-	-	(154)	-	-	-	-	-	(154)
Dividends paid	-	-	-	-	-	(43,205)	-	-	(43,205)
Balance at 31 December 2024	**14,558**	**42**	**(2,367)**	**88**	**2,562**	**880,362**	**1,042**	**(577)**	**895,710**

Consolidated statement of cash flow

	Unaudited 6 months to 31 December 2024 £'000	Unaudited 6 months to 31 December 2023 £'000	Audited Year ended 30 June 2024 £'000
Cash flows from operating activities			
Profit for the period	**45,929**	45,177	96,889
Adjustments for:			
Depreciation of property, plant and equipment, right-of-use assets, and investment properties	**12,278**	11,506	24,195
Profit on sale of property, plant and equipment	**(1,005)**	(29)	(1,199)
Amortisation and impairment of intangible assets	**2,394**	2,888	8,633
Share of profits from joint ventures	**(1,806)**	(2,530)	(3,880)
Defined benefit pension scheme past service and administrative costs	**494**	397	907
Financial income	**(6,339)**	(7,168)	(12,336)
Financial expenses	**2,221**	351	2,289
Share based payment expense	**412**	445	883
Tax expense	**11,555**	11,364	25,705
	20,204	17,224	45,197
Decrease in inventories	**4,170**	11,374	23,829
Decrease/(increase) in trade and other receivables	**8,337**	486	(23,719)
Increase/(decrease) in trade and other payables	**(5,101)**	(6,381)	3,557
Increase/(decrease) in provisions	**966**	(36)	239
	8,372	5,443	3,906
Defined benefit pension scheme contributions	**(79)**	(83)	(161)
Income taxes received/(paid)	**1,815**	(12,191)	(21,752)
Cash flows from operating activities	**76,241**	55,350	124,079
Investing activities			
Purchase of property, plant and equipment, and investment properties	**(23,352)**	(40,443)	(65,518)
Sale of property, plant and equipment	**2,814**	200	4,475
Development costs capitalised	**(4,079)**	(4,542)	(9,281)
Purchase of other intangibles	**(226)**	(30)	(246)
(Increase)/decrease in bank deposits	**(47,458)**	6,000	29,458
Interest received	**6,091**	4,745	9,110
Dividend received from joint venture	**674**	573	498
Cash flows from investing activities	**(65,536)**	(33,497)	(31,504)
Financing activities			
Repayment of borrowings	**(390)**	(393)	(799)
Amounts received as deposit from joint venture	**3,361**	-	8,475
Interest paid	**(491)**	(351)	(608)
Repayment of principal of lease liabilities	**(2,069)**	(2,607)	(4,359)
Own shares purchased	**(154)**	-	-
Dividends paid	**(43,205)**	(43,195)	(55,412)
Cash flows from financing activities	**(42,948)**	(46,546)	(52,703)
Net (decrease)/increase in cash and cash equivalents	**(32,243)**	(24,473)	39,872
Cash and cash equivalents at the beginning of the period	**122,293**	81,388	81,388
Effect of exchange rate fluctuations on cash held	**111**	2,343	1,033
Cash and cash equivalents at the end of the period	**90,161**	59,258	122,293

Cash and cash equivalents and bank deposits at 31 December 2024 were £233.2m (30 June 2024: £217.8m).

Notes

1. Basis of preparation

The Interim report, which includes the condensed consolidated financial statements for the six months ended 31 December 2024, was approved by the Directors on 12 February 2025.

The condensed consolidated financial statements for the six months ended 31 December 2024 were prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) as issued by the International Accounting Standards Board and as adopted by the UK. These apply the same accounting policies, presentation and methods of calculation as were applied in the preparation of the Group's consolidated financial statements for the year ended 30 June 2024, except for income taxes which are accrued using the forecast tax rate for the financial year.

The condensed consolidated financial statements included in this Report have not been audited and do not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006. The information relating to the year ended 30 June 2024 is an extract from the Group's published Annual Report for that year, which has been delivered to the Registrar of Companies, and on which the auditor's report was unqualified and did not contain any emphasis of matter or statements under section 498(2) or 498(3) of the Companies Act 2006.

Going concern
The Directors have prepared the unaudited interim financial information on a going concern basis. In considering the going concern basis, the Directors have considered the previously mentioned principal risks and uncertainties, as well as the Group's current trading performance and updated cashflow forecasts. The Directors have also considered the financial resources available to the Group, with net current assets of £461.5m at 31 December 2024 (compared to £485.7m at 30 June 2024), including £233.2m cash and cash equivalents and bank deposits at 31 December 2024.

We have updated our reverse stress testing to identify what would need to happen in the period to 28 February 2026 for the Group to deplete its cash and cash equivalents and bank deposit balances. This identified a trading level so low (significantly below FY2024 revenue) that the Directors feel that the events that could trigger this would be remote. The Directors also concluded that a one-off cash outflow that would exhaust the Group's cash and cash equivalents and bank deposit balances in the assessment period was also remote.

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 28 February 2026.

2. Revenue disaggregation and segmental analysis

Within the Manufacturing technologies segment there are multiple product offerings with similar economic characteristics, similar production processes and similar customer bases. Our Manufacturing technologies segment consists of Industrial Metrology, Position Measurement and Additive Manufacturing product groups. Analytical instruments and medical devices segment comprises our Spectroscopy and Neurological product lines. More details of the Group's products and services are given in the Strategic Report of the 2024 Annual Report.

In normal trading conditions, whilst future revenue is difficult to predict given that the Group's outstanding order book is typically less than three months' worth of revenue value, larger consumer electronics orders in the APAC region within the Manufacturing technologies segment typically fall in the first or last quarter of the financial year. In addition, the Group typically experiences lower demand in August and December, and so revenue and operating profits are typically lower in the first half of the year. This information is provided to allow for a better understanding of the results, and management do not believe that the business is 'highly seasonal' in accordance with IAS 34.

6 months to 31 December 2024	Manufacturing technologies £'000	Analytical instruments and medical devices £'000	Total £'000
Revenue	322,625	18,777	341,402
Depreciation, amortisation and impairment	13,780	892	14,672
Operating profit	52,774	(1,214)	51,560
Share of profits from joint ventures	1,806	-	1,806
Net financial income	-	-	4,118
Profit before tax	-	-	57,484

2. Segmental information (continued)

6 months to 31 December 2023	Manufacturing technologies £'000	Analytical instruments and medical devices £'000	Total £'000
Revenue	311,069	19,420	330,489
Depreciation, amortisation and impairment	13,391	783	14,174
Operating profit	45,953	1,241	47,194
Share of profits from joint ventures	2,530	-	2,530
Net financial income/(expense)	-	-	6,817
Profit before tax	-	-	56,541
Year ended 30 June 2024			
Revenue	648,063	43,238	691,301
Depreciation, amortisation and impairment	31,374	1,454	32,828
Operating profit	103,181	5,486	108,667
Share of profits from joint ventures	3,880	-	3,880
Net financial income/(expense)	-	-	10,047
Profit before tax	-	-	122,594

There is no allocation of assets and liabilities to segments identified above. Depreciation, amortisation and impairments are allocated to segments on the basis of the level of activity.

The following table shows the disaggregation of Group revenue by category:

	6 months to 31 December 2024 £'000	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000
Goods, capital equipment and installation	**306,441**	300,745	624,491
Aftermarket services	**34,961**	29,744	66,810
Total Group revenue	**341,402**	330,489	691,301

Aftermarket services include repairs, maintenance and servicing, programming, training, extended warranties, and software licences and maintenance. There is no significant difference between our two reporting segments as to their split of revenue by type.

The following table shows the analysis of revenue by geographical market:

	6 months to 31 December 2024 £'000	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000
APAC	**161,366**	161,199	318,836
UK (country of domicile)	**18,825**	17,173	37,956
EMEA, excluding UK	**83,486**	80,035	170,077
EMEA	**102,311**	97,208	208,033
Americas	**77,725**	72,082	164,432
Total Group revenue	**341,402**	330,489	691,301

Revenue in the previous table has been allocated to regions based on the geographical location of the customer. Countries with individually significant revenue figures in the context of the Group were:

	6 months to 31 December 2024 £'000	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000
China	**87,976**	90,369	177,155
USA	**67,345**	60,707	138,836
Japan	**25,036**	26,366	54,572
Germany	**28,175**	25,646	49,329

There was no revenue from transactions with a single external customer amounting to 10% or more of the Group's total revenue.

3. Cost of sales

	6 months to 31 December 2024 £'000	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000
Production costs	**131,486**	130,473	269,562
Research and development expenditure	**33,781**	32,156	71,060
Other engineering expenditure	**21,758**	19,390	35,723
Gross engineering expenditure	**55,539**	51,546	106,783
Development expenditure capitalised (net of amortisation)	**(1,855)**	(2,065)	(4,287)
Development expenditure impaired	**-**	-	3,299
Research and development tax credit	**(3,110)**	(4,050)	(7,699)
Total engineering costs	**50,574**	45,431	98,096
Total cost of sales	**182,060**	175,904	367,658

4. Financial income and expenses

	6 months to 31 December 2024 £'000	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000
Financial income			
Bank interest receivable	**6,091**	4,745	9,110
Interest on pension schemes' assets	**248**	1,439	2,908
Fair value gains from one-month forward currency contracts	**-**	380	318
Currency gains	**-**	604	-
Total financial income	**6,339**	7,168	12,336
Financial expenses			
Currency losses	**1,448**	-	1,645
Lease interest	**348**	214	537
Fair value losses from one-month forward currency contracts	**264**	-	-
Interest payable on amounts owed to joint ventures	**74**	-	55
Interest payable on borrowings	**18**	24	36
Other interest payable	**69**	113	16
Total financial expenses	**2,221**	351	2,289

Currency losses relate to revaluations of foreign currency-denominated balances using latest reporting currency exchange rates. The losses recognised in FY2025 H1 largely related to an appreciation of Sterling relative to the Mexican Peso affecting intragroup balances in the Company. We converted this intra group balance to share capital towards the end of H1 such that we are no longer exposed to the related currency risk.

Rolling one-month forward currency contracts are used to offset currency movements on certain intragroup balances, with fair value gains and losses being recognised in financial income or expenses.

5. Taxation

The income tax expense in the Consolidated income statement has been estimated at a rate of 20.1% (H1 FY2024: 20.1%), based on management's best estimate of the full year effective tax rates by geographical unit, applied to half-year profits. This compares to 21.0% in FY2024.

6. Earnings per share

The earnings per share for the six months ended 31 December 2024 is calculated on earnings of £45,929,000 (31 December 2023: £45,177,000) and on 72,729,059 shares (31 December 2023: 72,719,565 shares), being the number of shares in issue during the period. This excludes 59,484 shares (31 December 2023: 68,978 shares) held by the Renishaw Employee Benefit Trust.

7. Dividends

Dividends paid during the period were:	**6 months to 31 December 2024 £'000**	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000
FY2024 final dividend paid of 59.4p per share (FY2023: 59.4p)	43,205	43,195	43,195
FY2024 Interim dividend paid of 16.8p per share (FY2023: 16.8p)	-	-	12,217
Total dividends paid during the period	43,205	43,195	55,412

All shareholders on the register on 7 March 2025 will be paid an interim dividend of 16.8p net per share on 8 April 2025, resulting in a dividend payable of £12,218,000.

8. Property, plant and equipment

	Freehold land and buildings £'000	**Plant and equipment £'000**	**Motor vehicles £'000**	**Assets in the course of construction £'000**	**Total £'000**
Cost					
At 1 July 2024	255,536	278,189	6,099	56,593	596,417
Additions	81	11,174	712	11,385	23,352
Transfers	2,284	6,430	-	(8,714)	-
Disposals	(527)	(2,936)	(564)	-	(4,027)
Currency adjustment	(1,550)	(1,248)	(83)	-	(2,881)
At 31 December 2024	**255,824**	**291,609**	**6,164**	**59,264**	**612,861**
Depreciation					
At 1 July 2024	49,460	216,838	5,079	-	271,377
Charge for the period	2,548	7,221	153	-	9,922
Disposals	(251)	(1,551)	(416)	-	(2,218)
Currency adjustment	(361)	(792)	(64)	-	(1,217)
At 31 December 2024	**51,396**	**221,716**	**4,752**	**-**	**277,864**
Net book value					
At 31 December 2024	**204,428**	**69,893**	**1,412**	**59,264**	**334,997**
At 30 June 2024	206,076	61,351	1,020	56,593	325,040

Additions to assets in the course of construction of £11,385,000 (31 December 2023: £35,939,000) comprise £3,752,000 (31 December 2023: £25,685,000) for freehold land and buildings and £7,633,000 (31 December 2023: £10,254,000) for plant and equipment. At the end of the period, assets in the course of construction, not yet transferred, of £59,264,000 (31 December 2023: £83,553,000) comprise £35,969,000 (31 December 2023: £62,777,000) for freehold land and buildings and £23,295,000 (31 December 2023: £20,776,000) for plant and equipment. This mostly relates to the expansion of our manufacturing facility in Miskin, Wales.

9. Intangible assets

	Goodwill	Internally generated development costs	Software licences	Intellectual property and other intangible assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 July 2024	20,258	187,941	12,197	4,864	220,300
Additions	-	4,079	226	-	4,305
Currency adjustment	(5)	-	(39)	(10)	(54)
At 31 December 2024	**20,253**	**192,020**	**12,384**	**4,854**	**229,511**
Amortisation					
At 1 July 2024	9,028	154,531	11,751	2,607	177,917
Charge for the period	-	2,224	86	84	2,394
Currency adjustment	-	-	(34)	10	(24)
At 31 December 2024	**9,028**	**156,755**	**11,803**	**2,701**	**180,287**
Net book value					
At 31 December 2024	**11,225**	**35,265**	**581**	**2,153**	**49,224**
At 30 June 2024	11,230	33,410	446	2,257	47,343

As detailed in the 2024 Annual Report, the key assumption in determining the value-in-use of intangible assets are sales forecasts. Latest sales forecasts, and other factors which may impact the business plans, for relevant cash generating units have been reviewed for indicators of impairment on 31 December 2024. This includes an assessment of our discount rate based on prevailing market assumptions on 31 December 2024, which has increased to 10.9% based on a higher risk-free rate (31 December 2023: 10.7%). As a result of the review, no impairments have been recognised in the six months to 31 December 2024 (31 December 2023: nil).

10. Financial instruments

There is no significant difference between the fair value of financial assets and financial liabilities and their book value in the Consolidated balance sheet. All financial assets and liabilities are held at amortised cost, apart from the forward exchange contracts which are held at fair value, with changes going through the Consolidated income statement unless subject to hedge accounting. The fair values of the forward exchange contracts have been calculated by a third-party expert, discounting estimated future cash flows on the basis of market expectations of future exchange rates, representing level 2 in the IFRS 13 fair value hierarchy. There were no transfers between levels during any period disclosed.

Credit risk
The Group carries a credit risk relating to non-payment of trade receivables by its customers. The Group establishes an allowance for impairment in respect of trade receivables where recoverability is considered doubtful. In the six months to 31 December 2024, the Group has generally not experienced a deterioration in debtor repayments nor in the assumptions used in calculating allowances for expected credit losses. At 31 December 2024, total expected credit losses amounted to £4,756,000, being 4.1% of gross trade receivables, compared with £4,480,000 at 30 June 2024, being 3.2% of gross trade receivables.

Liquidity risk
The Group's approach to managing liquidity is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation. We use monthly cash flow forecasts on a rolling 12-month basis to monitor cash requirements. Net cash and bank deposits on 31 December 2024 totalled £233,161,000, compared with £217,835,000 at 30 June 2024. This increase included a dividend payment of £43,205,000 and cash generation from operating activities of £76,241,000 during the period. In consideration of this, the Group remains in a strong liquidity position.

10. Financial instruments (continued)

Market risk
The Group continues to mitigate market risk on cash flows using USD, EUR and JPY forward currency contracts. At 31 December 2024 the total nominal value of USD, EUR and JPY forward contracts held for cash flow hedging purposes was £450,775,855 (31 December 2023: £414,873,000). At 31 December 2024, there were no remaining USD, EUR or JPY forward contracts ineffective for cash flow hedging and yet to mature (31 December 2023: nil), with no additional forward contracts becoming ineffective for hedge accounting purposes in the six months to 31 December 2024. A decrease of 10% in the highly probable revenue forecasts of Renishaw plc and Renishaw UK Sales Limited, being the hedged item, would result in no forward contracts becoming ineffective on 31 December 2024.

11. Employee benefits

The net surplus of the Group's defined benefit pension schemes, on an IAS 19 basis, has increased from a £10,845,000 asset at 30 June 2024 to a £11,410,000 asset at 31 December 2024. This mostly relates to a reduction in liabilities within the Irish scheme due to strong asset growth. During FY2024, the Trustee of the UK scheme undertook a buy-in and insured around 99% of the UK scheme's liabilities by purchasing an insurance policy. This contract was effective from 19 October 2023 and the value of the contract is recognised as a UK scheme asset. The buy-in eliminates investment return, longevity, inflation and funding risks in respect of those liabilities covered. Changes to other key assumptions from 30 June 2024 to 31 December 2024 have not had a material effect on the schemes.

Benefits in the UK Scheme are subject to a DC underpin at the point of retirement or transfer out. Historically, this has been allowed for in the accounts in a consistent manner to current administrative practice and the triennial funding valuations. During the buy-in process, it was identified that the drafting of the DC underpin in the UK Scheme Rules may require that the DC underpin is applied in a manner which is different to the administrative practice which has been applied. The Trustee and Company are currently seeking legal clarification and advice on this issue, with the intention of correcting the Rules to match administrative practice. No allowance for this matter has been made in 31 December 2024, as management continue to assess it to be unlikely that there will be an increase in liabilities, and due to the uncertainty of legal treatment and therefore any potential impact on liabilities.

In June 2023, the High Court ruled that certain historic amendments made to the rules of the Virgin Media pension scheme were invalid without the scheme's actuary having provided the associated Section 37 certificates. This judgment was upheld by the Court of Appeal in July 2024, which has implications on other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016. The UK scheme was contracted out until 5 April 2007 and amendments were made during the relevant period and as such the ruling could have implications for the UK scheme. Since June 2024, the Company and the Trustees have commenced a review of all amending documents between 6 April 1997 and 5 April 2016 for the scheme to determine whether proper procedures were undertaken at the time of the amendments by the Trustees, actuaries and administrators. At the date of approving these interim financial statements, the possible implications, if any, for the UK scheme not having all Section 37 certificates have not been investigated in detail. The Trustee and Company continue to seek legal advice on this matter and will act appropriately. Accordingly, no amendments for this matter have been included in the IAS 19 actuarial valuation as the impact, if any, cannot be reliably assessed.

12. Alternative performance measures

In accordance with Renishaw's Alternative Performance Measures (APMs) policy and ESMA Guidelines on Alternative Performance Measures (2015), this section defines non-IFRS measures that we believe give readers additional useful and comparable views of our underlying performance. We continue to report Revenue at constant exchange rates, Adjusted profit before tax, Adjusted earnings per share, Adjusted operating profit, Adjusted operating profit at constant exchange rates, Adjusted cash flow conversion from operating activities, and Return on invested capital.

Revenue at constant exchange rates is defined as revenue recalculated using the same rates as were applicable to the previous year and excluding forward contract gains and losses.

12. Alternative performance measures (continued)

Revenue at constant exchange rates	**6 months to 31 December 2024 £'000**	6 months to 31 December 2023 £'000
Statutory revenue as reported	**341,402**	330,489
Adjustment for forward contract (gains)/losses	**(12,959)**	1,853
Adjustment to restate at previous year exchange rates	**11,342**	-
Revenue at constant exchange rates	**339,785**	332,342
Year-on-year revenue growth at constant exchange rates	**2%**	-

For this period and the comparable period there is no difference between 'Statutory' and 'Adjusted' for our alternative performance measures, being Adjusted profit before tax, Adjusted earnings per share and Adjusted operating profit, including segmental operating profit.

Operating profit at constant exchange rates is defined as Operating profit recalculated using the same rates as applied to the previous year and excluding forward contract gains and losses.

Operating profit at constant exchange rates	**6 months to 31 December 2024 £'000**	6 months to 31 December 2023 £'000
Operating profit	**51,560**	47,194
Adjustment for forward contract (gains)/losses	**(12,959)**	1,853
Adjustment to restate current year at previous year exchange rates	**8,042**	-
Operating profit at constant exchange rates	**46,643**	49,047
Year-on-year Operating profit reduction at constant exchange rates	**-4.9%**	

Adjusted cash flow conversion from operating activities is calculated as Adjusted cash flow from operating activities as a proportion of Adjusted operating profit. This is useful for the Board to measure how efficient we are at converting operating profit into cash.

Adjusted cash flow conversion from operating activities	**6 months to 31 December 2024 £'000**	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000
Cash flow from operating activities	**76,241**	55,570	124,079
Income taxes paid	**(1,815)**	12,191	21,752
Purchase of property, plant and equipment and intangible assets	**(25,746)**	(45,015)	(74,774)
Proceeds from sale of property, plant and equipment and intangible assets	**2,814**	200	4,475
Adjusted cash flow from operating activities	**51,494**	22,946	75,532
Adjusted cash flow conversion from operating activities	**99.9%**	48.6%	69.5%

Return on invested capital is the profit after tax before bank interest receivable as a percentage of the Average invested capital in the year. This is useful for the Board to measure our efficiency in allocating capital to profitable activities.

Profit after tax before bank interest receivable is calculated as follows:

	6 months to 31 December 2024 £'000	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000
Profit after tax	**45,929**	45,177	96,889
Bank interest receivable (net of tax)	**(4,568)**	(3,559)	(6,832)
Profit after tax before bank interest received	**41,361**	41,618	90,057

Profit after tax before bank interest received for the 12-months to 31 December 2024 was £89.8m.

12. Alternative performance measures (continued)

Return on invested capital (ROIC):	**6 months to 31 December 2024 £'000**	6 months to 31 December 2023 £'000	Year ended 30 June 2024 £'000	Year ended 30 June 2023 £'000
Total non-current assets	**479,609**	452,295	464,765	470,430
Total current assets	**564,208**	535,381	586,618	573,107
Total current liabilities	**(102,677)**	(86,768)	(100,948)	(102,320)
Less cash and cash equivalent	**(90,161)**	(59,258)	(122,293)	(81,388)
Less bank deposits	**(143,000)**	(119,000)	(95,542)	(125,000)
Invested capital	**707,979**	722,650	732,600	734,829
Average invested capital	**715,314**	-	733,715	-
Return on invested capital	**12.6%**	-	12.3%	-

Average invested capital in the year is the average of the invested capital at the beginning of the reporting period and at the end of the reporting period.

13. Related party transactions and events subsequent to the end of the reporting period

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Full details of the Group's other related party relationships, transactions and balances are given in the Group's Annual Report for the year ended 30 June 2024.

During FY2024, Renishaw International Limited ('RIL') entered into a 14-day notice deposit agreement with RLS Merilna tehnika d.o.o. ('RLS'). Interest is payable by RIL to RLS at a market rate on a monthly basis. As at 31 December 2024, according to this agreement, the amount RIL had received was EUR 14.0m (£11.6m equivalent), an increase from EUR 10.0m (£8.5m equivalent) at 30 June 2024. The amounts are recognised as 'amounts payable to joint venture' in the Consolidated balance sheet.

No other related party transactions have taken place in the first six months of FY2025, or events subsequent to the end of the reporting period, that have materially affected the financial position or the performance of the Group during that period.

14. Responsibility statement

The condensed set of financial statements is the responsibility of, and has been approved by, the Directors. We confirm that to the best of our knowledge:

- As required by DTR 4.2 of the Disclosure Rules and Transparency Rules, the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation as a whole. The Interim report has been prepared in accordance with IAS 34, 'Interim Financial Reporting', as issued by the International Accounting Standards Board and as adopted by the UK.

- The Interim report includes a fair review of the information required by:

(a) DTR 4.2.7 of the Disclosure Rules and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
(b) DTR 4.2.8 of the Disclosure Rules and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

Allen Roberts FCA
Group Finance Director
12 February 2025

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