

## Strategic report

The Directors present their strategic report for the year ended 30 June 2024.

### Business Review

For the year ended 30 June 2024, the Company's profit before tax was £49.7m (FY2023: £58.5m), which included dividends received of £45.9m (FY2023: £59.4m).

Dividends paid by the Company were nil (FY2023: nil), resulting in shareholders' funds of £140.3m at 30 June 2024 (FY2023: £91.9m).

### Financial key performance indicators

There are no specific financial or non-financial KPIs relating to the Company.

### Business model

Renishaw International Limited ('the Company') operates as a treasury services and financing company for the Renishaw Group. It is a wholly-owned subsidiary of Renishaw plc and owns the share capital of the majority of the Renishaw Group's overseas subsidiaries.

Treasury services include:

- Global cash, deposits and money market funds management and reporting;
- Liquidity and capital financing, and facility management, of group companies;
- Management of external financing arrangements;
- Foreign currency trading and risk management; and
- Global banking arrangements and relationships.

When the Renishaw Group acquires or invests in a company not based in the UK, the Company will normally make this investment. Where an existing Renishaw Group company requires additional funding, the Company may provide a loan facility or equity financing.

### Principal objectives and strategy

Funding for investments in, and loans to, Renishaw Group companies is provided from the cash reserves of the Company.

The Company receives returns from these investments by way of dividends from the overseas subsidiaries, which will depend on their profitability and local distribution tax considerations. The Company also receives interest on loans made to Renishaw Group undertakings and receives interest on bank deposits and money market funds.

Where necessary, the Company may draw down against a loan facility from the parent company.

When appropriate, the Company pays dividends to its parent company.

### Principal risks and uncertainties

The key risks faced by the Company are in relation to the uncertainty of the profitability of the overseas subsidiaries, thereby not allowing for dividends to be paid to the Company. For more details of these risks and how they are managed, please see the Renishaw plc 2024 Annual Report.

### Section 172 Statement

The Directors are required to act in a way that they consider, in good faith, would be most likely to promote the success of the Company, for the benefit of its members as a whole. In doing so, the Directors must have regard to (amongst other things):

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Company.

Having carefully considered the Company's business, the Board considered its key stakeholders to be its

employees (as well as those of the Group), its subsidiaries (both those held directly and indirectly), and the customers of its subsidiaries.

The below have been some of the principal matters discussed by the Board and how stakeholders' views have been considered:

a) Funding Requirements for subsidiaries

Loan facilities were granted to two of the Company's subsidiaries during the year. Financial and business plans of the relevant subsidiaries were reviewed prior to loans being granted. These reviews enabled the Board to consider how the loans could support the growth of the subsidiaries, increase the level of support to customers in the regions, and ultimately increase the revenue for both the Company, its subsidiaries and the wider Group.

b) RLS Deposit

The Board considered a proposal to implement a deposit agreement with RLS Merilna tehnika d.o.o. ('RLS'), a joint venture of the Company. The Board considered the regulatory considerations, tax implications, the financial reporting requirements and the return through interest income of the deposit agreement. After considering the relevant factors, the Board felt it was appropriate to accept the deposit from RLS.

c) Implementation of Microsoft Dynamics 365 ('D365')

The Board was updated on the implementation of new ERP System, D365. The Board noted that D365 was the chosen ERP system by Renishaw plc management as the preferred platform for its ERP system after considering various other options. The implementation was successfully completed in the year. The Board will continue to monitor how D365 can lead to efficiencies and further reporting capabilities for employees of the Company and its subsidiaries.

By order of the Board

  
**A C G Roberts**

Director

Date:

16/12/24