2024 Final Results, 10 April 2025

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

TT Electronics plc

Results for the year ended 31 December 2024

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A management presentation for analysts and investors will be held today at 0830hrs and can be accessed on https://brrmedia.news/TTG_FY_2024

A recording of the presentation and Q&A session will be available on the website later in the day.

A PDF of this full year announcement is available for download from https://www.ttelectronics.com/investors/investor-highlights/reports-presentations-videos/.

Results for the year ended 31 December 2024

Good strategic progress offset by North America challenges

£ million (unless otherwise stated)	Adjusted Results[1]				Statutory Results	
	2024	2023 restated[2]	Change	Change constant fx	**2024**	2023 restated[2]
Revenue	**521.1**	613.9	(15)%	(13)%	**521.1**	613.9
Revenue ex divestment	*505.0*	*545.3*	*(7)%*	*(5)%*		
Operating profit	**37.1**	47.1	(21)%	(17)%	**(23.5)**	3.0
Operating profit ex divestment	*37.3*	*45.2*	*(17)%*	*(13)%*		
Operating profit margin	**7.1%**	7.7%	(60)bps	(40)bps	**(4.5)%**	0.5%
Operating profit margin ex divestment	*7.4%*	*8.3%*	*(90)bps*	*(70)bps*		
Profit/(loss) before taxation	**27.2**	37.3	(27)%	(23)%	**(33.4)**	(6.8)
Earnings/(loss) per share	**11.0p**	16.7p	(34)%	(30)%	**(30.2)p**	(6.4)p
Return on invested capital	**10.0%**	10.9%				
Cash conversion	**117%**	104%				

	2024	2023[2]
Free cash flow[1]	**27.7**	23.9
Net debt[1]	**97.4**	126.2
Leverage[1]	**1.8x**	1.9x
Dividend per share	**2.25p**	6.8p

Financials

- Revenue at constant currency, down 2% excluding unwind of pass-through revenue, 5% down organically
  - Growth from Europe and Asia offset by North American region
- Adjusted operating profit down 17% at constant currency to £37.1 million (£37.3 million excluding Project Albert divestment)
  - Cost action taken in year to address impact of weakness in components market
- Adjusted operating margin 7.1%, 7.4% ex Project Albert divestment including severance costs of £2.3m
  - Strong European delivery with margin up 580 bps to 12.9%
  - Asian margin improved 400 bps to 15.0%
  - North American performance impacted by subdued components market and operational challenges
- Statutory operating loss £23.5 million, including £52.2 million write down of goodwill and fixed assets in North America
- Statutory basic EPS of (30.2)p
- £11.2 million UK pension surplus (net of tax) returned to Company - progressing towards final stages of buy-out
- Cash conversion at 117%, strong free cash flow of £27.7 million resulting in net debt reduction and leverage of 1.8x, within 1-2x target range

Project Dynamo

- £17 million of potential benefits from cost savings and margin improvement identified by 2026, net of £4 million for reinvestment. Progress evident in Europe and Asia
- Eight key workstreams underway to drive productivity and efficiency, immediate focus on operational execution issues in two North American sites
- Inventory management project delivered £13 million reduction in 2024 with a further £15 million reduction in net inventory expected by end of 2026

Going Concern

- Expect to be compliant with covenants in base and severe downside cases
- Uncertain and volatile macroeconomic backdrop which could have an impact beyond severe downside case creating material uncertainty over going concern in certain extreme scenarios (see page 28)

Outlook Statement

In 2024, our European and Asian regions have delivered strong improvements in profitability. However, this progress has been more than offset by continued demand softness in our components business in North America and operational issues in Kansas City and Cleveland.

The Board is mindful of the increased market uncertainty arising from the recently announced trade tariffs and the potential impact on demand patterns. Given the current macro backdrop the Board sees a wider range of potential outcomes for 2025. We remain resolutely focused on our operational improvement plan, Project Dynamo, and our clear action plan to improve operational efficiency and productivity however the current uncertainty has increased the downside risk for the Group and the Board now expects adjusted operating profit to be in the range of £32 million to £40 million.

The Board also remains focused on driving performance towards its medium-term financial framework and while it does not expect to achieve a 12% operating margin in 2026, its confidence in the medium-term for the business is underpinned by its operational improvement plans, expectation of continued momentum in Europe and Asia, and an anticipated improvement in the North American region.

About TT Electronics

TT Electronics is a global provider of engineered electronics for performance critical applications.

TT solves technology challenges for a sustainable world. TT benefits from enduring megatrends in structurally high-growth markets including healthcare, aerospace, defence, electrification and automation. TT invests in R&D to create designed-in products where reliability is mission critical. Products designed and manufactured include sensors, power management and connectivity solutions. TT has design and manufacturing facilities in the UK, North America, and Asia.

Notes

1. *Throughout this announcement we refer to a number of alternative performance measures which provide additional useful information. The Directors have adopted these measures to provide additional information on the underlying*

trends, performance and position of the Group with further details set out on pages 19 to 20. The adjusted measures used are set out in the "Reconciliation of KPIs and non IFRS measures" section on pages 45 to 56.

2. *The reported operating profit for 2023 has been restated by £(5.7) million as described further in note 2. This is principally related to our Cleveland site where, as part of our project to address operational execution challenges, we identified issues in relation to the recoverability of certain assets recognised in prior periods at this site in North America.*

The person responsible for making this announcement is Mark Hoad, Chief Financial Officer, TT Electronics plc.

BUSINESS AND STRATEGIC REVIEW

Introduction

2024 has been a challenging year for the Group with strong performances in Europe and Asia offset by difficult market conditions in our shorter cycle components business as well as operational challenges, impacting North America in particular. We would like to thank our colleagues for their hard work in often very difficult circumstances.

On an organic basis revenue was down 2 per cent excluding the unwind of pass-through revenue and the impact of Project Albert, the divestment of our business units in Cardiff and Hartlepool, UK and Dongguan, China which completed at the end of Q1 2024. Adjusted operating margin of 7.1 per cent was down 40 basis points on a constant currency basis but was 7.4 per cent excluding the Project Albert divestment. Adjusted operating profit included circa £2.3 million of severance costs expensed.

The performance of our Europe and Asia regions was excellent with organic growth of 14 per cent and 6 per cent excluding pass-through respectively. The operational leverage on this growth, coupled with strong efficiency improvements in a number of sites resulted in strong margin improvement in both regions. This was further enhanced as a result of the divestment of margin dilutive businesses at the end of the first quarter.

In North America, distributor de-stocking, which has continued for longer than originally expected, had a significant impact on demand for our components products. We took cost action, reducing headcount by almost 400 in the first half equating to £9 million of annualised benefit, to offset the lower demand; the £1.7 million severance costs were incurred within adjusted operating profit in the period. In the second half we took further cost action reducing headcount by a further 100 heads (severance costs of £0.6 million) and bringing the annualised benefits to £12 million in total. Furthermore, we experienced operational execution issues in two North American sites, Cleveland and Kansas City. This, combined with the performance of the component business created a significant profit shortfall in North America. In light of this trading performance and reflecting a revised view of recovery, we have booked a £52.2 million non-cash write-down being a £36.7 million non-cash impairment of goodwill for the region and £15.5 million write-down in respect of assets within a North American components site.

In terms of our end markets, there was strong growth in Aerospace & Defence, up 27 per cent organically and Automation & Electrification markets were flat organically, excluding pass-through revenues. Healthcare revenues decreased by 14 per cent organically, or 7 per cent excluding zero margin pass-through revenues. Revenues from Distribution, which is the main route to market for our components business, reduced by 27 per cent organically.

Book to bill in the year was positive at 103 per cent and order intake was 9 per cent higher than the prior year on an organic basis.

The successful divestment of the Hartlepool, Cardiff and Dongguan businesses (Project Albert) completed in the first half supporting improvement in Group margin, and we have re-organised the business from three divisions to a function-led regional structure which will enable improved business performance.

Significant benefits will be delivered through our self-help programme, Project Dynamo, through eight initial workstreams across the Efficiency, Growth and Innovation headings. Of the opportunities we have scoped to date, we expect cost savings and margin improvements of £17 million, net of £4 million of reinvestment in the business, to drive long term growth and underpin our medium-term targets.

There are eight areas of near-term focus under Project Dynamo which can be summarised under the headings:

- SG&A savings
- Logistics & Energy
- Inventory management
- Make vs Buy & Asset optimisation
- Cost of Production
- Commercial – Pricing
- Pipeline expansion & Sales growth
- Innovation

Our focus on building close, long-term relationships further up the value chain and collaborating on design-led solutions often leads to us being designed in for the life of the product. This is evidenced by new business, with 58 significant new wins in the year delivering over £150 million of potential lifetime revenues and further key customer growth from pipeline opportunities. Furthermore, we believe we are well placed, with our broad geographic footprint, to offer our customers choice and support their near-shoring activities.

Following the success of adding manufacturing services into Kuantan, Malaysia, we have taken the same, low capital intensity model and established these capabilities within our existing facility in Mexicali, Mexico. Here, Surface Mount Technology (SMT) equipment has been installed, teams have been trained and initial product qualification has been completed. We are also in the process of increasing further our capacity within our Malaysian facility in advance of anticipated customer demand growth and transfer of programmes from other sites. The preparation and transfer of work, together with associated one-off costs, will take place over the course of 2025 with revenue being delivered from Malaysia from 2026.

Environmental, social and governance (“ESG”) principles are central to our purpose, and our growth expectations partly reflect opportunities presented by the move to a lower carbon world for our design-led technologies. We have made further excellent progress in 2024 to reduce our Scope 1 & 2 carbon emissions, down 23 per cent (adjusting for the impact of the Project Albert divestment); a 73 per cent reduction against our 2019 baseline. More detail on page 10.

Results and operations

Revenue for the year was £521.1 million, 13 per cent lower than the prior year at constant currency. Excluding the impact of the Project Albert divestment and lower pass-through revenue, Group revenue was down 2 per cent. Reported revenue included £5.3 million of zero margin pass-through revenues, a £13.5 million reduction on 2023 at constant currency. This relates to materials where we experienced very significant cost inflation during the supply chain problems which were being transparently passed on to customers with no margin mark-up.

Adjusted operating profit was £37.1 million, 17 per cent lower than the prior year at constant currency, reflecting the significant headwinds in our components business and operational execution issues in our North American region. Adjusted operating margin of 7.1 per cent was down 40 basis points on a constant currency basis but was 7.4 per cent excluding the Project Albert divestment. Adjusted operating profit included circa £2.3 million of severance costs expensed. After the impact of adjusting items, including pension restructuring, and non-cash asset impairment costs, the Group's statutory operating loss was £23.5 million (2023 restated: £3.0 million profit) and operating margin was (4.5) per cent (2023 restated: 0.5 per cent).

Non-cash write-down costs totalled £52.2 million (2023: £32.5 million relating to businesses held for sale in our IoT Solutions and GMS CGUs) being a £36.7 million non-cash impairment of goodwill for the region and £15.5 million write-down in respect of assets within a North American components site. This is linked to revised forecasts for the business in the context of our recent trading performance and based on a revised recovery assumption.

As at 31 December 2024 we derecognised £16.0 million of deferred tax assets reflecting the recent performance and near term outlook for the North American region. The associated tax losses remain available to the Group once the North American region returns to taxable profit.

The reported operating profit for 2023 has been restated by £(5.7) million as described further in note 2. This is principally related to our Cleveland site where, as part of our project to address operational execution challenges, we identified issues in relation to the recoverability of certain assets recognised in prior periods at this site in North America. We are strengthening the local finance team and actions to address the associated control deficiencies are being incorporated into our ongoing work to improve the effectiveness of our internal controls over financial reporting. Cash flow impacting adjusting items totalled £0.6 million (2023: £ 4.0 million)

Adjusted earnings per share ("EPS") reduced to 11.0 pence (2023 restated: 16.7 pence), reflecting the reduced adjusted operating profit in the period. Basic EPS was a 30.2 pence loss (2023 restated: 6.4 pence loss).

Cash conversion improved to 117 per cent (2023 restated: 104 per cent) including the benefit of a £12.8 million inflow from inventory reduction delivered as part of the Project Dynamo workstream which targeted a £15 million reduction in 2024 and a further £15 million by the end of 2026. Good cash conversion also reflects lower capital expenditure levels given management actions taken in the second half, to significantly reduce cash outflows from discretionary spend. There was a total working capital outflow of £1.2 million (2023 restated: £6.8 million inflow). There was a free cash inflow of £27.7 million in the year (2023: £23.9 million inflow) as a result of these factors and the benefit of a further surplus refund from the UK defined benefit pension scheme as detailed below. The strong free cash flow performance, together with the proceeds from the Project Albert divestment, contributed to leverage remaining within our stated 1-2x range despite the reduction in adjusted EBITDA. Adjusted operating cash inflow post capital expenditure during the period was £43.4 million (2023: £48.8 million inflow). On a statutory basis, cash flow from operating activity was an inflow of £51.2 million (2023: £62.9 million inflow).

Following the buy-in of our UK defined benefit pension scheme (the "Scheme") in November 2022, the Scheme was de-risked with scheme liabilities matched by the buy-in insurance policy. There remains a small surplus of £7.1 million at 31 December 2024, following a further £15.0 million gross return to the Company in December 2024, in addition to the gross return of £5.0 million in 2023 (£11.2 million and £3.2 million respectively net of tax). Workstreams to finalise all details of the buy-in and transfer all scheme data to Legal and General are well progressed and we are now planning the steps to move to buy-out after which we can proceed with the wind up of the scheme.

We completed the buy-out of our smaller US defined benefit scheme for a cash contribution of £1.8 million in January 2024. This leaves the UK Scheme nearing buy-out and there is just one small £1.5 million unfunded US scheme remaining.

At 31 December 2024 net debt was £97.4 million (31 December 2023: £126.2 million), including IFRS 16 lease liabilities of £17.3 million (31 December 2023: £20.8 million), and leverage was stable at 1.8x (31 December 2023 restated: 1.9x). We expect leverage to reduce during 2025.

Our return on invested capital was 10.0 per cent (2023: 10.9 per cent), with the benefit of the Project Albert divestment more than offset by the reduction in adjusted operating profit.

On 4 March 2024 we announced the divestment of our business units in Cardiff and Hartlepool, UK and Dongguan, China. After costs of disposal and normal working capital adjustment, the divestment realised net proceeds of £12.2 million. The loss on disposal was £4.4 million.

Dividend

Given the current uncertainty over the macro-economic environment and associated business risks, the Board has concluded that it is prudent to pause the dividend and will not be recommending a final dividend for 2024.

Going Concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

After making enquiries and having considered forecasts and appropriate sensitivities, the Directors have established that in a base case and a severe downside scenario, there is a reasonable expectation that the Group would remain compliant with covenants and has adequate resources to continue in operational existence for the period to 30 June 2026. Accordingly, the accounts have been prepared on a going concern basis.

However, the recent introduction of US global tariffs and certain retaliatory tariffs provide an uncertain and volatile macroeconomic backdrop which could have an impact beyond that assumed in the severe downside case. This has led the Board to conclude that it is not possible to be certain of meeting the covenant test in certain extreme scenarios, in particular where customer reticence in placing orders against the backdrop of tariff uncertainty reduces order intake. Even in this scenario, the Company would seek to negotiate an adjustment to its covenants. These matters represent a material uncertainty which may cast doubt upon the Group's ability and the Company's ability to continue as a going concern for the period up to 30 June 2026. The financial statements do not contain the adjustments that would result if the Group and Company were unable to continue as a going concern.

More information on the going concern judgement can be found in note 2 to the financial statements.

Strategy

Our purpose is to engineer and manufacture electronic solutions enabling a safer, healthier and more sustainable world.

Our strategy is focused on unlocking value for our stakeholders through disciplined execution. We will achieve this through a focus on four key areas:

- Focusing on efficiency to boost productivity and reduce costs
- Enhancing collaboration and commercial focus, facilitated by moving to a function-led regional structure
- Promoting innovation, design, engineering and manufacturing expertise
- Developing our people, products and market positioning to propel sustainable growth

A focus on improved execution, supported by the move from our previous divisional structure to a function-led regional structure, has started to leverage our strong engineering and manufacturing capabilities to unlock value and improve returns. This focus will drive enhanced performance and underpins our medium-term financial targets:

- Revenue growth ahead of end market growth of 4–6%
- 12% adjusted operating margin
- Strong cash conversion of 85%+
- ROIC target of mid to high-teens

PROJECT DYNAMO

We have made good progress on Project Dynamo as we target £17 million of potential benefits from cost savings and incremental margin, net of £4 million of planned reinvestment in the business. As part of our inventory management workstream, we delivered a £12.8 million cash benefit from inventory reduction in 2024 and expect a further £15 million reduction by the end of 2026.

All sites have rolled out Project Dynamo communications and set up Company-wide teams and processes. Any employee can submit an idea for improvement under the efficiency, growth and innovation categories which is evaluated by the site and can also be promoted to a region or group project for implementation.

We can see good margin progression in our European and Asian regions that support our view that the Dynamo initiatives are having a positive impact and give us confidence in delivering the £17 million of benefit by 2026.

The eight key project workstreams are:

<u>SG&A savings:</u>

At our Capital Markets Event in April, we shared that we had identified £5–6 million of annual SG&A savings, many of which were actioned during 2024 to achieve £2 million savings in the year and we now expect to realise a run rate saving of £6 million in 2026. This included travel savings, headcount savings and pension and other discretionary savings.

<u>Logistics & Energy:</u>

We have already made savings in logistics, particularly inbound freight costs, where we have consolidated down from multiple freight suppliers to a limited number of preferred suppliers. We have also secured upside, particularly in the UK, through centralised buying of forecasted energy demand across our sites.

<u>Inventory management:</u>

During 2024 we have completed an inventory process diagnosis and implemented improvement actions including a review of key parameters such as processing times and safety stock. We have focused on our factory planning capabilities revising lead times and capacity models and believe there is improvement potential in some of our order management procedures.

Short term actions taken to reduce inventory include:

- Group oversight with seven sites placed in special measures
- site by site inventory reduction plans; and
- high frequency reviews to ensure delivery of reduction plans.

We are also focused on medium term structural actions which include:

- setting standard TT ways of working for planning and demand management
- site by site planning and scheduling capability assessments; and
- disciplined execution of plans to close gaps.

These actions will improve our inventory health over time and drive increased inventory turns. The inventory reduction of £12.8 million in the year supported our improved second half working capital performance and full-year cash conversion, and we are targeting an additional £15 million reduction in net inventory by the end of 2026.

Make vs Buy & Asset optimisation:

We have identified more than £30 million of external spend on areas such as machining, calibration testing, connectors and PCBAs, which has the potential to be insourced. We plan to insource around a third of this spend and are reviewing the most cost-effective locations to manufacture our products to serve global markets. Short term, we have been prioritising the operational improvement plans.

Cost of Production:

Of our 18 manufacturing locations, there are four sites, previously identified, with specific cost of production issues and the opportunity for improvement. The product mix in Cleveland and Kansas City, in our North America region, has become increasingly complex and this highlighted underlying inefficiencies, inadequate capacity planning and scheduling, and is exacerbated by factory layouts. A focus on strengthening planning and inventory management, adding specialist resource and reducing the costs of re-work and improving process yield, will contribute to the required performance improvement. In Kansas City, the operational improvement plan is already delivering with factory layout improvements facilitating increases in throughput on affected production lines. Given the strength of the order book here, we expect a significant step up in the productivity of the engineering team in 2025 and improved efficiency.

The improvement plan for Cleveland is underway but the full benefits will take longer to realise than originally anticipated. The site leadership team will be at full strength during Q2 and key workstreams such as cost reduction, a thorough overhaul of demand, production and resource planning and inventory control is being rolled out. There will be further learnings to implement in due course from lean processes.

Commercial – Pricing:

We have identified a number of contracts where the margin is below our expectation and the new sales organisation and operations teams are working together to address them. Actions taken through 2024 have included increasing pricing, focused efficiency improvements and transfers to lower cost sources and we are seeing the benefits of this in our European margin improvement.

Pipeline management and sales growth:

We have deployed a global sales and business development structure to enable us to sell all of TT's engineering and manufacturing capability to our global customer base. The previous divisional structure was a barrier to us capturing the full benefits of a global approach.

The function-led regional structure is already increasing the pipeline with a fully integrated transfer of opportunities between the regions, adding vertical integration options and the ability to cross-sell other products within the TT portfolio using existing sales relationships.

Additionally, the function is targeting improvements in forecasting, quote turnaround and responsiveness to support the changing needs of our customers.

Innovation:

We prioritise organic investment in the business, investing in R&D and capital equipment to drive differentiation in our offer to customers, resulting in us becoming firmly embedded as valued partners on long-term programmes. This expenditure totalled £18.2 million in 2024 (2023: £33.2 million) including £11.3 million (2023: £10.8 million) in R&D spend, representing 4.2 per cent (2023: 3.4 per cent) of the aggregate product revenues. Capital expenditure was reduced in the year in response to the trading performance.

While we expect the majority of innovation benefits under Project Dynamo to be realised over the longer term, we have already made good progress with the establishment of an Engineering function with key roles appointed. Product and technology roadmaps have been established for all sites and the process and software standardisation is expected to deliver savings and make collaboration easier. This has also enabled us to reprioritise resources and projects consistently across the business to deliver key programmes sooner, and to stop certain activities where the economic payback was uncertain.

A great example of our teams starting to collaborate across regions is our Kansas City site in the US and Manchester in the UK working together to respond to a request for a quotation from a market leading Aerospace & Defence player for a power converter system. We are using power electronics technology developed in Kansas City combined with the technology developed in the UK; this includes a high to low voltage conversion which was developed under the ATI programme AEPEC (Aerospace Electric Propulsion Equipment) and is being further developed in FABB-HVDC (Future Aircraft Building Blocks for High Voltage DC). This allows TT to offer tailored power solutions for our customers' unique programme requirements by leveraging our global capability.

DEVELOPING OUR PEOPLE, PRODUCTS AND MARKET POSITIONING FOR SUSTAINABLE GROWTH

Not only do we engineer and manufacture electronic solutions that enable reduced environmental impacts for our customers, but we are moving at pace to reduce our own impact, in terms of our carbon emissions. In April this year, we brought forward our Net Zero target, for our Scope 1 & 2 emissions, to 2030, from the original objective of 2035. We remain on track to deliver this target. In 2024 we achieved a further 29 per cent year over year reduction in our Scope 1 & 2 carbon emissions; a 73 per cent reduction from our baseline set in 2019.

All our sites that are able to purchase electricity on renewable tariffs are now doing so. We have solar schemes operational at our sites in Kuantan, Malaysia and Mexicali, Mexico, and we completed commissioning our most recent scheme in Suzhou, China during 2024. Further reductions in our carbon emissions will require other measures such as infrastructure and process projects to reduce electricity consumption and further investment in solar power or other renewables and we will be ready to benefit from renewables gradually coming on stream in regulated Asian markets. Each of our manufacturing sites has its own energy efficiency plan to include further rolling out of LED lighting, eliminating waste electricity, replacing inefficient legacy equipment or reorganising space to save heating/lighting and managing shift patterns.

In addition to our work on CO_2 emissions we are also committed to reducing our impact on the environment due to use of precious resources such as water, use of single-use plastics and our waste to landfill.

ESG matters including culture, strategy, regulatory compliance, risk and internal controls are controlled as part of our overall governance and risk management frameworks, ultimately overseen by senior management and the

Board. An update on key health, safety and environmental (including sustainability) metrics is provided at each Board meeting and in-depth reviews are undertaken on at least an annual basis.

Engaging employees by continually building our culture, communicating, listening and supporting is an important part of what we do every day. We encourage our teams to take an active role in their local and national communities, whether fundraising and volunteering for chosen charities or committing time and resources to promoting STEM education and careers.

Typically, we undertake employee engagement surveys every two years, the next one being due in 2026 when we will transition to a new employee survey methodology. Our most recent Group-wide survey in 2023 resulted in an employee engagement score in line with the three-star "world class companies to work for" Best Companies Ltd benchmark. This three-star rating is the highest level achievable. In 2024 we have undertaken a series of pulse surveys; we believe it is a testament to the strength of our culture and approach to engagement that some of our sites hardest hit by change have retained excellent employee survey ratings through this period.

Following the implementation of the new regional structure in 2024, we launched our annual Voice of the Customer satisfaction survey, which closed in November. A refreshed approach to our Voice of the Customer strategy combined with the efforts of our regional teams resulted in record-breaking customer participation and a 7-point NPS score improvement.

Our continuing progress on ESG matters is recognised externally, with a rating of "AA" in the latest MSCI ESG Ratings assessment.

CFO Transition

Further to the announcement made on 25 February we confirm that effective today, Mark Hoad retires as CFO and steps down from the Board, with Eric Lakin appointed as CFO and as a member of the Board. Mark will remain available to the Company until 30 September 2025.

Outlook

In 2024, our European and Asian regions have delivered strong improvements in profitability. However, this progress has been more than offset by continued demand softness in our components business in North America and operational issues in Kansas City and Cleveland.

The Board is mindful of the increased market uncertainty arising from the recently announced trade tariffs and the potential impact on demand patterns. Given the current macro backdrop the Board sees a wider range of potential outcomes for 2025. We remain resolutely focused on our operational improvement plan, Project Dynamo, and our clear action plan to improve operational efficiency and productivity however the current uncertainty has increased the downside risk for the Group and the board now expects adjusted operating profit to be in the range of £32 million to £40 million.

The Board also remains focused on driving performance towards its medium-term financial framework and while it does not expect to achieve a 12% operating margin in 2026, its confidence in the medium-term for the business is underpinned by its operational improvement plans, expectation of continued momentum in Europe and Asia, and an anticipated improvement in the North American region.

REGIONAL REVIEW

EUROPE

	2024	2023	Change	Change constant fx[1]
Revenue	£146.3m	£169.6m	(14)%	(14)%
Revenue ex divestment	*£134.5m*	*£118.3m*	*14%*	*14%*
Adjusted operating profit[1]	£18.9m	£11.9m	59%	58%
Adjusted Operating profit ex divestment	*£19.4m*	*£11.7m*	*66%*	*64%*
Adjusted operating margin[1]	12.9%	7.0%	590bps	580bps
Adjusted operating margin ex divestment[1]	*14.4%*	*9.9%*	*450 bps*	*440 bps*

[1] See note 2 on page 29 for an explanation of alternative performance measures. Adjusting items are not allocated to divisions for reporting purposes. For further discussion of these items please refer to note 7 on page 38 of this document.

Revenue decreased by £23.3 million to £146.3 million (2023: £169.6 million) but excluding the divestment of the Hartlepool and Cardiff locations, as part of Project Albert, organic revenue was 14% higher at £134.5 million (2023: £118.3 million) driven by increased demand from the Aerospace & Defence market.

Adjusted operating profit increased by £7.0 million to £18.9 million (2023: £11.9 million) given healthy levels of operational leverage on the organic growth and efficiency improvements from Project Dynamo. Excluding the impact of Project Albert organic adjusted operating profit increased by 64 per cent and adjusted operating margin increased 440 basis points to 14.4 per cent (2023: 9.9 per cent).

Overall order intake remains strong. As we look into 2025, we expect continued revenue growth supported by a strong order book.

Contract awards and growth drivers during the year, giving us confidence as we look forward, include:

Innovate UK – Sustainable aviation tech win
TT has won a grant over three years from Innovate UK for the development of high voltage power conversion technology, which will support a range of future aerospace platforms for leading Aerospace OEMs. TT received the funding award as part of a £200 million joint government and industry investment plan to boost British manufacturing and R&D. The funding is being awarded to Aerospace R&D projects across the UK that support the development of energy-efficient and zero-carbon aircraft technology and accelerate the transition to net zero aviation.

Medical device
Our Bedlington team has secured a two-year contract from a medical device innovator for the production of high voltage chip resistors. These resistors will support one of the newest, most modern automated external defibrillators.

Defence
A leading defence contractor and long-time customer has awarded TT a new contract for custom, radiation-hard microcircuit hybrids that support an inertial measurement unit used on various defence platforms. This latest award reflects the collaborative relationship that has grown over seven years and the customer's recognition of our advanced capabilities to produce complex electronic solutions for use in high-reliability applications in harsh environments.

Energy technology
A customer in the energy technology sector has awarded TT a new contract for custom test equipment used for offshore, sub-sea oil and gas production. TT's Barnstaple facility will design and manufacture the new test technologies, which will enable the customer to integrate and test equipment in the platform and factory environment. The success of this win has resulted in the customer awarding TT an additional contract with similar requirements.

NORTH AMERICA

	2024	2023 restated	Change	Change constant fx[1]
Revenue	**£184.4m**	£229.5m	(20)%	(17)%
Adjusted operating profit[1]	**£(2.7)m**	£19.4m	(114)%	(115)%
Adjusted operating margin[1]	**(1.5)%**	8.5%	(1000)bps	(980)bps

[1] See note 2 on page 29 for an explanation of alternative performance measures. Adjusting items are not allocated to divisions for reporting purposes. For further discussion of these items please refer to note 7 on page 38 of this document.
Note: No divestment impact here. The reported operating profit for 2023 has been restated by £(5.7) million as described further in note [x]. This is principally related to our Cleveland site where, as part of our project to address operational execution challenges, we identified issues in relation to the recoverability of certain assets recognised in prior periods at this site in North America.

Revenue reduced by £45.1 million to £184.4 million (2023: £229.5 million) reflecting significant volume headwinds in our components' businesses impacting the region. In the sites serving the components market, significant cost action has been taken, to mitigate the volume declines experienced.

Adjusted operating profit decreased by £22.1 million to a loss of £2.7 million (2023 restated: £19.4 million profit) including a £1.0 million foreign exchange headwind. The adjusted operating profit margin was (1.5) per cent (2023 restated: 8.5 per cent) reflecting the impact of volume declines in higher margin component lines and associated factory inefficiencies and operational issues in Kansas City and Cleveland. Excluding severance costs, adjusted operating margins were (0.6) per cent.

We have a clear remediation plan well underway to resolve the operational issues experienced in two sites with various workstreams in train. In Kansas City we are seeing the improvements coming through. The improvement plan for Cleveland, which involves process refinements together with headcount reductions, underpinning the required productivity improvements, are underway but the full benefits will take longer to realise than originally anticipated and exacerbated by £10 million of revenue which has moved from 2025 into the 2026 order book.

In response to the prior year adjustments, we are strengthening the local finance team and actions to address the associated control deficiencies are being incorporated into our ongoing work to improve the effectiveness of our internal controls over financial reporting.

Compared to 2023, orders were up 10 per cent at constant currency in 2024. We are planning for a gradual improvement in Components order intake but no meaningful revenue growth in 2025. Profitability is expected to benefit from our self-help actions.

Notable wins and growth drivers in the period include the following:

Life sciences win
A long-standing customer in the life science sector has selected TT's newest Mexicali facility for PCBA assembly requirements for an innovative cellular imaging system. TT already provides manufacturing for this customer at our locations in Suzhou, Kuantan and Cleveland. The expansion into Mexicali reflects confidence in TT's ability to support this strategic account globally, leveraging best-cost-geographies and providing global business continuity for this important customer. The customer's selection of this location and entrusting TT is a testament to the partnership and proven performance of our teams globally. Value of this initial award is around £2 million over five years, with potential for additional growth opportunity.

Semiconductor equipment
Our Cleveland facility was awarded two new programmes from a strategic customer in the semiconductor equipment manufacturing space. The programmes over the next six years, will see Cleveland supplying PCBA and power distribution units.

Naval power systems
Our Kansas team secured nine new contracts with a leading provider of naval power systems for a variety of engineering services and custom technologies including large-scale transformers and molded coil assemblies. End applications include motor controllers, power and energy storage systems for several naval platforms. These latest awards highlight our success in developing deep relationships and demonstrating superior technical capability – enabling us to secure sole source positions on key defence platforms.

Medical technology
Through a focused account development approach, TT Minneapolis was awarded four new contracts from a leading provider of medical and surgical equipment. TT will provide custom 5DOF Aircoil Sensor Assemblies for a next-generation balloon dilation system that will offer a minimally invasive alternative to traditional endoscopic sinus surgery.

ASIA

	2024	2023	Change	Change constant fx[1]
Revenue	**£190.4m**	£214.8m	(11)%	(7)%
Revenue ex divestment	***£186.1m***	*£197.5m*	*(6)%*	*(1)%*
Adjusted operating profit[1]	**£28.5m**	£23.9m	19%	26%
Adjusted operating profit ex divestment	***£28.2m***	*£22.2m*	*27%*	*34%*
Adjusted operating margin[1]	**15.0%**	11.1%	390bps	400bps
Adjusted operating margin ex divestment	***15.2%***	*11.2%*	*400bps*	*410bps*

[1] See note 2 on page 29 for an explanation of alternative performance measures. Adjusting items are not allocated to divisions for reporting purposes. For further discussion of these items please refer to note 7 on page 38 of this document.

Revenue reduced by £24.4 million to £190.4 million (2023: £214.8 million) including a £9.2 million foreign exchange headwind. Organic constant currency revenue was down 1 per cent excluding the impact of the Project Albert divestment to £186.1 million (2023: £197.5 million), and 6 per cent higher also excluding the £5.3 million unwind of pass-through revenue.

Adjusted operating profit increased by £4.6 million to £28.5 million (2023: £23.9 million) with the benefit of volume growth and efficiencies in part offset by a £1.3 million foreign exchange headwind and a £1.4 million reduction from the disposal of the Dongguan site, as part of Project Albert. The adjusted operating profit margin increased to 15.0 per cent (2023: 11.1 per cent) due to good operational leverage on volume increases, site efficiencies and the reduction in zero margin pass-through revenues. Excluding £5.3 million of pass-through revenues and Project Albert, adjusted operating margin was 15.6 per cent (2023: 12.5 per cent).

We are in the process of increasing further our capacity within our Malaysian facility in advance of anticipated customer demand growth and transfer of programmes from other sites. The preparation and transfer work, together with associated one-off costs, will take place over the course of 2025 with revenue being delivered from Malaysia from 2026.

Order intake in the year was 6 per cent lower than the prior year, although this is largely timing related due to the orders relating to the transfer of activity from Suzhou to Kuantan being delayed in 2025, with revenues for 2025 expected to be up low single digit excluding the pass-through revenue unwind.

There have been a number of key wins during the year including:

Life sciences & diagnostics

TT has been awarded a five-year contract from a global provider of life sciences and diagnostics equipment. Our Suzhou facility, which has also been designated as a “preferred supplier”, will provide complex PCBA that support microplate readers used in various laboratory environments.

Railway signalling

Building on a 10+year relationship, TT has secured a new contract with China’s leading rail transit control system integrator. The award will involve delivering complex, high-level assembly of large-scale cabinets for the signal control systems that will support Wuhan Metro Line 12 – the longest metro line in Asia and the second-longest in the world. TT now supports more than eight metro line projects, with more on the horizon.

Radiotherapy equipment

TT has secured a new contract with one of the world’s leading manufacturers of radiotherapy systems. TT will manufacture large-scale cabinets that support highly sophisticated linear accelerators, which help deliver radiation quickly and effectively to patients undergoing cancer treatment. The three year contract is worth over £2 million.

Our markets

Healthcare (23 per cent of Group revenue)

TT is positioned to address transformative trends in healthcare through advanced technologies and robust manufacturing capabilities that enable healthcare innovation for a range of diagnostic, surgical and direct patient care devices critical to the identification, treatment and prevention of disease. Growth is driven by a combination of rising chronic disease rates, shifting demographics with growing patient expectations and the importance of digitalisation; electronics plays a central role in advancing the progress of medical technology.

The life sciences and healthcare sector experienced broader market headwinds in 2024, with major diagnostic and medical device companies adjusting their inventory levels and capital spending in response to macroeconomic pressures. This recalibration by key customers temporarily impacted our healthcare revenue, though we maintained our strategic position with key accounts. Our differentiated capabilities and strong customer relationships position us well to benefit from the sector's fundamental growth drivers as market conditions normalise.

We have increased our exposure to this attractive end market from 13 per cent of Group revenue in 2015 to 23 per cent in 2024. Our power, connectivity and sensor technologies span the modern surgical suite from patient monitoring and therapeutic devices to surgical navigation tools, miniaturised implantable devices, advanced diagnostics, life sciences equipment and remote health monitoring. By supporting our life sciences partners, we are improving laboratory automation systems and enabling samples to be collected and analysed with minimal human intervention, the benefits of which are improved data reliability and accuracy, minimised wastage and time-efficient procedures.

TT is focused on growing in three areas where we are well placed to capitalise on increasing demand for high-complexity products driven by technological advancement: robotic surgery, implantable devices and life sciences. We are supporting the development of smaller, lighter, more precise surgical devices, enabling reduced size of incisions, thereby shortening recovery times and improving overall patient outcomes. TT's sensors, electromagnetic components and power supplies meet the stringent reliability and safety standards required for life-saving robotic systems, ensuring stable and precise performance in critical applications.

Aerospace & Defence (27 per cent of Group revenue)

In Aerospace & Defence, we provide solutions for high-reliability applications across a broad range of mission critical platforms operating on land, air and sea. Growth is driven by increasing electrification of these platforms, which supports fuel efficiency and safety and global investments in national security. The global aerospace industry is experiencing robust growth with strong demand for new aircraft as airlines address rising passenger volumes and modernise fleets. Order backlogs remain significant, with manufacturers ramping up production to meet the need for fuel efficient, reliable aircraft. Our portfolio of advanced power conversion technologies, precision components, and contract manufacturing capabilities is critical in supporting these next-generation aircraft.

Geopolitical uncertainties have driven significant increases in global defence spending, particularly among NATO countries. The defence electronics manufacturing market exhibits consistent, moderate expansion as governments invest to maintain state-of-the-art capabilities. Defence aerospace production is forecast to grow at 3 per cent CAGR through to 2033, driven by demand for next-generation fighter jets, hypersonic systems, precision-guided missiles and smart munitions. TT's products are engineered to meet the stringent demands of defence applications. Our power solutions deliver reliable performance in high-stress environments, while our sensors provide precise, real-time data essential for navigation, targeting and threat detection in modern defence systems. Additionally, our PCBA and complex manufacturing services supply custom assemblies critical to mission success.

Across land, air and sea, TT supports platforms including the Tempest fighter jet, the Boxer land defence vehicle, various maritime systems and many more classified programmes.

Furthermore, TT is actively investing in R&D, in power management in particular, to help enable the shift to electrification in the aerospace industry.

Automation & Electrification (33 per cent of Group revenue)

In Automation & Electrification markets, customers rely on TT to help solve their toughest automation and electrification challenges by streamlining their supply chains, driving performance, increasing efficiency and helping them bring smart, new products to the market.

Market dynamics in the industrial automation sector were mixed in 2024, with semiconductor capital equipment customers showing resilience despite cyclical pressures. However, the broader industrial distribution channel experienced more pronounced softening as distributors and OEM customers worked through elevated inventory positions accumulated in prior periods. While this temporary inventory correction impacted our components business, our strategic position in high-reliability industrial applications and semiconductor manufacturing remains strong, supported by long-term automation and electrification trends. Digitalisation is a megatrend in its own right as it permeates every industry and offers solutions for many of the challenges faced.

TT's expertise supports the semiconductor market's growth, partnering with leading semiconductor equipment manufacturers, delivering sensors, resistors, PCBA, cable harnesses and complex electronic assemblies, enabling breakthroughs in energy efficiency, AI-driven systems and next-generation industrial technologies. Our regional facilities and expertise in automation and complex electronic assembly support shifts to localisation trends providing supply chain resilience and responsiveness, reducing dependency on overseas markets while enhancing operational stability.

Given the wide scope of these markets, performance correlates strongly with global economic growth, with key indicators being GDP growth and the Purchasing Managers' Index ("PMI"), but the digitisation and proliferation of electronics and electrification means markets will grow faster than these indicators. The positive long-term growth drivers in this market give us confidence that demand will increase for our power, sensing and connectivity solutions.

Distribution sales channel (17 per cent of Group revenue)

Our revenues through distributors declined in 2024 as this is the route to market for much of our component products, where demand was weak due to ongoing de-stocking. This area now represents 17 per cent of our overall sales. The demand from distributors comes from a very wide range of customers and end markets but is, in large part, driven by the same megatrends supporting our focus end markets including rapid technological change and digital transformation.

FINANCIAL OVERVIEW

Group revenue was £521.1 million (2023: £613.9 million). This included a currency translation headwind of £16.7 million. Group revenue was 13 per cent lower than the prior year at constant currency. Adjusting for the impact of the divestment and excluding zero margin pass-through revenues, revenue was 2 per cent lower on an organic basis.

The Group's adjusted operating profit was £37.1 million (2023 restated: £47.1 million) and statutory operating loss was £23.5 million (2023 restated: £3.0 million profit) after a charge for items excluded from adjusted operating profit of £60.6 million (2023: £44.1 million) comprising:

- restructuring credit of £0.1 million (2023: £2.0 million costs);
- pension restructuring costs of £1.3 million (2023: £1.9 million) relating mainly to work to prepare the UK defined benefit scheme for buy-out;
- acquisition and disposal costs totalled £4.5 million (2023: £3.1 million) relating to the Project Albert divestment, Torotel and Ferranti integration;
- amortisation of intangible assets arising on business combinations of £2.7 million (2023: £4.6 million); and
- non-cash asset write-down in the North American region of £52.2 million linked to revised forecasts for the business (2023: £32.5 million relating to businesses held for sale in our IoT and GMS CGUs) being a £36.7 million non-cash impairment of goodwill for the region and a £15.5 million asset write-down in relation to one North American components site.

The Group generated an adjusted operating margin of 7.1 per cent (2023 restated: 7.7 per cent) with the decrease as a result of the significant headwinds faced in our North American components business, severance costs incurred in response to this and operational issues at Kansas City and Cleveland in North America.

The reported operating profit for 2023 has been restated by £(5.7) million as described further in note 2. This is principally related to our Cleveland site where, as part of our project to address operational execution challenges, we identified issues in relation to the recoverability of certain assets recognised in prior periods at this site in North America.

The net finance cost was £9.9 million (2023: £9.8 million) with the impact of higher base rates and being offset by lower drawn debt levels. The Group's overall tax charge was £20.0 million (2023 restated: £4.5 million), including a £12.3 million charge (2023: £3.5 million credit) on items excluded from adjusted profit. The adjusted tax charge was £7.7 million (2023 restated: £8.0 million), resulting in an effective adjusted tax rate of 28.3 per cent (2023 restated: 21.4 per cent). Loss after tax was £53.4 million (2023 restated: £11.3 million). Adjusted EPS decreased to 11.0 pence (2023 restated: 16.7 pence), reflecting the reduction in adjusted operating profit in the period. Basic EPS was a loss of 30.2 pence (2023 restated: 6.4 pence loss).

Adjusted operating cash inflow after capex was £43.4 million (2023: £48.8 million inflow). The reduction was as a result of lower adjusted operating profit offset by a significantly reduced outflow on capital expenditure. Capital and development expenditure of £8.7 million (2023: £24.0 million) reflected management actions to reduce discretionary spend. There was a total working capital outflow of £1.2 million (2023 restated: £6.8 million inflow), including a £12.8 million inflow from inventory reduction. This resulted in adjusted operating cash conversion of 117 per cent (2023 restated: 104 per cent). On a statutory basis, cash flow from operating activities was £51.2 million (2023: £62.9 million).

There was a free cash inflow of £27.7 million (2023: inflow £23.9 million), net of £0.6 million of restructuring and acquisition related costs (2023: £4.0 million) primarily pension costs of £0.1 million (2023: £0.2 million) and other costs of £0.5 million (2023: £0.6 million). In 2024 there was a £11.2 million pension surplus refund from the UK defined benefit scheme after tax (2023: £3.2 million) and there was a £1.8 million cash outflow on the buy-out of our smaller US defined benefit scheme which completed in January 2024. Dividend payments totalled £12.2 million (2023: £11.3 million).

At 31 December 2024, the Group's net debt was £97.4 million (31 December 2023: £126.2 million), including £17.3 million of lease liabilities (31 December 2023: £20.8 million). Leverage at 31 December 2024, consistent with the bank covenants, was 1.8 times (31 December 2023 restated: 1.9 times). As detailed on page [20] below, the Group's net interest covenant has been relaxed from 4.0 times to 3.0 times at 30 June 2025 and 3.25 times at 31 December 2025, before reverting to 4.0 times.

OTHER FINANCIAL INFORMATION

Summary of adjusted results

To assist with the understanding of earnings trends, the Group has included non-GAAP alternative performance measures including adjusted operating profit and adjusted profit. Further information is contained in the "Reconciliation of KPIs and non IFRS measures" on pages 45 to 53. A reconciliation of statutory to adjusted profit numbers is set out on page 20.

A summary of the Group's adjusted results is set out below:

£ million	2024	2023 restated
Revenue	**521.1**	613.9
Operating profit	**37.1**	47.1
Operating margin	***7.1%***	*7.7%*
Net finance expense	**(9.9)**	(9.8)
Profit before tax	**27.2**	37.3
Tax	**(7.7)**	(8.0)
Tax rate	***28.3%***	*21.4%*
Profit after tax	**19.5**	29.3
Weighted average number of shares	***176.9 million***	*175.6 million*
EPS	**11.0p**	16.7p

Cash flow, net debt and leverage

The table below sets out Group cash flows and net debt movement:

£ million	2024	2023 restated
Adjusted operating profit	**37.1**	47.1
Depreciation and amortisation	**13.8**	16.5
Net capital expenditure	**(6.9)**	(22.4)
Capitalised development expenditure	**(1.8)**	(1.6)
Working capital	**(1.2)**	6.8
Other	**2.4**	2.4
Adjusted operating cash flow after capex.	**43.4**	48.8
Adjusted operating cash conversion	***117%***	*104%*
Net interest and tax	**(20.3)**	(19.7)
Lease payments	**(4.2)**	(4.4)
Restructuring, acquisition and disposal related costs	**(0.6)**	(4.0)
Retirement benefit schemes	**9.4**	3.2
Free cash flow	**27.7**	23.9
Dividends	**(12.2)**	(11.3)
Lease payments	**4.2**	4.4
Equity issued/acquired	**0.8**	1.3
Project Albert divestment costs	**12.2**	(3.6)
Other	**(2.1)**	(1.2)
Decrease in net debt	**30.6**	13.5
Opening net debt	**(126.2)**	(138.4)
New, acquired, modified and surrendered leases	**(3.0)**	(3.4)
Leases transferred to liabilities held for sale	**2.6**	2.6
FX and other	**(1.4)**	(1.5)
Closing net debt as per balance sheet	**(97.4)**	(127.2)
Cash and leases held within assets and liabilities held for sale	–	1.0
Closing net debt including assets and liabilities held for sale	**(97.4)**	(126.2)

At 31 December 2024 the Group's net debt was £97.4 million (31 December 2023: £126.2 million). Included within net debt was £17.3 million of lease liabilities (31 December 2023: £20.8 million).

Consistent with the Group's borrowing agreements, which exclude the impact of leases, leverage ratio was 1.8 times at 31 December 2024 (31 December 2023 restated: 1.9 times). Net interest cover was 4.4 times (31 December 2023 restated: 5.7 times).

The Group's debt covenants state that the leverage ratio must not exceed 3.0 times and interest cover must be over 4.0 times. The Group has agreed with its lenders a temporary amendment to the existing financing facilities for the periods to 30 June 2025 and 31 December 2025. The amendment relates specifically to the financial covenant regarding interest cover to provide the Group with additional headroom. Under the amendment, the interest cover covenant will be reduced from a minimum ratio of EBITDA to net finance charges of 4.0 times to 3.0 times and 3.25 times for the periods to 30 June 2025 and 31 December 2025 respectively. During the relaxation period, in the event that interest cover falls below or is forecast to be less than 4.0 times the Board would not be able to declare or pay a dividend.

Reconciliation of adjusted results

Details of the reasons for and uses of adjusted measures are included in the section titled "Reconciliation of KPIs and non IFRS measures" on pages 45 to 53 of this announcement.

£ million	**2024**	**2023 restated**
Operating profit/(loss)	**(23.5)**	3.0
Adjusted to exclude:		
Restructuring and other items		
Restructuring	**(0.1)**	2.0
Pension restructuring costs	**1.3**	1.9
Asset write-downs		
Held for sale write-down	**–**	32.5
Goodwill & fixed asset write-down	**52.2**	–
Acquisition and disposal related costs		
Amortisation of intangible assets arising on business combinations	**2.7**	4.6
Acquisition & disposal costs	**4.5**	3.1
Total operating reconciling items	**60.6**	44.1
Adjusted operating profit	**37.1**	47.1
(Loss)/profit before tax	**(33.4)**	(6.8)
Total operating reconciling items (as above)	**60.6**	44.1
Adjusted profit before tax	**27.2**	37.3
Taxation charge on adjusted profit	**(7.7)**	(8.0)
Adjusted profit after taxation	**19.5**	29.3

DIVISIONAL PERFORMANCE

As part of the Capital Market Event on 9 April 2024 we articulated the move to a function-led, regional reporting structure. This move from our previous divisional structure will enable us to better leverage our strong engineering and manufacturing capabilities to improve execution, unlock value and improve returns.

For purposes of transparency, we committed to provide the supplementary disclosure covering the previous divisional segment performance – both the interim 2024 results and for the full-year 2024 results. There will be no further divisional disclosure beyond this point. The tables below include the contribution from the assets divested as part of Project Albert.

POWER AND CONNECTIVITY

	2024	2023	Change	Change constant fx[1]
Revenue	**£169.5m**	£169.7m	0%	2%
Adjusted operating profit[1]	**£20.9m**	£13.8m	51%	55%
Adjusted operating margin[1]	**12.3%**	8.1%	420bps	420bps

GLOBAL MANUFACTURING SOLUTIONS

	2024	2023 restated	Change	Change constant fx[1]
Revenue	**£252.8m**	£299.2m	(16)%	(12)%
Adjusted operating profit[1]	**£24.7m**	£22.4m	10%	17%
Adjusted operating margin[1]	**9.8%**	7.5%	230 bps	250 bps

SENSORS AND SPECIALIST COMPONENTS

	2024	2023	Change	Change constant fx[1]
Revenue	**£98.8m**	£145.0m	(32)%	(30)%
Adjusted operating profit[1]	**£(0.9)m**	£19.0m	(105)%	(105)%
Adjusted operating margin[1]	**(0.9)%**	13.1%	(1400) bps	(1390) bps

Cautionary statement

This report contains forward-looking statements. These have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. The Directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The Directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Consolidated income statement

For the year ended 31 December 2024

£million (unless otherwise stated)	Note	2024	2023 Restated [1]
Revenue	3	521.1	613.9
Cost of sales		(411.4)	(471.6)
Gross profit		109.7	142.3
Distribution costs		(22.9)	(26.9)
Administrative expenses		(110.3)	(112.4)
Operating (loss)/profit		(23.5)	3.0
Analysed as:			
Adjusted operating profit	3	37.1	47.1
Restructuring costs	7	0.1	(2.0)
Pension restructuring costs	7	(1.3)	(1.9)
Asset impairments and measurement losses	7	(52.2)	(32.5)
Amortisation of intangible assets arising on business combinations	7	(2.7)	(4.6)
Acquisition and disposal related costs	7	(4.5)	(3.1)
Finance income	6	1.6	1.6
Finance costs	6	(11.5)	(11.4)
Loss before taxation		(33.4)	(6.8)
Taxation	8	(20.0)	(4.5)
Loss for the year attributable to the owners of the Company		(53.4)	(11.3)
EPS attributable to owners of the Company (pence)			
Basic	10	(30.2)	(6.4)
Diluted	10	(30.2)	(6.4)

1. 2023 results have been restated as described in note 2.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

£million	2024	2023 Restated [1]
Loss for the year	(53.4)	(11.3)
Other comprehensive income/(loss) for the year after tax		
Items that are or may be reclassified subsequently to the income statement:		
Exchange differences on translation of foreign operations	2.9	(17.3)
Tax on exchange differences	(0.4)	1.1
Foreign exchange gain on disposals recycled to income statement	(0.6)	-
(Loss)/gain on hedge of net investment in foreign operations	(0.8)	1.8
(Loss)/gain on cash flow hedges taken to equity less amounts recycled to the income statement	(10.2)	3.5
Deferred tax gain/(loss) on movement in cash flow hedges	2.4	(0.7)
Items that will not be reclassified to the income statement:		
Remeasurement of defined benefit pension schemes	(2.3)	0.2
Tax on remeasurement of defined benefit pension schemes	3.1	(0.1)
Total comprehensive loss for the year attributable to the owners of the Company	(59.3)	(22.8)

1. 'Loss for the year' has been restated as described in note 2.

Consolidated statement of financial position

For the year ended 31 December 2024

£million	Note	2024	2023 Restated [1]	2022 Restated [1]
ASSETS				
Non-current assets				
Right-of-use assets		**9.9**	15.8	19.6
Property, plant and equipment		**49.3**	61.3	54.8
Goodwill	5	**105.4**	140.8	155.1
Other intangible assets		**30.8**	32.7	53.7
Deferred tax assets	8	**13.1**	16.6	13.2
Derivative financial instruments		**-**	0.8	0.8
Pensions	12	**7.1**	25.3	31.3
Total non-current assets		**215.6**	293.3	328.5
Current assets				
Inventories		**132.7**	142.7	189.2
Trade and other receivables		**91.2**	84.8	119.8
Income taxes receivable		**2.9**	2.0	1.1
Derivative financial instruments		**0.7**	5.2	3.1
Assets classified as held for sale		**-**	48.0	-
Cash and cash equivalents		**69.2**	74.1	65.0
Total current assets		**296.7**	356.8	378.2
Total assets		**512.3**	650.1	706.7
LIABILITIES				
Current liabilities				
Borrowings	11	**0.1**	1.2	3.7
Liabilities directly associated with assets classified as held for sale		**-**	28.1	-
Lease liabilities		**4.0**	3.8	4.4
Derivative financial instruments		**5.4**	1.5	3.6
Trade and other payables		**120.0**	127.9	173.2
Income taxes payable		**13.1**	10.9	9.6
Provisions		**3.7**	3.1	3.5
Total current liabilities		**146.3**	176.5	198.0
Non-current liabilities				
Borrowings	11	**149.2**	181.9	176.6
Lease liabilities		**13.3**	14.4	18.7
Derivative financial instruments		**2.4**	0.6	0.8
Deferred tax liability	8	**3.5**	7.0	12.4
Pensions	12	**1.5**	3.1	2.9
Provisions and other non-current liabilities		**1.2**	1.1	0.8
Total non-current liabilities		**171.1**	208.1	212.2
Total liabilities		**317.4**	384.6	410.2
Net assets		**194.9**	265.5	296.5
EQUITY				
Share capital	13	**44.5**	44.3	44.1
Share premium	13	**24.6**	24.0	22.9
Translation reserve		**41.8**	40.7	55.1
Other reserves		**4.0**	11.9	7.9
Retained earnings		**80.0**	144.6	167.1
Total equity		**194.9**	265.5	296.5

1. 'Inventories', 'Trade and other receivables' and 'deferred tax assets' have been restated as described in note 2.

Approved by the Board of Directors on 9 April 2025 and signed on their behalf by

Peter France — Director

Mark Hoad — Director

Consolidated statement of changes in equity

For the year ended 31 December 2024

£million	Share capital	Share premium	Translation Reserve	Other reserves	Retained earnings	Total
At 31 December 2022 - restated [1]	44.1	22.9	55.1	7.3	167.1	296.5
Loss for the year - restated [1]	-	-	-	-	(11.3)	(11.3)
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	(17.3)	-	-	(17.3)
Tax on exchange differences	-	-	1.1	-	-	1.1
Gain on hedge of net investment in foreign operations	-	-	1.8	-	-	1.8
Profit on cash flow hedges taken to equity less amounts recycled to the income statement	-	-	-	3.5	-	3.5
Deferred tax on movement in cash flow hedges	-	-	-	(0.7)	-	(0.7)
Remeasurement of defined benefit pension schemes	-	-	-	-	0.2	0.2
Tax on remeasurement of defined benefit pension schemes	-	-	-	-	(0.1)	(0.1)
Total comprehensive (loss)/income	-	-	(14.4)	2.8	(11.2)	(22.8)
Transactions with owners recorded directly in equity						
Equity dividends paid by the Company	-	-	-	-	(11.3)	(11.3)
Share-based payments	-	-	-	3.1	-	3.1
Deferred tax on share-based payments	-	-	-	(0.1)	-	(0.1)
New shares issued	0.2	1.1	-	-	-	1.3
Other movements	-	-	-	(1.2)	-	(1.2)
At 31 December 2023 - restated [1]	44.3	24.0	40.7	11.9	144.6	265.5
At 31 December 2023 - restated [1]	44.3	24.0	40.7	11.9	144.6	265.5
Loss for the year	-	-	-	-	(53.4)	(53.4)
Other comprehensive income/(expense)						
Exchange differences on translation of foreign operations	-	-	2.9	-	-	2.9
Tax on exchange differences	-	-	(0.4)	-	-	(0.4)
Foreign exchange gain on disposals recycled to income statement	-	-	(0.6)	-	-	(0.6)
Loss on hedge of net investment in foreign operations	-	-	(0.8)	-	-	(0.8)
Loss on cash flow hedges taken to equity less amounts recycled to income statement	-	-	-	(10.2)	-	(10.2)
Deferred tax on movement in cash flow hedges	-	-	-	2.4	-	2.4
Remeasurement of defined benefit pension schemes	-	-	-	-	(2.3)	(2.3)
Tax on remeasurement of defined benefit pension schemes	-	-	-	-	3.1	3.1
Total comprehensive income/(loss)	-	-	1.1	(7.8)	(52.6)	(59.3)
Transactions with owners recorded directly in equity						
Dividends paid by the Company	-	-	-	-	(12.2)	(12.2)
Share-based payments	-	-	-	2.2	-	2.2
Deferred tax on share-based payments	-	-	-	(0.2)	-	(0.2)
New shares issued	0.2	0.6	-	-	-	0.8
Payments to fund employee benefit trust	-	-	-	(2.1)	-	(2.1)
Other movements	-	-	-	-	0.2	0.2
At 31 December 2024	44.5	24.6	41.8	4.0	80.0	194.9

1. Balances have been restated as described in note 2.

Consolidated statement of cash flows

For the year ended 31 December 2024

£million	Note	2024	2023 Restated [1]
Cash flows from operating activities			
Loss for the year		(53.4)	(11.3)
Taxation	8	20.0	4.5
Net finance costs	6	9.9	9.8
Restructuring costs and non underlying asset impairments and remeasurements	7	53.4	36.4
Amortisation, acquisition and disposal related costs	7	7.2	7.7
Adjusted operating profit		37.1	47.1
Adjustments for:			
Depreciation		12.2	14.0
Amortisation of intangible assets		1.6	2.5
Share based payment expense		2.2	3.1
Scheme funded pension administration costs		1.1	1.6
Other items		0.2	(0.7)
Decrease in inventories		12.8	5.3
(Increase)/decrease in receivables		(2.2)	15.4
Decrease in payables and provisions		(12.9)	(15.5)
Adjusted operating cash flow		52.1	72.8
Reimbursement from pension schemes net of funding payments		9.4	3.2
Restructuring and acquisition related costs		(0.6)	(4.0)
Net cash generated from operations		60.9	72.0
Income taxes paid		(9.7)	(9.1)
Net cash flow from operating activities		51.2	62.9
Cash flows from investing activities			
Purchase of property, plant and equipment		(6.9)	(22.3)
Proceeds from sale of property, plant and equipment and government grants received		0.5	0.5
Capitalised development expenditure		(1.8)	(1.6)
Purchase of other intangibles		(0.5)	(0.6)
Proceeds from disposal of business	4	17.5	-
Cash with disposed businesses	4	(5.3)	-
Net cash flow from/(used) in investing activities		3.5	(24.0)
Cash flows from financing activities			
Issue of share capital	13	0.8	1.3
Interest paid		(10.6)	(10.6)
Repayment of borrowings		(49.2)	(26.1)
Proceeds from borrowings		15.1	32.7
Capital payment of lease liabilities		(4.2)	(4.4)
Payments to fund employee benefit trust		(2.1)	(1.2)
Dividends paid by the Company		(12.2)	(11.3)
Net cash flow used in financing activities		(62.4)	(19.6)
Cash transferred to held for sale		-	(3.6)
Net (decrease)/increase in cash and cash equivalents		(7.7)	15.7
Cash and cash equivalents at beginning of year including those classified as held for sale		76.5	61.3
Exchange differences		0.3	(4.1)
Cash and cash equivalents at end of year		69.1	72.9
Cash and cash equivalents comprise:			
Cash at bank and in hand		69.2	74.1
Bank overdrafts		(0.1)	(1.2)
Cash and cash equivalents at end of year		69.1	72.9
Cash and cash equivalents included within assets classified as held for sale		-	3.6
Cash and cash equivalents at end of year including those classified as held for sale		69.1	76.5

1.'Loss for the year', 'Taxation', 'Adjusted operating profit', 'Decrease in inventories', and '(Increase)/decrease in receivables' have been restated as described in note 2.

1 General information

The information set out below, which does not constitute full financial statements, is extracted from the audited financial statements

- was approved by the Directors on 9 April 2025;
- have been reported on by the Group's auditor; their reports were unqualified and did not contain statements under s498(2) or (3) of the Companies Act 2006. The auditor did draw attention to the material uncertainty related to going concern as set out on page 28;
- will be available to the shareholders and the public in April 2025; and
- will be filed with the Registrar of Companies following the Annual General Meeting.

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of UK adopted International Financial Reporting Standards ("IFRSs") adopted pursuant to IFRSs as issued by the IASB, this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs during April 2024.

2 Basis of preparation

Going concern

2024 has been a challenging year for the Group. Business performance has been mixed and adjusted EBITDA and interest cover reduced. In particular performance has been impacted by difficult component market conditions and operational challenges in our business in North America. These challenging conditions have continued into 2025, as anticipated.

As a result of the above the Group sought agreement from its lenders to an interest covenant relaxation which covers the covenant test dates at December 2024, June 2025 and December 2025.

From 30 June 2026 onwards, the Group's covenants will revert to original contractual levels and, as a result of this, the Directors have extended their going concern review period to 30 June 2026

During this extended going concern period, it is the potential impact of a possible covenant breach in the future which we consider to be the largest risk to going concern as any such breach would contractually allow the lenders to trigger default clauses and to request immediate repayment of all related facilities.

Financing

The Group's primary sources of £265.5 million in total borrowing facilities comprise:

- A £162.4 million committed revolving credit facility ("RCF"), signed in June 2022 and maturing in June 2027. The RCF operates on a floating rate basis tied to GBP SONIA, USD SOFR, or EURIBOR, depending on the loan currency. As at 31 December 2024, £75.9 million of the available £162.4 million RCF facility had been drawn down, as at 31 March 2025 the RCF drawn amount was £65.8 million;
- A £75 million fixed-rate loan issued in December 2021 to three institutional investors, evenly split between 7- and 10-year maturities, with an average interest rate of 3.65 per cent and the same covenants as our bank facility; and
- £28.1 million in uncommitted facilities (being overdraft lines and an accordion facility of £17.6 million)

There are no required repayments of principal amounts on any financing prior to the RCF maturity in 2027. Whilst drawdowns on existing facilities are required within the going concern review period, none of the Company's forecast models show any requirement for any additional financing beyond the existing committed facilities.

Financial Covenants and Agreement to Relaxation by Lenders

The Group's key financing facilities, the RCF and the fixed rate loans have the same financial covenant metrics relating to debt and interest cover which measures EBITDA against net debt and net interest. The loan agreements set these at a maximum debt cover of three times and a minimum interest cover of four times. All covenants are measured on a last twelve months basis ("LtM")

As of 31 December 2024, the calculated ratios for the financial covenants as defined in the loan agreements were as follows:

- Leverage ratio of 1.8 times; and
- Interest cover of 4.4 times

2 Basis of preparation continued

In December 2024, the Group agreed with its lenders, a relaxation of the interest cover covenant for 3 testing periods, as set out below:

Interest cover maximum	31 December 24	30 June 2025	31 December 2025	30 June 2026
Contractual	4.0x	4.0x	4.0x	4.0x
Agreed relaxation	3.75	3.0x	3.25x	n/a

In return for the relaxation, the Group has agreed that during the covenant relaxation period, in the event that interest cover falls, or is forecast in the next two testing periods to fall, below 4.0 times, then a dividend will not be paid until interest cover returns to above 4.0 times.

Forecasts and covenant compliance

The Group has prepared and reviewed detailed cash flow forecasts for the period through until 30 June 2026. These forecasts take into account the Group's financial position and potential impacts of principal risks on different divisions.

Key assumptions in the Group's financial projections for this period include revenue growth, operating profit growth and working capital projections. The Board considers the Company's Base Case scenario to be an appropriate base case for the going concern assessment. Under this base case scenario, the Group retains sufficient liquidity and covenant headroom throughout the forecast period, with interest cover not expected to fall below 4.0 times and debt cover expected to remain well within covenant limits.

The Group's financial projections have been stress-tested against "business as usual" risks (such as profit fluctuations, supply chain pressures, and working capital variances) as well as principal risks, including general revenue reduction, contractual obligations, workforce turnover, tariff impacts and health and safety. These risks were analysed both individually and collectively, assuming that all adversely impact EBITDA in all periods.

The Board notes that there are a number of inherent uncertainties within the Group's going concern forecasts, accordingly the Group extended these tests to take into account currently elevated geopolitical risks, operational issues experienced at two North America sites in 2024 and uncertainties about the timing of the return of demand in the Group's components market. In order to appropriately consider these risks and other principal risks in the business, the Company forecasts a severe downside scenario.

This severe downside scenario reduces EBITDA by £11.7 million, £23.9 million and £29.3 million for the 12 months to 30 June 2025, year ended 31 December 2025 and 12 months to 30 June 2026, respectively. At these levels of EBITDA, the modelling shows that the Group would need to implement some mitigating actions in order to meet the financial covenants. These mitigations could include but are not limited to reducing incentive payments, wage and salary savings, reduced dividends, capital expenditure and additional working capital measures. In this severe downside scenario, to remain compliant with covenants, the Group would need to implement mitigating actions with a EBITDA impact of circa £5 million or cash flow impact of circa £16 million, which the Board believes would be readily achievable from the range of mitigating actions available to the Group. After the impact of these mitigations, the modelling shows that severe downside scenario passing the financial covenants.

Impact of elevated macroeconomic and tariff uncertainty

Whilst the Group's severe downside scenario sought to take account of certain tariff and elevated geopolitical risks and the resultant impact on revenues, there have been significant emerging geopolitical and macroeconomic developments in these areas. These events are recent, fast moving, and the prospect of global recession and stress in the debt market has significantly increased.

There are a wide range of potential outcomes from the proposed US tariff regime, but any global macroeconomic downturn or recession has the potential to have an impact beyond that assumed in the severe downside case. As such, current global economic volatility may have an associated impact on the Company's ability to generate the EBITDA required to meet the Company's financial covenants over the going concern period.

As a result, the directors consider these matters represent a material uncertainty which may cast significant doubt upon the Group's ability and the Company's ability to continue as a going concern for a period up to 30 June 2026.

2 Basis of preparation continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Directors have assessed that there is currently no material impact arising from climate change on the judgements and estimates determining the valuations within the financial statements. In particular, the Group considered the impact of climate change in respect of going concern and viability of the Group over the next three years, forecast cash flows for the purposes of impairment assessments of non-current assets and the useful lives of certain assets. Whilst there is currently little short to medium-term impact expected from climate change, the Directors are aware of the changing nature of risks associated with climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's Consolidated Financial Statements.

Critical judgements

In the course of preparing the Financial Statements, critical judgements within the scope of paragraph 122 of IAS 1: "Presentation of Financial Statements" were made during the process of applying the Group's accounting policies. These are outlined below.

Adjusting items

Judgements were required as to whether items were disclosed as adjusting, with consideration given to both quantitative and qualitative factors. Further information about the determination of adjusting items in the year ended 31 December 2024 is included on page 30. Critical judgements involving estimates that have had a significant effect on the amounts recognised in the financial statements are set out below.

Key sources of estimation uncertainty

Assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- Note 8 – Taxation accruals. Accruals for tax contingencies require management to make judgements and estimates in relation to tax authority audits and exposures. Amounts accrued are based on management's interpretation of country-specific tax law and the likelihood of settlement. Tax benefits are not recognised unless the tax positions are probable of being sustained. Once considered to be probable, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation. These amounts are expected to be utilised or to reverse as tax audits occur or as the statute of limitations is reached in the respective countries concerned. The Group's current tax liability at 31 December 2024 includes tax provisions of £10.4 million (2023: £9.3 million). The Group believes the range of reasonable possible outcomes in respect of these exposures is tax liabilities of up to £13.9 million (2023: £12.3 million).

- Note 8 – Deferred tax assets. The Group completed a five year forward looking strategic plan covering the periods from 2025 to 2029. Under IAS 12 a deferred tax asset can only be recognised if it is considered probable that the business will achieve a net taxable profit in the near to utilise the deferred tax asset. Management determined that the strategic plan did not support full recovery of all deferred tax assets within the US, in the North America segment.

  As a result, the Group derecognised deferred tax assets of £16.0 million leaving deferred tax assets of £9.2 million which offset against the North American deferred tax liabilities. The charge was recognised in items excluded from adjusted profit (note 7). Should recovery of these US deferred tax assets become probable this would cause the Group to recognise up to an additional £16.0 million of deferred tax assets and a credit would be recognised in items excluded from adjusted profit.

- Note 5 – Assumptions used to determine the carrying value of goodwill in relation to the North America group of cash generating units ("CGUs"). The carrying amount of goodwill in relation to the North America group of CGUs at 31 December 2024 was £40.4 million after impairment (there is no comparative for 2023 as the Group's CGUs have changed in 2024 because the group has moved from divisions to a functional matrix structure across three regions as explained in note 5). Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which the goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from CGUs and a suitable discount rate to calculate present value. During the year a full impairment review was performed and an impairment of £36.7 million was recognised against goodwill held in the North America group of CGUs which was recognised within the North America segment in items excluded from adjusted operating profit. Should the business experience unforeseen deterioration of results a future impairment may be required. Further information is provided in note 7 and sensitivity analysis is provided in note 5.

2 Basis of preparation continued

Alternative performance measures

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

Adjusted operating profit has been defined as operating profit from continuing operations excluding the impacts of significant restructuring programmes, significant one-off items including property disposals, impairment charges significant in nature and/or value, business acquisition, integration, and divestment related activity, and the amortisation of intangible assets recognised on acquisition. Acquisition and disposal related items include the writing off of the pre-acquisition profit element of inventory written up on acquisition, other direct costs associated with business combinations and adjustments to contingent consideration related to acquired businesses. Restructuring includes significant changes in footprint (including movement of production facilities) and significant costs of management changes.

In addition to the items above, adjusting items impacting profit after tax include:

- The net effect on tax of significant restructuring from strategy changes that are not considered by the Group to be part of the normal operating costs of the business; and
- The tax effects of adjustments to profit before tax.

These financial statements include alternative performance measures that are not prepared in accordance with IFRS. These APMs have been selected by the Directors to assist them in making operating decisions because they represent the underlying operating performance of the Group and facilitate internal comparisons of performance over time.

The Directors consider the adjusted results to be an important measure used to monitor how the businesses are performing as this provides a meaningful reflection of how the businesses are managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

Prior year restatements

During a project to address the Cleveland operational execution challenges the Group identified certain balances held within the trade and other receivables and inventory financial statement line items in respect to the site that could not be substantiated. As a result, the Group commenced an internal investigation over the root cause of these matters, and concluded that they represented material errors as at 31 December 2023 which required prior period restatement. This was confirmed through the year end process and in consultation with our external auditors.

Primarily, these errors related to incorrect judgements associated with complex contracts, certain finance team members being inappropriately skilled, reconciliations not being appropriately performed or reviewed, compounded by staff turnover issues as well as insufficient challenge and review from the divisional finance team. As a result, we are strengthening the local finance team and the control findings and recommendations are being incorporated into our on-going work to improve the effectiveness of our internal controls over financial reporting.

In addition, a further matter of concern was identified in relation to North America. Further investigation was undertaken, under the oversight of the Audit Committee Chair, using resource from Group internal audit and an external forensic specialist. This review confirmed an accounting irregularity in relation to the inappropriate recording of certain costs as a prepaid asset, which whilst not quantitatively material, has also been restated in the 31 December 2023 balance sheet. The Committee noted inappropriate direction from senior finance employees related to this matter.

In respect of all matters above it was determined the recoverability of £0.5 million of receivables in 2022, £0.8 million of inventories in 2023 and £4.4 million of receivables in 2023 was lower than their presented carrying value. The directors considered these adjustments to be material and so the prior years have been restated.

In accordance with IAS 8: 'Accounting Policies, Changes in Accounting Policies and Errors' amounts in the consolidated income statement; consolidated statement of comprehensive income; consolidated statement of financial position; consolidated statement of changes in equity and consolidated statement of cash flows for the year ending 31 December 2023 have been restated.

The impact of this change is shown in the tables below

2 Basis of preparation continued

2022 £million	As published	Restatement of receivables	As Restated
Consolidated statement of changes in equity			
Retained earnings	167.6	(0.5)	**167.1**
Total equity	297.0	(0.5)	**296.5**

2022 £million	As published	Restatement of receivables	As Restated
Consolidated statement of financial position			
Trade and other receivables	120.3	(0.5)	**119.8**
Retained earnings	167.6	(0.5)	**167.1**
Total equity	297.0	(0.5)	**296.5**

2023 £million	As published	Restatement of prepayments	Restatement of receivables	Restatement of inventory	As Restated
Consolidated statement of financial position					
Inventories	143.5	-	-	(0.8)	**142.7**
Trade and other receivables	90.2	(1.0)	(4.4)	-	**84.8**
Deferred tax assets	15.4	0.2	0.8	0.2	**16.6**
Retained earnings	149.6	(0.8)	(3.6)	(0.6)	**144.6**
Total equity	270.5	(0.8)	(3.6)	(0.6)	**265.5**

2023 £million	As published	Restatement of prepayments	Restatement of receivables	Restatement of inventory	As Restated
Consolidated income statement					
Cost of sales	(466.9)	-	(3.9)	(0.8)	**(471.6)**
Gross profit	147.0	-	(3.9)	(0.8)	**142.3**
Administrative expenses	(111.4)	(1.0)	-	-	**(112.4)**
Operating profit	8.7	(1.0)	(3.9)	(0.8)	**3.0**
Adjusted operating profit	52.8	(1.0)	(3.9)	(0.8)	**47.1**
Loss before taxation	(1.1)	(1.0)	(3.9)	(0.8)	**(6.8)**
Taxation	(5.7)	0.2	0.8	0.2	**(4.5)**
Loss for the year	(6.8)	(0.8)	(3.1)	(0.6)	**(11.3)**

2023 £million	As published	Restatement of prepayments	Restatement of receivables	Restatement of inventory	As Restated
Earnings per share (p)					
Basic - adjusted	19.2	(0.4)	(1.7)	(0.4)	**16.7**
Diluted - adjusted	19.0	(0.4)	(1.7)	(0.5)	**16.4**
Basic	(3.9)	(0.4)	(1.7)	(0.4)	**(6.4)**
Diluted	(3.9)	(0.4)	(1.7)	(0.4)	**(6.4)**

2023 £million	As published	Restatement of prepayments	Restatement of receivables	Restatement of inventory	As Restated
Consolidated statement of cashflows					
Loss for the year	(6.8)	(0.8)	(3.1)	(0.6)	**(11.3)**
Taxation	5.7	(0.2)	(0.8)	(0.2)	**4.5**
Adjusted operating profit	52.8	(1.0)	(3.9)	(0.8)	**47.1**
Decrease in inventories	4.5	-	-	0.8	**5.3**
(Increase)/decrease in receivables	10.5	1.0	3.9	-	**15.4**
Adjusted operating cash flow	72.8	-	-	-	**72.8**
Net cash generated from operations	72.0	-	-	-	**72.0**
Net cash flow from operating activities	62.9	-	-	-	**62.9**
Net (decrease)/increase in cash and cash equivalents	15.7	-	-	-	**15.7**

3 Segmental reporting

In 2023 the Group was organised into three divisions which corresponded to the products and services provided. Following the organisational change put in place from 1 March 2024, which was announced internally in January 2024 and externally at the Capital Markets Event in April 2024, the group has now moved from divisions to a functional matrix structure across three regions. Segmental reporting in note 3a presents performance of both the new and old segments for 2023.

The Group is organised into three regions, as shown below. Each of these regions represents an operating segment in accordance with IFRS 8 'Operating segments' and there is no aggregation of segments. The chief operating decision maker is the Chief Executive Officer. The operating segments are:

- Europe - the Europe segment encompasses all the Group's European operations comprising the manufacturing sites in Sheffield, Bedlington, Manchester, Barnstaple, Nottingham, Abercynon, Fairford and Eastleigh as well as the European sales offices. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business;

- North America – the North America segment encompasses all the Group's North American operations comprising Juarez, Mexicali, Dallas, Minneapolis, Kansas, Denver, Cleveland and Boston. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business;

- Asia – the Asia segment encompasses all the Group's Asian operations comprising the manufacturing sites in Suzhou and Kuantan and the Singapore sales office. The regional segment is supported by a leadership team who have functional responsibilities that span the individual entities within the business.

The key performance measure of the operating segments is adjusted operating profit. Refer to the section titled 'Reconciliation of KPIs and non IFRS Measures' for a definition of adjusted operating profit.

Corporate costs - Resources and costs of the head office managed centrally but deployed in support of the operating units are allocated to segments based on a combination of revenue and adjusted operating profit.

Resources and costs of the head office which are not related to the operating activities of the trading units are not allocated to regions and are separately disclosed, equivalent to the segment disclosure information, so that reporting is consistent with the format that is used for review by the chief operating decision maker. This gives greater transparency of the adjusted operating profits for each segment. Adjusting items are not allocated to segments for reporting purposes. For further discussion of these items see note 7.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Goodwill is allocated to the segments which comprise groups of cash generating units as this is the level at which goodwill is monitored.

a) Income statement information

						2024
£million	Europe	North America	Asia	Total Operating Segments	Central	Total
Sales to external customers	146.3	184.4	190.4	521.1	-	521.1
Adjusted operating profit	18.9	(2.7)	28.5	44.7	(7.6)	37.1
Add back: adjustments made to operating profit (note 7)						(60.6)
Operating profit						(23.5)
Net finance costs						(9.9)
Profit before taxation						(33.4)

3 Segmental reporting continued

£million	2023 Restated 1					
	Europe	North America	Asia	Total Operating Segments	Central	Total
Sales to external customers	169.6	229.5	214.8	613.9	-	613.9
Adjusted operating profit	11.9	19.4	23.9	55.2	(8.1)	47.1
Add back: adjustments made to operating profit (note 7)						(44.1)
Operating profit						3.0
Net finance costs						(9.8)
Loss before taxation						(6.8)

1. 'Adjusted operating profit' has been restated as described in note 2. This was in the North America segment.

£million	2023 Restated 1					
	Power and Connectivity	Global Manufacturing Solutions	Sensors and Specialist Components	Total Operating Segments	Central	Total
Sales to external customers	169.7	299.2	145.0	613.9	-	613.9
Adjusted operating profit	13.8	22.4	19.0	55.2	(8.1)	47.1
Add back: adjustments made to operating profit (note 7)						(44.1)
Operating profit						3.0
Net finance costs						(9.8)
Loss before taxation						(6.8)

1. 'Adjusted operating profit' has been restated as described in note 2. This was in the Global Manufacturing Solutions and Power and Connectivity segments.

b) Geographic information

Revenue by destination

The Group operates on a global basis. Revenue from external customers by geographical destination is shown below. Management monitors and reviews revenue by region rather than by individual country given the significant number of countries where customers are based.

£million	2024	2023
United Kingdom	111.8	144.7
Rest of Europe	71.6	95.7
North America	214.6	225.1
Asia	122.6	145.5
Rest of the World	0.5	2.9
	521.1	613.9

Revenue from services is less than 1% of Group revenues. All other revenue is from the sale of goods.

C) Market information key customers

The Group operates in the following markets:

£million	2024	2023
Healthcare	118.1	146.3
Aerospace and defence	142.1	123.5
Automation and electrification	174.3	221.4
Distribution	86.6	122.7
	521.1	613.9

The Group had no customers who contributed greater than 10% of revenues in 2024 or 2023.

4 Disposals

On 31 March 2024 the Group sold three business units within the Europe and Asia segments to the Cicor Group for a cash consideration of £20.2 million comprising £22.2 million received in March 2024 less a consideration adjustment of £2.0 million paid in July 2024. The divestment relates to business units in Hartlepool and Cardiff, UK and Dongguan, China which provide electronics manufacturing services and certain connectivity products, principally to industrial clients. The disposed business units contributed £16.1 million of revenue and £0.2 million of operating loss during 2024.

The assets and liabilities disposed are presented below.

£million	31 March 2024
Property, plant and equipment	0.3
Other intangible assets	0.2
Inventories	28.0
Cash and cash equivalents	5.3
Trade and other receivables	11.4
Assets within disposal group	45.2
Liabilities	
Lease liabilities	2.6
Derivative financial instruments	0.4
Trade and other payables	18.7
Provisions	0.4
Deferred tax liability	1.0
Liabilities within disposal group	23.1
Net assets disposed	22.1

£million	
Net proceeds per the statement of cashflows	17.5
Cash with disposed businesses	(5.3)
Impact on net debt (see note 11)	12.2

£million	
Cash consideration received	22.2
Disposal costs paid	(2.7)
Net proceeds per the statement of cashflows at H1 2024	19.5
Working capital adjustment paid in H2 2024	(2.0)
Net proceeds per the statement of cashflows	17.5
Net assets disposed	(22.1)
Disposal costs accrual	(0.4)
Cumulative translation difference recycled on disposal	0.6
Loss on disposal	(4.4)

The loss on disposal of £4.4 million has been reported within items excluded from adjusted operating profit which is disclosed in note 7.

5 Goodwill

£million

Cost	
At 1 January 2023	172.8
Transferred to held for sale	(26.3)
Net exchange adjustment	(5.7)
At 31 December 2023	140.8
Net exchange adjustment	1.3
At 31 December 2024	**142.1**
Impairment	
At 1 January 2023	17.7
Transferred to held for sale	(17.7)
At 31 December 2023	-
Impairment	36.7
At 31 December 2024	**36.7**
Net book value	
At 31 December 2024	**105.4**
At 31 December 2023	140.8

Goodwill arising from acquisitions represents the premium paid above the fair value of net assets, including identified intangible assets, at the time of acquisition. Future enhancements to acquired businesses—driven by strategic direction, operational efficiencies, and investment—are expected to improve profitability over the ownership period.

In 2023, the Group operated through three divisions aligned with its product and service offerings. However, following an organisational restructuring effective 1 March 2024—internally announced in January 2024 and externally at the Capital Markets Event in April 2024—the Group transitioned to a functional matrix structure spanning three regions. See note 3 for more details. Following this Group restructure goodwill was re-allocated to the new groups of CGUs shown in the table below. At this point goodwill was re-assessed and no indicators of impairment were found.

Goodwill is allocated to groups of CGUs and monitored at this level. Each group of CGUs comprises multiple CGUs which are primarily individual manufacturing sites.

In the year ended 31 December 2023 £8.6 million of goodwill (net of £17.7 million impairment) was transferred to assets held for sale. The amount transferred comprised £6.4 million (net of £17.7 million impairment) relating to the IoT Solutions CGU and £2.2 million related to the Global Manufacturing Solutions group of CGUs. These two CGUs ceased to exist after the re-allocation of goodwill to new groups of CGUs following the Group's new regional structure (see above).

Goodwill, excluding amounts transferred to assets held for sale, is attributed to the following groups of CGUs below:

£million	2024	2023
Europe:		
Europe	52.7	-
North America:		
North America	40.4	-
Asia:		
Asia	12.3	-
Power and Connectivity:		
Power Solutions	-	63.7
IoT Solutions	-	3.5
Global Manufacturing Solutions:		
Global Manufacturing Solutions	-	16.7
Sensors and Specialist Components:		
Resistors	-	32.3
Sensors	-	24.6
Total	105.4	140.8

5 Goodwill continued

Impairment Testing

The Group tests goodwill impairment annually or more frequently if there are indications that goodwill might be impaired.

Recoverable amounts for CGUs are calculated using a value-in-use approach. Key assumptions include discount rates, growth projections, and operating cash flow forecasts. Growth rates beyond the forecast period align with long-term GDP projections, capped at long-term inflation rates for the primary CGU market. These rates are determined based on the Group's geographic footprint and market presence Discount rates are estimated using pre-tax rates that reflect market conditions and CGU-specific risks. In determining the cost of equity, the Capital Asset Pricing Model has been used. Accordingly the cost of equity is determined by adding a risk premium, based on an industry adjustment, to the expected return of the equity market above the risk-free return. The relative risk adjustment reflects the risk inherent in each group of CGUs relative to all other sectors and geographies on average.

The cost of debt is determined using a risk-free rate based on the cost of government bonds, and an interest rate premium equivalent to a corporate bond with a similar credit rating to TT Electronics Plc.

Long-term growth assumptions reflect anticipated demand trends in line with economic conditions. Price evolution and cost-control measures are expected to drive sustained profitability improvements. Management has detailed plans in place reflecting the latest budget and strategic growth plan. The pre-tax discount rates and periods of management approved forecasts are shown below. The discount rates used in the annual impairment test as at 30 September 2024 (Europe and Asia) and 31 December 2024 (North America) are shown below:

			2024			2023
	Pre-tax discount rate	Long term growth rate	Period of forecast (years)	Pre-tax discount rate	Long term growth rate	Period of forecast (years)
Europe:						
Europe	14.7%	1.4%	5.0			
North America:						
North America	15.5%	2.1%	5.0			
Asia:						
Asia	14.6%	3.5%	5.0			
Power and Connectivity:						
Power Solutions				13.8%	2.0%	5.0
IoT Solutions				14.1%	1.9%	5.0
Global Manufacturing Solutions:						
Global Manufacturing Solutions				16.5%	3.1%	5.0
Sensors and Specialist Components:						
Resistors				13.8%	1.9%	5.0
Sensors				13.6%	2.0%	5.0

The date of the annual impairment test was 30 September 2024 for the Europe and Asia CGUs with the impairment test for North America being carried out as at 31 December 2024. The recoverable amounts associated with the goodwill balances which are based on these performance projections and current forecast information do not indicate that any goodwill balance, other than that for North America, is impaired. Based on the impairment testing performed, an impairment charge of £36.7 million was recorded in 2024 (2023: £nil) in respect of the North America group of CGUs related to the operational issues and weak performance in North America, the timing of the recoverability in the profitability and certain macroeconomic assumptions including the discount rate. After impairment, the recoverable amount of the North America group of CGUs was £148.8 million.

The impairment charge is shown as an adjusting item (see note 7) in conjunction with related assets in the North America group of CGUs. In the prior year an impairment charge of £17.7 million was recognised in relation to the IoT Solutions CGU and was recorded in assets held for sale as at 31 December 2023.

5 Goodwill continued

Sensitivity Analysis

Sensitivity analysis has been performed on the key assumptions; operating cash flow projections, revenue growth rates and discount rate. Cash flows can be impacted by changes to sales prices, direct costs and replacement capital expenditure; individually they are not significant assumptions. Forecast sales growth rates are based on past experience adjusted for the strategic direction and near-term investment priorities. Cash flow forecasts are determined based on historic experience of operating margins, adjusted for the impact of changes in product mix and cost-saving initiatives, including the impact of our committed restructuring projects and cash conversion based on historical experience. If a company's actual performance does not meet these projections this could lead to an impairment of the goodwill in future periods.

In accordance with IAS 36 'Impairment of Assets', sensitivity analysis has been carried out with respect to the North America group of CGUs, which has a recoverable amount of £148.8 million as at 31 December 2024, as illustrated below:

- a further 1 per cent increase in the discount rate would result in a reduction in value in use (and additional impairment) of £11.3 million.
- a further 5 per cent decrease in operating profit over the entire assessment period (driven by lower than anticipated margin) would result in a reduction in value in use (and additional impairment) of £8.2 million.
- a 10 per cent reduction in the terminal value of operating profit (driven by lower than anticipated margin) would result in a reduction in value in use (and additional impairment) of £10.1 million.
- If working capital cash inflows expected in 2025 fail to materialise this would result in a reduction in value in use of £6.1 million
- A 12 month delay in the anticipated improvement in the financial performance of our Cleveland manufacturing site would result in a reduction in value in use (and additional impairment) of £14.9 million

6 Finance costs and finance income

£million	2024	2023
Interest income	0.5	0.1
Net interest income on pension schemes in surplus	1.1	1.5
Finance income	1.6	1.6
Interest expense	10.1	9.9
Interest on lease liabilities	0.7	0.8
Net interest expense on pension schemes in deficit	0.1	0.1
Amortisation of arrangement fees	0.6	0.6
Finance costs	11.5	11.4
Net finance costs	9.9	9.8

7 Adjusting items

As described in note 2 , adjusted profit measures are an alternative performance measure used by the Board to monitor the operating performance of the Group.

	2024		2023	
£million	Operating profit	Tax	Operating profit restated [1]	Tax restated [1]
As reported	(23.5)	(20.0)	3.0	(4.5)
Restructuring costs				
Restructuring costs	0.1	-	(2.0)	0.7
	0.1	-	(2.0)	0.7
Pension restructuring costs				
Pension restructuring costs	(1.3)	0.3	(1.9)	0.7
	(1.3)	0.3	(1.9)	0.7
Asset impairments and measurement losses				
Asset impairments	(52.2)	3.2	-	-
Deferred tax asset impairment	-	(16.0)		
Measurement loss on assets classified as held for sale	-	-	(32.5)	-
	(52.2)	(12.8)	(32.5)	-
Amortisation of intangible assets arising on business combinations				
Amortisation of intangible assets arising on business combinations	(2.7)	0.5	(4.6)	1.6
	(2.7)	0.5	(4.6)	1.6
Acquisition and disposal related costs				
Torotel integration costs	-	-	(0.4)	0.1
Ferranti Power and Control acquisition and integration costs	(0.2)	-	(1.3)	0.2
Disposal costs	(4.4)	(0.4)	(1.2)	0.2
Property sale	0.7	-	-	-
Other	(0.6)	0.1	(0.2)	-
	(4.5)	(0.3)	(3.1)	0.5
Total items excluded from adjusted measure	(60.6)	(12.3)	(44.1)	3.5
Adjusted measure	37.1	(7.7)	47.1	(8.0)

1. 'Adjusted operating profit' and 'tax' have been restated as described in note 2.

Restructuring credit £0.1 million (2023: £2.0 million cost)

Net restructuring credit was £0.1 million comprising a credit of £0.4 million in respect of the closure of our Barbados facility in 2021 partly offset by £0.3 million cost in respect of the closure of the Hatfield, USA facility. In the prior period restructuring costs of £2.0 million relate to costs associated with the relocation of production facilities from our USA site in Covina to Kansas, representing the last stage of the self-help programme which started in 2020.

Pension restructuring costs £1.3 million (2023: £1.9 million)

Pension restructuring costs of £1.3 million (2023: £1.9 million) comprised £1.1 million (2023: £1.9 million) associated with the buy out of the UK scheme and a settlement cost of £0.2 million in respect of the buy out of one of the US schemes that completed in January 2024.

Asset impairments and measurement losses £52.2 million (2023: £32.5 million)

Due to revised forecasts for one manufacturing site in North America, in the context of the weak components market, impairment charges were recognised in the North America segment. The impairment was £15.5 million in total comprising £9.9 million of property, plant and equipment, £5.4 million of right of use assets and £0.2 million of intangible assets. The impairment reduced the carrying value to £0.6 million for property, plant and equipment, representing fair value less cost of disposal, and £nil for right of use assets and intangible assets.

During the year an impairment of £36.7 million was recognised against goodwill for the North America segment reflecting recent trading performance and based on a prudent recovery assumption

As at 31 December 2024 the Group derecognised £16.0 million of deferred tax assets reflecting the recent performance and near term outlook for the North America region. The associated losses remain available to the Group once the North America region returns to taxable profit.

Measurement loss on assets classified as held for sale in the prior year of £32.5 million relates to the writing down of assets held for sale in preparation for the sale of three business units to the Cicor Group ('Project Albert', see note 4).

7 Adjusting items continued

Amortisation of intangible assets arising on business combinations £2.7 million (2023: £4.6 million)

Amortisation of intangible assets arising on business combinations £2.7 million (2023: £4.6 million) relate to amortisation of the fair value of acquired order books, acquired customer relationships and other intangible assets acquired on business combinations.

Acquisition and disposal related costs £4.5 million (2023: £3.1 million)

Acquisition and disposal related costs of £4.4 million (2023: £3.1 million) comprise £4.4 million (2023: £1.2 million) in relation to the sale of three business units to the Cicor Group ('Project Albert', see note 4), £0.3 million relating to costs incurred in preparing land for sale, £0.3 million relating to historic legal claims, £0.2 million (2023: £1.3 million) relating to the acquisition of the Power and Control business of Ferranti Technologies Ltd. based in Manchester, UK, and a gain of £0.7 million relating to the sale of property in Pembroke, UK. The prior year included £0.4 million of integration costs relating to the acquisition of Torotel, Inc based in Kansas, US.

8 Taxation

a) Analysis of the tax charge for the year

£million	2024	2023 Restated [1]
Current tax		
Current income tax charge	13.9	11.1
Adjustments in respect of current income tax of previous year	1.0	1.9
Total current tax charge	14.9	13.0
Deferred tax		
Relating to origination and reversal of temporary differences	(10.9)	(4.1)
Change in tax rate	0.1	-
Impairment of deferred tax assets in the North America segment	16.0	-
Adjustments in respect of deferred tax of previous years	(0.1)	(4.4)
Total deferred tax credit	5.1	(8.5)
Total tax charge in the income statement	20.0	4.5

1. The tax charge for 2023 has been restated as described in note 2.

The applicable tax rate for the period is based on the UK standard rate of corporation tax of 25.0% (2023: 23.5%). Overseas taxation is calculated at the rates prevailing in the respective jurisdictions. The Group's effective tax rate for the year was (59.9%) (the adjusted tax rate was 28.3%, see section 'Reconciliation of KPIs and non IFRS measures'). Included within the total tax charge above is a £12.3 million debit relating to items reported outside adjusted profit (2023: £3.5 million credit).

b) Reconciliation of the total tax charge for the year

£million	2024	2023 Restated [1]
Loss before tax from continuing operations	(33.4)	(6.8)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 25% (2023: 23.5%)	(8.3)	(1.5)
Effects of:		
Impact on deferred tax arising from changes in tax rates	0.1	0.1
Overseas tax rate differences	3.0	(0.5)
Items not deductible for tax purposes or income not taxable	8.2	9.7
Adjustment to current tax in respect of prior periods	0.9	0.1
Current year tax losses and other items not recognised	0.3	(0.8)
Impairment of deferred tax assets in the North America segment	16.0	-
Adjustments in respect of deferred tax of previous years	(0.2)	(2.6)
Total tax charge reported in the income statement	20.0	4.5

1. The tax charge for 2023 has been restated as described in note 2.

The overall aim of the Group's tax strategy is to support business operations by ensuring a sustainable tax rate, mitigating tax risks in a timely and cost-efficient way and complying with tax legislation in the jurisdictions in which the Group operates. It is however inevitable that the Group will be subject to routine tax audits or is in ongoing disputes with tax authorities in the multiple jurisdictions it operates within. This is much more likely to arise in situations involving more than one tax jurisdiction. Differences in interpretation of legislation, of global standards (e.g. OECD guidance) and of commercial transactions undertaken by the Group between different tax authorities are one of the main causes of tax exposures and tax risks for the Group.

8 Taxation continued

In order to manage the risk to the Group an assessment is made of such tax exposures and provisions are created using the best estimate of the most likely amount to be incurred within a range of possible outcomes. The resolution of the Group's tax exposures can take a considerable period of time to conclude and, in some circumstances, it can be difficult to predict the final outcome.

The current tax liability at 31 December 2024 includes tax provisions of £10.4 million (2023: £9.3 million). The Group believes the range of reasonable possible outcomes in respect of these exposures is tax liabilities of up to £13.9 million (2023: £12.3 million).

c) Deferred tax

The Group completed a five year forward looking strategic plan covering the periods from 2025 to 2029 in which it was forecast that the Europe and Asia regions would show increasing profitability. Therefore, a deferred tax asset relating to these regions was recognised on the basis that it is considered probable that net taxable profits will be recognised in the future.

The authorised pension surplus payments charge reduced from 35% to 25% from 6 April 2024. The deferred tax liability has been recognised at 25% (2023: 35%).

The amounts of deferred taxation assets/(liabilities) provided in the financial statements are as follows:

£million	As at 1 Jan 2024	Continuing operations	Recognised in equity/ OCI	Net exchange translation	As at 31 December 2024
Intangible assets	(8.5)	0.4	-	(0.1)	(8.2)
Property, plant and equipment	(1.4)	1.1	-	(0.2)	(0.5)
Deferred development costs	(0.3)	0.2	-	-	(0.1)
Retirement benefit obligations	(8.4)	3.8	3.1	0.1	(1.4)
Inventories	0.8	0.4	-	-	1.2
Tax losses	14.1	(13.0)	-	0.3	1.4
Unremitted overseas earnings	(0.8)	0.5	-	(0.1)	(0.4)
Share-based payments	0.7	(0.2)	(0.2)	-	0.3
Cash flow hedges	(0.6)	-	2.4	(0.2)	1.6
Short-term temporary differences	14.0	1.7	-	-	15.7
Net deferred tax asset/(liability)	9.6	(5.1)	5.3	(0.2)	9.6
Deferred tax assets	16.6				13.1
Deferred tax liabilities	(7.0)				(3.5)
Net deferred tax asset/(liability)	9.6				9.6

£million	As at 1 Jan 2023	Continuing operations	Recognised in equity/ OCI	Transferred to assets and liabilities classified as held for sale	Net exchange translation	As at 31 December 2023 Restated [1]
Intangible assets	(12.4)	1.2	-	2.7	-	(8.5)
Property, plant and equipment	0.8	(1.2)	-	(1.0)	-	(1.4)
Deferred development costs	(0.5)	0.2	-	-	-	(0.3)
Retirement benefit obligations	(10.4)	2.1	(0.1)	-	-	(8.4)
Inventories	0.9	(0.2)	-	-	0.1	0.8
Tax losses	10.7	3.6	-	-	(0.2)	14.1
Unremitted overseas earnings	(1.8)	1.0	-	-	-	(0.8)
Share-based payments	0.7	-	(0.1)	-	0.1	0.7
Cash flow hedges	0.1	-	(0.7)	-	-	(0.6)
Short-term temporary differences	12.7	1.8	-	(0.4)	(0.1)	14.0
Net deferred tax asset/(liability)	0.8	8.5	(0.9)	1.3	(0.1)	9.6
Deferred tax assets	13.2					16.6
Deferred tax liabilities	(12.4)					(7.0)
Net deferred tax asset/(liability)	0.8					9.6

1. 'Deferred tax assets' has been restated as described in note 2.

9 Dividends

	2024 pence per share	2024 £million	2023 pence per share	2023 £million
Final dividend paid for prior year	4.65	8.2	4.30	7.5
Interim dividend declared for current year	2.25	4.0	2.15	3.8

The Directors do not recommend a final dividend.

10 Earnings per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of shares in issue during the year.

Pence	2024	2023 Restated [1]
Loss per share (pence)		
Basic	(30.2)	(6.4)
Diluted	(30.2)	(6.4)

1. 'Loss per share' has been restated as described in note 2.

As the Group made a statutory loss in 2024 and 2023, diluted statutory EPS for 2024 has been calculated using the basic weighted average number of shares because using weighted average diluted shares would be anti-dilutive.

The numbers used in calculating adjusted, basic and diluted earnings per share are shown below. Adjusted earnings per share is based on the adjusted profit after interest and tax.

Adjusted earnings per share:

£million (unless otherwise stated)	2024	2023 Restated [1]
Loss for the year attributable to owners of the Company	(53.4)	(11.3)
Restructuring costs	(0.1)	2.0
Pension restructuring costs	1.3	1.9
Asset impairments and measurement losses	52.2	32.5
Amortisation of intangible assets arising on business combinations	2.7	4.6
Acquisition and disposal related costs	4.5	3.1
Tax effect of above items (see note 7)	12.3	(3.5)
Adjusted earnings	19.5	29.3
Adjusted earnings per share (pence)	11.0	16.7
Adjusted diluted earnings per share (pence)	10.9	16.4

1. 'Loss for the year attributable to owners of the Company' and 'Adjusted earnings per share' have been restated as described in note 2.

The weighted average number of shares in issue is as follows (new shares issued in the year described in note 13):

million	2024	2023
Basic	176.9	175.6
Adjustment for share awards	1.6	2.6
Diluted	178.5	178.2

11 Reconciliation of net cash flow to movement in net debt

Net cash of £69.1 million (2023: £76.5 million) comprises cash at bank and in hand of £69.2 million (2023: £74.1 million), overdrafts of £0.1 million (2023: £1.2 million) and cash within assets held for sale of £nil (2023: £3.6 million).

£million	Net cash	Lease liabilities	Borrowings	Net debt
At 1 January 2023	61.3	(23.1)	(176.6)	(138.4)
Cash flow	19.3	-	-	19.3
Transferred to held for sale	(3.6)	2.6	-	(1.0)
Repayment of borrowings	-	-	26.1	26.1
Proceeds from borrowings	-	-	(32.7)	(32.7)
Payment of lease liabilities	-	4.4	-	4.4
New leases	-	(3.4)	-	(3.4)
Net movement in loan arrangement fees	-	-	(0.1)	(0.1)
Exchange differences	(4.1)	1.3	1.4	(1.4)
At 31 December 2023	72.9	(18.2)	(181.9)	(127.2)
Included within assets classified as held for sale and associated liabilities	3.6	(2.6)	-	1.0
At 31 December 2023	76.5	(20.8)	(181.9)	(126.2)
Cash flow	(4.1)	-	-	(4.1)
Disposals of business	(3.6)	2.6	-	(1.0)
Repayment of borrowings	-	-	49.2	49.2
Proceeds from borrowings	-	-	(15.1)	(15.1)
Net movement in loan arrangement fees	-	-	(0.2)	(0.2)
Payment of lease liabilities	-	4.2	-	4.2
New leases	-	(3.0)	-	(3.0)
Exchange differences	0.3	(0.3)	(1.2)	(1.2)
At 31 December 2024	69.1	(17.3)	(149.2)	(97.4)

12 Retirement benefit schemes

Defined contribution schemes

The Group operates 401(k) plans in North America and defined contribution arrangements in the rest of the world. The assets of these schemes are held independently of the Group and are not on its balance sheet. The total contributions charged by the Group in respect of defined contribution schemes were £3.3 million (2023: £3.5 million).

Defined benefit schemes

At 31 December 2024 the Group operated one defined benefit schemes in the UK (the TT Group (1993) Pension Scheme) and one overseas defined benefit scheme in the USA. These schemes are closed to new members and the UK scheme is closed to future accrual.

The TT Group scheme commenced in 1993 and increased in size in 2006, 2007 and 2019 through the mergers of former UK schemes following a number of acquisitions. The parent company is the sponsoring employer in the TT Group scheme. The TT Group scheme is governed by TTG Pension Trustees Limited (the "Trustee") that has control over the operation, funding and investment strategy in consultation with the Group.

In November 2022, the Trustees of the TT Group Scheme entered into a bulk annuity insurance contract (a "buy-in policy") with an insurer in respect of the liabilities of the defined benefit scheme. The insurer will pay into the Scheme cash matching the benefits covered by the policy which are due to members. The Trustee is of the opinion that this investment decision is appropriate, reduces the risks in the Scheme and provides additional security for the benefits due to members of the Scheme. The Trustee continues to be responsible for running the Scheme and retains the legal obligation for the benefits provided under the Scheme.

As the buy-in policy is a qualifying insurance asset, the fair value of the insurance policy is deemed to be the present value of the obligations that have been insured. The policy secured matches the benefits due to Scheme members under the Scheme's Trust Deed and Rules.

Since the assets of the Scheme were greater than the premium required to secure the liabilities through the buy-in, the Scheme is in a net asset position at 31 December 2024 of £7.1 million.

The Group is not exposed to any unusual, entity specific or scheme specific risks, but given the material nature of the TT Group scheme, the Group has developed a comprehensive strategy covering the following areas to manage the financial risk associated with it:

- Maintaining a long term working partnership with the Trustee to ensure strong governance of risks within the TT Group scheme. The TT Group scheme is a long term undertaking and is managed accordingly, in order to provide security to members' benefits and value for money to the Group.
- The Scheme's investment strategy has been assessed as being low risk as the insured asset matches changes in the assessed value of the Schemes liabilities due to changes in interest rates, inflationary expectations and longevity expectations. The buy-in policy therefore matches the term and nature of the liabilities.

The weighted average duration of the TT Group scheme defined benefit obligation is around 11 years.

UK legislation requires the Trustee to carry out a statutory funding valuation at least every three years and to target full funding against a basis that prudently reflects the TT Group scheme's risk exposure. The last triennial valuation of the TT Group scheme as at April 2022 showed a net surplus of £45.4 million against the Trustee's statutory funding objective.

Due to the favourable funding position the Trustee and Company have agreed that there was no requirement for any further funding contributions to the TT Group scheme. In December 2024 a £15.0 million (2023: £5.0 million) refund of the surplus was paid to the group out of scheme assets by the Trustee (£11.2 million (2023: £3.2 million) net of tax due, which has been paid directly by the scheme).

In the year ended 31 December 2023 the Trustees of the BI Technologies Corporation Retirement Plan, one of the US defined benefit schemes in the USA, completed a partial buy-out and a bulk settlement exercise, extinguishing gross liabilities of £5.5 million in total. In January 2024, the buy-out was completed, extinguishing the remaining gross liabilities. A final payment of £1.8 million was made and a settlement cost of £0.2 million was recognised within items excluded from adjusted operating profit as a result of this exercise.

12 Retirement benefit schemes continued

An analysis of the pension surplus/(deficit) by scheme is shown below:

£million	2024	2023
TT Group (1993)	7.1	25.3
USA scheme	(1.5)	(3.1)
Net surplus	5.6	22.2

Amounts recognised in the consolidated income statement are:

£million	2024	2023
Scheme administration costs	(1.0)	(1.3)
Net loss on pension projects (excluded from adjusted operating profit)	(1.3)	(1.9)
Net interest credit	1.1	1.4

13 Share capital

£million	2024	2023
Issued and fully paid		
177,884,541 (2023: 177,371,049) ordinary shares of 25p each	44.5	44.3

During the period the Company issued 513,492 ordinary shares as a result of share options being exercised under the Sharesave scheme and Share Purchase plans.

The performance conditions of the Restricted Share Plan awards issued in 2021, 2022 and 2023 and the Long-term Incentive Plan awards issued in 2021 were met and shares were allocated to award holders from existing shares held by an Employee Benefit Trust for £nil consideration.

The aggregate consideration received for all share issues during the year was £0.8 million which was represented by a £0.2 million increase in share capital and a £0.6 million increase in share premium.

14 Related party transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. No related party transactions have taken place in 2024 or 2023 that have affected the financial position or performance of the Group.

Principal risk and uncertainties

The Group continues to be exposed to operational and financial risks and has an established, structured approach to identifying, assessing, and managing those risks. These risks relate to the following areas: general revenue reduction; contractual risks; research and development; people and capability; supplier resilience; IT systems and information; M&A and integration; sustainability, climate change and the environment; health and safety; legal and regulatory compliance and geopolitical risks.

Reconciliation of KPIs and non IFRS measures

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA), additional information is provided on the APMs used by the Group below.

To assist with the understanding of earnings trends, the Group has included within its financial statements APMs adjusted operating profit and other adjusted profit measures. The APMs used are not defined terms under IFRS and therefore may not be comparable to similar measures used by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

Management uses adjusted measures to assess the operating performance of the Group, having adjusted for specific items as detailed in note 7. They form the basis of internal management accounts and are used for decision making, including capital allocation, with a subset also forming the basis of internal incentive arrangements. By using adjusted measures in segmental reporting, this enables readers of the financial statements to recognise how incentive performance is targeted. Adjusted measures are also presented in this announcement because the Directors believe they provide additional useful information to shareholders on comparable trends over time. Finally, this presentation allows for separate disclosure and specific narrative to be included concerning the adjusting items; this helps to ensure performance in any one year can be more clearly understood by the user of the financial statements.

Income statement measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Adjusted operating profit	Operating profit	Adjusting items as disclosed in note 7	Adjusted operating profit has been defined as operating profit from continuing operations excluding the impacts of significant restructuring programmes, significant one-off items including property disposals, impairment charges significant in nature and/or value, business acquisition, integration, and divestment related activity; and the amortisation of intangible assets recognised on acquisition. Acquisition and disposal related items include the writing off of the pre-acquisition profit element of inventory written up on acquisition, other direct costs associated with business combinations and adjustments to contingent consideration related to acquired businesses. Restructuring includes significant changes in footprint (including movement of production facilities) and significant costs of management changes. To provide a measure of the operating profits excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Adjusted operating margin	Operating profit margin	Adjusting items as disclosed in note 7	Adjusted operating profit as a percentage of revenue. To provide a measure of the operating profits excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Adjusted earnings per share	Earnings per share	See note 10 for the reconciliation and calculation of adjusted earnings per share	The profit for the year attributable to the owners of the Group adjusted to exclude the items not included within adjusted operating profit divided by the weighted average number of shares in issue during the year. To provide a measure of earnings per share excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.

Income statement measures continued:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Adjusted diluted earnings per share	Diluted earnings per share	See note 10 for the reconciliation and calculation of adjusted diluted earnings per share	The profit for the year attributable to the owners of the Group adjusted to exclude the items not included within adjusted operating profit divided by the weighted average number of shares in issue during the year, adjusted for the effects of any potentially dilutive options. To provide a measure of earnings per share excluding the impacts of significant items such as restructuring or acquisition related activity and other items such as amortisation of intangibles which may not be present in peer companies which have grown organically.
Prior period revenue and adjusted operating profit at constant currency	Revenue and operating profit	See note APM 1	Revenue and adjusted operating profit for the prior year retranslated at the current year's foreign exchange rates.
Organic revenue and adjusted operating profit	Revenue	See note APM 2	Revenue and adjusted operating profit from continuing operations in the current year compared to the prior year, excluding the effects of currency movements, acquisitions and disposals. This measures the underlying growth or decline of the business. To provide a comparable view of the revenue growth of the business from period to period excluding acquisition and disposal impacts.
Adjusted effective tax charge	Effective tax charge	See note APM 3	The effective tax charge on the company's adjusted profit, which gives a clearer view of the ongoing tax rate by excluding the effects of unusual or non-recurring items.
Return on invested capital	None	See note APM 4	Adjusted operating profit for the year divided by average invested capital for the year. Average invested capital excludes pensions, provisions, tax balances, derivative financial assets and liabilities, cash and borrowings and is calculated at average rates taking twelve monthly balances. This measures how efficiently assets are utilised to generate returns with the target of exceeding the cost to hold the assets.
Revenue and adjusted operating profit excluding passthrough revenue:	Revenue, operating profit and operating margin	See note APM 13	Revenue and operating margin excluding the impact of nil margin sales to customers to secure their supply chain.
Organic revenue and adjusted operating profit excluding pass through revenues	Revenue, operating profit and operating margin	See note APM 14	This is organic revenue and adjusted operating profit (see APM 2) with pass through revenues (see APM 13) removed. To provide a comparable view of growth for the business from period to period excluding acquisition and disposal impacts and one-off nil margin sales.

Statement of financial position measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Net debt	Cash and cash equivalents less borrowings and lease liabilities	Reconciliation of net cash flow to movement in net (debt)/ funds (note 11)	Net debt comprises cash and cash equivalents and borrowings including lease liabilities. This is additional information provided which may be helpful to the user in understanding the liquidity and financial structure of the business.
Leverage (bank covenant)	Cash and cash equivalents less borrowings	See note APM 12	Leverage is the net debt defined as per the banking covenants (net debt (excluding lease liabilities) adjusted for certain terms as per the bank covenants) divided by EBITDA excluding items removed from adjusted profit and further adjusted for certain terms as per the bank covenants. Provides additional information over the Group's financial covenants to assist with assessing solvency and liquidity.
Net capital and development expenditure (net capex)	None	See note APM 5	Purchase of property, plant and equipment net of government grants (excluding property disposals), purchase of intangibles (excluding acquisition intangibles) and capitalised development. A measure of the Group's investments in capex and development to support longer term growth.
Dividend per share	Dividend per share	Not applicable	Amounts payable by dividend in terms of pence per share. Provides the dividend return per share to shareholders.

Statement of cash flows measures:

Alternative Performance Measure	Closest equivalent statutory measure	Note reference to reconciliation to statutory measure	Definition and purpose
Adjusted operating cash flow	Operating cash flow	See note APM 6	Adjusted operating profit, excluding depreciation of property, plant and equipment and amortisation of intangible assets less working capital and other non-cash movements. An additional measure to help understand the Group's operating cash generation.
Adjusted operating cash flow post capex	Operating cash flow	See note APM 7	Adjusted operating cash flow less net capital and development expenditure. An additional measure to help understand the Group's operating cash generation after the deduction of capex.
Working capital cashflow	Cashflow - inventories payables, provisions and receivables	See note APM 8	Working capital comprises three statutory cashflow figures: (increase)/decrease in inventories, increase/(decrease) in payables and provisions, and (increase)/decrease in receivables. This definition includes the movement of any provisions over trade receivables. To provide users a measure of how effectively the group is managing its working capital and the resultant impact on liquidity.
Free cash flow	Net increase/ decrease in cash and cash equivalents	See note APM 9	Free cash flow represents cash generated from trading after all costs including restructuring, pension contributions, tax and interest payments. Cashflows to settle LTIP schemes are excluded. Free cash flow provides a measure of how successful the company is in creating cash during the period which is then able to be used by the Group at its discretion.
Cash conversion	None	See note APM 10	Adjusted operating cash flow post capex (less any property disposals which were part of restructuring programmes) divided by adjusted operating profit. Cash conversion measures how effectively we convert profit into cash and tracks the management of our working capital and capital expenditure.
R&D cash spend as a percentage of revenue	None	See note APM 11	R&D cash spend and R&D investment as a percentage of revenue excludes revenue from contract manufacturing services as these activities do not give rise to intellectual property. To provide a measure of the company's expenditure on R&D relative to its overall size which may be helpful in considering the Group's longer-term investment in future product pipeline.

APM 1 – Prior period revenue and adjusted operating profit at constant currency:

				2023
£million	Europe	North America	Asia	Total
2023 revenue	169.6	229.5	214.8	**613.9**
Foreign exchange impact	-	(7.5)	(9.2)	**(16.7)**
2023 revenue at 2024 exchange rates	169.6	222.0	205.6	**597.2**

						2023
£million	Europe	North America	Asia	Total Operating Segments	Central	Total
2023 adjusted operating profit - restated [1]	11.9	19.4	23.9	55.2	(8.1)	**47.1**
Foreign exchange impact	0.1	(1.0)	(1.3)	(2.2)	-	**(2.2)**
2023 adjusted operating profit at 2024 exchange rates	12.0	18.4	22.6	53.0	(8.1)	**44.9**

1. 'Adjusted operating profit' has been restated as described in note 2. This was related to the North America segment.

APM 2 - Organic revenue and operating profit:

				2024
£million	Europe	North America	Asia	Total
2024 revenue	146.3	184.4	190.4	**521.1**
Removal of businesses disposed	(11.8)	-	(4.3)	**(16.1)**
2024 revenue on an organic basis	134.5	184.4	186.1	**505.0**
2023 revenue	169.6	229.5	214.8	**613.9**
Removal of businesses disposed	(51.3)	-	(17.3)	**(68.6)**
Foreign exchange impact	-	(7.5)	(8.7)	**(16.2)**
2023 revenue on an organic basis	118.3	222.0	188.8	**529.1**
Organic revenue increase (%)	14%	(17%)	(1%)	**(5%)**

						2024
£million	Europe	North America	Asia	Total Operating Segments	Central	Total
2024 operating profit	18.9	(2.7)	28.5	44.7	(7.6)	**37.1**
Removal of businesses disposed	0.5	-	(0.3)	0.2	-	**0.2**
2024 operating profit on an organic basis	19.4	(2.7)	28.2	44.9	(7.6)	**37.3**
2023 operating profit - restated [1]	11.9	19.4	23.9	55.2	(8.1)	**47.1**
Removal of businesses disposed	(0.2)	-	(1.7)	(1.9)	-	**(1.9)**
Foreign exchange impact	0.1	(1.0)	(1.2)	(2.1)	-	**(2.1)**
2023 operating profit on an organic basis	11.8	18.4	21.0	51.2	(8.1)	**43.1**
Organic operating profit increase (%)	64%	(115%)	34%	(12%)	6%	**(13%)**

1. 'Adjusted operating profit' has been restated as described in note 2. This was related to the North America segment.

APM 3 – Effective tax charge:

£million	2024	2023 Restated [1]
Adjusted operating profit	37.1	47.1
Net interest	(9.9)	(9.8)
Adjusted profit before tax	27.2	37.3
Adjusted tax	(7.7)	(8.0)
Adjusted effective tax rate	28.3%	21.4%

1. 'Adjusted operating profit' has been restated as described in note 2.

APM 4 – Return on invested capital:

£million	2024	2023 Restated [1]
Adjusted operating profit	37.1	47.1
Average invested capital	371.0	433.8
Return on invested capital	10.0%	10.9%

1. 'Adjusted operating profit' has been restated as described in note 2.

APM 5 - Net capital and development expenditure (net capex):

£million	2024	2023
Purchase of property, plant and equipment	(6.9)	(22.3)
Proceeds from sale of investment property, plant and equipment and capital grants received	0.5	0.5
Capitalised development expenditure	(1.8)	(1.6)
Purchase of other intangibles	(0.5)	(0.6)
Net capital and development expenditure	(8.7)	(24.0)

APM 6 - Adjusted operating cash flow:

£million	2024	2023 Restated [1]
Adjusted operating profit	37.1	47.1
Adjustments for:		
Depreciation	12.2	14.0
Amortisation of intangible assets	1.6	2.5
Share based payment expense	2.2	3.1
Scheme funded pension administration costs	1.1	1.6
Other items	0.2	(0.7)
Decrease in inventories	12.8	5.3
(Increase)/decrease in receivables	(2.2)	15.4
Decrease in payables and provisions	(12.9)	(15.5)
Adjusted operating cash flow	52.1	72.8
Reimbursement from pension schemes	9.4	3.2
Restructuring and acquisition related costs	(0.6)	(4.0)
Net cash generated from operations	60.9	72.0
Net income taxes paid	(9.7)	(9.1)
Net cash flow from operating activities	51.2	62.9

1. 'Adjusted operating profit', 'Decrease in inventories' and '(Increase)/decrease in receivables' have been restated as described in note 2.

APM 7 - Adjusted operating cash flow post capex:

£million	2024	2023
Adjusted operating cash flow	52.1	72.8
Purchase of property, plant and equipment	(6.9)	(22.3)
Proceeds from sale of property, plant and equipment and government grants received	0.5	0.5
Capitalised development expenditure	(1.8)	(1.6)
Purchase of other intangibles	(0.5)	(0.6)
Adjusted operating cash flow post capex	43.4	48.8

APM 8 – Working capital cashflow:

£million	2024	2023 Restated [1]
Decrease in inventories	12.8	5.3
(Increase)/decrease in receivables	(2.2)	15.4
Decrease in payables and provisions	(12.9)	(15.5)
Scheme funded pension administration costs	1.1	1.6
Working capital cashflow	(1.2)	6.8

1. 'Decrease in inventories' and '(Increase)/decrease in receivables' have been restated as described in note 2.

APM 9 – Free cash flow:

£million	2024	2023
Net cash flow from operating activities	51.2	62.9
Net cash flow from investing activities	3.5	(24.0)
Add back: Proceeds from disposal of business	(17.5)	-
Add back: Cash with disposed businesses	5.3	-
Payment of lease liabilities	(4.2)	(4.4)
Interest paid	(10.6)	(10.6)
Free cash flow	27.7	23.9

APM 10 – Cash conversion:

£million	2024	2023 Restated [1]
Adjusted operating profit	37.1	47.1
Adjusted operating cash flow post capex	43.4	48.8
Cash conversion	117%	104%

1. 'Adjusted operating profit' has been restated as described in note 2.

APM 11 - R&D cash spend as a percentage of revenue:

£million	2024	2023
Revenue (excluding contract manufacturing)	268.2	314.7
R&D cash spend	11.3	10.8
R&D cash spend as a percentage of revenue	4.2%	3.4%

APM 12 - Leverage:

£million	2024	2023 Restated [1]
Adjusted operating profit	37.1	47.1
Depreciation	12.2	14.0
Amortisation	1.6	2.5
EBITDA	50.9	63.6
Adjustment to align with covenants	(5.3)	(5.3)
EBITDA (covenants)	45.6	58.3
Net debt as per note 11	97.4	126.2
Less: leases	(17.3)	(20.8)
Net debt excluding leases	80.1	105.4
Adjustment to align with covenants	2.0	4.9
Net debt (covenants)	82.1	110.3
Leverage	1.8	1.9

1. 'Adjusted operating profit' has been restated as described in note 2.

APM 13 – Revenue and adjusted operating profit excluding passthrough revenue:

£million	2024	2023 Restated [1]
Revenue	521.1	613.9
Removal of passthrough revenue	(5.3)	(19.9)
Revenue excluding passthrough revenue	515.8	594.0
Adjusted operating profit	37.1	47.1
Removal of operating profit attributable to passthrough revenue	-	-
Adjusted operating profit excluding passthrough revenue	37.1	47.1
Adjusted operating margin excluding passthrough revenue	7.2%	7.9%

1. 'Adjusted operating profit' has been restated as described in note 2.

APM 14 – Organic revenue and adjusted operating margin excluding pass through revenues:

£million	2024	2023
Revenue	521.1	613.9
Removal of businesses disposed	(16.1)	(68.6)
Removal of passthrough revenue	(5.3)	(19.9)
FX adjustment to bring in line with 2024 fx rates	-	(15.1)
Organic revenue excluding passthrough	499.7	510.3
Organic revenue growth excluding passthrough	(2%)	

£million	2024	2023 Restated [1]
Adjusted operating profit	37.1	47.1
Removal of businesses disposed	0.2	(1.9)
Removal of adjusted operating profit attributable to passthrough revenue	-	-
FX adjustment to bring in line with 2024 fx rates	-	(2.1)
Organic adjusted operating profit excluding passthrough and disposed businesses	37.3	43.1
Organic adjusted operating margin excluding passthrough and disposed businesses	7.5%	8.4%
Organic adjusted operating profit growth excluding passthrough and disposed businesses	(13%)	

1. 'Adjusted operating profit' has been restated as described in note 2.