

**RENISHAW UK SALES LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**Introduction**

The directors present their strategic report for the year ended 30 June 2025.

**Business review**

Revenue for the year ended 30 June 2025 was £129,922,001 (2024: £126,778,008). Revenue was £3,143,993 (2.5%) higher than the previous year, with sales to other companies in the Renishaw Group increasing by around 5.1% and sales to third parties decreasing by 0.2%. The decrease in third party revenue sales was attributable to reduced sales of additive Manufacturing (AM), however, this was partially offset by growth in sales of position measurement products (PM).

The Gross profit for the year ended 30 June 2025 was £14,854,194 (2024: £14,798,841). Gross profit was £55,353 (0.4%) higher than the previous year, however, gross margin has fallen to 11.4% (2024: 11.7%) reflecting higher material cost purchases. The Operating profit for the year ended 30 June 2025 was £2,967,053 (2024: £3,307,985). Operating profit was £340,932 (10.3%) lower than the previous year due to higher Distribution costs reflecting increases in headcount and salary increases.

The Company maintains a strong cash position, with cash balances of £4,181,482 at 30 June 2025 (2024: £6,715,656). Net assets at 30 June 2025 were £27,219,992 (2024: £25,012,411), reflecting higher retained profit for the year. While the Company has significant cash balances and has experienced another year of profitability, the Directors are mindful of the future repayment of the loan facility with Renishaw plc, and so do not propose a dividend in respect of the year ended 30 June 2025.

The Company is the main UK trading company of its ultimate parent undertaking Renishaw plc ('the Group').

**Financial key performance indicators**

The Directors monitor Revenue, Gross profit, Gross margin, Operating profit against forecasts, Cash and Net assets. There are no specific financial or non-financial KPIs relating to the Company.

**Principal risks and uncertainties**

The directors consider the below to be the principal risks and uncertainties.

(a) Industry fluctuations

Revenue growth can be difficult to predict and orders from customers generally involve short-lead times. The core Group products that the Company distributes, remain world-leading, and the range of products is expanding and diversifying. The Company needs to respond in an agile manner to industry fluctuations in demand to maintain market position and customer relationships. The Company balance sheet is, and is expected to remain, strong with significant cash reserves.

(b) Geopolitical uncertainty

With a significant proportion of revenue being generated outside of the UK, macroeconomic uncertainty increases both credit risk and currency risk. Credit risk is managed by performing credit checks and relevant review procedures on third-party customers, and by the use of stage payments and finance leases for certain higher-value sales. Currency risk to the Renishaw Group is managed by the Group Treasury team, who advise on significant currency fluctuations where relevant. Currency risk is further managed by review of transfer prices for goods purchased by the Company in Sterling.

**RENISHAW UK SALES LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**Statement on Section 172 of the Companies Act 2006**

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

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

The Board considers the key stakeholders to be employees, customers and other Renishaw plc group companies. The following are the key matters that the Directors considered this year when performing their duty to promote the success of the Company:

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

The Board was updated on the implementation of new ERP System, D365. The Board noted that D365 was the chosen ERP system by Renishaw plc management as the preferred platform for its ERP system after considering various other options. D365 was planned to be implemented in the financial year, however, the Board approved a delay to the implementation, allowing for additional time to prepare. In making his decision, the Board noted the impact it would have on the relevant stakeholders. The implementation took place on 1 September 2025, with some disruption to the business, which is being managed by the Board. The Board will continue to be updated on the status of the implementation.

b) Cost reduction programme

During the year, the Board discussed the cost reduction programme which was announced by the Renishaw plc Board in June 2025. The Board considered how to implement the programme within the Company, based on the cost saving requirements of Renishaw plc. A redundancy programme was implemented by the Board, which included voluntary and compulsory. At-risk employees were offered other roles where appropriate to reduce redundancies, and those leaving the business were not replaced. The redundancies took effect from 1 July 2025 onwards. The Board will continue to monitor the impact of the programme on the business in the next financial year.

**Streamlined Energy and Carbon Reporting (SECR)**

The Company is exempt from the UK Streamlined Energy and Carbon Reporting (SECR) regulations. The performance of the Group in respect of these regulations can be found in pages 40 to 50 of the Group's Annual Report for the year ended 30 June 2025.

This report was approved by the board on 05 December 2025 and signed on its behalf.

  
James Burrows (Dec 5, 2025 12:59:05 GMT)

**James Burrows**  
Director