Renishaw plc

23 September 2026

Preliminary announcement of results for the year ended 30 June 2026

Record year with accelerating revenue growth and higher operating margin

Will Lee, Chief Executive Officer, commented:

“We made excellent progress in FY2026, with growth in all three segments. We are well positioned in attractive markets that offer substantial through-cycle growth opportunities. Our innovation-led strategy to achieve outperformance is also delivering good financial results, with significant growth in our emerging product lines.

FY2027 has started strongly as we continue to benefit from the current upturn in demand for semiconductor manufacturing equipment. We expect further strong progress on revenue, profit and operating margin in the year ahead.”

Performance highlights

Record adjusted profit before tax, driven by strong revenue growth and operating margin improvement:

	Adjusted*				Statutory		
	FY2026	FY2025	Growth	Constant FX growth	FY2026	FY2025	Growth
Revenue (£m)	815.8	713.0	14%	17%	815.8	713.0	14%
Operating profit (£m)	152.9	112.3	36%	63%	135.3	107.9	25%
Operating profit margin (%)	18.7%	15.7%	3.0%pt	5.2%pt	16.6%	15.1%	1.5%pt
Profit before tax (£m)	168.0	127.2	32%		150.0	118.0	27%
Earnings per share (pence)	179.5	137.8	30%		163.5	115.2	42%
Adjusted cash flow conversion from operating activities (%)	79%	91%	(12%pt)				
Return on invested capital (%)	17.5%	13.2%	4.3%pt				
Proposed dividend per share (p)	82.0	78.1	5%				

Note:
%pt = percentage points

- Revenue growth: 14% at actual exchange rates, 17% at constant currency*.
    - Strong growth in demand from customers in the semiconductor and the aerospace and defence sectors.
    - Emerging product lines continue to gain traction, notably additive manufacturing (AM) systems, and metrology systems and software.
    - Accelerating demand throughout the year, culminating in a record Q4 at £244.2m, 28% above the prior year, with further order book growth.
    - Average through-cycle revenue growth rising to 8% (5-year CAGR since FY2021).

- Adjusted operating profit margin growth was 3.0%pt at actual exchange rates (and 5.2%pt at constant currency*), driven by margin improvement from fixed cost reduction and operational leverage, offset by currency headwinds.
- Adjusted profit before tax* growth: 32%.
- Statutory profit before tax, including £18.0m of redundancy and other one-off costs, was 27% above the prior year.
- Adjusted cash flow conversion from operating activities*: 79% (FY2025: 91%), with lower capital expenditure offset by higher working capital to support record sales and a growing order book.
- Strong balance sheet with cash and deposit balances of £291.0m (FY2025: £273.6m), reflecting higher operating profit, offset by outflows for dividend, income tax paid and cost reduction programme, as well as investment in capital expenditure and working capital to support growth.
- Return on invested capital* increased by 4.3%pt to 17.5%, driven by strong profit growth.
- Proposed final dividend of 65.2 pence per share, bringing total dividend growth to +5%.
- Special interim dividend of 70.0 pence per share.

Segmental performance summary

Record annual revenue, with strong quarterly progression throughout the year:

Segmental revenue (£m)	Q1	Q2	Q3	Q4	FY2026	FY2025	Growth	Constant FX growth
Industrial Metrology	102.0	110.1	115.3	120.0	447.4	430.6	4%	7%
Position Measurement	52.1	58.4	68.9	81.5	260.9	207.4	26%	29%
Specialised Technologies	16.7	26.3	21.8	42.7	107.5	75.0	43%	46%
Group	170.8	194.8	206.0	244.2	815.8	713.0	14%	17%

Operating profit growth in all three segments, with significant operating margin improvement in Specialised Technologies and Position Measurement:

	FY2026			FY2025			Change		
All figures in £m at actual exchange rates	Revenue	Adjusted operating profit*	Adjusted operating profit margin*	Revenue	Adjusted operating profit*	Adjusted operating profit margin*	Revenue	Adjusted operating profit*	Adjusted operating profit margin*
Industrial Metrology	447.4	76.7	17.1%	430.6	75.5	17.5%	4%	2%	(0.4%)pt
Position Measurement	260.9	71.5	27.4%	207.4	46.6	22.5%	26%	53%	4.9%pt
Specialised Technologies	107.5	4.7	4.4%	75.0	(9.9)	(13.2%)	43%	N/A	17.6%pt
Group	815.8	152.9	18.7%	713.0	112.3	15.7%	14%	36%	3.0%pt

- Industrial Metrology delivered solid revenue growth, driven by strong demand for our emerging metrology systems and software product lines. Meanwhile, sales of metrology sensors were flat, and profitability for the segment was marginally lower.
- Position Measurement achieved a significant increase in adjusted operating profit on the back of strong revenue growth, mainly resulting from AI-driven semiconductor manufacturing demand, driving profitability 4.9%pt higher.

- Specialised Technologies was our fastest-growing segment, driven mostly by sharply higher demand for our emerging AM product line, especially into the aerospace and defence sector. This drove a 17.6%pt improvement in profitability, moving the segment into profit, with all product lines generating a profit this year.

* Note 29, Alternative performance measures, defines how each of these measures is calculated.

About Renishaw

We are a world leader in sensors and systems for measurement and manufacturing. We innovate with our customers to make the products of the future, transforming their capabilities through unparalleled levels of precision, productivity and practicality. We are a global business, working closely with our customers around the world to solve complex engineering and science challenges and improve their products and processes. We have three segments: Industrial Metrology (IM), Position Measurement (PM), and Specialised Technologies (ST). We operate in three regions: APAC, EMEA and the Americas. Most of our R&D and manufacturing takes place in the UK, and we have other major manufacturing sites in Ireland and India. Further information can be found at www.renishaw.com.

Results webcast

Will Lee, Chief Executive Officer, and John Shipsey, Chief Financial Officer, will host a results presentation and Q&A session at 08:30 BST today, which will be broadcast live via a webcast. Details of how to register for this webcast are available at: https://brrmedia.news/RSW_FY26.

A recording of the presentation and Q&A session will be made available by 25 September 2026 at: www.renishaw.com/investors.

Enquiries: communications@renishaw.com

Commentary by the Chief Executive Officer

Accelerating demand in many of our markets this year, including the semiconductor and aerospace and defence sectors, has helped deliver strong revenue growth across our segments and regions, with particular progress in our emerging product lines. This performance reflects the strength of our strategy for long-term organic growth. It also highlights the significant benefits of our commitment to, and investment in, innovation to address large structural trends, such as increasing precision in manufacturing processes and rising industrial automation to tackle skills shortages.

There have been challenges along the way, with flat demand in some of our traditional markets. Throughout, our people have shown great resilience, while continuing to navigate geopolitical uncertainty and increasing trade protectionism, and supporting our cost reduction programme. This is exemplified by our sales, service and manufacturing teams, who responded quickly to changing customer needs. I would like to thank all our people for their commitment this year.

Strong financial performance in FY2026

Turning to this year's headline figures, at a Group level, our total revenue for the year was £815.8m, compared with £713.0m in FY2025. Revenue at constant exchange rates*, excluding the impact of forward contracts, increased by 17.3%.

This is our first year of reporting on our three segments: Industrial Metrology (IM), Position Measurement (PM) and Specialised Technologies (ST). We saw solid growth in IM, with a substantial proportion coming from our emerging metrology products. In PM, we delivered strong sales growth from our established encoder product line, and we are seeing pleasing opportunities in our emerging encoder products, which allow us to address new markets.

Additive manufacturing (AM) products were the key driver of performance improvement in ST. As well as achieving multiple machine orders from existing customers, we are gaining market share, particularly in aerospace and defence. We explain our new structure and give more performance details in our Segment review in the Annual Report.

Each of our three regions had a positive year. In APAC, revenue grew, by 17% at constant exchange rates, to £381.9m, mainly driven by demand for position encoders from semiconductor and electronics manufacturing equipment builders. The semiconductor market undergoes multi-year business cycles, and our sales and manufacturing teams have worked hard to capitalise on the current AI-driven upturn. Demand was also strong in the region for our Equator shopfloor gauging systems, particularly from consumer electronics subcontract manufacturers. Revenue for the Americas grew, by 35% at constant exchange rates, to £219.0m, led by strong demand for high-value capital equipment sales, such as our 5-axis CMMs and our metal AM machines. The aerospace and defence and power generation sectors were the main drivers here, with the automotive sector strengthening in the second half of the year. In EMEA, revenue grew, by 3% at constant exchange rates, to £214.9m, with good growth in revenue for AM machines and position encoders, while demand for IM products was lower, especially in the automotive sector.

Adjusted* profit before tax for the year was £168.0m (FY2025: £127.2m). Adjusted earnings per share was 179.5p (FY2025: 137.8p). Adjusted measures are the ones the Board uses to measure our underlying trading performance. Statutory profit before tax was £150.0m (FY2025: £118.0m), leading to Statutory earnings per share of 163.5p (FY2025: 115.2p). Read more in the Commentary by the Chief Financial Officer below.

Strong strategic progress underpinned by innovation

Everything we do at Renishaw is guided by our purpose of Transforming Tomorrow Together and underpinned by our strategy. This year's performance reflects the progress we're making against our three strategic priorities – growing our existing markets, increasing the value of the technology that we sell, and extending into new, high-growth markets – as I explain below. Our long-term commitment to innovation is a key driver across these priorities, helping us to unlock the opportunities that arise from the big structural trends I mentioned earlier, and, in turn, to deliver our strategy.

Growing in our existing markets

We saw strong growth in our existing markets this year driven by one of the biggest trends shaping the world around us. The exponential growth in demand for AI processing has triggered unprecedented demand for semiconductors. Since our encoders are used across the semiconductor production process, this represents a sweet spot for Renishaw because it relies on increasing levels of precision and automation, and we have worked hard to win more customers that supply this market. Our established calibration product line has also benefited from growing demand for increasingly precise machinery.

We continue to see rising competition, particularly in China, from rivals offering 'good enough' products at attractive prices. We are responding by developing strategies to compete in entry-level markets.

Increasing technology value

We also made strong progress against our second strategic priority, where we aim to increase revenue by capturing a greater proportion of the investment made by our end-user customers. Market response to our new Equator-X 500 gauging system has been really positive, with significant orders secured precisely because it addresses the common shopfloor challenges we know customers are grappling with.

Our innovation in software is also helping our progress in increasing the value of the technology we sell. We are developing solutions that make it easier for customers to use our products, and also make it easier for us to sell our higher-value technology systems. For example, this year we launched our new MODUS IM Equator software to help Equator and Equator-X gauging system users maximise productivity. This software is our latest step in improving the functionality and customer experience of our metrology systems.

In November 2025, I had the pleasure of attending the launch of our new AM software at the Formnext show in Frankfurt, Germany. Called LIBERTAS, the software enables customers to precisely print complex shapes without the need for additional supports. The customers I spoke to at the show were really excited about this development, many telling me that together with our recent TEMPUS technology, we've leapfrogged the competition here. Increased interest in AM from sectors including consumer electronics shows the potential for Renishaw to expand into new, high-growth markets for this line, and validates the long-term investment we've made here.

We're also seeing strong initial interest for our new Strada Intelligent Raman Microscope. Its entirely motorised system, significantly faster auto-alignment capabilities, remote access options and seamless workflows, means industrial and multi-user laboratories can now access advanced chemical analysis.

Extending into new markets

Our third strategic priority is to diversify into close adjacent markets where we have strong market understanding and brand awareness. Our recently launched ASTRiA inductive encoder is designed to give precise position feedback in harsh operating environments and is already proving popular in a range of markets, including aerospace and defence. This is a great example of where our focus on R&D and a new minimum viable product approach has helped bring a product to market faster, allowing us to take advantage of an exciting, sizeable opportunity that we were not previously able to address.

Understanding and addressing customer needs

We're proud of the long-term relationships we've built with customers over the years. It's always a pleasure when I get the chance to meet them, whether visiting their factories or at the various trade events that I attend during the year across our three regions. Understanding our customers' challenges is an important aspect of how we develop the innovative solutions to address their needs, and something that our sales and engineering teams do throughout the year. One of the biggest emerging conversations is around the impact of AI. This is an area of strategic importance to Renishaw due to our role in supporting the manufacturing of advanced semiconductors, and we continue to develop the next generation of position encoders to meet the needs of this demanding sector. AI also affects our business in other ways, helping our people to innovate and be more productive, while also heightening cyber risks.

A simpler, more focused Renishaw

While the benefits of innovation are clear in this year's performance, our new structure has also helped, with three segments that are more closely linked to our customers and end-user markets. As well as giving investors a better understanding of our business, the changes support the continued delivery of our strategy, with a single leader for each segment accountable for every stage of product delivery.

The new structure is having an impact on the Executive Committee as well, with our new segment directors, Louise Callanan (ST), Derek Marshall (IM) and Steve Oakes (PM), bringing renewed focus to our discussions. At the same time, our two newest colleagues, Group Human Resources Director, Clare Nicholls, and Chief Financial Officer, John Shipsey, have brought fresh external perspectives, complementing the deep expertise of other Committee members to help plan the next phase of our growth and innovation.

We continue to manage our business portfolio to focus on core products. During the year we completed the closure of the drug delivery aspect of our neurological product line and we are continuing to seek a new owner for the remaining neurosurgical activities.

Responding to employee feedback

While restructuring the business has brought many positives, I know this has not been the easiest year for colleagues. The combination of our cost reduction programme, followed by the rapid rise in demand for some of our products, has created extra pressure on our people and processes. So I am particularly pleased that so many employees responded to our latest engagement survey. A 78% participation rate is good in any year, as was the 85% who responded positively when asked if they feel proud to work for Renishaw.

We're addressing several key points raised in the survey, including helping people feel better connected to our strategy, developing clearer career pathways, and making it easier for them to do their job so that we can accelerate our growth.

Simplifying our processes to accelerate growth

We are committed to simplifying and clarifying our operating model – our blueprint for what we do and how we work – while retaining what makes us special.

Our new One Renishaw initiative is focused on developing common processes in our sales, logistics and finance functions, supported by our new global ERP solution, Microsoft Dynamics 365. While we have faced challenges with deploying this system, our dedicated team has worked incredibly hard and has done a fantastic job supporting our customers during the year.

Refreshing our ESG strategy

I've spent time this year working with colleagues to refresh our environmental, social and governance (ESG) strategy. The purpose of this review was to refine our goals, remove outdated elements and streamline our targets while retaining the ambition of our original strategy. We explain these changes and provide an update on our progress in our ESG review in our Annual Report. We continued to make progress against our strategy this year, most notably by reducing the emissions intensity of the aluminium and steel we bought in FY2026 by more than 20% (versus FY2025), against a target of 15%.

Looking ahead

We made excellent progress in FY2026, with growth in all three segments. We are well positioned in attractive markets that offer substantial through-cycle growth opportunities. Our innovation-led strategy to deliver outperformance is also delivering results, with significant progress in our emerging product lines.

FY2027 has started strongly as we continue to benefit from the current upturn in demand for semiconductor manufacturing equipment. We expect further strong progress on revenue and profit in the year ahead.

Will Lee

Chief Executive Officer

*Note 29, 'Alternative performance measures', defines how each of these measures is calculated.

Commentary by the Chief Financial Officer

It is a privilege to have joined Renishaw as Chief Financial Officer. I am grateful to my colleagues across the Group for their warm welcome and support. I take no credit for the strong FY2026 results, but I very much look forward to contributing, with Will and the wider team, to the next chapter in Renishaw's growth.

Record financial performance

We achieved another year of record revenue of £815.8m (FY2025: £713.0m), an increase of 14.4%. See the Commentary by the Chief Executive Officer above and Note 2 below for further detail.

At constant exchange rates*, revenue would have been 17.3% higher than the previous year. The difference from actual exchange rates is driven by a reduction in forward contract income compared to H1 FY2025, where significant gains were made from contracts taken out soon after the 2022 UK 'mini Budget'.

Adjusted* operating profit increased by 36.2% to £152.9m (FY2025: £112.3m), with adjusted operating margin increasing from 15.7% to 18.7%.

Our cost reduction programme and restructuring of our neurological product line in H1 delivered around £20m of cost savings during FY2026, equivalent to 2.5% of operating margin improvement.

Gross margin (excluding engineering costs and adjusting items) reduced to 59.6% of revenue, from 61.7% in the previous year. Excluding the impact of currency, this equated to a reduction of 0.9% in operating margin, primarily driven by product and geographic mix.

On the other hand, positive operating leverage contributed a 4.4% improvement in operating margin, as sales volumes grew faster than engineering, distribution and administrative expenses (excluding adjusting items).

This improvement was net of an increase in performance related bonuses of £6.9m. The impact of US tariffs, net of refunds, has not been significant to our financial performance.

Impairments of £8.8m (FY2025: £2.8m) reduced operating margin by 0.7%, of which £5.3m was due to reprioritising resource away from a new encoder product, following a significant increase in demand for other encoder products. The remaining £3.5m relates to investment properties in Slovenia and the UK.

Currency had an adverse effect of 2.2% on operating margin at actual exchange rates. At constant exchange rates, adjusted operating profit would have been 62.6% higher than last year. We aim to hedge a significant proportion of our anticipated Euro, US Dollar, HK Dollar and Japanese Yen cash inflows over a two-year period. From July 2026 we removed our previous forward rate caps that could result in unhedged periods. This increases certainty over forward positions, although we maintain some flexibility over coverage. See Note 25 Financial instruments for more information on our coverage and hedging policies.

After financial income less expense (excluding adjusting items) and share of profits of joint ventures of £15.1m (FY2025: £15.0m), adjusted profit before tax was a record £168.0m (FY2025: £127.2m).

Statutory operating profit was £135.3m (FY2025: £107.9m), with adjusting items mostly relating to the cost reduction programme. Statutory profit before tax was £150.0m, compared with £118.0m in the previous year. See Note 29 for reconciliations of adjusted profit measures.

The FY2026 effective tax rate decreased to 20.7% (FY2025: 29.0%) mostly as a result of the reversal of historical and non-recurring tax matters. The underlying effective tax rate of 22.2% was 1%pt higher than the previous year, due to higher profits achieved in the UK.

Adjusted earnings per share was 179.5p (FY2025: 137.8p) and statutory earnings per share was 163.5p (FY2025: 115.2p).

Maintaining a strong financial position

Our liquidity position further improved during the year, with cash and cash equivalents and bank deposit balances at 30 June 2026 of £291.0m (30 June 2025: £273.6m).

Our cash conversion from operating activities fell to 79% this year from 91% in FY2025 but remained above our target of 70%. The reduction was driven by rising working capital required to support rapid growth in orders through the year, with increases in both inventories and trade receivables. We invested less in capital expenditure this year, totalling £38.3m (FY2025: £46.3m), which was mainly plant and equipment to support manufacturing productivity and additional capacity.

Our capital allocation strategy remains to maintain a strong financial position, generate cash to invest in organic growth, and provide regular returns to shareholders. We are committed to R&D investment in new products and processes, and may seek to accelerate growth in the future with targeted acquisitions. We continue to value having cash in the bank to protect from downturns and react swiftly where investment or market capture opportunities arise.

Our return on invested capital (ROIC) improved by 4.3%pt to 17.5% due to higher profit after tax and stable levels of invested capital. We have benefitted from our strong asset base following recent investment in our manufacturing facilities, which has enabled us to pursue profitable growth opportunities.

This year we paid an interim dividend of 16.8p per share (FY2025: 16.8p) and are proposing a final dividend of 65.2p per share (FY2025: 61.3p), resulting in a total dividend for the year of 82.0p per share, a 5% increase on the previous year. In addition to the final dividend, we have also approved a special dividend of 70.0p per share as an interim dividend.

Looking forward

We have had another successful year, and I believe that we can continue to build on current momentum. We are expanding the capacity of our encoder production lines to meet customer demand, and we expect a short-term payback on this investment.

While markets are positive, it is also vital that we enhance the underlying performance of our business by making the right investments in our infrastructure. Our new global ERP system is a priority. We have strengthened the governance of this programme to address deployment challenges, and to ensure that planned productivity improvements are realised.

We are increasingly focused on cash generation and return on investment, with opportunities to improve our performance in both metrics. We have changed the remuneration policy for our senior team to include an increased weighting for annual cash conversion, and to incentivise achievement of our ROIC target over a three-year period.

The 2027 financial year has started strongly, and we expect to make further improvements to our operating margins in the year ahead.

John Shipsey

Chief Financial Officer

*Note 29, 'Alternative performance measures', defines how each of these measures is calculated.

Principal risks and uncertainties

Our performance is subject to a number of risks – the principal risks, the potential impact and what we are doing to manage the risk are listed in the table below, as well as an indication of the movement of the risk in the last year, the velocity of the risk, our appetite towards that risk, and how the risk links to our strategy. The Board has conducted a robust assessment of the principal risks facing the business.

Velocity		Appetite	
Very Low	Very slow impact. Response time adequate to mitigate effects	Very Low	Following a marginal-risk, marginal reward approach that represents the safest strategic route available
Low	Slow impact. Robust response to strategy may mitigate effects	Low	Seeking to integrate sufficient control and mitigation methods to accommodate a low level of risk, although this will also limit reward potential
Medium	Moderate time to impact. Swift and robust response may mitigate effects	Balanced	An approach that brings a high chance of success, considering the risks, along with reasonable rewards, economic and otherwise
High	Fast impact. Immediate or near-term response may mitigate effects	High	Willing to consider bolder opportunities, with higher levels of risk, in exchange for increased business pay-offs
Very High	Very rapid impact with little or no warning. No time, or very limited time, to respond and mitigate effects	Very High	Pursuing high-risk, unproven options that carry the potential for high-level rewards

Link to strategy:
– **G**: Growth in existing markets
– **I**: Increasing technology value
– **E**: Extending into new markets

1. Geopolitical uncertainty

Risk movement
Increased

Velocity
Very High

Appetite
Balanced

Link to strategy
All

Risk owner
Chief Executive Officer

Risk description

We are unable or slow to respond to geopolitical changes that may affect the delivery of our growth plans.

Potential impact

- Reduced addressable market.
- Increased sales concentration in fewer regions.
- Capital losses from stranded assets.
- Reputational damage if key markets become inaccessible.
- Reduced margins or competitiveness.
- Decline in overall demand.
- Disruption to supply chain.

What we are doing to manage this risk

- Horizon scanning is undertaken to monitor market, geopolitical and regulatory developments, with reporting to the Executive Committee continuing to be enhanced.
- A rolling five-year strategic plan is maintained and updated to reflect developments in the business environment.
- Scenario modelling supports the planning process, with further work underway to simulate the impact of financial and operational crises.
- A Crisis Management Policy is in place and continues to be developed to support crisis preparedness and response.
- Manufacturing business continuity plans are in place, supported by supply chain risk assessments and procurement measures, and are subject to ongoing review.
- The operating model is reviewed periodically to support alignment with the Group's strategy and risk appetite.

2. Low-price competition

<table>
<tr><td rowspan="2">Risk movement
Increased

Velocity
Medium

Appetite
Balanced

Link to strategy
G, I

Risk owner
Chief Executive Officer</td><td colspan="2">Risk description
We are disrupted by emerging rivals that offer comparable products for lower prices in our markets, leading to margin erosion and market share loss, compounded by market access issues in markets such as China.</td></tr>
<tr><td>Potential impact
• Reduced revenue, profit and cash generation.
• Loss of market share and/or pricing power, but also provides an opportunity to expand into new market segments.
• Reduced operating margins.
• Loss of reputation as a leader in innovation.</td><td>What we are doing to manage this risk
• Protection of intellectual property through registration, monitoring and enforcement activities, including the safeguarding of copyrights.
• Use of distribution agreements, including arrangements providing for exclusivity or other commercial protections.
• Key account management for major customers to support strong customer relationships and ensure the Group's value proposition, products and service offering are clearly understood.
• Development of localised manufacturing strategies for selected products and markets to support market access, reduce lead times and improve cost competitiveness.
• Application of targeted pricing strategies for selected entry-level products in emerging markets.
• Ongoing cost-reduction initiatives across manufacturing, supported by product and process design improvements, including automation where appropriate.
• Leveraging the Renishaw brand and reputation to emphasise the importance of quality and performance and support appropriate margins.</td></tr>
<tr><td colspan="3">3. Industry fluctuations</td></tr>
<tr><td rowspan="2">Risk movement
Increased

Velocity
High

Appetite
Balanced

Link to strategy
G, I

Risk owner
Chief Executive Officer</td><td colspan="2">Risk description
We fail to respond in an agile manner to industry fluctuations in demand, leading to erosion of market position and customer relationships (in an upturn), and margins (in a downturn).</td></tr>
<tr><td>Potential impact
• Loss of market share.
• Erosion of customer relationships.
• Restriction on long-term growth.
• Reduced revenue, profit and cash generation.</td><td>What we are doing to manage this risk
• Horizon scanning uses internal and external data to monitor market conditions and trends, supported by Executive Committee updates and the Board's annual strategy review.
• The daily activity report process supports the maintenance of monthly and full-year forecasts, with formal quarterly reviews at regional and Group level.
• Forecasts are reviewed regularly to support decision-making and maintain an up-to-date view of expected demand.
• Production planning reflects historical product mix, demand forecasts, inventory levels and new product introductions.
• Annual cost budgets are set across the business and monitored monthly by Group Finance.
• Workforce planning includes contingency arrangements to respond to changes in demand.</td></tr>
<tr><td colspan="3">4. Cyber</td></tr>
<tr><td>Risk movement
Increased</td><td colspan="2">Risk description
Cyber attacks against our business are increasing in number, complexity, and the degree to which they are personally targeting Renishaw and our employees. We continue to face other data security threats. A successful cyber attack or a significant data loss could severely affect our ability to</td></tr>
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<table>
<tr>
<td rowspan="2">Velocity
Very High

Appetite
Low

Link to strategy
All

Risk owner
Chief Financial Officer</td>
<td colspan="2">operate, or lead to the loss of personal and commercially sensitive data and expose us to reputational and financial damage.</td>
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<tr>
<td>Potential impact
• Inability to operate normal processes for a potentially significant period.
• Loss of intellectual property and/or commercially sensitive and/or personal data.
• Financial loss and reputational damage.
• Reduced customer service.
• Diversion of management time and an impact on business decision-making.</td>
<td>What we are doing to manage this risk
• The Group maintains an information security management system certified to ISO/IEC 27001:2022, providing a recognised framework for identifying, assessing and managing information security, cyber security and privacy risks. The standard comprises 93 controls across four categories:
1 Organisational controls, including governance arrangements, defined roles and responsibilities, policies and risk assessment processes.
2 People controls, including employee training, awareness and related personnel security measures.
3 Physical controls, including secure areas, access controls, equipment security and environmental protection measures.
4 Technological controls, including network security, malware protection, data encryption, data-loss prevention, monitoring and logging, and incident response capabilities.
• Quarterly quality management reviews are undertaken by the IT & Security leadership team to consider emerging internal and external risks, service performance, newly identified vulnerabilities and the actions required to address them. These reviews also monitor progress against actions arising from internal and external assurance activities.
• Third-party penetration testing on a perpetual basis, as well as periodic targeted exercises to find any residual gaps in our systems.
• The Board receives quarterly information security updates covering key risks, initiatives to strengthen the cyber security framework, and the status of assurance activities.</td>
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<td colspan="3">5. IT transformation</td>
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<tr>
<td rowspan="2">Risk movement
Increased
Velocity
Medium

Appetite
Low

Link to strategy
All

Risk owner
Chief Financial Officer</td>
<td colspan="2">Risk description
We fail to successfully implement Microsoft Dynamics 365 ahead of obsolescence of our existing system or with the anticipated productivity benefits. Technical issues or poor integration with existing systems could negatively affect our ability to operate and could mean that we do not realise productivity aspirations, leading to manual intervention and slowing us down.</td>
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<td>Potential impact
• Major systems disruption causing operational delays.
• Delays in processing or issuing invoices and customer orders, or in procuring goods and services.
• Increased costs, including costs to fix technical issues and restore or upgrade other affected systems.</td>
<td>What we are doing to manage this risk
• Given the deployment challenges we encountered during the year, we have paused the rollout of the existing Microsoft Dynamics 365 solution, to assess our system configuration, our business processes, and our programme governance. We recently re-organised our resources to better set us up for success, including through the creation of global process owners and leads. Additionally, we are engaging third-party advisers to undertake a diagnostic on our core solution, which we aim to configure to allow us to scale at pace after our pause. A programme structure has been implemented to support the management and delivery of Microsoft Dynamics 365, which is based on a recognised project management framework.
• Our programme Steering Committee, which includes the CFO and Group Operations Director, meets regularly to</td>
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		provide strategic direction and oversee project progress.
6. Product innovation		
Risk movement Stable Velocity Medium Appetite High Link to strategy G, I Risk owner Chief Executive Officer	**Risk description** Failure to develop our competitive position and derive value from our investment in product innovation.	
	Potential impact • Failure to lead the market with innovative products in our core and adjacent sectors. • Gradual loss of market share. • Reduced revenue, profit and cash generation. • Inability to differentiate ourselves from our competitors. • Failure to hit business plan targets and recover investment in R&D.	**What we are doing to manage this risk** • Intellectual property protection through the registration, monitoring and enforcement of rights, together with broader protection of the Group's proprietary technology and copyrights. • A strategic plan aligned to the Group's product innovation priorities, including regular review and refresh to support effective capital and resource allocation across business segments. • A structured product innovation process incorporating feasibility assessments, product roadmaps, stage-gate reviews and testing procedures to support commercial viability and expected returns. • Annual Group targets for the commercial launch of new products, supported by performance measures and marketing activity designed to promote growth from innovation. • Quarterly reviews of 'flagship' (strategically important) projects involving segment directors and the CEO, focusing on objectives, milestones, resourcing, key decisions and risks. • Regular review of market and customer insights, competitor developments and broader industry trends, including the use of AI to develop new products and to enhance their performance. • Reporting to the Executive Committee and Board to inform our intellectual property strategy.
7. Supply chain dependencies (new)		
Risk movement Increased Velocity High Appetite Low Link to strategy All Risk owner Group	**Risk description** Disruption to supply of products to our customers because of interruption to or loss of a critical supplier, leading to erosion of market position and customer relationships.	
	Potential impact • Loss of future business and reduced revenue, profit and cash generation. • Reduced margins or competitiveness. • Loss of market share. • Reduced operating margins.	**What we are doing to manage this risk** • Dual sourcing options where possible. • Risk-based inventory policy that promotes a multi-site strategy. • Dashboards that highlight inventory positions and potential revenue impact to help maintain inventory levels and support prioritisation of alternative supply sources. • Product design owners are notified of supply risks to enable mitigation actions ahead of potential supply disruptions.

Operations Director	• Erosion of customer and supplier relationships.	• Onboarding vendor assessment procedures including a review process to evaluate high-risk suppliers before production handover. • Product development and innovation processes include requirements for key supplier risk assessment and mitigations for new products and solutions. • Supplier relationship and performance management framework in place.

8. Non-compliance with laws and regulations

<table>
<tr>
<td rowspan="2">Risk movement
Stable

Velocity
High

Appetite
Low

Link to strategy
All

Risk owner
Group General Counsel & Company Secretary</td>
<td colspan="2">Risk description
Failure to comply with applicable laws and regulations could result in criminal or civil liabilities for the Company and its employees, damaging our reputation. It could also result in a breach of other contracts, including insurance and banking arrangements, hampering our ability to operate.</td>
</tr>
<tr>
<td>Potential impact
Potential penalties and fines, and cost of investigations.
Damage to reputation and loss of future business.
Management time and attention diverted to deal with reports of non-compliance.
Inability to attract and retain talent.</td>
<td>What we are doing to manage this risk
The Group maintains policy frameworks covering key compliance and operational risk areas, including anti-bribery and corruption, competition law, export controls, fraud, tax, and environmental, health and safety.
These frameworks are supported by the Code of Conduct, policies and procedures, risk assessments, due diligence on relevant third parties, contractual protections, and defined approval and delegation processes.
Mandatory e-learning and targeted training are given to employees according to role and risk exposure, supported where appropriate by specialist external advisers.
Monitoring activities include management information, compliance reporting, gifts and hospitality controls, whistleblowing arrangements, audit activity, and red-flag monitoring in selected areas.
Board and management oversight is supported by periodic reporting, internal review activity, and ongoing enhancement programmes designed to strengthen the effectiveness and consistency of controls across the Group.</td>
</tr>
</table>

9. Exchange rates

<table>
<tr>
<td rowspan="2">Risk movement
Stable

Velocity
Medium

Appetite
Balanced

Link to strategy
G, I

Risk owner
Chief Financial Officer</td>
<td colspan="2">Risk description
Exchange rate fluctuations can affect our Consolidated income statement, balance sheet and cash flow, affecting near-term management and planning, investor understanding, and long-term performance.</td>
</tr>
<tr>
<td>Potential impact
Significant variations in profit.
Reduced cash generation.
Increased competition on product prices.
Increased costs.
Adverse impact on management decision-making.</td>
<td>What we are doing to manage this risk
A Board-approved market risk management policy is in place. The strategy is reviewed annually by Group Finance, with support from external advisers, and its effectiveness and operating limits are monitored quarterly by the Group Treasury Committee.
Board-approved business plans are used to forecast future net cash flows and determine forward contract requirements.
Forward contract dealings and portfolios are subject to management review and controls.</td>
</tr>
</table>

10. People		
Risk movement Stable Velocity Medium Appetite Balanced Link to strategy All Risk owner Group Human Resources Director	**Risk description** Failure to recruit, develop and retain a diverse, engaged workforce with the right talent and skills for now, and the future, will limit our ability to achieve our strategic objectives.	
	Potential impact • Delays in product delivery and ability to deliver strategic objectives because of loss of expertise and specialist talent. • Loss of innovative edge because of insufficient diversity. • Failure to develop future leaders and insufficient talent progression to support Renishaw's future. • Loss of market share, reduced revenue, poor customer service and reduced profit. • Reputational damage and increase in attrition rates because of a failure to uphold ethical standards and behaviours.	**What we are doing to manage this risk** • We continue to review our reward strategy for all employees to ensure remuneration practices remain competitive, support talent retention and mitigate workforce-related risks. • We are revising incentive arrangements for senior leaders to better align activity and performance. • An annual performance management cycle supports objective setting, progress reviews, feedback and year-end evaluation, with reference to defined competencies and behaviours. • Employee potential is reviewed annually and development plans are established where appropriate, supported by talent assessment tools. • Roles and grades are periodically benchmarked against relevant external markets to support the Group's reward framework. • Succession plans are maintained for defined management grades and business-critical roles. • A Group-wide employee engagement survey informs actions at both Group and local level. • The Group maintains policies and procedures to promote clear standards of behaviour and support the appropriate management of issues, including the Code of Conduct, Conflict of Interest, Diversity and Inclusion, Grievance and Speak Up policies.

CONSOLIDATED INCOME STATEMENT
for the year ended 30 June 2026

from continuing operations	Notes	Adjusted total 2026 £'000	Adjusting items 2026 £'000	Statutory total 2026 £'000	Adjusted total 2025 £'000	Adjusting items 2025 £'000	Statutory total 2025 £'000
Revenue	2	**815,779**	**-**	**815,779**	713,044	-	713,044
Cost of sales	4	**(430,423)**	**(9,635)**	**(440,058)**	(379,650)	(4,379)	(384,029)
Gross profit		**385,356**	**(9,635)**	**375,721**	333,394	(4,379)	329,015
Distribution costs		**(156,135)**	**(3,350)**	**(159,485)**	(144,031)	-	(144,031)
Administrative expenses		**(76,325)**	**(4,586)**	**(80,911)**	(77,099)	-	(77,099)
Operating profit		**152,896**	**(17,571)**	**135,325**	112,264	(4,379)	107,885
Financial income	5	**13,179**	**2,450**	**15,629**	16,517	-	16,517
Financial expenses	5	**(2,161)**	**(2,869)**	**(5,030)**	(5,088)	(4,852)	(9,940)
Share of profits of joint ventures	13	**4,040**	**-**	**4,040**	3,538	-	3,538
Profit before tax		**167,954**	**(17,990)**	**149,964**	127,231	(9,231)	118,000
Income tax expense	7	**(37,261)**	**6,257**	**(31,004)**	(27,010)	(7,233)	(34,243)
Profit for the year		**130,693**	**(11,733)**	**118,960**	100,221	(16,464)	83,757
Profit attributable to:							
Equity shareholders of the parent company				**118,960**			83,757
Non-controlling interest	26			**-**			-
Profit for the year				**118,960**			83,757
		pence	**pence**	**pence**	pence	pence	pence
Dividend per share arising in respect of the year	26			**82.0**			78.1
Dividend per share paid in the year	26			**78.1**			76.2
Earnings per share (basic and diluted)	8	**179.5**	**(16.0)**	**163.5**	137.8	(22.6)	115.2

See Note 29 Alternative performance measures for more details on Adjusting items.

Dividend per share arising in respect of the year excludes the special dividend of 70.0p per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

for the year ended 30 June 2026

	notes	**Adjusted total 2026 £'000**	**Adjusting items 2026 £'000**	**Statutory total 2026 £'000**	Adjusted total 2025 £'000	Adjusting items 2025 £'000	Statutory total 2025 £'000
Profit for the year		**130,693**	**(11,733)**	**118,960**	100,221	(16,464)	83,757
Other items recognised directly in equity:							
Items that will not be reclassified to the Consolidated income statement:							
Remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right	23	**7,692**	**-**	**7,692**	2,777	-	2,777
Deferred tax on remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right		**(1,615)**	**-**	**(1,615)**	(374)	-	(374)
Total for items that will not be reclassified		**6,077**	**-**	**6,077**	2,403	-	2,403
Items that may be reclassified to the Consolidated income statement:							
Exchange differences in translation of overseas operations	26	**(473)**	**-**	**(473)**	(6,295)	-	(6,295)
Exchange differences in translation of overseas joint venture	26	**190**	**-**	**190**	169	-	169
Changes in fair value of cash flow hedges	25,26	**(12,208)**	**-**	**(12,208)**	5,804	-	5,804
Deferred tax on changes in fair value of cash flow hedges	7,26	**3,052**	**-**	**3,052**	(1,451)	-	(1,451)
Total for items that may be reclassified		**(9,439)**	**-**	**(9,439)**	(1,773)	-	(1,773)
Total other comprehensive income and expense, net of tax		**(3,362)**	**-**	**(3,362)**	630	-	630
Total comprehensive income and expense for the year		**127,331**	**(11,733)**	**115,598**	100,851	(16,464)	84,387
Attributable to:							
Equity shareholders of the parent company				**115,598**			84,387
Non-controlling interest	26			**-**			-
Total comprehensive income and expense for the year				**115,598**			84,387

CONSOLIDATED BALANCE SHEET
at 30 June 2026

	notes	2026 £'000	2025 £'000
Non-current assets			
Property, plant and equipment	9	**337,947**	338,287
Right-of-use assets	10	**10,966**	12,218
Investment properties	11	**19,583**	11,566
Intangible assets	12	**52,224**	50,550
Investments in joint ventures	13	**26,125**	27,692
Finance lease receivables	14	**10,764**	11,950
Employee benefits	23	**12,128**	11,443
Reimbursement right	23	**14,566**	12,909
Deferred tax assets	7	**22,879**	22,432
Derivatives	25	**1,652**	7,878
Total non-current assets		**508,834**	506,925
Current assets			
Inventories	16	**181,743**	159,465
Trade receivables	25	**161,554**	128,464
Finance lease receivables	14	**7,187**	5,195
Current tax		**18,328**	6,453
Other receivables	25	**49,952**	40,732
Derivatives	25	**7,150**	14,345
Bank deposits	15,25	**142,649**	186,226
Cash and cash equivalents	15,25	**148,301**	87,420
Total current assets		**716,864**	628,300
Current liabilities			
Trade payables	25	**38,238**	25,943
Contract liabilities	18	**26,311**	14,669
Current tax		**11,692**	11,303
Provisions	17	**9,588**	8,978
Derivatives	25	**1,073**	150
Lease liabilities	21	**4,315**	3,992
Amounts payable to joint venture	13	**15,948**	14,530
Borrowings	20	**670**	764
Other payables	19	**68,000**	57,132
Total current liabilities		**175,835**	137,461
Net current assets		**541,029**	490,839
Non-current liabilities			
Lease liabilities	21	**7,203**	8,769
Borrowings	20	**1,316**	2,120
Employee benefits	23	**20,201**	21,131
Deferred tax liabilities	7	**36,971**	38,784
Derivatives	25	**40**	1,096
Total non-current liabilities		**65,731**	71,900
Total assets less total liabilities		**984,132**	925,864
Equity			
Share capital	26	**14,558**	14,558
Share premium		**42**	42
Own shares held	26	**(1,094)**	(2,140)
Currency translation reserve	26	**(3,929)**	(3,646)
Cash flow hedging reserve	26	**6,108**	15,264
Retained earnings		**969,365**	901,170
Other reserve	26	**(341)**	1,193
Equity attributable to the shareholders of the parent company		**984,709**	926,441
Non-controlling interest	26	**(577)**	(577)
Total equity		**984,132**	925,864

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2026

Year ended 30 June 2025	Share capital £'000	Share premium £'000	Own Shares Held £'000	Currency translation reserve £'000	Cash flow hedging reserve £'000	Retained earnings £'000	Other reserve £'000	Non-controlling interest £'000	Total £'000
Balance at 1 July 2024	14,558	42	(2,963)	2,480	10,911	870,434	1,380	(577)	896,265
Profit for the year	-	-	-	-	-	83,757	-	-	83,757
Other comprehensive income and expense (net of tax)									
Remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right	-	-	-	-	-	2,403	-	-	2,403
Foreign exchange translation differences	-	-	-	(6,295)	-	-	-	-	(6,295)
Foreign exchange related to joint venture	-	-	-	169	-	-	-	-	169
Changes in fair value of cash flow hedges	-	-	-	-	4,353	-	-	-	4,353
Total other comprehensive income and expense	-	-	-	(6,126)	4,353	2,403	-	-	630
Total comprehensive income and expense	-	-	-	(6,126)	4,353	86,160	-	-	84,387
Share-based payments charge	-	-	-	-	-	-	790	-	790
Distribution of own shares	-	-	977	-	-	-	(977)	-	-
Purchase of own shares	-	-	(154)	-	-	-	-	-	(154)
Dividends paid	-	-	-	-	-	(55,424)	-	-	(55,424)
Balance at 30 June 2025	**14,558**	**42**	**(2,140)**	**(3,646)**	**15,264**	**901,170**	**1,193**	**(577)**	**925,864**
Year ended 30 June 2026									
Profit for the year	-	-	-	-	-	118,960	-	-	118,960
Other comprehensive income and expense (net of tax)									
Remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right	-	-	-	-	-	6,077	-	-	6,077
Foreign exchange translation differences	-	-	-	(473)	-	-	-	-	(473)
Foreign exchange related to joint venture	-	-	-	190	-	-	-	-	190
Changes in fair value of cash flow hedges	-	-	-	-	(9,156)	-	-	-	(9,156)
Total other comprehensive income and expense	-	-	-	(283)	(9,156)	6,077	-	-	(3,362)
Total comprehensive income and expense	-	-	-	(283)	(9,156)	125,037	-	-	115,598
Share-based payments charge	-	-	-	-	-	-	491	-	491
Distribution of own shares	-	-	2,025	-	-	-	(2,025)	-	-
Purchase of own shares	-	-	(979)	-	-	-	-	-	(979)
Dividends paid	-	-	-	-	-	(56,842)	-	-	(56,842)
Balance at 30 June 2026	**14,558**	**42**	**(1,094)**	**(3,929)**	**6,108**	**969,365**	**(341)**	**(577)**	**984,132**

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 30 June 2026

	notes	**2026 £'000**	2025 £'000
Cash flows from operating activities			
Profit for the year		**118,960**	83,757
Adjustments for:			
Depreciation and impairment of property, plant and equipment, right-of-use assets, and investment properties	9,10,11	**33,719**	29,057
Loss/(profit) on sale of property, plant and equipment	9	**107**	(1,083)
Amortisation and impairment of intangible assets	12	**8,653**	6,689
Loss on disposal of intangible assets	12	**1,017**	-
Share of profits from joint ventures	13	**(4,040)**	(3,538)
Defined benefit pension schemes service and administrative costs	23	**2,438**	1,833
Financial income	5	**(15,629)**	(16,517)
Financial expenses	5	**5,030**	9,940
Fair value gain on acquisition of subsidiary	30	**(359)**	-
Share-based payment expense	24	**491**	790
Tax expense	7	**31,004**	34,243
		62,431	61,414
Increase/(decrease) in inventories		**(22,231)**	2,463
Increase in trade, finance lease and other receivables		**(47,709)**	(11,025)
Increase in trade and other payables		**38,548**	16,525
Increase in provisions		**71**	1,129
		(31,321)	9,094
Defined benefit pension scheme contributions	23	**(2,859)**	(162)
Income taxes paid		**(36,681)**	(6,207)
Cash flows from operating activities		**110,530**	147,896
Investing activities			
Purchase of property, plant and equipment, and investment properties	9,11	**(38,342)**	(46,273)
Sale of property, plant and equipment		**3,885**	4,887
Development costs capitalised	12	**(9,896)**	(9,999)
Purchase of other intangibles	12	**(50)**	(286)
Decrease/(increase) in bank deposits	15	**43,577**	(90,684)
Interest received	5	**10,773**	12,216
Acquisition of a subsidiary, net of cash acquired	30	**1,960**	-
Dividends received from joint ventures	13	**957**	1,500
Cash flows from investing activities		**12,864**	(128,639)
Financing activities			
Repayment of borrowings	20	**(731)**	(794)
Amounts received as deposit from joint venture	13	**1,304**	5,983
Interest paid	5	**(938)**	(1,140)
Repayment of principal of lease liabilities	22	**(4,960)**	(4,284)
Own shares purchased	26	**(979)**	(154)
Dividends paid	26	**(56,842)**	(55,424)
Cash flows from financing activities		**(63,146)**	(55,813)
Net increase/(decrease) in cash and cash equivalents		**60,248**	(36,556)
Cash and cash equivalents at beginning of the year		**87,420**	122,293
Effect of exchange rate fluctuations on cash held		**633**	1,683
Cash and cash equivalents at end of the year	15	**148,301**	87,420

Cash and cash equivalents and bank deposits at the end of the year were £291.0m (2025: £273.6m). See Note 15 for more details.

NOTES (FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS)

1. Accounting policies

This section sets out our principal accounting policies that relate to the financial statements as a whole, along with the critical accounting judgements and estimates that management has identified as having a potentially material impact on the Group's consolidated financial statements. Where an accounting policy is applicable to a specific note in the financial statements, the policy is described within that note.

Basis of preparation

Renishaw plc (the Company) is a company incorporated in England and Wales. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group, and 'we') and equity account the Group's interest in joint ventures. The parent company financial statements present information about the Company as a separate entity and not about the Group.

The financial information set out in the announcement does not constitute the Group's statutory accounts for the years ended 30 June 2026 or 30 June 2025. The financial information for the year ended 30 June 2025 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditor reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under s498 (2) or (3) Companies Act 2006. In respect of the year ended 30 June 2026, an unqualified auditor's report was signed on 22 September 2026. The statutory accounts will be delivered to the Registrar of Companies following the Group's annual general meeting.

The consolidated financial statements are presented in Sterling, which is the Company's functional currency and the Group's presentational currency, and all values are rounded to the nearest thousand (£'000).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements. The critical estimates (that have a significant risk of material adjustment in the next year) and key judgements (that have a significant effect on the financial statements) made by the Directors in applying the accounting policies are noted below.

Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Joint ventures are accounted for using the equity method (equity-accounted investees) and are initially recognised at cost. The Group's investments include goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to £nil and recognition of further losses is discontinued (except to the extent that the Group has incurred legal obligations or made payments on behalf of an investee).

Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated on consolidation. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currencies

On consolidation, overseas subsidiaries' results are translated into Sterling at weighted average exchange rates for the year by translating each overseas subsidiary's monthly results at exchange rates applicable to the respective months. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Sterling at the foreign exchange rates prevailing at that date. Differences on exchange resulting from the translation of overseas assets and liabilities are recognised in Other comprehensive income and expense and are accumulated in equity.

Monetary assets and liabilities denominated in foreign currencies are reported at the rates prevailing at the time, with any gain or loss arising from subsequent exchange rate movements being included as an exchange gain or loss in the Consolidated income statement. Foreign currency differences arising from transactions are recognised in the Consolidated income statement.

New, revised or changes to existing accounting standards

The following accounting standards and amendments became effective as at 1 January 2025 and has been adopted in the preparation of these financial statements, with effect from 1 July 2025:

– amendments to IAS 21, Lack of exchangeability.

This has not had a material effect on these financial statements.

At the date of these financial statements, the following standards and amendments that are potentially relevant to the Group, and which have not been applied in these financial statements, were in issue but not yet effective:

– IFRS 18 Presentation and Disclosures in Financial Statements (endorsed by the UK); and
– IFRS 19 Subsidiaries without Public Accountability: Disclosures (not yet endorsed by the UK); and
– amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity; and
– amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments; and
– amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency; and
– annual improvements to IFRS – Volume 11.

The adoption of these standards and interpretations in future periods is not expected to have a material impact on the financial statements of the Group.

The Group has applied the temporary exception issued by the International Accounting Standards Board from the accounting requirements for deferred taxes in IAS 12 arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Global Minimum Tax income taxes.

Alternative performance measures

The financial statements are prepared in accordance with UK-adopted International Accounting Standards (IAS) and applied in accordance with the provisions of the Companies Act 2006. In measuring our performance, the financial measures that we use include those which have been derived from our reported results, to eliminate factors which distort year-on-year comparisons.

These are considered non-GAAP financial measures. We believe this information, along with comparable GAAP measurements, is useful to stakeholders in providing a basis for measuring our operational performance. The Board uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our performance (see Note 29).

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the Consolidated income statement.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

Critical accounting judgements and estimation uncertainties

The preparation of financial statements in conformity with UK-adopted IAS requires management to make judgements, estimates and assumptions which affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. The results of this form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may therefore differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas of critical accounting judgements and estimation uncertainties that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are summarised below with further details included within accounting policies as indicated.

Item	Key judgements (J) and estimates (E)
Taxation	J – Whether uncertain tax positions need to be recognised
Research and development costs	J – Whether a project meets the criteria for capitalisation
Capitalised development costs	E – Estimates of future cash flows for impairment testing
Inventories	E – Determination of net realisable value
Defined benefit pension schemes	E – Valuation of defined benefit pension schemes' liabilities
Defined benefit pension schemes	J – Whether past service costs need to be recognised
Adjusted performance measures	J – Whether items are appropriate to exclude from adjusted measures

Climate change

We have considered the potential effect of physical and transitional climate change risks when preparing these consolidated financial statements and have also considered the effect of our own Net Zero commitments. Our consideration of the potential effect of climate change on these consolidated financial statements included reviewing:

– discounted cash flow forecasts, used in accounting for goodwill, capitalised development costs, and deferred tax assets;
– useful economic lives and residual values of property, plant and equipment;
– planned use of right-of-use assets; and
– expected demand for inventories.

We also considered the estimated capital expenditure needed in the next five years to deliver our Net Zero plan.

Overall, we do not believe that climate change has a material effect on our accounting judgements and estimates, nor on the carrying value of assets and liabilities in the consolidated financial statements for the year ended 30 June 2026. We will continue to review this, and update our accounting and disclosures if the position changes.

Going concern

In preparing these financial statements, the Directors have adopted the going concern basis. The decision to adopt the going concern basis was made after considering:

– the Group's strategy and business model;
– the Group's risk management processes and principal risks;
– the Group's financial resources and strategies; and
– the process undertaken to review the Group's viability, including scenario testing.

The financial models for the viability review were based on the pessimistic version of the five-year business plan, but covering a period to 31 December 2029. For context, revenue in the first year of this pessimistic base scenario is lower than the FY2026 revenue of £815.8m, while costs and other cash outflows still reflect ambitious growth plans. In the going concern assessment, the Directors reviewed this same version of the business plan but to 31 December 2027, as well as the 'severe but plausible' scenarios used in the viability review, again to 31 December 2027. These scenarios reflected a significant reduction in revenue, a significant increase in costs, and a third scenario incorporating both a reduction to revenue and an increase in costs but to a lesser degree than the first two scenarios. In each scenario the Group's cash balances remained positive throughout the period to 31 December 2027.

The Directors also reviewed a reverse stress test for the period to 31 December 2027, identifying what would need to happen in this period for the Group to deplete its cash and cash equivalents and bank deposit balances. This identified a trading level so low that the Directors feel that the events that could trigger this would be remote. The Directors also concluded that the risk of a one-off cash outflow that would exhaust the Group's cash and cash equivalents and bank deposits balances in the assessment period was also remote.

Based on this assessment, incorporating a review of the current position, the scenarios, the principal risks and mitigation, the Directors have a reasonable expectation that the Group will be able to continue operating and meet its liabilities as they fall due over the period to 31 December 2027, being the going concern period.

2. Revenue disaggregation and segmental analysis

As previously announced the Group has reorganised into three new segments, which have replaced the Manufacturing technologies and Analytical instruments and medical devices segments. The new segments group together product lines with similar end-user markets, which more closely align reporting segment performance with external market data and demand drivers. Our new reporting segments are Industrial Metrology, Position Measurement and Specialised Technologies. We also manage our business by geographical region. The results of these segments and regions are regularly reviewed by the Board to assess performance and allocate resources, and are presented in this note.

Accounting policy

The Group generates revenue from the sale of goods, capital equipment and services. These can be sold both on their own and together.

a) Sale of goods, capital equipment and services

The Group's contracts with customers consist both of contracts with one performance obligation and contracts with multiple performance obligations.

For contracts with one performance obligation, revenue is measured at the transaction price, which is typically the contract value except for customers entitled to volume rebates, and recognised at the point in time when control of the product transfers to the customer. This point in time is typically when the products are made available for collection by the customer, collected by the shipping agent, or delivered to the customer, depending upon the shipping terms applied to the specific contract.

Contracts with multiple performance obligations typically exist where, in addition to supplying products, we also supply services such as user training, servicing and maintenance, and installation. Where the installation service is simple, does not include a significant integration service and could be performed by another party then the installation is accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the relative stand-alone selling prices. The revenue allocated to each performance obligation is then recognised when, or as, that performance obligation is satisfied. For installation, this is typically at the point in time when installation is complete. For training, this is typically the point in time when training is delivered. For servicing and maintenance, the revenue is recognised evenly over the course of the servicing agreement except for ad-hoc servicing and maintenance which is recognised at the point in time when the work is undertaken.

b) Sale of software

The Group provides software licences and software maintenance to customers, sold both on their own and together with associated products. For software licences, where the licence and/or maintenance are provided as part of a contract that provides customers with software licences and other goods and services, then the transaction price is allocated on the same basis as described in a) above.

The Group's distinct software licences provide a right of use, and therefore revenue from software licences is recognised at the point in time when the licence is supplied to the customer. Revenue from software maintenance is recognised evenly over the term of the maintenance agreement.

c) Extended warranties

The Group provides standard warranties to customers that address potential latent defects that existed at point of sale and as required by law (assurance-type warranties). In some contracts, the Group also provides warranties that extend beyond the standard warranty period and may be sold to the customer (service-type warranties).

Assurance-type warranties are accounted for by the Group under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Service-type warranties are accounted for as separate performance obligations and therefore a portion of the transaction price is allocated to this element, and then recognised evenly over the period in which *the service is provided.*

d) Contract balances

Contract assets represent the Group's right to consideration in exchange for goods, capital equipment and/or services that have been transferred to a customer, and mainly includes accrued revenue in respect of goods and services provided to a customer but not yet fully billed. Contract assets are distinct from receivables, which represent the Group's right to consideration that is unconditional.

Contract liabilities represent the Group's obligation to transfer goods, capital equipment and/or services to a customer for which the Group has either received consideration or consideration is due from the customer.

e) Disaggregation of revenue

The Group disaggregates revenue from contracts with customers between: goods, capital equipment and installation, and aftermarket services; reporting segment; and geographical location.

Management believe these categories best depict how the nature, amount, timing and uncertainty of the Group's revenue is affected by economic factors.

Our Industrial Metrology reporting segment consists of our sensors, measurement systems and software that allow customers to precisely measure machines and machined parts, generate inspection reports and control their production machines. Our Position Measurement reporting segment consists of encoders that enable customers to improve control and precision in their machines. Our Specialised Technologies reporting segment represents all other product lines within the Group, which consists of additive manufacturing (AM), spectroscopy and neurological product lines. The Industrial Metrology and Position Measurement reporting segments aggregate product offerings with similar economic characteristics, similar production processes and similar customer bases. More details of the Group's products and services are given in the Strategic Report.

Year ended 30 June 2026	**Industrial Metrology £'000**	**Position Measurement £'000**	**Specialised Technologies £'000**	**Total £'000**
Revenue	447,446	260,940	107,393	815,779
Depreciation, amortisation and impairment	20,031	18,358	3,983	42,372
Research and development expenditure	35,906	17,911	11,298	65,115
Statutory operating profit	**66,357**	**67,230**	**1,738**	**135,325**
Cost reduction programme	9,098	3,833	1,994	14,925
Loss of office payable to an Executive Director	1,244	416	320	1,980
Closure of drug delivery business	-	-	666	666
Adjusted operating profit	**76,699**	**71,479**	**4,718**	**152,896**
Share of profits of joint ventures	432	3,608	-	4,040
Net financial income	-	-	-	11,018
Adjusted profit before tax	**-**	**-**	**-**	**167,954**

Year ended 30 June 2025	Industrial Metrology £'000	Position Measurement £'000	Specialised Technologies £'000	Total £'000
Revenue	430,565	207,430	75,049	713,044
Depreciation, amortisation and impairment	22,768	8,219	4,759	35,746
Research and development expenditure	41,480	17,766	9,664	68,910
Statutory operating profit	**74,130**	**46,010**	**(12,255)**	**107,885**
Closure of drug delivery business	-	-	2,059	2,059
Closure of Edinburgh research facility	1,378	618	324	2,320
Adjusted operating profit/(loss)	**75,508**	**46,628**	**(9,872)**	**112,264**
Share of profits of joint ventures	488	3,050	-	3,538
Net financial income	-	-	-	11,429
Adjusted profit before tax	**-**	**-**	**-**	**127,231**

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

The following table shows the analysis of non-current assets, excluding deferred tax, derivatives and employee benefits, and reimbursement right by geographical region:

	2026	2025
	£'000	£'000
UK	**285,555**	286,145
APAC	**35,687**	38,797
EMEA	**91,051**	86,445
Americas	**45,316**	40,876
Total non-current assets	**457,609**	452,263

No overseas country had non-current assets amounting to 10% or more of the Group's total non-current assets.

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

	2026	2025
	£'000	£'000
Goods, capital equipment and installation	**739,355**	642,378
Aftermarket services	**76,424**	70,666
Total Group revenue	**815,779**	713,044

Aftermarket services include repairs, maintenance and servicing, programming, training, extended warranties, and software licences and maintenance. The Group's revenue by category includes £11.3m (2025: £19.2m) of forward currency contract gains.

The analysis of revenue by geographical market was:

	2026	2025
	£'000	£'000
APAC	**381,911**	337,721
UK (country of domicile)	**29,986**	34,017
EMEA, excluding UK	**184,871**	173,751
EMEA	**214,857**	207,768
Americas	**219,011**	167,555
Total Group revenue	**815,779**	713,044

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

	2026	2025
	£'000	£'000
China	**220,106**	186,495
USA	**192,912**	142,860
Germany	**59,253**	55,682
Japan	**50,964**	49,273

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

3. Employee costs

The remuneration costs of our people account for a significant proportion of our total expenditure.

The aggregate employee costs for the year were:

	2026	2025
	£'000	£'000
Wages and salaries	**262,976**	247,070
Compulsory social security contributions	**33,129**	30,514
Contributions to defined contribution pension schemes	**30,509**	29,269
Share-based payment charge	**491**	790
Total payroll costs	**327,105**	307,643

Wages and salaries and compulsory social security contributions include £18.0m (2025: £11.1m) relating to performance bonuses, £16.1m (2025: £3.2m) relating to redundancy costs, and £2.0m (2025: £nil) relating to loss of office payable to an Executive Director. Redundancy costs include £14.9m (2025: £nil) related to the cost reduction programme, initiated in FY2025. The cost of the voluntary and compulsory redundancies have been recognised in FY2026 based on relevant accounting standards.

The average number of people employed by the Group during the year was:

	2026 Number	2025 Number
UK	**3,251**	3,491
Overseas	**1,806**	1,848
Average number of employees	**5,057**	5,339

Key management personnel have been assessed to be the Directors of the Company and the Senior Leadership Team (SLT), which was an average of 23 people (2025: 22 people).

The total remuneration of the Directors and the SLT was:

	2026 £'000	2025 £'000
Short-term employee benefits	**9,263**	6,322
Post-employment benefits	**521**	489
Share-based payment charge	**491**	790
Total remuneration of key management personnel	**10,275**	7,601

Short-term employee benefits include £1.9m (2025: £0.8m) relating to performance bonuses payable in cash and £1.7m (2025: £nil) related to loss of office payable to an Executive Director (excluding employer social security contributions).

The share-based payment charge relates to share awards granted in previous years, not yet vested. Shares equivalent to £2.3m (2025: £0.9m) are to be awarded in respect of FY2026.

4. Cost of sales

Our cost of sales includes the costs to manufacture our products and our engineering spend on existing and new products, net of capitalisation and research and development tax credits.

Accounting policy

We receive both government grants and RDEC (tax credits) for research and development projects. For research projects, where the costs have not been capitalised, we recognise a deduction against expenditure within Cost of sales in the Consolidated income statement (having initially recognised the grant in the Consolidated balance sheet if it was received in advance of the related expense). Where a grant or RDEC is received for capitalised development costs, we initially recognise it in the Consolidated balance sheet and then release it to match the amortisation within Cost of sales. Both types are only recognised when we have reasonable assurance that any grant conditions will be met.

Included in cost of sales are the following amounts:

	Adjusted total 2026 £'000	**Adjusting items 2026 £'000**	**Statutory total 2026 £'000**	Adjusted total 2025 £'000	Adjusting items 2025 £'000	Statutory total 2025 £'000
Production costs	**329,506**	**2,609**	**332,115**	272,814	-	272,814
Research and development expenditure	**61,622**	**3,493**	**65,115**	68,910	-	68,910
Other engineering expenditure	**46,171**	**2,617**	**48,788**	46,770	4,379	51,149
Gross engineering expenditure	**107,793**	**6,110**	**113,903**	115,680	4,379	120,059
Development expenditure capitalised (net of amortisation)	**(5,441)**	**-**	**(5,441)**	(5,574)	-	(5,574)
Development expenditure impaired	**3,804**	**-**	**3,804**	1,818	-	1,818
Development expenditure disposed	**-**	**916**	**916**	-	-	-
Research and development tax credit	**(5,239)**	**-**	**(5,239)**	(5,088)	-	(5,088)
Total engineering costs	**100,917**	**7,026**	**107,943**	106,836	4,379	111,215
Total cost of sales	**430,423**	**9,635**	**440,058**	379,650	4,379	384,029

Production costs include raw materials and components, labour, subcontractor costs, and allocated overheads associated with manufacturing our products.

Research and development expenditure includes the payroll costs, material costs and allocated overheads attributed to projects identified as relating to new products or processes. Other engineering expenditure includes the payroll costs, material costs and allocated overheads attributed to projects identified as relating to existing products or processes.

5. Financial income and expenses

Financial income mainly arises from bank interest on our deposits. We are exposed to realised currency gains and losses on translation of foreign currency denominated intragroup balances and offsetting financial instruments.

Included in financial income and expenses are the following amounts:

Financial income	2026 £'000	2025 £'000
Bank interest receivable	**9,419**	11,741
Currency gains	**3,208**	-
Fair value gains from one-month forward currency contracts	**-**	3,360
Interest on pension schemes' assets	**552**	503
Other interest income	**2,450**	913
Total financial income	**15,629**	16,517
Financial expenses		
Currency losses	**-**	3,899
Fair value losses from one-month forward currency contracts	**895**	-
Lease interest	**617**	685
Interest payable on amounts owed to joint ventures	**282**	371
Interest on pension schemes' liabilities	**173**	-
Interest payable on borrowings	**35**	49
Other interest payable	**3,028**	4,936
Total financial expenses	**5,030**	9,940

Currency losses relate to revaluations of foreign currency-denominated balances using latest reporting currency exchange rates. The gain recognised in FY2026 largely relates to a depreciation of Sterling relative to the US dollar, affecting US dollar-denominated intragroup balances in the Company. Rolling one-month forward currency contracts are used to offset currency movements on certain intragroup balances, with fair value gains and losses being recognised in financial income or expenses (see Note 25). The net currency movement of foreign currency-denominated balances and one-month forward currency contracts was a gain of £2.3m (2025: loss of £0.5m). Other interest income includes a credit of £2.5m (2025: £nil) and interest payable includes a charge of £2.9m (2025: £4.9m) for historical and non-recurring tax matters (see Note 7).

6. Profit before tax

Detailed below are other notable amounts recognised in the Consolidated income statement.

Included in the profit before tax are the following costs/(income):

	notes	2026 £'000	2025 £'000
Depreciation and impairment of property, plant and equipment, right-of-use assets, and investment properties	9,10,11	**33,719**	29,057
Loss/(profit) on sale of property, plant and equipment	9	**107**	(1,083)
Amortisation and impairment of intangible assets	12	**8,653**	6,689
Loss on disposal of intangible assets	12	**1,017**	-
Fair value gain on acquisition of subsidiary	30	**(359)**	-
Grant income	-	**(2,001)**	(3,280)

These costs/(income) can be found within cost of sales, distribution costs and administrative expenses in the Consolidated income statement. Further detail on each element can be found in the relevant notes.

Costs within Administrative expenses relating to auditor fees are:

	2026 £'000	2025 £'000
Audit of these financial statements	**985**	899
Audit of subsidiary undertakings pursuant to legislation	**606**	589
Other assurance	**-**	-
All other non-audit fees	**46**	33
Total auditor fees	**1,637**	1,521

7. Taxation

The Group tax charge is affected by our geographic mix of profits and other factors explained in this note. Our expected future tax charges and related tax assets are also set out in the deferred tax section, together with our view on whether we will be able to utilise the tax assets in the future.

Accounting policy

Tax on the profit for the year comprises current, deferred and global minimum taxes. Tax is recognised in the Consolidated income statement except to the extent that it relates to items recognised directly in Other comprehensive income, in which case it is recognised in the Consolidated statement of comprehensive income and expense. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of goodwill;

- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and

- differences relating to investments in subsidiaries, to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent it is probable that future taxable profits (including the future release of deferred tax liabilities) will be available, against which the deductible temporary differences can be used, based on management's assumptions relating to the amounts and timing of future taxable profits. Estimates of future profitability on an entity basis are required to ascertain whether it is probable that sufficient taxable profits will arise to support the recognition of deferred tax assets relating to the corresponding entity.

Key judgement – Whether uncertain tax positions need to be recognised

The Group is subject to a range of tax legislation that can vary by jurisdiction, and tax compliance for global businesses is increasingly complex. The objective of our tax strategy is to comply with all applicable tax laws and regulations in the territories that the Group operates in. However sometimes the tax treatment of transactions and events can be uncertain.

Where this is the case, judgement is needed in how these uncertain tax treatments should be reflected in preparing the financial statements, particularly as such topics are often complex and can take several years to resolve. The nature and potential value of the issues under review were significant and were a key judgement for management.

The following table shows an analysis of the tax charge:	**2026** **£'000**	2025 £'000
Current tax:		
UK corporation tax on profits for the year	**15,022**	7,550
UK corporation tax – prior year adjustments	**(2,324)**	2,778
Overseas tax on profits for the year	**18,612**	16,018
Overseas tax – prior year adjustments	**(376)**	6,166
Global minimum tax	**803**	757
Total current tax	**31,737**	33,269
Deferred tax:		
Origination and reversal of temporary differences	**(667)**	2,077
Prior year adjustments	**81**	(1,203)
Derecognition of previously recognised tax losses and excess interest	**202**	323
Recognition of previously unrecognised tax losses and excess interest	**(349)**	(223)
	(733)	974
Tax charge on profit	**31,004**	34,243

The effective tax rate for the year is lower (2025: higher) than the UK standard rate of corporation tax of 25.0% (2025: 25.0%). The differences are principally due to differences in tax rates in overseas subsidiaries and prior year adjustments explained as follows:

	2026	2025
	£'000	£'000
Profit before tax	**149,964**	118,000
Tax at 25.0% (2025: 25.0%)	**37,491**	29,500
Effects of:		
Different tax rates applicable in overseas subsidiaries	**(5,800)**	(4,648)
Permanent differences	**1,493**	1,439
Global minimum tax	**803**	757
Companies with unrelieved tax losses	**29**	7
Share of profits of joint ventures	**(1,010)**	(885)
Tax incentives	**(7)**	(123)
Prior year adjustments	**(2,619)**	7,741
Recognition of previously unrecognised tax losses and excess interest	**(349)**	(223)
Derecognition of previously recognised tax losses and excess interest	**202**	323
Irrecoverable withholding tax	**286**	720
Deferred tax on unremitted earnings	**471**	(425)
Other differences	**14**	60
Tax charge on profit	**31,004**	34,243
Effective tax rate	**20.7%**	29.0%

We operate in many countries around the world and the overall effective tax rate (ETR) is a result of the combination of the varying tax rates applicable throughout these countries. The FY2026 ETR has reduced mainly due to a prior year adjustment of £2.6m (2025: £7.7m charge) relating to historical and non-recurring tax matters. The tax matters relate to specific legacy arrangements which we would not expect to recur. Applicable accounting standards require a provision for tax and the associated interest of £5.3m, however, we continue to seek resolution to these matters which would reduce these amounts.

The Group's future ETR largely depends on the geographic mix of profits and whether there are any changes to tax legislation in the Group's most significant countries of operations.

The Finance (No 2) Bill 2023, that includes Pillar Two legislation, was substantively enacted on 20 June 2023 for IFRS purposes. The Pillar Two rules came into effect for accounting periods beginning on or after 1 January 2024. The rules continue to apply to the Group.

The Group has accrued Global minimum tax of £0.8m (2025: £0.8m) in respect of Ireland. This is due to the statutory corporate income tax rate of 12.5% on trading income being lower than the global minimum tax rate of 15%. The impact on the effective tax rate of the Group was 0.5% for FY2026 (FY2025: 0.6%). The Group will continue to assess the future impact of Pillar Two based on the latest guidance and law changes of each jurisdiction in which it operates, to ensure compliance.

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset and there is an intention to net settle the balances. After taking these offsets into account, the net position of £14.1m liability (2025: £16.4m liability) is presented as a £22.9m deferred tax asset (2025: £22.4m asset) and a £37.0m deferred tax liability (2025: £38.8m liability) in the Consolidated balance sheet.

Where deferred tax assets are recognised, the Directors are of the opinion, based on recent and forecast trading, that the level of profits in current and future years make it more likely than not that these assets will be recovered.

Deferred tax balances at the end of the year were:

		2026			2025	
	Assets £'000	**Liabilities £'000**	**Net £'000**	Assets £'000	Liabilities £'000	Net £'000
Property, plant and equipment	**1,023**	**(35,336)**	**(34,313)**	574	(33,086)	(32,512)
Intangible assets	**-**	**(5,071)**	**(5,071)**	-	(4,655)	(4,655)
Intragroup trading (inventories)	**20,470**	**-**	**20,470**	16,262	-	16,262
Intragroup trading (fixed assets)	**1,143**	**-**	**1,143**	1,129	-	1,129
Defined benefit pension schemes	**5,671**	**(2,345)**	**3,326**	6,128	(2,380)	3,748
Reimbursement right	**-**	**(4,224)**	**(4,224)**	-	(3,744)	(3,744)
Derivatives	**-**	**(2,036)**	**(2,036)**	-	(5,088)	(5,088)
Tax losses	**1,156**	**-**	**1,156**	1,545	-	1,545
Other	**7,110**	**(1,653)**	**5,457**	7,663	(700)	6,963
Balance at the end of the year	**36,573**	**(50,665)**	**(14,092)**	33,301	(49,653)	(16,352)

Other deferred tax assets include temporary differences relating to inventory provisions totalling £2.4m (2025: £2.6m), other provisions (including bad debt provisions) of £1.2m (2025: £0.6m), and employee benefits relating to Renishaw plc £0.6m (2025: £1.0m) and Renishaw KK of £nil (2025: £0.7m), with the remaining balance relating to several other smaller temporary differences.

The movements in the deferred tax balance during the year were:

	2026 £'000	2025 £'000
Balance at the beginning of the year	**(16,352)**	(13,233)
Movements in relation to property, plant and equipment	**(1,801)**	(3,115)
Movements in relation to intangible assets	**(416)**	(588)
Movements in relation to intragroup trading (inventories)	**4,208**	1,115
Movements in relation to intragroup trading (fixed assets)	**14**	28
Movements in relation to defined benefit pension scheme assets/liabilities/reimbursement right	**713**	146
Movements in relation to tax losses	**(389)**	(278)
Movement in relation to other	**(1,596)**	1,718
Movements in the Consolidated income statement	**733**	(974)
Movements in relation to the cash flow hedging reserve	**3,052**	(1,451)
Movements in relation to the defined benefit pension scheme assets/liabilities/reimbursement right	**(1,615)**	(374)
Movements in the Consolidated statement of comprehensive income and expense	**1,437**	(1,825)
Currency adjustment	**90**	(320)
Balance at the end of the year	**(14,092)**	(16,352)

Deferred tax assets of £1.2m (2025: £1.5m) in respect of losses are recognised where it is considered likely that the business will generate sufficient future taxable profits. Deferred tax assets have not been recognised in respect of tax losses carried forward of £5.5m (2025: £5.0m), due to uncertainty over their offset against future taxable profits and therefore their recoverability. These unrecognised losses are held by Group companies in Brazil, the UAE and the USA, where there is no time limitation on their utilisation.

In determining profit forecasts for each Group company, the key variable is the revenue forecast, which has been estimated using consistently applied external and internal data sources. Sensitivity analysis indicates that a reduction of 5% to relevant revenue forecasts would result in an impairment to deferred tax assets recognised in respect of losses and intragroup trading (inventories) of around £nil. An increase of 5% to relevant revenue forecasts would result in additions to deferred tax assets in respect of tax losses not recognised of around £0.3m.

It is likely that the majority of unremitted earnings of overseas subsidiaries would qualify for the UK dividend exemption. However, £88.0m (2025: £73.7m) of those earnings may still result in a tax liability principally as a result of withholding taxes levied by the overseas jurisdictions in which those subsidiaries operate. These tax liabilities are not expected to exceed £6.0m (2025: £5.2m), of which £0.5m (2025: £nil) has been provided on the basis that the Group expects to remit these amounts.

8. Earnings per share

Basic earnings per share is the amount of profit generated in a financial year attributable to equity shareholders, divided by the weighted average number of shares in issue during the year.

	2026	2025
Statutory profit after tax attributable to shareholders (£'000)	**118,960**	83,757
Number of shares (72,788,543 allotted, called-up and fully paid ordinary shares)	**72,757,446**	72,734,797
Basic earnings per share	**163.5p**	115.2p
Diluted earnings per share	**163.5p**	115.2p

The number of shares excludes 31,097 (2025: 53,746) shares held by the Employee Benefit Trust (EBT). On this basis, earnings per share (basic and diluted) is calculated as 163.5 pence (2025: 115.2 pence).

There is no difference between the weighted average earnings per share and the basic and diluted earnings per share. For the calculation of adjusted earnings per share see Note 29.

9. Property, plant and equipment

The Group makes significant investments in distribution and manufacturing infrastructure. During the year we have invested in our capital equipment to support manufacturing output and the rapid growth in our order book.

Accounting policy

Freehold land is not depreciated. Other assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided to write off the cost of assets less their estimated residual value on a straight-line basis over their estimated useful economic lives as follows: freehold buildings, 50 years; building infrastructure, 10 to 50 years; plant and equipment, 3 to 25 years; and vehicles, 3 to 4 years.

Year ended 30 June 2026	**Freehold land and buildings £'000**	**Plant and equipment £'000**	**Motor vehicles £'000**	**Assets in the course of construction £'000**	**Total £'000**
Cost					
At 1 July 2025	**274,628**	**309,054**	**5,962**	**34,539**	**624,183**
Additions	**4,088**	**23,492**	**580**	**10,182**	**38,342**
Acquisition of a subsidiary	**1,466**	**289**	**51**	**-**	**1,806**
Transfers	**24,892**	**7,175**	**-**	**(32,067)**	**-**
Transfers to investment properties	**(14,090)**	**(453)**	**-**	**-**	**(14,543)**
Disposals	**(1,735)**	**(31,057)**	**(1,187)**	**-**	**(33,979)**
Currency adjustment	**411**	**1,039**	**62**	**-**	**1,512**
At 30 June 2026	**289,660**	**309,539**	**5,468**	**12,654**	**617,321**
Depreciation					
At 1 July 2025	**53,790**	**227,715**	**4,391**	**-**	**285,896**
Charge for the year	**5,463**	**17,563**	**446**	**-**	**23,472**
Acquisition of a subsidiary	**134**	**276**	**38**	**-**	**448**
Impairment	**-**	**1,500**	**-**	**-**	**1,500**
Transfers to investment properties	**(2,692)**	**(322)**	**-**	**-**	**(3,014)**
Disposals	**(170)**	**(28,818)**	**(999)**	**-**	**(29,987)**
Currency adjustment	**369**	**668**	**22**	**-**	**1,059**
At 30 June 2026	**56,894**	**218,582**	**3,898**	**-**	**279,374**
Net book value					
At 30 June 2026	**232,766**	**90,957**	**1,570**	**12,654**	**337,947**
At 30 June 2025	220,838	81,339	1,571	34,539	338,287

Loss on disposals of Property, plant and equipment amounted to £0.1m (2025: £1.1m profit).
The Group has recognised an impairment of £1.5m (2025: £1.0m). This year's charge relates to tangible assets used in producing a new encoder product following a reprioritisation of resource, resulting from the significant increase in demand for our other encoder products.

Additions to assets in the course of construction comprise £7.9m (2025: £11.2m) for land and buildings and £2.3m (2025: £4.2m) for plant and equipment.

At 30 June 2026, properties with a net book value of £nil (2025: £48.7m) were subject to a fixed charge to secure the UK defined benefit pension scheme liabilities (see Note 23 for further information on the release of the charges).

Transfers to investment properties of net book value £11.5m (2025: £1.8m) were made during the year (see Note 11).

Year ended 30 June 2025	**Freehold land and buildings £'000**	**Plant and equipment £'000**	**Motor vehicles £'000**	**Assets in the course of construction £'000**	**Total £'000**
Cost					
At 1 July 2024	255,536	278,189	6,099	56,593	596,417
Additions	6,374	23,258	1,220	15,421	46,273
Transfers	19,032	18,443	-	(37,475)	-
Transfers to investment properties	(2,795)	(597)	-	-	(3,392)
Disposals	(725)	(7,819)	(1,206)	-	(9,750)
Currency adjustment	(2,794)	(2,420)	(151)	-	(5,365)
At 30 June 2025	274,628	309,054	5,962	34,539	624,183
Depreciation					
At 1 July 2024	49,460	216,838	5,079	-	271,377
Charge for the year	5,275	17,497	470	-	23,242
Impairment	989	-	-	-	989
Transfers to Investment properties	(1,179)	(439)	-	-	(1,618)
Disposals	(270)	(4,619)	(1,057)	-	(5,946)
Currency adjustment	(485)	(1,562)	(101)	-	(2,148)

At 30 June 2025	53,790	227,715	4,391	-	285,896
Net book value					
At 30 June 2025	220,838	81,339	1,571	34,539	338,287
At 30 June 2024	206,076	61,351	1,020	56,593	325,040

10. Right-of-use assets

The Group leases distribution properties, plant and equipment, and cars from third parties and recognises an associated right-of-use asset where we are afforded control and economic benefit from the use of the asset.

Accounting policy

At the commencement date of a lease arrangement the Group recognises a right-of-use asset for the leased item and a lease liability for any payments due. Right-of-use assets are initially measured at cost, being the present value of the lease liability plus any initial costs incurred in entering the lease and less any incentives received. See Note 21 for further detail on lease liabilities. Right-of-use assets are subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life or the end of the lease term.

Year ended 30 June 2026	**Leasehold property £’000**	**Plant and equipment £’000**	**Motor vehicles £’000**	**Total £’000**
Net book value				
At 1 July 2025	**8,653**	**74**	**3,491**	**12,218**
Additions	**564**	**7**	**2,870**	**3,441**
Depreciation	**(2,316)**	**(39)**	**(2,642)**	**(4,997)**
Currency adjustment	**256**	**1**	**47**	**304**
At 30 June 2026	**7,157**	**43**	**3,766**	**10,966**

Year ended 30 June 2025	Leasehold property £’000	Plant and equipment £’000	Motor vehicles £’000	Total £’000
Net book value				
At 1 July 2024	9,899	66	4,781	14,746
Additions	1,746	49	841	2,636
Reductions	-	-	(12)	(12)
Depreciation	(2,541)	(43)	(2,049)	(4,633)
Currency adjustment	(451)	2	(70)	(519)
At 30 June 2025	8,653	74	3,491	12,218

11. Investment properties

The Group’s investment properties consist of properties in India, Ireland, Slovenia, Spain, Switzerland and the UK, which are occupied by rent-paying third parties. During the year, we have transferred properties from Property, plant and equipment to Investment properties following a change in use in Slovenia, Spain and the UK.

Accounting policy

Where property owned by the Group is held to earn rentals or for long-term capital growth it is recognised as investment property.

Where a property is part-occupied by the Group, portions of the property are recognised as investment property if they meet the above description and if these portions could be sold separately and reliably measured. If the portions could not be sold separately, the property is recognised as an investment property only if a significant proportion is held for rental or appreciation purposes.

The Group has elected to value investment properties on a cost basis, initially comprising of the purchase price and any directly attributable expenditure. Depreciation is provided to write off the cost of assets on a straight-line basis over their estimated useful economic lives, being 50 years. Amounts relating to freehold land are not depreciated.

	2026 £’000	2025 £’000
Cost		
Balance at the beginning of the year	**15,211**	12,103
Transfers from Property, plant and equipment	**14,543**	3,392
Acquisition of a subsidiary	**350**	-

Currency adjustment	**(109)**	(284)
Balance at the end of the year	**29,995**	15,211
Depreciation		
Balance at the beginning of the year	**3,645**	1,818
Charge for the year	**247**	193
Transfers from Property, plant and equipment	**3,014**	1,618
Impairment	**3,503**	-
Currency adjustment	**3**	16
Balance at the end of the year	**10,412**	3,645
Net book value	**19,583**	11,566

The Group has recognised impairments of £3.5m (2025: £nil) following a market value assessment of properties in Slovenia and the UK.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

Amounts recognised in the Consolidated income statement relating to investment properties:

	2026	2025
	£'000	£'000
Rental income	**1,249**	945
Direct operating expenses (including repairs and maintenance)	**(334)**	(218)
Profit	**915**	727

The fair value of the Group's investment properties totalled £27.8m at 30 June 2026 (2025: £18.4m). Fair values of each investment property have been determined within the last three years by independent valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of each investment property being valued. These valuations have been assessed to be materially appropriate at 30 June 2026.

12. Intangible assets

Our Consolidated balance sheet contains significant intangible assets, mainly goodwill (which arises when we acquire a business and pay a higher amount than the fair value of its net assets) and capitalised development costs. We make significant investments in the development of new products, a key part of our business model, and some of these costs are initially capitalised and then written off over the lifetime of future sales of that product.

Accounting policy

Goodwill arising on acquisition represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired, net of deferred tax. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. It is not amortised but is tested annually for impairment or earlier if there are any indications of impairment. The annual impairment review involves comparing the carrying amount to the estimated recoverable amount and recognising an impairment loss if the recoverable amount is lower. Impairment losses are recognised in the Consolidated income statement.

Intangible assets such as customer lists, patents, trademarks, know-how and intellectual property that are acquired by the Group are stated at cost less amortisation and impairment losses. Amortisation is charged to the Consolidated income statement on a straight-line basis over the estimated useful lives of the intangible assets. The estimated useful lives of the intangible assets included in the Consolidated balance sheet reflect the benefit derived by the Group and vary from five to 10 years.

Expenditure on research activities is recognised in the Consolidated income statement as an expense as incurred. Expenditure on development activities is capitalised if: the product or process is technically and commercially feasible; the Group intends and has the technical ability and sufficient resources to complete development; future economic benefits are probable; and the Group can measure reliably the expenditure attributable to the intangible asset during its development.

Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Consolidated income statement as an expense as incurred.

Capitalised development expenditure is amortised over the useful economic life appropriate to each product or process, ranging from five to 10 years, and is stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation commences when a product or process is available for use as intended by management. Capitalised development expenditure is removed from the balance sheet 10 years after being fully amortised.

All non-current assets are tested for impairment whenever there is an indication that their carrying value may be impaired. An impairment loss is recognised in the Consolidated income statement to the extent that an asset's carrying value exceeds its recoverable amount, which represents the higher of the asset's fair value less costs to sell and its value-in-use. An asset's value-in-use represents the present value of the future cash flows expected to be derived from the asset or from the cash generating unit to which it relates. The present value is calculated using a discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset concerned.

Goodwill and capitalised development costs are subject to an annual impairment test.

Key judgement – Whether a project meets the criteria for capitalisation

Product development costs are capitalised once a project has reached a certain stage of development, being the point at which the product has passed testing to demonstrate it meets the technical specifications of the project and it satisfies all applicable regulations. Judgement is required to assess whether the new product development has reached the appropriate point for capitalisation of costs to begin. These costs are subsequently amortised over their useful economic life once ready for use. Should a product become obsolete, the accumulated capitalised development costs would need to be immediately written off in the Consolidated income statement.

Key estimate – Estimates of future cash flows used for impairment testing.

Determining whether goodwill and capitalised development costs are impaired requires an estimation of the value-in-use of cash-generating units (CGUs) to which goodwill has been allocated. To calculate the value-in-use we need to estimate the future cash flows of each CGU and select the appropriate discount rate for each CGU.

Year ended 30 June 2026	Goodwill £'000	Internally generated development costs £'000	Software licences £'000	Intellectual property and other intangible assets £'000	Total £'000
Cost					
At 1 July 2025	**19,882**	**189,572**	**12,505**	**4,879**	**226,838**
Additions	**1,095**	**9,896**	**7**	**43**	**11,041**
Disposals	**-**	**(19,038)**	**(3,637)**	**-**	**(22,675)**
Currency adjustment	**278**	**-**	**(40)**	**6**	**244**
At 30 June 2026	**21,255**	**180,430**	**8,835**	**4,928**	**215,448**
Amortisation					
At 1 July 2025	**9,028**	**152,407**	**11,956**	**2,897**	**176,288**
Charge for the year	**-**	**4,455**	**179**	**215**	**4,849**
Impairment	**-**	**3,804**	**-**	**-**	**3,804**
Disposals	**-**	**(18,122)**	**(3,536)**	**-**	**(21,658)**
Currency adjustment	**-**	**-**	**(41)**	**(18)**	**(59)**
At 30 June 2026	**9,028**	**142,544**	**8,558**	**3,094**	**163,224**
Net book value					
At 30 June 2026	**12,227**	**37,886**	**277**	**1,834**	**52,224**
At 30 June 2025	10,854	37,165	549	1,982	50,550

Goodwill

Year ended 30 June 2025	Goodwill £'000	Internally generated development costs £'000	Software licences £'000	Intellectual property and other intangible assets £'000	Total £'000
Cost					
At 1 July 2024	20,258	187,941	12,197	4,864	225,260
Additions	-	9,999	286	-	10,285
Disposals	-	(8,368)	-	-	(8,368)
Currency adjustment	(376)	-	22	15	(339)
At 30 June 2025	19,882	189,572	12,505	4,879	226,838
Amortisation					
At 1 July 2024	9,028	154,531	11,751	2,607	177,917
Charge for the year	-	4,426	191	254	4,871
Impairment	-	1,818	-	-	1,818
Disposals	-	(8,368)	-	-	(8,368)
Currency adjustment	-	-	14	36	50
At 30 June 2025	9,028	152,407	11,956	2,897	176,288
Net Book value					
At 30 June 2025	10,854	37,165	549	1,982	50,550
At 30 June 2024	11,230	33,410	446	2,257	47,343

Goodwill has arisen on the acquisition of several businesses and has an indeterminable useful life. It is therefore not amortised but is instead tested for impairment annually and at any point during the year when an indicator of impairment exists.

During the year, the Group acquired the remaining 30% of Metrology Software Products Limited (MSP) increasing its ownership percentage to 100%. The acquisition resulted in goodwill of £1.1m being recognised (see Note 30 for more information on the business combination).

In FY2026, the Group has reorganised into three new segments (see Note 2). In accordance with IAS 36.87, goodwill has been reallocated to the revised cash-generating units (CGUs) that are expected to benefit from the business combination in which the goodwill arose. The CGUs used for goodwill impairment testing have been reallocated to the product lines, namely Industrial Metrology (IM), Position Measurement (PM), Additive manufacturing (AM), Spectroscopy (SPD) and Neurological (NPD), as set out below.

The reallocation was performed using a relative value approach, consistent with IAS 36. The product lines represent the lowest level at which goodwill is monitored for internal management purposes and are not larger than our segments before aggregation. The reallocation of goodwill is not a change in accounting policy under IAS 8, with no retrospective impairment test performed. The analysis of goodwill according to CGU is:

	2026	2025
	£'000	£'000
Industrial Metrology (IM)	**10,008**	n/a
Neurological (NPD)	**2,219**	n/a
Total goodwill	**12,227**	10,854

Goodwill has arisen principally on the acquisitions of Renishaw Fixturing Solutions, LLC (IM), itp GmbH (IM), Renishaw Mayfield SARL (NPD) and Metrology Software Products Limited (IM).

The recoverable amounts of acquired goodwill are based on value-in-use calculations. These calculations use cash flow projections based on the financial business plans approved by management for the next five financial years. The cash flows beyond this forecast are extrapolated to perpetuity using a nil growth rate on a prudent basis, to reflect the uncertainties over forecasting beyond five years.

The following pre-tax discount rates have been used in discounting the projected cash flows:

	2026	**2026**	2025	2025
CGU	**Discount rate**	**Long-term growth rate**	Discount rate	Long-term growth rate
Industrial Metrology (IM)	**15.8%**	**0.0%**	n/a	n/a
Neurological (NPD)	**22.4%**	**0.0%**	n/a	n/a

The Group's post-tax weighted average cost of capital, calculated at 30 June 2026, is 12.1% (2025: 11.6%). Pre-tax discount rates for the IM CGU are calculated from this basis, given that they are aligned with the wider Group's industries, markets and processes. The NPD CGU has a higher risk weighting, reflecting the less mature nature of this product group.

CGU specific five-year business plans have been used in determining cash flow projections. Within these plans, revenue forecasts are calculated with reference to external market data, past performance, and new product launches, consistent with revenue forecasts across the Group. Production costs, engineering costs, distribution costs and administrative expenses are calculated based on management's best estimates of what is required to support revenue growth and new product development. Estimates of capital expenditure and working capital requirements are also included in the cash flow projections. The key estimate within these business plans is the forecast revenue growth, given that the cost bases of the businesses can be flexed in line with revenue performance. Given the average revenue growth assumptions included in the five-year business plans, management's sensitivity analysis involves modelling a reduction in the forecast cash flows utilised in those business plans and therefore into perpetuity.

For there to be an impairment in the IM or NPD CGUs, the pre-tax discount rate would need to increase to at least 727% and 40% respectively, or there would need to be a reduction to forecast cash flows of 98% and 50% respectively.

Internally generated development costs

The key assumption in determining the value-in-use for internally generated development costs is the forecast unit sales over the useful economic life, which is determined by management using their knowledge and experience with similar products and the sales history of products already available in the market. Resulting cash flow projections over five to 10 years, the periods over which product demand forecasts can be reasonably predicted and internally generated development costs are written off, are discounted using pre-tax discount rates, which are calculated from the Group post-tax weighted average cost of capital of 12.1% (2025: 11.6%).

There were impairments of internally generated development costs in the year of £3.8m (2025: £1.8m). This includes a £3.7m impairment of a new encoder product following a reprioritisation of resource, resulting from the significant increase in demand for our other encoder products.

In addition, there was a £0.9m loss on disposal of the drug delivery intangible asset, following the decision to close the drug delivery business. For the largest projects, comprising 98% of the net book value at 30 June 2026, a 10% reduction to forecast unit sales, or an increase in the discount rate by 1%, would not result in an impairment.

13. Investments in joint ventures

Where we make an investment in a company which gives us joint control but not full control, we account for our share of their post-tax profits in our financial statements. We have one remaining joint venture arrangement, RLS, following the acquisition of the remaining 30% interest in MSP.

The Group's investments in joint ventures (all investments being in the ordinary share capital of the joint ventures), whose accounting years end on 30 June, were:

	Country of incorporation and principal place of business	**2026 Ownership %**	2025 Ownership %
RLS Merilna tehnika d.o.o. (RLS) - joint venture	Slovenia	**50.0**	50.0
Metrology Software Products Limited (MSP) - joint venture	England & Wales	**100.0**	70.0

During the year, the Company acquired the remaining 30% of MSP, increasing its ownership percentage to 100%. In accordance with IFRS 10, the control requirements have now been met and MSP has been consolidated in the Group's financial statements as at 30 June 2026; see Note 30 for more information on the business combination.

Movements during the year were:	**2026 £'000**	2025 £'000
Balance at the beginning of the year	**27,692**	25,485
Dividends received	**(957)**	(1,500)
Share of profits of joint ventures	**4,040**	3,538
Acquisition of subsidiary	**(4,840)**	-
Currency adjustment	**190**	169
Balance at the end of the year	**26,125**	27,692

Renishaw International Limited (RIL) has a 14-day notice deposit agreement with RLS. Interest is payable by RIL to RLS at a market rate on a monthly basis. Under this agreement, RIL held EUR 18.5m (£15.9m equivalent) as at 30 June 2026 (2025: £14.5m). The amount is recognised as 'Amounts payable to joint venture' in the Consolidated balance sheet.

Summarised financial information for joint ventures:

	RLS		**MSP**	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Assets	**58,795**	52,093	**-**	6,258
Liabilities	**(6,546)**	(5,526)	**-**	(532)
Net assets	**52,249**	46,567	**-**	5,726
Group's share of net assets	**26,125**	23,284	**-**	4,008
Revenue	**44,885**	38,045	**3,431**	3,389
Profit for the year	**7,216**	6,100	**617**	697
Group's share of profit for the year	**3,608**	3,050	**432**	488

The financial statements of RLS have been prepared on the basis of Slovenian Accounting Standards.
The financial statements of MSP have been prepared on the basis of FRS 102.

14. Leases (as lessor)

The Group acts as a lessor for Renishaw-manufactured equipment on finance and operating lease arrangements. This is mainly for high-value capital equipment such as our additive manufacturing machines.

Accounting policy

Where the Group transfers the risks and rewards of ownership of lease assets to a third party, the Group recognises a receivable in the amount of the net investment in the lease. The lease receivable is subsequently reduced by the principal received, while an interest component is recognised as financial income in the Consolidated income statement. Standard contract terms are up to five years and there is a nominal residual value receivable at the end of the contract.

Where the Group retains the risks and rewards of ownership of lease assets, it continues to recognise the leased asset in Property, plant and equipment. Income from operating leases is recognised on a straight-line basis over the lease term and recognised as revenue, rather than other revenue, as such income is not material. Operating leases are on one to five year terms.

The total future lease payments are split between the principal and interest amounts below:

	2026			2025		
	Gross investment £'000	**Interest £'000**	**Net investment £'000**	Gross investment £'000	Interest £'000	Net investment £'000
Receivable in less than one year	**8,253**	**1,066**	**7,187**	6,027	832	5,195
Receivable between one and two years	**7,812**	**951**	**6,861**	5,416	572	4,844
Receivable between two and three years	**3,689**	**271**	**3,418**	4,120	317	3,803
Receivable between three and four years	**417**	**16**	**401**	2,669	154	2,515
Receivable between four and five years	**87**	**3**	**84**	803	15	788
Total future minimum lease payments receivable	**20,258**	**2,307**	**17,951**	19,035	1,890	17,145

Finance lease receivables are presented as £10.8m (2025: £11.9m) non-current assets and £7.2m (2025: £5.2m) current assets in the Consolidated balance sheet.

The total of future minimum lease payments receivable under non-cancellable operating leases were:

	2026 £'000	2025 £'000
Receivable in less than one year	**1,508**	1,138
Receivable in more than one year	**2,580**	1,323
Total future minimum lease payments receivable	**4,088**	2,461

During the year, £1.3m (2025: £1.4m) of operating lease income was recognised in revenue.

15. Cash and cash equivalents and bank deposits

We have always valued having cash in the bank to protect the Group from downturns and enable us to react swiftly to investment or market capture opportunities. We currently hold significant cash and cash equivalents and bank deposits, mostly in the UK and spread across several banks with high credit ratings.

Accounting policy

Cash and cash equivalents comprise cash balances, and deposits with an original maturity of less than three months or with an original maturity date of more than three months where the deposit can be accessed on demand without significant penalty for early withdrawal and where the original deposit amount is recoverable in full.

Cash and cash equivalents

An analysis of cash and cash equivalents at the end of the year was:

	2026 £'000	2025 £'000
Bank balances and cash in hand	**148,092**	87,138
Short-term deposits	**209**	282
Balance at the end of the year	**148,301**	87,420

Bank deposits Bank deposits at the end of the year amounted to £142.7m (2025: £186.2m), of which £22.0m matures in July 2026, £1.8m in August 2026, £26.0m in September 2026, £1.8m in October 2026, £50.0m in December 2026, £20.0m in January 2027, £1.0m in February 2027 and £20.0m in March 2027.

During the year bank deposits of £186.2m matured, of which £60.0m in July 2025, £20.0m in September 2025, £65.0m in December 2025 and £30.0m in May 2026.

16. Inventories

We increased our inventories during the year to support rapid growth in orders, and remain committed to high customer delivery performance.

Accounting policy

Inventory and work in progress is valued at the lower of actual cost on a first-in, first-out (FIFO) basis and net realisable value. In respect of work in progress and finished goods, cost includes all production overheads and the attributable proportion of indirect overhead expenses that are required to bring inventories to their present location and condition. Overheads are absorbed into inventories on the basis of normal capacity or on actual hours if higher.

Key estimate – Determination of net realisable inventory value

Determining the net realisable value of inventory requires management to estimate future demand, especially in respect of provisioning for slow-moving and potentially obsolete inventory. When calculating an inventory provision, management generates an estimate of future demand for individual inventory items (capped at 3 years) based upon the higher of 12 months of historical usage or 12 months of demand from customer orders and manufacturing build plans. A 50% provision is calculated where actual holdings represent between 3 to 5 years' worth of future demand, and 100% is calculated where actual holdings represent over 5 years' worth of future demand. Adjustments are made where needed, for example where it is highly likely that there will be an increase in sales beyond the 12-month demand period or where there are obsolescence programmes.

An analysis of inventories at the end of the year was:

	2026 £'000	2025 £'000
Raw materials	**62,440**	56,911
Work in progress	**37,758**	31,623
Finished goods	**81,545**	70,931
Balance at the end of the year	**181,743**	159,465

At the end of the year, the gross cost of inventories which had provisions held against them totalled £27.4m (2025: £29.4m). During the year, the amount of write-down of inventories recognised as an expense in the Consolidated income statement was £0.1m (2025: £1.0m).

Inventories in Renishaw plc account for 61% (2025: 61%) of the total Inventories of the Group. A 10% reduction in the estimate of future demand for all Renishaw plc inventory items would result in an increase in the inventory provision of £0.3m (2025: £0.4m).

17. Provisions

A provision is a liability recorded in the Consolidated balance sheet, where there is uncertainty over the timing or amount that will be paid.

Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Group provides a warranty from the date of purchase, except for those products that are installed by the Group where the warranty starts from the date of completion of the installation. This is typically for a 12-month period, although up to three years is given for a small number of products. A warranty provision is calculated on the basis of historical returns and internal quality reports and is included in the Group financial statements.

Warranty provision and other provision movements during the year were:

	Warranty		**Other**	
	2026 £'000	2025 £'000	**2026 £'000**	2025 £'000
Balance at the beginning of the year	**2,826**	2,997	**6,152**	-
Created during the year	**2,783**	3,281	**3,505**	6,152
Unused amounts reversed	**-**	(924)	**(2,450)**	-
Utilised in the year	**(1,928)**	(2,528)	**(1,300)**	-
	855	(171)	**(245)**	6,152
Balance at the end of the year	**3,681**	2,826	**5,907**	6,152

The warranty provision has been calculated on the basis of historical return-in-warranty information and other internal reports. It is expected that most of this expenditure will be incurred in the next financial year and all expenditure will be incurred within three years of the balance sheet date.

Other provisions comprises interest payable liabilities of £5.3m (2025: £4.9m) for historical and non-recurring tax matters (see Note 7 for further details) and other provisions of £0.6m (2025: £1.3m). The £1.3m onerous contract provision recognised in FY2025 has been fully utilised.

18. Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods, capital equipment and/or services to a customer for which the Group has either received consideration or consideration is due from the customer. Our balances mostly comprise advances received from customers and payments for services yet to be completed.

Balances at the end of the year were:	**2026**	2025
	£'000	£'000
Goods, capital equipment and installation	**2,087**	813
Aftermarket services	**9,405**	8,251
Deferred revenue	**11,492**	9,064
Advances received from customers	**14,819**	5,605
Balance at the end of the year	**26,311**	14,669

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied at the end of the year is £23.2m (2025: £14.7m). Of this, £1.7m (2025: £1.5m) is not expected to be recognised in the next financial year.

19. Other payables

Separate from our trade payables and contract liabilities, which directly relate to our trading activities, our Other payables mostly comprises amounts payable to employees, or relating to employees, and payroll taxes and social security.

Balances at the end of the year were:

	2026	2025
	£'000	£'000
Payroll taxes and social security	**7,905**	7,484
Performance bonuses	**18,055**	11,047
Holiday pay and retirement accruals	**5,792**	11,091
Indirect tax payable	**6,548**	5,278
Deferred research and development tax credit ('RDEC')	**2,473**	1,131
Tariff refund payable	**5,680**	-
Other creditors and accruals	**21,547**	21,101
Total other payables	**68,000**	57,132

Holiday pay accruals are based on a calculation of the number of days' holiday earned during the year, but not yet taken. Deferred research and development tax credit relates to amounts received for capitalised development costs which cannot be recognised (see Note 4). Certain retirement accruals have been transferred to Employee benefits (see Note 23).

Other creditors and accruals includes a number of other individually smaller accruals.

20. Borrowings

The Group's only source of external borrowing is a fixed-interest loan facility entered into to directly finance the purchase of a distribution facility in Japan in FY2019.

Third-party borrowings at 30 June 2026 consist of a loan entered into on 31 May 2019 by Renishaw KK, with original principal of JPY 1,447m (£10.5m). Principal of JPY 12m is repayable each month, with a fixed interest rate of 0.81% also paid on monthly accretion for the first five years. This loan was extended for an additional five years in May 2024, with a fixed interest rate of 1.41% payable for the remaining term, at which time the principal will have been repaid in full. There are no covenants attached to this loan.

Movements during the year were:

	2026 £'000	2025 £'000
Balance at the beginning of the year	**2,884**	3,522
Interest	**35**	49
Repayments	**(731)**	(794)
Currency adjustment	**(202)**	107
Balance at the end of the year	**1,986**	2,884

Borrowings are held at amortised cost. There is no significant difference between the book value and fair value of borrowings. This is estimated by discounting contractual future cash flows, which represents level 2 of the fair value hierarchy defined in Note 25.

21. Leases (as lessee)

The Group leases distribution properties and cars from third parties and recognises an associated lease liability for the total present value of payments to which the lease contracts commit us to.

Accounting policy

At the commencement date of a lease arrangement the Group recognises a right-of-use asset for the leased item and a lease liability for the value of lease payments to be made over the lease term. Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate of the applicable entity. The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured if there is a change in future lease payments arising from a change in an index or rate (such as an inflation-linked increase), or if there is a change in the Group's assessment of whether it will exercise an extension or termination option. When this happens, there is a corresponding adjustment to the right-of-use asset. Where the Group enters into leases with a lease term of 12-months or less, these are treated as 'short-term' leases and are recognised on a straight-line basis as an expense in the Consolidated income statement. The same treatment applies to low-value assets, which are typically IT equipment and office equipment.

Undiscounted future lease liabilities are analysed as below:

2026	**Leasehold property £'000**	**Plant and equipment £'000**	**Motor vehicles £'000**	**Total £'000**
Due in less than one year	**2,431**	**18**	**2,259**	**4,708**
Due between one and two years	**1,913**	**13**	**1,218**	**3,144**
Due between two and three years	**1,220**	**11**	**495**	**1,726**
Due between three and four years	**219**	**4**	**159**	**382**
Due between four and five years	**104**	**-**	**6**	**110**
Due in more than five years	**4,275**	**-**	**-**	**4,275**
Total future minimum lease payments payable	**10,162**	**46**	**4,137**	**14,345**
Effect of discounting	**(2,611)**	**(2)**	**(214)**	**(2,827)**
Lease liability	**7,551**	**44**	**3,923**	**11,518**

2025	Leasehold property £’000	Plant and equipment £’000	Motor vehicles £’000	Total £’000
Due in less than one year	2,490	34	1,985	4,509
Due between one and two years	2,110	18	1,303	3,431
Due between two and three years	1,667	12	501	2,180
Due between three and four years	1,135	11	80	1,226
Due between four and five years	182	4	2	188
Due in more than five years	4,358	-	-	4,358
Total future minimum lease payments payable	11,942	79	3,871	15,892
Effect of discounting	(2,916)	(4)	(211)	(3,131)
Lease liability	9,026	75	3,660	12,761

Lease liabilities are also presented as a £4.3m (2025: £4.0m) current liability and a £7.2m (2025: £8.8m) non-current liability in the Consolidated balance sheet.

Amounts recognised in the Consolidated income statement relating to leases were:

	2026 £’000	2025 £’000
Depreciation of right-of-use assets	**4,997**	4,633
Interest expense on lease liabilities	**617**	685
Expenses relating to short-term and low-value leases	**76**	395
Total expense recognised in the Consolidated income statement	**5,690**	5,713
Total cash outflows for leases	**5,653**	5,364

22. Changes in liabilities arising from financing activities

£’000	1 July 2025	**Cash flows**	**Other**	**Currency**	**30 June 2026**
Lease liabilities	12,761	**(4,960)**	**3,388**	**329**	**11,518**
Borrowings	2,884	**(731)**	**35**	**(202)**	**1,986**
Amounts payable to joint venture	14,530	**1,022**	**282**	**114**	**15,948**
	30,175	**(4,669)**	**3,705**	**241**	**29,452**
£’000	1 July 2024	Cash flows	Other	Currency	30 June 2025
Lease liabilities	15,022	(4,284)	2,564	(541)	12,761
Borrowings	3,522	(794)	49	107	2,884
Amounts payable to joint venture	8,475	5,612	371	72	14,530
	27,019	534	2,984	(362)	30,175

See Notes 20, 21 and 13 for further details on borrowings, leasing activities and amounts payable to joint venture.

23. Employee benefits

The Group operates a number of retirement benefit schemes for its employees, including both defined benefit and defined contribution. The Group's three principal contributory pension schemes are in the UK, Ireland and Germany. The three schemes represent 93% and 96% of liabilities and assets, including reimbursement right, respectively.

Accounting policy

Defined benefit pension schemes are managed by trustees who are independent of the Group. Investment assets of the schemes are measured at fair value using the bid price of the unitised investments, quoted by the investment manager, at the reporting date. For buy-in insurance contracts, where the income received from a policy matches exactly the benefit payments due to the members it is covering, the value attributable to the contract to be recognised as an asset is the equivalent IAS 19 value of the corresponding liabilities. Reimbursement assets are measured at fair value, quoted by the insurance company, at the reporting date. Reimbursement assets are not classified as a plan asset as they are not a qualifying insurance policy.

Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Remeasurements arising from defined benefit schemes comprise actuarial gains and losses, the return on scheme assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in Other comprehensive income and all other expenses related to defined benefit schemes are included in the Consolidated income statement.

The pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the Consolidated balance sheet under Employee benefits. Where a guarantee is in place in relation to a pension scheme deficit, liabilities are reported in accordance with IFRIC 14 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'. To the extent that contributions payable will not be available as a refund after they are paid into the plan, a liability is recognised at the point the obligation arises, which is the point at which the minimum funding guarantee is agreed. Overseas-based employees are covered by a combination of state, defined benefit and private pension schemes in their countries of residence.

For defined contribution schemes, the amount charged to the Consolidated income statement represents the contributions payable to the schemes in respect of the accounting period.

Key estimate – Valuation of defined benefit pension schemes' liabilities

Determining the value of the future defined benefit obligation requires estimation in respect of the assumptions used to determine the present values. These include future mortality, discount rate and inflation. Management makes these estimates in consultation with independent actuaries.

Key judgement – Whether past service costs need to be recognised

Management also need to determine the appropriate accounting treatment for past service costs, and do so in consultation with independent legal advisers and actuaries.

Defined contribution schemes

The total pension cost of the Group for the year was £30.5m (2025: £29.3m), of which £0.1m (2025: £0.1m) related to Directors and £6.9m (2025: £6.2m) related to overseas schemes.

The Renishaw pension fund

The Renishaw pension fund (UK scheme) was closed to new members on 5 April 2007, at which time the scheme ceased any future accrual for existing members.

At 30 June 2026, the UK scheme was in a net surplus position of £6.6m (2025: surplus £7.6m), and is therefore presented in non-current assets in the Consolidated balance sheet. The Trust Deed and Rules allow the UK scheme to recognise an unconditional right to a refund of any surplus.

The Trustees of the UK scheme previously undertook a buy-in and insured around 99% of the UK scheme's liabilities by purchasing an insurance policy. This contract was effective from 19 October 2023 and is held in the name of the Trustee. The value of the contract is recognised as a UK scheme asset for the purposes of IAS 19. In line with IAS 19.115, for a buy-in insurance contract such as this, the income received from the policy matches exactly the benefit payments due to the members it is covering, the value attributable to the contract to be recognised as an asset is the equivalent IAS 19 value of the corresponding liabilities.

The latest full actuarial valuation of the UK scheme was carried out as at 30 September 2024 and updated to 30 June 2026 by a qualified independent actuary.

The latest full actuarial report prepared in September 2024 showed a surplus of £3.2m, which is based on funding to self-sufficiency and uses prudent assumptions. IAS 19 requires best estimate assumptions to be used, resulting in the IAS 19 net surplus being higher than the actuarial surplus.

The previous deficit funding plan for the UK scheme has ended, as the actuarial deficit (calculated on a self-sufficiency basis) has been eliminated. The net book value of properties subject to fixed charges under this agreement at 30 June 2026 was £nil (2025: £48.7m). The charge was released on 5 January 2026, following completion of the latest full actuarial valuation for the period ending 30 September 2024.

The Renishaw (Ireland) Limited pension fund

The Renishaw (Ireland) Limited pension fund (Ireland scheme) was closed to new members on 31 December 2007, at which time the scheme ceased any future accrual for existing members.

At 30 June 2026, the Ireland scheme was in a net asset position of £5.5m (2025: £3.8m), and is therefore presented in non-current assets. The rules of the Ireland scheme do not restrict the recognition of any surplus.

Under the Ireland defined benefit pension scheme deficit funding plan, a property owned by Renishaw Ireland (DAC) is subject to a registered fixed charge to secure the Ireland defined benefit pension scheme's deficit.

The Renishaw GmbH pension fund

The Renishaw GmbH pension fund (Germany scheme) was closed to new members on 30 June 2012. The scheme is open to future accrual for existing members.

At 30 June 2026, the Germany scheme had an actuarial value for liabilities of £14.6m (2025: £21.1m), which is presented gross in non-current liabilities. The Germany scheme does not have any plan assets, rather a reimbursement right asset of £14.6m (2025: £12.9m) which is separately disclosed in the Consolidated balance sheet in assets. The Germany scheme presented a surplus of £0.3m (2025: £8.2m deficit) before an asset ceiling adjustment recognised to restrict the reimbursement right asset.

Other plans

Other plans of the Group include various pension plans, other post-employment and long-term employee benefit plans in several countries of operation. Some of the plans are funded, with assets backing the obligations, whilst others are operated on an unfunded basis. The benefits provided, the approach to funding and the legal basis of the plans reflect their local territories.

The results of the most recent actuarial valuations for the various plans have been updated to 30 June 2026 to determine the amounts to be included in the Group's consolidated financial statements.

Assumptions

Major assumptions used by actuaries for the UK, Ireland and Germany schemes were:

	30 June 2026			30 June 2025		
	UK scheme	**Ireland scheme**	**Germany scheme**	UK scheme	Ireland scheme	Germany scheme
Discount rate	**5.90%**	**4.30%**	**4.40%**	5.55%	4.00%	3.90%
Rate of increase in pension payments	**2.85%**	**2.25%**	**2.30%**	2.85%	2.25%	2.00%
Rate of increase in salary	**n/a**	**n/a**	**2.80%**	n/a	n/a	2.50%
Inflation rate (RPI)	**3.05%**	**2.25%**	**n/a**	3.05%	2.25%	n/a
Inflation rate (CPI)	**2.05%[1]**			2.05%[1]		
	3.05%[2]	**2.25%**	**2.30%**	3.05%[2]	2.25%	2.00%
Retirement age	**65**	**65**	**67**	65	65	67
Scheme duration	**14**	**22**	**17**	15	22	19

1. Pre-2030 2. Post-2030

The life expectancies from the retirement age for these schemes implied by the mortality assumption at age 65 and 45 are:

	30 June 2026			30 June 2025		
	UK scheme	**Ireland scheme**	**Germany scheme**	UK scheme	Ireland scheme	Germany scheme
Male currently aged 65	**22.3**	**21.7**	**n/a**	21.1	21.0	n/a
Female currently aged 65	**24.5**	**24.0**	**n/a**	23.5	23.5	n/a
Male currently aged 45	**23.0**	**22.7**	**n/a**	21.8	21.9	n/a
Female currently aged 45	**25.3**	**25.1**	**n/a**	24.4	24.6	n/a

For the UK scheme, the mortality assumption used for FY2026 is the SAPS4 base tables and CMI 2025 model, with long-term improvements of 1% per annum. Adjustments have been made to both the core base tables and CMI 2025 model to allow for the scheme's membership profile and best estimate assumptions of future mortality improvements.

Assets and liabilities recognised in the Consolidated balance sheet

The assets and liabilities in the defined benefit schemes were:

	30 June 2026 £'000	**% of total assets**	30 June 2025 £'000	% of total assets
Market value of assets:				
Insurance contract	**127,680**	**81**	118,158	83
Index-linked gilts	**8,709**	**6**	5,815	4
Credit and fixed income funds	**7,635**	**5**	7,924	6
Equities	**5,614**	**4**	4,295	3
Multi-asset funds	**4,582**	**3**	4,640	3
Cash and other	**3,712**	**1**	781	1
	157,932	**100**	141,613	100
Actuarial value of liabilities	**(166,005)**	**-**	(151,301)	-
Deficit in the schemes	**(8,073)**	**-**	(9,688)	-
Deferred tax thereon	**3,326**	**-**	3,748	-

The reimbursement right asset is not classified as a plan asset as it is not a qualifying insurance policy. It is not included in the table above.

Equities are held in externally-managed funds and primarily relate to UK and US equities. Credit and fixed income funds, and index-linked gilts, relate to UK, US and Eurozone government-linked securities, again held in externally-managed funds. The fair values of these equity and fixed income instruments are determined using the bid price of the unitised investments, quoted by the investment manager, at the reporting date and therefore represent level 2 of the fair value hierarchy defined in Note 25. Multi-asset funds are also held in externally-managed funds, with active asset allocation to diversify growth across asset classes such as equities, bonds and money-market instruments. The fair value of these funds is determined on a comparable basis to the equity and fixed income funds, and therefore these funds are level 2 assets. Cash and other at 30 June 2026 mostly comprises amounts held in a Sterling and Swiss Franc bank account, in which the principal is preserved and same day liquidity is available.

No scheme assets are directly invested in the Group's own equity.

The movements in the schemes' assets, liabilities and reimbursement right

The net surplus of the Group's defined benefit pension schemes, including the reimbursement right, on an IAS 19 basis, has increased from £3.2m at 30 June 2025 to £6.5m at 30 June 2026, primarily as a result of actuarial movements.

The movements in the schemes' assets, liabilities and reimbursement right were:

Year ended 30 June 2026	**Reimbursement right £'000**	**Assets £'000**	**Liabilities £'000**	**Total £'000**
Balance at the beginning of the year	**12,909**	**141,613**	**(151,301)**	**3,221**
Transfers in	**-**	**1,300**	**(6,520)**	**(5,220)**
Contributions paid by employer	**1,769**	**1,090**	**-**	**2,859**
Contributions paid by employee	**-**	**68**	**(68)**	**-**
Current service cost	**-**	**-**	**(1,160)**	**(1,160)**
Past service cost	**-**	**-**	**(202)**	**(202)**
Interest on pension schemes	**502**	**7,586**	**(7,709)**	**379**
Remeasurement gain/(loss) under IAS 19	**(325)**	**14,622**	**(6,605)**	**7,692**
Scheme administration expenses	**-**	**(1,076)**	**-**	**(1,076)**
Benefits paid	**(289)**	**(7,271)**	**7,560**	**-**
Balance at the end of the year	**14,566**	**157,932**	**(166,005)**	**6,493**

'Transfers in' represent other plans which were previously recognised in Other payables, within Holiday pay and retirement accruals. The prior period comparative has not been restated as the schemes are not material to the Group.

Year ended 30 June 2025	Reimbursement right £'000	Assets £'000	Liabilities £'000	Total £'000
Balance at the beginning of the year	12,116	153,134	(163,638)	1,612
Contributions paid	-	162	-	162
Interest on pension schemes	-	7,465	(6,962)	503
Remeasurement gain/(loss) under IAS 19	1,498	(12,267)	13,546	2,777
Scheme administration expenses	(705)	(1,128)	-	(1,833)
Benefits paid	-	(5,753)	5,753	-
Balance at the end of the year	12,909	141,613	(151,301)	3,221

The analysis of the amount recognised in the Consolidated statement of comprehensive income and expense was:

	2026 £'000	2025 £'000
Actuarial gain/(loss) arising from:		
- Changes in demographic assumptions	**(2,887)**	-
- Changes in financial assumptions	**9,057**	14,857
- Experience adjustment	**(12,775)**	187
Return on plan assets excluding interest income	**13,961**	(12,267)
Adjustment for the asset ceiling	**336**	-
Total amount recognised in the Consolidated statement of comprehensive income and expense	**7,692**	2,777

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of comprehensive income and expense was a loss of £56.3m (2025: loss of £63.9m).

Sensitivity analysis for key assumptions

For the three schemes, a guide to the sensitivity of the value of the respective liabilities is as follows:

Approximate effect on liabilities	UK scheme	Ireland scheme	Germany scheme
Discount rate: Increase/decrease by 0.5%	-£9.3m/+£10.3m	-£1.1m/+£1.3m	-£1.1m/+£1.2m
Inflation: Increase/decrease by 0.5%	+£8.0m/-£6.9m	+£1.3m/-£1.1m	+£0.9m/-£0.8m
Mortality: Increased/decreased life by one year	+£3.9m/-£4.0m	+£0.3m/-£0.4m	n/a

Reimbursement right

The Group has recognised a reimbursement right in respect of its pension obligation for the Germany scheme. At 30 June 2026, the value of the reimbursement right was £14.6m (2025: £12.9m). This asset relates to an insurance policy that reimburses the Group for pension payments made to scheme members. The reimbursement right is not classified as a plan asset as it is not a qualifying insurance policy. The insurance policy is held with a regulated insurer and covers a portion of the pension benefits payable under the plan. The reimbursement right is considered virtually certain and has been measured at fair value.

Contingent liabilities

Benefits in the UK scheme are subject to a defined contribution (DC) underpin at the point of retirement or transfer out. Historically, this has been allowed for in the accounts in a consistent manner to current administrative practice and the triennial funding valuations. During the buy-in process, it was identified that the drafting of the DC underpin in the UK Fund Rules may require that the DC underpin is applied in a manner which is different to the current administrative practice. The Trustee and Company are currently seeking legal clarification and advice on this issue, with the intention of correcting the Rules to match current administrative practice. No provision for this matter has been made at 30 June 2026, as management continue to assess that it is unlikely that there will be an increase in liabilities, and due to the uncertainty of legal treatment and therefore any potential impact on liabilities.

In June 2023, the High Court ruled that certain historic amendments made to the rules of the Virgin Media pension scheme were invalid without the scheme's actuary having provided the associated Section 37 certificates. This judgment was upheld by the Court of Appeal in July 2024, which has implications on other schemes that were contracted-out on a salary-related basis, and made amendments between 6 April 1997 and 5 April 2016. The UK scheme was contracted out until 5 April 2007 and amendments were made during the relevant period and as such the ruling could have implications for the UK scheme. Under the Pensions Schemes Act 2026, which came into force on 29 April 2026, the Trustees will be able to retrospectively validate amendments if required. The Company and the Trustees have commenced a review of all amending documents between 6 April 1997 and 5 April 2016 for the scheme to determine whether proper procedures were undertaken at the time of the amendments by the Trustees, actuaries and administrators. The Trustee and Company continue to seek legal advice on this matter and will act appropriately to obtain retrospective actuarial confirmation where appropriate. At the date of approving these financial statements, the possible implications, if any, for the UK scheme not having all Section 37 certificates have not been investigated in detail. Accordingly, no amendments for this matter have been included in the IAS 19 actuarial valuation as the impact, if any, cannot be reliably assessed.

24. Share-based payments

During FY2026, the Group provided share-based payment arrangements to certain employees in accordance with the Renishaw plc deferred annual equity incentive plan. The Remuneration Committee will be seeking shareholder approval for a new share plan at the 2026 AGM to enable the Group to grant Long-term incentive plan awards and deferred bonus share awards to senior leaders in the business.

Accounting policy

Renishaw shares are granted in accordance with the Renishaw plc deferred annual equity incentive plan (DAEIP). Other than DAEIP awards granted to Executive Directors, the share awards are subject only to continuing service of the employee and are equity settled. For Executive Directors, if an opportunity of more than 150% of salary is awarded, half of the deferred shares will be subject to continued employment, while the other half will be subject to continued employment and the enhanced recovery provisions described in the Committee Chair's statement. The fair value of the awards at the date of grant, which is estimated to be equal to the market value, is charged to the Consolidated income statement on a straight-line basis over a three-year vesting period, with appropriate adjustments made to reflect expected or actual forfeitures. The corresponding credit is to Other reserve.

The number of shares to be awarded is calculated by dividing the relevant amount of annual bonus under the DAEIP by the average price of a share during a period determined by the Remuneration Committee. The period cannot be more than five dealing days, ending on the dealing day before the award date. These shares must be purchased on the open market and cannot be satisfied by issuance of new shares or transfer of existing treasury shares.

The Renishaw Employee Benefit Trust (EBT) is responsible for purchasing shares on the open market on behalf of the Company to satisfy the DAEIP awards. These are held by the EBT until transferring to the employee, which will normally be on the third anniversary of the award date, subject to continued employment. Malus and clawback provisions can be operated by the Committee within three years of the award date. During the vesting period, no dividends are payable on the shares. However, upon vesting, employees will be entitled to additional shares or cash, equivalent to the value of dividends paid on the awarded shares during this period. This amount is accrued over the vesting period.

Own shares held are recognised as an element in equity until they are transferred at the end of the vesting period, and such shares are excluded from earnings per share calculations.

The total cost recognised in the FY2026 Consolidated income statement in respect of the DAEIP was £0.5m (2025: £0.8m). See Note 26 for reconciliations of amounts recognised in Equity.

Shares equivalent to £2.3m (2025: £0.9m) are to be awarded in respect of FY2026.

25. Financial instruments

The Group has exposure to credit risk, liquidity risk and market risk arising from its use of financial instruments. This note presents information about the Group's exposure to these risks, along with the Group's objectives, policies and processes for measuring and managing the risks.

Accounting policy

The Group measures financial instruments such as forward exchange contracts at fair value at each balance sheet date in accordance with IFRS 9 'Financial Instruments'. Fair value, as defined by IFRS 13 'Fair Value Measurement', is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This note provides detail on the IFRS 13 fair value hierarchy. Trade and other current receivables are initially recognised at fair value and are subsequently held at amortised cost less any provision for bad and doubtful debts and expected credit losses according to IFRS 9. Trade and other current payables are initially recognised at fair value and are subsequently held at amortised cost.

Trade and other current receivables are initially recognised at fair value and are subsequently held at amortised cost less any allowance for expected credit losses according to IFRS 9. Trade and other current payables are initially recognised at fair value and are subsequently held at amortised cost.

Financial liabilities in the form of loans are initially recognised at fair value and are subsequently held at amortised cost. Financial liabilities are assessed for embedded derivatives and whether any such derivatives are closely related. If not closely related, such derivatives are accounted for at fair value in the Consolidated income statement.

Foreign currency derivatives are used to manage risks arising from changes in foreign currency rates relating to overseas sales and foreign currency-denominated assets and liabilities. The Group does not enter into derivatives for speculative purposes. Foreign currency derivatives are stated at their fair value, being the estimated amount that the Group would pay or receive to terminate them at the balance sheet date, based on prevailing foreign currency rates.

Changes in the fair value of foreign currency derivatives which are designated and effective as hedges of future cash flows are recognised in Other comprehensive income and in the Cash flow hedging reserve, and subsequently transferred to the carrying amount of the hedged item or the Consolidated income statement. Realised gains or losses on cash flow hedges are therefore recognised in the Consolidated income statement within revenue in the same period as the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or when the hedging instrument or hedged item no longer qualifies for hedge accounting. If the forecast transaction is still expected to occur, but is no longer highly probable, the cumulative gain or loss in the cash flow hedge reserve remains in that reserve until the transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gain or loss in the cash flow hedge reserve is immediately reclassified to the Consolidated income statement.

Changes in fair value of foreign currency derivatives, which are ineffective or do not meet the criteria for hedge accounting in IFRS 9, are recognised in the Consolidated income statement within Gains/losses from the fair value of financial instruments.

In addition to derivatives held for cash flow hedging purposes, the Group uses short-term derivatives not designated as hedging instruments to offset gains and losses from exchange rate movements on foreign currency-denominated assets and liabilities. Gains and losses from currency movements on underlying assets and liabilities, realised gains and losses on these derivatives, and fair value gains and losses on outstanding derivatives of this nature are all recognised in Financial income and expenses in the Consolidated income statement.

Fair value

There is no significant difference between the fair value of financial assets and financial liabilities and their carrying value in the Consolidated balance sheet. All financial assets and liabilities are held at amortised cost, apart from the forward foreign currency exchange contracts, which are held at fair value, with changes going through the Consolidated income statement unless the contracts are subject to hedge accounting.

The fair values of the forward foreign currency exchange contracts have been calculated by a third-party expert, discounting estimated future cash flows on the basis of market expectations of future exchange rates, representing level 2 in the IFRS 13 fair value hierarchy. The IFRS 13 level categorisation relates to the extent the fair value can be determined by reference to comparable market values. The classifications are: level 1 where instruments are quoted on an active market; level 2 where the assumptions used to arrive at fair value have comparable market data; and level 3 where the assumptions used to arrive at fair value do not have comparable market data.

Credit risk

The Group's liquid funds are substantially held with banks with high credit ratings and the credit risk relating to these funds is therefore limited. The Group carries a credit risk relating to non-payment of trade receivables by its customers. The Group's policy is that credit evaluations are carried out on all new customers before credit is given above certain thresholds. Risk is spread across a large number of customers with no significant concentration on one customer or one geographical area. The Group establishes an allowance for impairment in respect of trade receivables where recoverability is considered doubtful.

An analysis by currency of the Group's financial assets at the year end is as follows:

	Trade and finance lease receivables		Other receivables		Cash and cash equivalents and bank deposits	
	2026	2025	**2026**	2025	**2026**	2025
Currency	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Pound Sterling	**15,788**	17,076	**29,650**	30,438	**229,882**	223,491
US Dollar	**84,894**	50,034	**9,975**	970	**9,235**	11,322
Euro	**32,764**	30,669	**3,712**	3,525	**21,784**	5,153
Chinese Yuan	**11,910**	13,592	**1,001**	512	**14,741**	17,069
Japanese Yen	**8,992**	13,181	**81**	136	**4,788**	2,730
Other	**25,157**	21,057	**5,533**	5,151	**10,520**	13,881
	179,505	145,609	**49,952**	40,732	**290,950**	273,646

The above Trade and finance lease receivables, Other receivables and Cash and cash equivalents and bank deposits are predominantly held in the functional currency of the relevant entity, with the exception of £26.1m (2025: £13.2m) of US Dollar denominated trade receivables being held in Renishaw (Hong Kong) Limited and £1.3m (2025: £1.6m) of Euro-denominated trade receivables being held in Renishaw UK Sales Limited, along with some foreign currency cash balances which are of a short-term nature.

The ageing of trade receivables past due at the end of the year was:

	2026	2025
	£'000	£'000
Past due zero to one month	**20,155**	13,601
Past due one to two months	**9,039**	5,935
Past due more than two months	**10,421**	8,538
Balance at the end of the year	**39,615**	28,074

Movements in the provision for impairment of trade receivables during the year were:

	2026	2025
	£'000	£'000
Balance at the beginning of the year	**5,894**	4,479
Changes in amounts provided	**5,015**	3,215
Amounts used	**(452)**	(1,800)
Balance at the end of the year	**10,457**	5,894

The Group applies the simplified approach when measuring the expected credit loss for trade receivables, with a provision matrix used to determine a lifetime expected credit loss.

For this provision matrix, trade receivables are grouped into credit risk categories, with category 1 being the lowest risk and category 5 the highest. Risk scores are allocated to the customer's country of operation, their type (such as distributor, end user and OEM), their industry and the proportion of their debt that was past due at the year end. These scores are then weighted to produce an overall risk score for the customer, with the lowest scores being allocated to category 1 and the highest scores to category 5. The matrix then applies an expected credit loss rate to each category, with this rate being determined by adjusting the Group's historical credit loss rates to reflect forward-looking information.

Where certain customers have been identified as having a significantly elevated credit risk these have been provided for on a specific basis. Both elements of expected credit loss are shown in the matrix below and have been shown separately so as not to distort the expected credit loss rate.

Year ended 30 June 2026	**Risk category 1 £'000**	**Risk category 2 £'000**	**Risk category 3 £'000**	**Risk category 4 £'000**	**Risk category 5 £'000**	**2026 Total £'000**
Gross trade receivables	**15,016**	**44,558**	**105,987**	**5,749**	**701**	**172,011**
Expected credit loss rate	**0.79%**	**0.86%**	**0.93%**	**1.00%**	**1.07%**	**0.89%**
Expected credit loss allowance	**119**	**382**	**968**	**57**	**7**	**1,533**
Specific loss allowance	**6**	**-**	**7,352**	**1,566**	**-**	**8,924**
Total loss allowance	**125**	**382**	**8,320**	**1,623**	**7**	**10,457**
Net trade receivables	**14,891**	**44,176**	**97,667**	**4,126**	**694**	**161,554**

Year ended 30 June 2025	Risk category 1 £'000	Risk category 2 £'000	Risk category 3 £'000	Risk category 4 £'000	Risk category 5 £'000	2025 Total £'000
Gross trade receivables	14,397	31,663	82,780	5,518	-	134,358
Expected credit loss rate	0.55%	0.61%	0.66%	0.71%	-	0.65%
Expected credit loss allowance	80	192	531	39	-	842
Specific loss allowance	-	-	4,730	322	-	5,052
Total loss allowance	80	192	5,261	361	-	5,894
Net trade receivables	14,317	31,471	77,519	5,157	-	128,464

Finance lease receivables are subject to the same approach as noted above for trade receivables.

Derivative assets are assessed with reference to the credit risk of the banks that are counterparties to the forward contracts.

Other receivables include mostly prepayments and indirect tax receivables. Prepayment balances are reviewed at each reporting date to confirm that prepaid goods or services are still expected to be received, while tax balances are reviewed for recoverability.

Other receivables at the year end comprised:

	2026 £'000	2025 £'000
Indirect tax receivable	**13,403**	10,959
Software maintenance	**9,238**	10,181
Bank interest receivable	**3,436**	4,790
Tariff refund receivable	**8,556**	-
Grants	**1,130**	885
Research and development tax credit recoverable	**263**	1,224
Contract assets	**2,523**	1,509
Other prepayments	**11,403**	11,184
Total other receivables	**49,952**	40,732

The maximum exposure to credit risk is £526.1m (2025: £482.2m), comprising the Group's trade, finance and other receivables, cash and cash equivalents and bank deposits, and derivative assets.

The maturities of non-current other receivables, being only derivatives, at the year end were:

	2026 £'000	2025 £'000
Receivable between one and two years	**1,652**	7,878
	1,652	7,878

Liquidity risk

Our approach to managing liquidity is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation. We use monthly cash flow forecasts on a rolling 12-month basis to monitor cash requirements.

With Cash and cash equivalents and bank deposits at 30 June 2026 totalling £291.0m, and £110.5m cash flows generated from operating activities in the year, the Group remains in a strong liquidity position.

In respect of Cash and cash equivalents and bank deposits, the carrying value is materially the same as fair value because of the short maturity of the bank deposits. Bank deposits are exposed to interest rate risk as both fixed and floating rates may fluctuate over time, impacting the Group's interest income. A decrease of 1% in interest rates would result in a reduction in interest income of approximately £2.8m.

The contractual maturities of financial liabilities at the year end were:

Year ended 30 June 2026	**Carrying amount £'000**	**Effect of discounting £'000**	**Gross maturities £'000**	**Contractual cash flows** **Up to 1 year £'000**	**1-2 years £'000**	**3-5 years £'000**
Trade payables	**38,238**	**-**	**38,238**	**38,238**	**-**	**-**
Other payables	**68,000**	**-**	**68,000**	**68,000**	**-**	**-**
Borrowings	**1,986**	**44**	**2,030**	**694**	**684**	**652**
Amounts payable to joint venture	**15,948**	**-**	**15,948**	**15,948**	**-**	**-**
Lease liabilities	**11,518**	**2,827**	**14,345**	**4,708**	**3,144**	**6,493**
Forward exchange contracts	**1,113**	**-**	**1,113**	**1,073**	**40**	**-**
	136,803	**2,871**	**139,674**	**128,661**	**3,868**	**7,145**

Year ended 30 June 2025	Carrying amount £'000	Effect of discounting £'000	Gross maturities £'000	Contractual cash flows Up to 1 year £'000	1-2 years £'000	3-5 years £'000
Trade payables	25,943	-	25,943	25,943	-	-
Other payables	57,132	-	57,132	57,132	-	-
Borrowings	2,884	85	2,969	764	754	1,451
Amounts payable to joint venture	14,530	-	14,530	14,530	-	-
Lease liabilities	12,761	3,131	15,892	4,509	3,431	7,952
Forward exchange contracts	1,246	-	1,246	150	1,096	-
	114,496	3,216	117,712	103,028	5,281	9,403

Market risk

The Group operates in several foreign currencies with the majority of sales being made in these non-Sterling currencies, but with most manufacturing being undertaken in the UK, Ireland and India.

A large proportion of sales are made in US Dollar, Euro and Japanese Yen. The Group enters into US Dollar, Euro and Japanese Yen derivative financial instruments to manage its exposure to foreign currency risk, including:

i. forward foreign currency exchange contracts to hedge a significant proportion of the Group's forecasted US Dollar, Euro and Japanese Yen revenues over the next 24 months; and
ii. one-month forward foreign currency exchange contracts to offset the gains/losses from exchange rate movements arising from foreign currency-denominated intragroup balances of the Company held in US Dollar, Euro, Japanese Yen and Canadian Dollar.

The amounts of foreign currencies relating to these forward contracts and options are, in Sterling terms:

	2026		2025	
	Nominal value £'000	**Fair value £'000**	Nominal value £'000	Fair value £'000
US Dollar	**340,768**	**3,786**	299,987	18,954
Euro	**152,143**	**2,258**	146,500	613
Japanese Yen	**12,956**	**1,582**	21,947	1,354
Canadian Dollar	**4,670**	**63**	5,133	56
	510,537	**7,689**	473,567	20,977

The following are the exchange rates which have been applicable during the financial year:

	2026			2025		
Currency	**Average forward contract rate**	**Year end exchange rate**	**Average exchange rate**	Average forward contract rate	Year end exchange rate	Average exchange rate
US Dollar	**1.27**	**1.32**	**1.34**	1.28	1.37	1.30
Euro	**1.14**	**1.16**	**1.15**	1.14	1.17	1.19
Chinese Renminbi	**n/a**	**9.00**	**9.33**	n/a	9.80	9.35
Hong Kong Dollar	**n/a**	**10.37**	**10.45**	n/a	10.75	10.12
Japanese Yen	**175**	**215**	**207**	178	198	193
Canadian Dollar	**n/a**	**1.88**	**1.85**	n/a	1.87	1.82

Hedging

In relation to the forward currency contracts in a designated cash flow hedge, the hedged item is a layer component of forecast sales transactions. Forecast transactions are deemed highly probable to occur and Group policy is to hedge around 75% of net foreign currency exposure for USD, EUR and JPY up to two years. The hedged item creates an exposure to receive USD, EUR or JPY, while the forward contract is to sell USD, EUR or JPY and buy GBP. Therefore, there is a strong economic relationship between the hedging instrument and the hedged item. The hedge ratio is 100%, e.g. £10m nominal value of forward currency contracts are used to hedge £10m of forecast sales. Fair value gains or losses on the forward currency contracts are offset by foreign currency gain or losses on the translation of USD, EUR and JPY based sales revenue, relative to the forward rate at the date the forward contracts were arranged. Foreign currency exposures in Hong Kong Dollar (HKD) and USD are aggregated and only USD forward currency contracts are used to hedge these currency exposures. Sources of hedge ineffectiveness according to IFRS 9 Financial Instruments include:

– changes in timing of the hedged item;
– reduction in the amount of the hedged sales considered to be highly probable;
– a change in the credit risk of Renishaw or the bank counterparty to the forward contract; and
– differences in assumptions used in calculating fair value.

No contracts have become ineffective during the period. A decrease of 10% in the highly probable forecasts would result in no ineffective contracts.

From July 2026 we updated our Group hedging policy. Going forward, we will use HKD forward currency contracts to hedge HKD foreign currency exposure, instead of using USD forward currency contracts. We have removed our previous forward currency contract rate caps which could result in unhedged periods. This increases certainty over forward positions, although we maintain some flexibility over coverage based on management's judgement over prevailing forward rates. We will hedge net foreign currency exposure, subject to a minimum and maximum net foreign currency coverage of 30% and 60% respectively between one and two years and 60% and 90% respectively in the period up to one year, for USD, HKD, EUR and JPY.

For both the Group and the Company, the following table details the fair value of forward foreign currency derivatives according to the categorisation of instruments noted previously:

	2026		2025	
	Nominal value £'000	**Fair value £'000**	Nominal value £'000	Fair value £'000
Forward currency contracts in a designated cash flow hedge (i)				
Non-current derivative assets	**171,644**	**1,652**	137,417	7,878
Current derivative assets	**243,654**	**6,952**	218,870	13,606
Current derivative liabilities	**2,863**	**(419)**	19,339	(37)
Non-current derivative liabilities	**11,180**	**(40)**	33,559	(1,096)
	429,341	**8,145**	409,185	20,351
(Losses)/gains recognised in the Consolidated statement of comprehensive income and expense	**-**	**(12,208)**	-	5,804
Forward currency contracts not in a designated cash flow hedge (ii)				
Current derivative assets	**27,253**	**198**	56,873	739
Current derivative liabilities	**53,943**	**(654)**	7,509	(113)
	81,196	**(456)**	64,382	626
(Losses)/gains recognised in Financial income/(expense) in the Consolidated income statement	-	**(895)**	-	3,360
Total forward contracts and options				
Non-current derivative assets	**171,644**	**1,652**	137,417	7,878
Current derivative assets	**270,907**	**7,150**	275,743	14,345
Current derivative liabilities	**56,806**	**(1,073)**	26,848	(150)
Non-current derivative liabilities	**11,180**	**(40)**	33,559	(1,096)
	510,537	**7,689**	473,567	20,977

The total recognised in Revenue in the Consolidated income statement relating to cash flow hedges previously recognised through Other comprehensive income amounted to £11.3m gain (2025: £19.2m gain).

For the Group's foreign currency forward contracts at the balance sheet date, if Sterling appreciated by 5% against the US Dollar, Euro, Japanese Yen and Canadian Dollar, this would increase pre-tax equity by £20.2m and increase profit before tax by £3.9m, while a depreciation of 5% would decrease pre-tax equity by £22.4m and decrease profit before tax by £4.2m.

26. Share capital and reserves

The Group defines capital as being the equity attributable to the shareholders of the Company, which is captioned on the Consolidated balance sheet. The Board's policy is to maintain a strong capital base, ensuring the security of the Group, and to maintain a balance between returns to shareholders, with a progressive dividend policy. This note presents figures relating to this capital management, along with an analysis of all elements of Equity attributable to shareholders and non-controlling interests.

Share capital

	2026 £'000	2025 £'000
72,788,543 allotted, called-up and fully paid ordinary share of 20p each	**14,558**	14,558

The ordinary shares are the only class of share in the Company. Holders of ordinary shares are entitled to vote at general meetings of the Company and receive dividends as declared. The Articles of Association of the Company do not contain any restrictions on the transfer of shares nor on voting rights.

Dividends paid

Dividends paid comprised:

	2026 £'000	2025 £'000
FY2025 final dividend paid of 61.3p per share (2024: 59.4p)	**44,619**	43,205
Interim dividend paid of 16.8p per share (2025: 16.8p)	**12,223**	12,219
Total dividends paid	**56,842**	55,424

A final dividend of 65.2p per share is proposed in respect of FY2026, which will be payable on 3 December 2026 to shareholders on the register on 30 October 2026.

A special dividend of £51.0m or 70.0p per share has been approved by the Directors as an interim dividend. The dividend will be paid on 3 December 2026 to shareholders on the register on 30 October 2026. Shareholder approval for this special dividend is not required.

Own shares held

The EBT is responsible for purchasing shares on the open market on behalf of the Company to satisfy DAEIP awards (see Note 24). Own shares held are recognised as an element in equity until they are transferred at the end of the vesting period.

Movements during the year were:

	2026 £'000	2025 £'000
Balance at the beginning of the year	**(2,140)**	(2,963)
Acquisition of own shares	**(979)**	(154)
Disposal of own shares on vesting of awards	**2,025**	977
Balance at the end of the year	**(1,094)**	(2,140)

In December 2024, 4,902 shares were purchased on the open market by the EBT at a price of £31.40, costing a total of £153,923. The fair value of the awards at the grant date, being 23 October 2024, was £162,177. A total of 656 vested early in FY2025, based on the performance conditions being met. The remaining shares will vest on 23 October 2027, with no forfeitures expected at 30 June 2026.

In December 2025, 27,437 shares were purchased on the open market by the EBT at a price of £35.79 costing a total of £978,749. The fair value of the award at the grant date, being 22 October 2025, was £997,194. Total shares of 586 vested on 31 March 2026, based on the performance conditions being met. Total shares of 1,747 will vest on 31 March 2027, with the remaining shares of 25,104 vesting on 22 October 2028. No forfeitures are expected at 30 June 2026.

Other reserve

The other reserve relates to share-based payments charges according to IFRS 2 in relation to the DAEIP, along with historical amounts relating to investments in subsidiary undertakings not eliminated on consolidation.

Movements during the year were:

	2026 £'000	2025 £'000
Balance at the beginning of the year	**1,193**	1,380
Disposal of own shares on vesting of awards	**(2,025)**	(977)
Share-based payments charge in respect of awards	**491**	790
Balance at the end of the year	**(341)**	1,193

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the overseas operations and currency movements on intragroup loan balances classified as net investments in overseas operations.

Movements during the year were:	**2026 £'000**	2025 £'000
Balance at the beginning of the year	**(3,646)**	2,480
Loss on net assets of foreign currency operations	**(473)**	(6,295)
Loss in the year relating to subsidiaries	**(473)**	(6,295)
Currency exchange differences relating to joint ventures	**190**	169
Balance at the end of the year	**(3,929)**	(3,646)

Cash flow hedging reserve

The cash flow hedging reserve, for both the Group and the Company, comprises all foreign exchange differences arising from the valuation of forward exchange contracts which are effective hedges and mature after the year end. These are valued on a mark-to-market basis, are accounted for in Other comprehensive income and expense and accumulated in Equity, and are recycled through the Consolidated income statement and Company income statement when the hedged item affects the income statement, or when the hedging relationship ceases to be effective. See Note 25 for further detail.

Movements during the year were:	**2026 £'000**	2025 £'000
Balance at the beginning of the year	**15,264**	10,911
Gain on contract maturity recognised in revenue during the year	**(11,315)**	19,176
Revaluations during the year	**(893)**	(13,372)
Deferred tax movement	**3,052**	(1,451)
Balance at the end of the year	**6,108**	15,264

Non-controlling interest

Movements during the year were:	**2026 £'000**	2025 £'000
Balance at the beginning of the year	**(577)**	(577)
Balance at the end of the year	**(577)**	(577)

The non-controlling interest represents the minority shareholdings in Renishaw Diagnostics Limited – 7.6%.

27. Capital commitments

At the end of a financial year, we typically have obligations to make payments in the future, for which no provision is made in the financial statements. We have committed to renovating and expanding a warehouse in Germany, which includes expenditure on sustainability initiatives, enhancements to our Miskin manufacturing facility and capital equipment to support manufacturing output.

Authorised and committed capital expenditure at the end of the year were:

	2026 £'000	2025 £'000
Freehold land and buildings	**9,312**	13,856
Plant and equipment	**11,015**	6,411
Motor vehicles	**124**	129
Total committed capital expenditure	**20,451**	20,396

28. Related parties

The Group reports transactions with related parties, which mostly comprise our joint venture company.

Joint ventures and other related parties had the following transactions and balances with the Group:

	2026 £'000	2025 £'000
Purchased goods and services from the Group during the year	**906**	219
Sold goods and services to the Group during the year	**27,425**	22,794
Interest paid from the Group during the year	**282**	371
Paid dividends to the Group during the year	**957**	1,500
Amounts owed to the Group at the year end	**210**	223
Amounts owed by the Group at the year end	**19,638**	17,462

Amounts owed by the Group include a 14-day notice deposit agreement with RLS for EUR 18.5m (£15.9m equivalent) as at 30 June 2026 (FY2025: £14.5m); see Note 13 for further details. The total interest payable on amounts owed to joint ventures during the year was £0.3m (FY2025: £0.4m). There were no bad debts relating to related parties written off during FY2026 or FY2025.

Purchased goods and services from the Group during the year include an operating lease arrangement with McMurtry Automotive Limited for a property owned by the Group. The operating lease commenced on 1 April 2025 and has a 10-year term. The rental income is £187,500 per annum. The property is classified as investment properties in the Consolidated balance sheet, with the rental income and direct operating expenses recognised in Consolidated income statement. At 30 June 2026, rental income of £187,500 (FY2025: £46,875) has been recognised, with no amounts owed to the Group.

As announced on 26 November 2025 the families of the Company's founders – the late Sir David McMurtry and current Non-executive Director John Deer – established a joint family holding company, Deltam Holdings Limited (Deltam), to hold 50.25% of the issued share capital of Renishaw. Deltam is therefore a controlling shareholder for the purposes of the UKLRs.

29. Alternative performance measures

In accordance with Renishaw's alternative performance measure (APM) policy and ESMA Guidelines on Alternative Performance Measures (2015), this section defines non-IFRS measures that we believe give readers additional useful and comparable views of our underlying performance.

Key judgement – Whether items are appropriate to exclude from adjusted measures

Our APM policy allows us to adjust for 'infrequently occurring events that can significantly affect profit and earnings'. This year, we've had to carefully consider the nature and intention of some events and transactions, to determine whether they should be 'adjusted for'.

We continue to report Revenue at constant exchange rates, Adjusted profit before tax, Adjusted profit after tax, Adjusted earnings per share, Adjusted operating profit (including by segment), Adjusted operating profit at constant exchange rates, Adjusted cash flow conversion from operating activities, and Return on invested capital as APMs. These are calculated consistently with previous years, except for Adjusted cash flow conversion from operating activities and Return on invested capital. Adjusted cash flow conversion from operating activities now adjusts for the cash effect of the adjusting items. The cash impact of adjusting items on previously reported metrics is not material and therefore has not been restated. Return on invested capital has been updated to reflect how the Board monitors efficiency in allocating capital to profitable activities, with the comparatives restated. Adjusted operating profit by segment has been represented following the reporting segment change (see Note 2).

Aside from Revenue at constant exchange rates, all other APMs exclude infrequently occurring events which impact our financial statements, recognised according to applicable IFRS, that we believe should be excluded from these APMs to give readers additional useful and comparable views of our underlying performance.

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

Revenue at constant exchange rates:	**2026 £'000**	2025 £'000
Statutory revenue as reported	**815,779**	713,044
Adjustment for forward contract (gains)/losses	**(11,315)**	(19,176)
Adjustment to restate current year at previous year exchange rates	**9,759**	-
Revenue at constant exchange rates	**814,223**	693,868
Year-on-year revenue growth at constant exchange rates	**17.3%**	n/a

Year-on-year revenue growth at constant exchange rates for FY2025 was 3.7%.

Adjusted profit before tax, Adjusted profit after tax, Adjusted earnings per share and Adjusted operating profit are defined as the profit before tax, profit after tax, earnings per share and operating profit after excluding some or all of the following:

– costs relating to the cost reduction programme (a);
– costs relating to the loss of office payable to an Executive Director (b);
– costs relating to the closure of the drug delivery business (c);
– other interest payable related to liabilities recognised for historical and non-recurring tax matters (d); and
– taxation prior year adjustment related to historical and non-recurring tax matters (d).

a) Restructuring costs, where applicable during the year, are excluded from adjusted measures on the basis that they do not frequently recur. In FY2025, the Group initiated a cost reduction programme to achieve labour savings. The cost of the voluntary and compulsory redundancies has been recognised in FY2026 based on relevant accounting standards. The Group has recognised redundancy payments of £14.9m. The amounts have been recognised in Cost of sales, Distribution expenditure and Administrative expenditure within the Consolidated income statement.

b) There may be other items which do not frequently recur, and which it may be appropriate to exclude from adjusted measures. The Group Finance Director stepped down from the position on the 31 December 2025. The Group recognised costs related to the loss of office of £2.0m in the period. As the loss of office does not relate to current year trading performance, the amounts have been excluded from adjusted measures. The amounts have been recognised in Administrative expenses within the Consolidated income statement.

c) Restructuring costs, where applicable during the year, are excluded from adjusted measures on the basis that they do not frequently recur. In FY2025, the Group made the decision to close the drug delivery business. In FY2026, the Group incurred further costs, following the decision to sell the drug delivery business. The Group has recognised income of £0.3m related to the sale, and a loss on disposal of intangible assets of £0.9m. The amounts have been recognised in Cost of sales within the Consolidated income statement.

d) There may be other items which do not frequently recur, and which it may be appropriate to exclude from adjusted measures. During FY2026, the Group recognised net interest charge of £0.4m and a Taxation release of £2.6m relating to historical and non-recurring tax matters. The tax matters relate to specific legacy arrangements which we would not expect to recur. Applicable accounting standards require a provision for tax and the associated interest, however we continue to seek resolution to these matters which would reduce these amounts. As the historical and non-recurring tax matters do not relate to current year trading performance, the amounts have been excluded from adjusted measures. The amounts have been recognised in Financial income and expenses and Income tax expense within the Consolidated income statement.

Adjusted profit before tax:	**2026 £'000**	2025 £'000
Statutory profit before tax	**149,964**	118,000
Cost reduction programme	**14,925**	-
-reported in production costs	**2,859**	-
-reported in engineering costs	**6,110**	-
-reported in distribution costs	**3,350**	-
-reported in administrative expense	**2,606**	-
Loss of office payable to Executive Director	**1,980**	-
-reported in administrative expenses	**1,980**	-
Closure of drug delivery business	**666**	2,059
-reported in production costs	**(250)**	-
-reported in engineering costs	**916**	2,059
Closure of Edinburgh research facility	**-**	2,320
-reported in engineering costs	**-**	2,320
Other interest payable on historical and non-recurring tax matters	**419**	4,852
-reported in financial income	**(2,450)**	-
-reported in financial expenses	**2,869**	4,852
Adjusted profit before tax	**167,954**	127,231

Adjusted profit after tax:	**2026 £'000**	2025 £'000
Statutory profit after tax	**118,960**	83,757
Cost reduction programme (net of tax)	**11,301**	-
Loss of office payable to Executive Director (net of tax)	**1,485**	-
Closure of drug delivery business (net of tax)	**500**	1,544
Closure of Edinburgh research facility (net of tax)	**-**	1,740
Other interest payable on historical and non-recurring tax matters (net of tax)	**1,031**	4,026
Prior year adjustment taxation charge on historical and non-recurring tax matters	**(2,584)**	9,154
Adjusted profit after tax	**130,693**	100,221

Adjusted earnings per share:	**2026 pence**	2025 pence
Statutory earnings per share	**163.5**	115.2
Cost reduction programme (net of tax)	**15.5**	-
Loss of office payable to Executive Director (net of tax)	**2.0**	-
Closure of drug delivery business (net of tax)	**0.7**	2.1
Closure of the Edinburgh research facility (net of tax)	**-**	2.4
Other interest payable on historical and non-recurring tax matters (net of tax)	**1.4**	5.5
Taxation prior year adjustments	**(3.6)**	12.6
Adjusted earnings per share	**179.5**	137.8

Adjusted operating profit:	**2026 £'000**	2025 £'000
Statutory operating profit	**135,325**	107,885
Cost reduction programme	**14,925**	-
Loss of office payable to Executive Director	**1,980**	-
Closure of drug delivery business	**666**	2,059
Closure of the Edinburgh research facility	**-**	2,320
Other interest payable on historical and non-recurring tax matters	**-**	-
Adjusted operating profit	**152,896**	112,264

Adjustments to the segmental operating profit:

Industrial Metrology	**2026 £'000**	2025 £'000
Operating profit	**66,357**	74,130
Cost reduction programme	**9,098**	-
Loss of office payable to Executive Director	**1,244**	-
Closure of Edinburgh research facility	**-**	1,378
Adjusted Industrial Metrology operating profit	**76,699**	75,508

Position Measurement	**2026 £'000**	2025 £'000
Operating profit	**67,230**	46,010
Cost reduction programme	**3,833**	-
Loss of office payable to Executive Director	**416**	-
Closure of Edinburgh research facility	**-**	618
Adjusted Position Measurement operating profit	**71,479**	46,628

Specialised Technologies	**2026 £'000**	2025 £'000
Operating profit	**1,738**	(12,255)
Cost reduction programme	**1,994**	-
Loss of office payable to Executive Director	**320**	-
Closure of drug delivery business	**666**	2,059
Closure of Edinburgh research facility	**-**	324
Adjusted Specialised Technologies operating profit	**4,718**	(9,872)

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

Adjusted operating profit at constant exchange rates:	**2026 £'000**	2025 £'000
Adjusted operating profit	**152,896**	112,264
Adjustment for forward contract (gains)/losses	**(11,315)**	(19,176)
Adjustment to restate current year at previous year exchange rates	**9,800**	-
Adjusted operating profit at constant exchange rates	**151,381**	93,088
Year-on-year adjusted operating profit increase at constant exchange rates	**62.6%**	-

For FY2025 year-on-year adjusted operating profit at constant exchange rates was an increase of 1.2%.

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

Adjusted cash flow conversion from operating activities:	**2026 £'000**	2025 £'000
Statutory cash flows from operating activities	**110,530**	147,896
Cash effect of adjusting items	**18,207**	-
Income taxes paid	**36,681**	6,207
Proceeds from sale of property, plant and equipment and intangible assets	**3,885**	4,887
Purchase of property, plant and equipment and intangible assets	**(48,288)**	(56,558)
Adjusted cash flow from operating activities	**121,015**	102,432
Adjusted operating profit	**152,896**	112,264
Adjusted cash flow conversion from operating activities	**79.1%**	91.2%

Adjustments to operating profit as reported totalled £17.6m (2025: £4.4m), resulting in an operating cash outflow of £16.9m (2025: £nil). The cash effect of adjusting items includes an operating cash outflow of £1.3m (2025: £nil) relating to FY2025 adjusting items.

Return on invested capital (ROIC) is the Adjusted profit after tax before net financial income (net of tax) as a percentage of the Average invested capital in the year.

Invested capital is defined as total equity, excluding cash and cash equivalents, bank deposits, net employee benefits (including reimbursement right asset and deferred tax), borrowings, amounts owed to joint ventures and lease liabilities. This is useful for the Board to measure our efficiency in allocating capital to profitable activities. Average invested capital in the year is the average of the invested capital at the beginning of the year and at the end of the year.

Adjusted profit after tax before net financial income is calculated as follows:

	2026 £'000	Restated 2025 £'000
Adjusted profit after tax	**130,693**	100,221
Net financial income (net of tax)	**(8,574)**	(8,845)
Adjusted profit after tax before bank interest received	**122,119**	91,376

Return on invested capital (ROIC):	2026 £'000	Restated 2025 £'000	Restated 2024 £'000
Total equity	**984,132**	925,864	896,265
Less cash and cash equivalents	**(148,301)**	(87,420)	(122,293)
Less bank deposits	**(142,649)**	(186,226)	(95,542)
Add net employee benefits	**8,073**	9,688	10,504
Less reimbursement right	**(14,566)**	(12,909)	(12,116)
Add/(less) deferred tax on net retirement benefit & reimbursement right asset	**898**	(4)	(232)
Add borrowings	**1,986**	2,884	3,522
Add lease liabilities	**11,518**	12,761	15,022
Add amounts owed to joint ventures	**15,948**	14,530	8,475
Invested capital	**717,039**	679,168	703,605
Average invested capital	**698,104**	691,387	671,844
Return on invested capital	**17.5%**	13.2%	13.6%

30. Business combinations

On 9 June 2026, the Group acquired the remaining 30% of the issued share capital of Metrology Software Products Limited (MSP), which supplies software used in Renishaw products and standalone software. The Group previously held a 70% shareholding in MSP, with MSP accounted for as a joint venture as the control requirements of IFRS 10 were not satisfied. The acquisition has secured the supply of software for the benefit of the Group and our customers.

The total purchase consideration, being cash paid, was £2.2m for the remaining 30% of MSP. There is no contingent consideration.

The fair value of assets and liabilities recognised on acquisition is as follows:

	Fair value recognised on acquisition £'000
Cash	**4,198**
Property, plant & equipment	**1,358**
Investment properties	**350**
Trade receivables	**677**
Other receivables	**120**
Inventories	**47**
Current tax receivable	**121**
Trade payables	**(59)**
Other payables	**(271)**
Contract liabilities	**(196)**
Deferred tax	**(2)**
Net identifiable assets acquired	**6,343**
Goodwill	**1,095**
Net assets acquired	**7,438**

Acquisition costs of £0.1m arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated income statement.

The Group's share of net assets previously recognised as an investment in a joint venture was £4.8m (see Note 13). This amount included £0.4m of Goodwill previously recognised against the investment in joint venture.

As the business combination has been recognised in stages, a fair value gain of £0.4m has been recognised in the Consolidated income statement.

Goodwill of £1.1m has been recognised, being the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the Industrial Metrology product line.

The acquisition accounting for MSP has taken place as if the Group acquired MSP on 30 June 2026 as the movement between the acquisition date, 9 June 2026, and the year end was not material to the Group.

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