Renishaw plc Annual Report 2025

Transforming Tomorrow Together

RENISHAW
apply innovation™

Sir David McMurtry
5 March 1940 – 9 December 2024

Contents

We use abbreviations and trademarks within this document. For brevity, we don't define or identify these every time they are used; please refer to the glossary on page 176 for this information. In our narrative commentaries in this report, as an example, FY2025 means the financial year ended 30 June 2025. Other dates in our narrative commentary, such as 2025, refer to the calendar year.

About us

What we do

We are a world leader in measuring and manufacturing systems. Our products give high accuracy and precision, gathering data to give customers and end users with traceability and confidence in what they're making. This technology also helps our customers to innovate their products and processes.

Why we do it

We are guided by our purpose:
Transforming Tomorrow Together

This means working with our customers to create the products and materials that will define our world in the decades to come, and touch billions of lives. We believe that our purpose is incredibly relevant in today's environment where the pace of change in technology is faster than ever. We also know that the future will be a world of scarce resources, needing high-performance, intelligent, personalised solutions that make the best use of these resources. Our expertise can help deliver this.

How we do it

Our vision is to innovate and transform the capabilities of our customers and end users through unparalleled levels of:

Precision

Productivity

Practicality

Where we're heading

Our ambition is to be a manufacturing technology powerhouse, generating long-term organic growth with sustained profitability while doing business responsibly and creating value for all our stakeholders.

We set out our strategy on pages 11 to 13. Our strategy supports our sustainable long-term growth by ensuring we have the agility and resources to identify and respond to opportunities in our markets.

Our purpose, vision and strategy are supported by our values of innovation, inspiration, integrity and involvement. These values guide the way we behave and the decisions we make, both as a business and as individual employees.

Our business in numbers

Where we operate

We are a global business. We work closely with our customers around the world to solve complex engineering and science challenges and improve their products and processes.

We have two reporting segments: Manufacturing technologies, and Analytical instruments and medical devices. You can find an overview of these on pages 34 to 39.

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.

	Sales locations	Revenue
APAC	30	£337.7m (FY2024: £318.9m)
EMEA	21	£207.8m (FY2024: £208.0m)
Americas	7	£167.5m (FY2024: £164.4m)

£713.0m
Revenue
(FY2024: £691.3m)

£127.2m
Adjusted[1] profit before tax
(FY2024: £122.6m)

£118.0m
Statutory profit before tax
(FY2024: £122.6m)

78.1p
Total dividend per share for the year
(FY2024: 76.2p)

£68.9m
R&D expenditure
(FY2024: £71.1m)

66
Key locations

5,342
Worldwide employees[2]

373
Graduates and apprentices employed[2]
(FY2024: 366)

1 Note 29, Alternative performance measures, defines how each of these measures is calculated. Alternative performance measures (APMs) are non-IFRS measures that we believe give readers additional useful and comparable views of our underlying performance. They should be considered in addition to statutory measures, and not as a substitute for or as superior to them.
2 As at 30 June 2025.

Chair's statement

This has been a year of deep sorrow for everyone at Renishaw following the death of our former Chairman and co-founder, Sir David McMurtry, in December 2024. David was someone I greatly respected as a highly innovative and entrepreneurial engineer. Throughout his career he demonstrated quiet ambition, humour, humility and integrity. He was a role model in many ways, and his death is a great loss to his family and to all of us.

A highly respected legacy of innovation

David gained huge international respect for his deep understanding of customer needs and ability to create novel products that addressed them. An important part of David's legacy is our company-wide culture built on our values of innovation, inspiration, integrity and involvement. These values reflect David's own, as well as those of his co-founder John Deer.

David never lost his passion for innovation or finding ways to make existing products better. As interim Chair I spent a lot of time this year – initially with David – looking at our next generation of innovative products. This included attending a quarterly review of our flagship projects in September 2024. David's legacy lives on in the many talented and highly experienced people who worked with him over the years and whose expertise helps bring these products to market. Will Lee shares more detail on this year's product launches in his review on pages 7 to 10.

An evolving Board

Our search for a new independent Chair and an additional independent Non-executive Director commenced in 2024. While the recruitment process and future skills needed on the Board have been influenced by David's death, Will and I have met with a number of prospective candidates for the independent Chair role. Once appointed, Renishaw's new independent Chair will play a key role in maintaining the culture and values that I've mentioned, as well as working with the rest of the Board to help Renishaw navigate future opportunities and challenges.

Richard McMurtry, one of David's sons, joined our Board as a Non-executive Director in July 2024. In July 2025, Renishaw's co-founder John Deer stepped down as Deputy Chair, although he remains a Non-executive Director. We were pleased to welcome John's granddaughter, Camille Deer, as a Non-executive Director, with effect from 1 September 2025. Camille is an excellent addition to the strength of our Board, having already enriched discussion as an Observer on the Board this year, alongside David's other son, Ben McMurtry, who has also been contributing as an Observer.

Camille brings experience in intellectual property, innovation pipeline and risk management from her other appointments in areas outside of Renishaw's core business interests. I am confident that her appointment as a Non-executive Director will prove invaluable in helping to guide the strategic direction of the business, while demonstrating the continued commitment of the founding families to the future of Renishaw.

Separately, after a career of over 46 years with Renishaw, Allen Roberts has agreed with the Board that he will step down from his position as Group Finance Director and will not stand for re-election at the upcoming Annual General Meeting on 26 November 2025. Allen will remain an employee of the Company until 31 December 2025 to facilitate the handover of his responsibilities. To have remained Finance Director of a FTSE listed company for over 40 years is an incredible achievement. Allen's stewardship of Renishaw's finances through an ever-evolving business landscape has been a cornerstone of its enduring success. On behalf of the Board, I wish him a long, happy and healthy retirement. A process has commenced to recruit a Chief Financial Officer.

My thanks of course must also go to all our Executive and other Non-executive Directors for their leadership and guidance to achieve record revenue and an increase in Adjusted* profit before tax in a challenging year.

We continue in our objective to strengthen the Board and ensure we have directors with appropriate experience and skills to guide the company to even greater success.

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

Deepening the Board's understanding of our products and markets

These changes are part of a wider evolution taking place at Renishaw. I've been impressed with the Executive Committee's commitment to retaining David and John's innovative spirit while building a manufacturing technology powerhouse capable of thriving in an increasingly complex and competitive world. The Board plays a key role in supporting and challenging this work, so it's essential we have a strong understanding of our product development pipeline and the highly attractive markets we serve.

While the Board discusses product development at every meeting and receives market updates from our three regional Presidents, this year we also incorporated site visits and attended external industry events as part of our meeting schedule. In September 2024, members of the Board attended our Group Sales Conference where we met many of our country sales leaders. Then, in May 2025, we travelled to Stuttgart, Germany, to visit our facilities and attend Control, a major metrology equipment trade show.

This provided a further opportunity to see how our customers use our products and learn more about our competitive landscape. It also reinforced the length and depth of many of those customer relationships, as well as the work our teams do to nurture them at a global and regional level, strengthening our reputation for service, support and reliable supply. The insights from these visits have enriched Board debate and deepened understanding of Renishaw's opportunities and challenges.

Focusing on innovation and productivity in a time of risk – and opportunity

As a global business operating across 36 countries, we face increasing uncertainty in some of our markets, including more competition from low-cost manufacturers. Like all international businesses, we need to make sure we can navigate the potential cost and governance challenges associated with tariff and regulatory changes, and stay alert to the opportunities and risks ahead of us. China is a good example here, since it represents an important growth opportunity for Renishaw as well as a source of low-cost competition.

It is too early to say how recent geopolitical turbulence, including the impact of US tariffs, will affect Renishaw. However, I believe challenge often leads to opportunity – provided we remain focused on strengthening our offer to customers. That means continuing our legacy of innovation and successful product launches – and the Board was delighted to see the introduction of our new Equator-X dual-method gauge to the market at the end of the financial year, ahead of its full launch in Autumn 2025.

It also means continuing to drive productivity and staying focused on our strategy. The best way that Renishaw can drive productivity is by investing in our people and technology, and the Company has come a long way in a short time in this respect. The HR team has continued its excellent work this year to develop competency frameworks, career pathways and succession plans for our critical roles. The Board was also pleased to see continued progress in our digital transformation programme, including the detailed planning for the roll out of Microsoft Dynamics 365 to help modernise our resource planning, and a new automated inventory management system at our warehouse in Wales.

As part of ensuring we remain focused on our strategy, the Board approved several key decisions this year, including the closure of the drug delivery part of our Neurological business and our small research office in Edinburgh, and initiating an operating cost reduction programme. This has, unfortunately, led to redundancies and I would like to take this opportunity to thank everyone, both past and present colleagues, for their contributions to the business.

The Board also approved the change to Renishaw's business structure and reporting segments, as Will explains in more detail on page 9.

We must also remain alert to the risks we face. These are constantly evolving, and the Board spent time this year considering and reviewing the Company's risk management framework, described on pages 15 to 16.

Strengthening our approach to stakeholder engagement

Our stakeholders are always a guiding force in decision-making. Listening to our employees is particularly important since the success of Renishaw's strategic success relies on their talent and commitment. This year, the Board heard directly from employees during our site visits and continued receiving updates from our employee engagement ambassador and Chair of the Remuneration Committee, Catherine Glickman, including feedback from new employee listening sessions. It's also notable that in the second year of our global employee survey, participation rose 11%, with our engagement score steady at 74% – just above the global benchmark recorded by our survey provider.

The Board has also supported Renishaw's increased investor engagement. This now includes half- and full-year financial results roadshows, which, as Will explains in more detail on page 7, have been very productive. I have also spoken to a number of investors at our Capital Markets Day and at other times when contacted by investors with specific enquiries.

We have a progressive dividend policy that aims to increase returns to shareholders, and even during the recent periods of reduced profits, we maintained dividend levels due to our strong cash reserves and future growth plans. This year we are proposing to increase the overall dividend per share to 78.1p, which is an increase of 2.5% on FY2024.

A continued commitment to equality, diversity and inclusion

We know we have more work to do in areas like equality, diversity and inclusion, and Renishaw remains committed to building an inclusive working environment that supports everyone to do their best work. While our diversity targets are ambitious, our growing network of employee resource groups and rising retention rate suggest we are heading in the right direction. We provide more detail on all our people-related activities on pages 46 to 48.

Looking ahead

It remains a privilege to act as interim Chair during a challenging yet productive period for Renishaw. The work everyone at Renishaw has done to create a more agile, innovative and productive business retains the values on which David and John founded the Company, and will ensure that Renishaw has a tremendous future ahead of it.

Sir David Grant
Interim Non-executive Chair

17 September 2025

Chief Executive Officer's review

We achieved revenue of £713.0m boosted by the ongoing recovery in the semiconductor market, with 3.1% annual growth at actual exchange rates and underlying annual growth of 3.7% at constant currency*. Adjusted* profit before tax of £127.2m was 3.8% higher than last year, while statutory profit before tax of £118.0m was 3.7% lower.

We continued to see rising demand from the semiconductor manufacturing equipment market for both our laser and optical encoder products, and achieved steady progress in systems sales, with good growth for AGILITY co-ordinate measuring machines (CMMs). Lower demand from the automotive sector affected sales of our Industrial Metrology (IM) products. However, opportunities in other sectors, including consumer electronics, helped offset that weakness and highlighted the strength of having a business that serves multiple sectors.

I would like to thank everyone at Renishaw for their resilience and commitment to delivering business growth under challenging global conditions. I have been impressed with their dedication and commitment to our purpose.

During the year, I have been fortunate to meet many of our teams – from those involved in early-stage research to those working closely with our global customers. I was constantly reminded of the importance of strong relationships, and have particularly enjoyed meeting customers and hearing how we have worked together over many years to help solve their challenges. This has also been the first full year of our enhanced investor relations programme, and I have found it illuminating to meet with many shareholders. Their feedback is very helpful to the Board's strategic discussions.

As already communicated, Allen Roberts leaves Renishaw at the end of 2025. Since I joined the Board in 2016, I have valued Allen's calm judgement, his deep understanding of our operations and the integrity that he exhibits in his approach to business. He has been invaluable to the Board, and I wish him the enjoyable retirement that he fully deserves for his many years of commitment to our Company.

Remembering Sir David McMurtry

Sir David Grant has already expressed our feelings about Sir David McMurtry, our co-founder, who sadly died in December 2024. We held a special event in July 2025 to celebrate his life and legacy, which highlighted his immense contributions to aerospace, metrology and the automotive sector, and as a private benefactor to his local community. Having worked closely with Sir David during my Renishaw career, the values and approach to innovation that he represented, and the ethos that he and John Deer, co-founder and Non-executive Director, instilled in Renishaw, will continue to guide me and the development of our business.

Group performance

Total revenue for the year was £713.0m, compared with £691.3m in FY2024. Revenue at constant exchange rates, excluding the impact of forward contracts, was £25.8m higher than the previous year.

At actual and constant currency rates we saw growth in our APAC region, with growth in Manufacturing technologies revenue boosted by sales from the Position Measurement (PM) product group. Despite continuing pricing pressures, we saw good growth in China. While lower-cost competition is rising in the region, we see opportunities in areas of the market that we do not currently address, provided we supply products with the appropriate specification and price. The Americas also saw growth at actual and constant currency rates, with growth for our IM, PM and Neurological product groups. EMEA revenue was flat, with growth in PM products, notably for laser encoders. This offset the decline in Additive Manufacturing (AM) and IM revenue, with the latter seeing particular weakness in machine tool sensors, affected by the automotive sector.

Revenue for our Manufacturing technologies segment was £671.5m, representing 3.6% growth over the last year. IM was flat compared to last year, with mixed performance for its product lines. While we saw revenue growth in our metrology systems products, including AGILITY CMMs, revenue for sensors was slightly lower than last year. Our systems products are benefiting from the continuing trend in

Region	**FY2025 revenue £m**	FY2024 revenue £m	Actual FX variance %	Constant FX variance %
APAC	**337.7**	318.9	6	7
EMEA	**207.8**	208.0	0	0
Americas	**167.5**	164.4	2	2
Total Group revenue	**713.0**	691.3	3	4

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

£713.0m

Revenue
(FY2024: £691.3m)

£127.2m

Adjusted profit before tax
(FY2024: £122.6m)

manufacturers integrating metrology on the shop floor to provide real-time control of machining processes. The automotive market aside, demand for metrology sensors is still growing in most sectors, demonstrating the resilience of our business as we continue to benefit from the increasing use of automation. PM revenue was higher, with growth in all product lines boosted by demand from both the semiconductor sector – where AI has driven demand for chips – and EV suppliers who are investing heavily in highly automated battery manufacturing facilities. All our encoder products are benefiting from the continuing rise in industrial automation and robotics. While our AM revenue was lower, we enter the year with a good order book in the Americas and EMEA. We continue to see demand from the aerospace sector, due to AM's ability to manufacture complex parts and consolidate parts to eliminate the need for assemblies. The medical/dental sector is another key market due to AM's ability to make custom parts, and we saw increasing demand in consumer electronics and defence, where AM supports the requirement for fast-moving design iterations.

Our Analytical instruments and medical devices segment had a disappointing year with revenue of £41.6m, which was 3.8% lower than FY2024. Revenue for the Spectroscopy product line was lower but ended the year with a strong order book. We are selling more of our newer products, which has helped significantly increase sales for industrial applications. This has helped offset national government reductions in research budgets, most notably in the USA. An increasingly diverse customer base is also ensuring greater resilience with less reliance on public sector research. Sales of our Neurological products were higher, with growth for our neuromate surgical robot compensating for the decline in sales in our drug delivery business, which we have decided to close. The growth in robot sales was due to a mixture of new sales, prompted by general growth in robotic surgery, and replacement sales for older neuromate systems.

Adjusted profit before tax for the year was £127.2m (FY2024: £122.6m). Adjusted* earnings per share was 137.8p (FY2024: 133.2p). Adjusted measures are the ones the Board uses to measure our underlying trading performance. Statutory profit before tax was £118.0m, (FY2024: £122.6m), leading to Statutory earnings per share of 115.2p (FY2024: 133.2p). Statutory profit after tax includes £13.2m of provisions relating to historical and non-recurring tax matters, which are excluded from adjusted measures given they do not represent underlying performance and we do not expect them to recur, of which a £4.9m interest expense is included in statutory profit before tax. Read more in the Financial review on page 32.

Our purpose and ambition drive our strategy

Our ambition as a manufacturing technology powerhouse is to continue our track record of long-term organic growth in revenue and profitability, underpinned by our purpose of Transforming Tomorrow Together. This drives us to work closely with our customers to solve their problems with innovative products that are delivered through world-class, in-house manufacturing and global service.

We are targeting high single-digit average growth through the business cycles that we face in our core markets, combined with Adjusted* operating profit margins in excess of 20% (see Our key performance indicators on pages 25 to 27). Our track record of through-cycle growth over several decades, and the attractive opportunities we see from global trends, such as digitalisation and industrial automation, give us confidence that we can achieve these targets in the future.

As discussed at our Capital Markets Day in June 2025, we have various initiatives underway to help us achieve our financial targets. These include continuing to drive revenue growth through accelerated innovation and improving operating margins through focused execution and productivity.

Our recent focus on improving returns from R&D expenditure is now being realised, with some important new products launched in FY2025 and early FY2026 that will help drive future growth.

We are aiming to increase Adjusted operating profit from 15.7% to more than 20% by driving down costs in production, engineering, distribution and administration as a percentage of revenue. We are in the process of implementing an operating cost reduction programme, which aims to achieve annualised labour cost savings of £20m through a voluntary and compulsory redundancy programme. This was not a decision we made lightly, and like Sir David Grant, I would like to thank all those affected for their contributions to Renishaw.

Additional initiatives to help us achieve our targets include: automating more of our manufacturing operations; greater prioritisation of R&D projects and bringing products to market faster; developing software so that our products require less field support; and implementing Microsoft Dynamics 365 to streamline customer transactions. We are also investing in AI software tools to increase productivity in all areas of the business.

We are actively managing our business portfolio, taking the decision this year to exit the loss-making drug delivery aspect of our Neurological business. This will lead to an annual benefit in Group operating profit of around £3m thereafter, and we continue to seek a new owner for the remaining neurosurgical activities.

Effective 1 July 2025, we introduced three new reporting segments that are more closely linked to end user markets and external demand drivers, and better aligned with our evolving organisational structure. We believe this will help investors better understand our business. Read more about the new segments on page 34.

Making strategic progress for growth

We have also continued to make solid progress against our three strategic focus areas:

1. growing our existing markets;
2. increasing the value to Renishaw of the technology that we sell; and
3. extending into new, high-growth markets.

These areas are integral to our long-term value creation model, which we explain in more detail on pages 11 to 13.

Growing our existing markets

We aim to increase revenue by driving up probe fitment levels, offering higher value sensors, and winning more customers that build machinery. This requires strong ongoing R&D investment to keep creating innovative products that differentiate us from our competitors, and help us to make the most of new opportunities as they arise. This year, that investment led to the introduction of Opti-Logic technology in our twin probe system for machine tools, making it faster and easier to set up using a smartphone app. Our laser encoders were the best-performing product line in FY2025, with strong demand for semiconductor wafer handling machinery applications. We recently launched our next generation of laser encoders with improved metrology performance and 'plug-and-play' functionality, making them easier to install and service.

Increasing the value of the technology we sell

Our second strategic focus is designed to help us increase revenue by providing our end user customers with complete solutions to capture a greater proportion of their investment. This includes our AGILITY CMMs, which achieved good growth this year.

We also launched the RenAM 500D dual laser AM machine, which when fitted with our TEMPUS technology offers production speeds that are up to three times faster than conventional single laser systems. We unveiled our new Equator-X dual method gauging system and MODUS IM Equator software at this year's Capital Markets Day, and will fully launch both at the EMO Hannover trade fair in September 2025. Our software is part of the important MODUS IM family, which will make our metrology systems products, such as Equator gauges, easier to use and help reduce distribution costs, with less need for applications support.

Extending into new, high-growth markets

Our third strategic focus is to diversify into close-adjacent markets where we have strong market understanding and brand awareness. Here, we have launched our new ASTRiA inductive encoder line, offering robust and accurate position measurement in harsh environments, including robotics, defence and medical devices. This is the first product we have developed using our new minimum viable product (MVP) approach, which enables us to bring products to market faster and gain confidence before committing more development costs.

Find out more about our Equator-X gauging system

Find out more about our ASTRiA inductive encoder

Chief Executive Officer's review continued

Financial targets

See key performance indicators pages 25 to 27.

HSD%*

Through-cycle revenue growth
(FY2025: 6.9%)

20%

Adjusted operating profit margin
(FY2025: 15.7%)

15%

Return on invested capital (ROIC)
(FY2025: 12.6%)

70%

Adjusted cash flow conversion
(FY2025: 91%)

*High single digit.

Steady progress in our ESG strategy

In the first year of our new ESG strategy we have continued to make good progress towards our target of Net Zero for Scope 1 and 2 emissions by 2028. We reduced these by 13% versus FY2024, helped by the ongoing transition of our global vehicle fleet to ultra-low emissions vehicles. Reducing our Scope 3 emissions remains challenging because we rely heavily on our supply chain to find solutions. I am, therefore, pleased to see the progress our sustainability and procurement teams made this year, working with our largest metals supplier to develop a methodology to quantify their emissions. This identified an opportunity to transition the majority of the aluminium we buy from this supplier from 75% to 100% recycled content. This will enable us to reduce the emissions intensity of the main aluminium products we buy. We are now working with five other metals suppliers using the same methodology. We continue to see significant commercial opportunities arising from decarbonisation – one of the structural drivers that underpins our markets. During the year, we focused particularly on improving the way we capture, analyse and report on key data. This includes transitioning to more primary data for Scope 3 emissions, and improving our internal data collection and audit processes for Scope 1 and 2 emissions.

We also ran our second global employee engagement survey this year, with an 11% rise in responses. I was personally delighted to participate in the first of our new listening group sessions, hearing first-hand what it's like working in an engineering business for some of Renishaw's female employees, as well as their ideas for attracting a more diverse workforce.

See our ESG review on pages 40 to 50 for more information on all our progress this year. We also provide more information on how we engage with our key stakeholders on pages 28 to 30.

Outlook

There has been a steady start to FY2026 in line with our expectations. Despite the continuing global uncertainty, the structural drivers that underpin our markets are presenting growth opportunities across our businesses and at this stage we are expecting to achieve further steady revenue growth in the year ahead.

We are focused on achieving our financial targets over time of high single-digit average through-cycle revenue growth and Adjusted operating profit margins of 20%. We remain confident in our organic growth strategy given the progress that we have again made against our three strategic focus areas for growth, and we are excited by the revenue potential from recently launched products. To improve our margins, we are continuing to invest in our IT transformation and productivity improvements, and we are reducing our fixed costs in relation to the size of the business, with clear targets for production, engineering, distribution and administration costs.

The Board remains confident in our long-term sustainable growth model to drive shareholder value. This is built on solving customer problems with innovative products, global service and world-class in-house manufacturing.

Will Lee
Chief Executive Officer

17 September 2025

Our strategy for long-term growth

We are a manufacturing technology powerhouse, and our strategy aims to fulfil our purpose of Transforming Tomorrow Together by creating long-term value for all our stakeholders. We pursue leading positions in an expanding range of high-growth markets for our portfolio of sensor- and software-enabled systems products. We target high single-digit average through-cycle organic growth and more than 20% Adjusted operating profit margin, while delivering on our ESG strategy, which includes our commitment to Net Zero. For more information, see our key performance indicators (KPIs) on pages 25 to 27.

Our opportunity: well positioned in markets growing at more than 5%[1] a year see page 12

- **Manufacturing machine performance**
- **Industrial automation**
- **Electrification and digitalisation**
- **Decarbonisation**

£6bn Total addressable market[2]

Our strategy: driving consistent outperformance see page 13

STRATEGIC PRIORITIES

Growing in existing markets	Increasing technology value	Extending into new markets
Fitment levels, cross sales and new customers	Systems, software and smart factory solutions	Robotics and industrial automation

FOCUSED EXECUTION

- Commercial focus
- Innovation
- In-house manufacturing

PORTFOLIO GROWTH

- **Future** R&D in attractive close-adjacent markets
- **Emerging[3]** Rapid share gain to grow profit %
- **Established[4]** Number 1 or 2 market share. Profitable and growing

Our ESG strategy see page 40

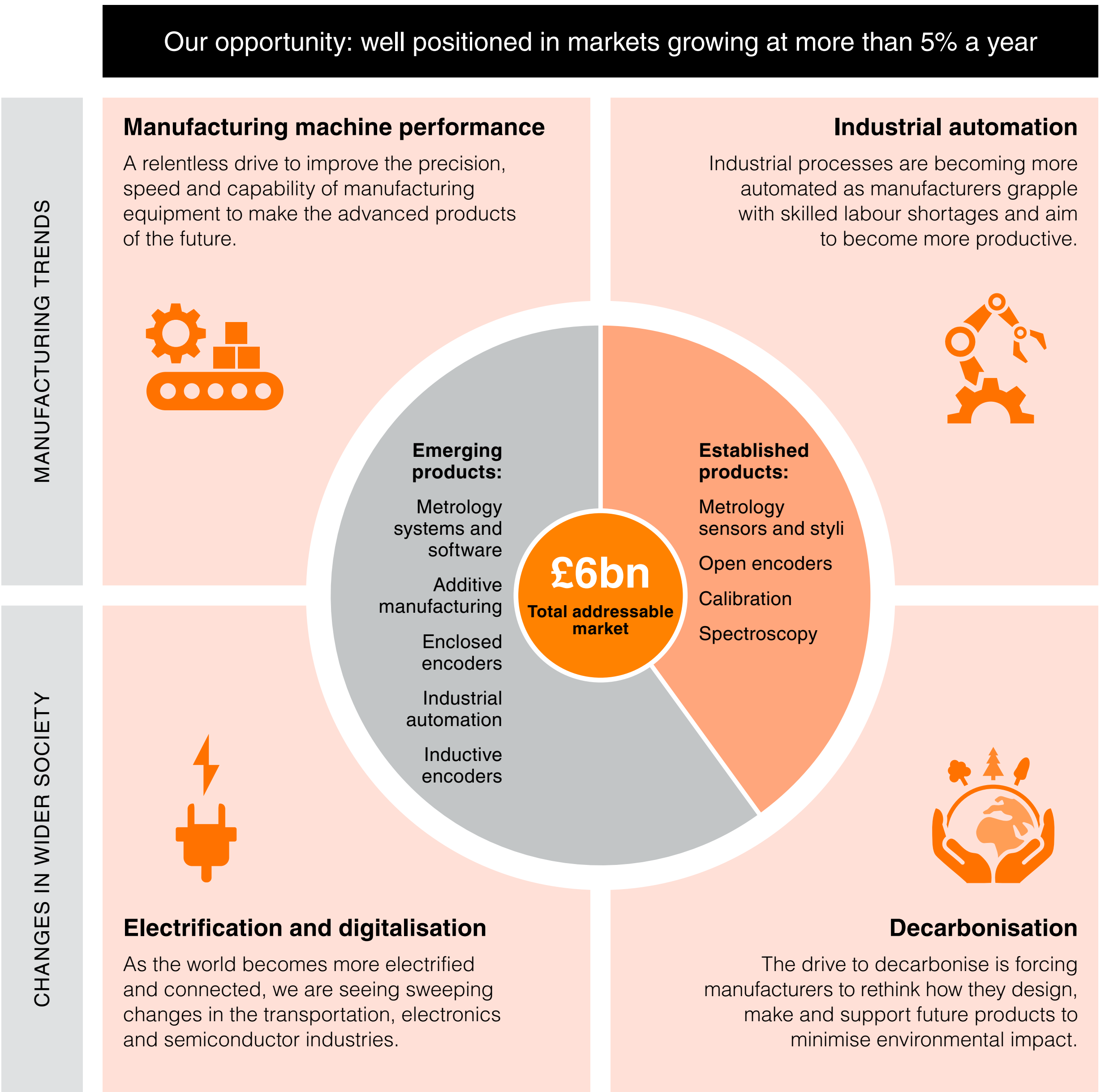
Our strategy is underpinned by a robust risk management framework. See pages 15 to 23.

We measure our progress against 10 KPIs that reflect financial and non-financial performance. See pages 25 to 27.

1 Estimated weighted average through-cycle demand growth of Renishaw's addressable markets.
2 Unaudited management estimates from a combination of external market research and Company market knowledge.
3 Emerging portfolio products operate in more fragmented markets with significant opportunity to gain market share; they are typically below the scale needed to generate our target level of return.
4 Established portfolio products have a strong, profitable market position (number 1 or 2 market share) in growing markets.

Our opportunity

We pursue innovation-led growth in both emerging and established markets with a combined addressable value of £6bn, and where manufacturing and societal trends contribute to attractive through-cycle growth rates of at least 5%. We are well positioned to grow market share in fast-moving emerging markets, while building on our first- or second-place positions in many established markets, where our average market share is more than 20%.



Our three strategic focus areas

To make the most of the opportunities presented by our attractive growth markets, we've identified three strategic priorities to help drive market growth and help us grow market share ahead of our competition.

Our focus on these areas is set within a rigorous risk management framework, which includes our approach to climate risk (see page 18), and is underpinned by our ESG strategy.

Our ESG goals and objectives are set out on pages 40 to 50.

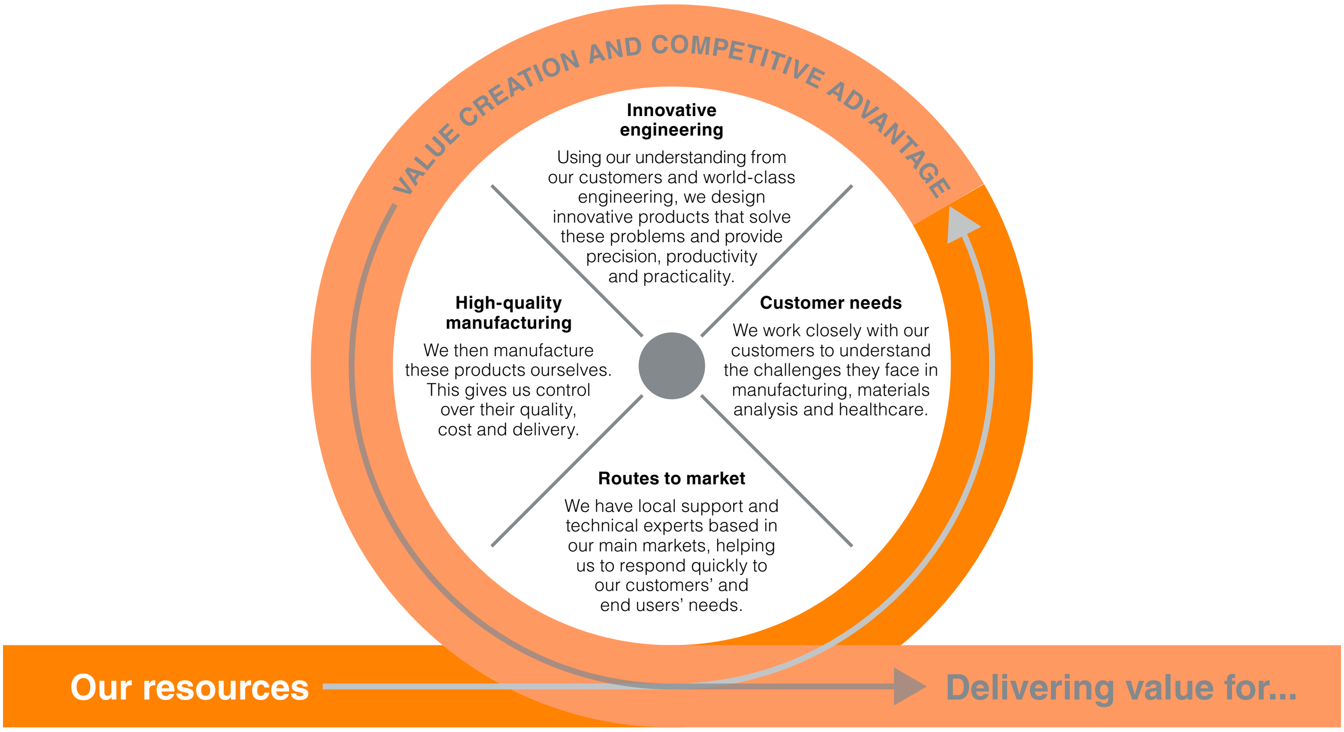
Our strategy: driving consistent outperformance

STRATEGIC PRIORITY	**Growing in existing markets**	**Increasing technology value**	**Extending into new markets**
WHY IT DRIVES PERFORMANCE	We aim to **increase revenue per machine tool**, capturing more 'share of wallet' from machine tool builders by driving up probing fitment levels and offering higher-value sensors. We also aim to **win new machine builder customers**, particularly in position encoders.	By **building systems sales** we capture a greater proportion of end user investment and access long-term service revenues. We also aim to **expand our software offering**, which enables systems sales and creates a revenue stream in its own right.	We aim to **diversify into close-adjacent markets**, seeking opportunities where we have market understanding and brand traction. We are also focused on **smart factory solutions**, which can drive recurring software revenue streams. These solutions help users identify and respond to trends in their measurement data.
HIGHLIGHTS FROM FY2025	Strong growth in demand for fibre-laser encoders for wafer inspection machines in the semiconductor sector. Introduced Opti-Logic technology in our twin probe system for machine tools, making it faster and easier to set up using a smartphone app. Launched next generation laser encoder range with 'plug-and-play' detector heads and enhanced metrology performance.	Achieved steady growth in metrology systems, including good growth for our AGILITY CMMs. Launched the RenAM 500D dual laser AM machine, which features our patented TEMPUS technology, offering production speeds that are up to three times faster than conventional single laser systems. Expanded our range of shop-floor flexible gauges with the Equator-X dual method gauge and also introduced our MODUS IM Equator software. Introduced our next generation Raman instrument for industrial customers.	Launched new ASTRiA inductive encoders, offering robust and accurate position measurement in harsh environments, including robotics, defence and medical devices. Continued to educate the market about our novel industrial automation products for robots, achieving early successes with applications in the semiconductor manufacturing and defence sectors. Added to the range with more dedicated probing systems that allow process monitoring and automated recovery following a robot crash.

Our business model

We work with our customers to understand their technological challenges, then design, manufacture and sell innovative products and processes to solve them.

Our business model helps us focus our resources and make the most of our strengths to deliver value for all our stakeholders.



Customer relationships
We're able to invest in long-term relationships with our customers. This helps us to understand their needs and design solutions to solve their challenges.

People
Our 5,342* talented people around the world are committed to delivering our purpose, vision and strategy.

Supplier relationships
Our global and local suppliers provide us with the high-quality components and materials we need, as well as supporting our infrastructure and operations.

Research and development
Our strong IP portfolio and significant commitment to R&D expenditure help set us apart from competitors and deliver long-term value.

Financial resources
We've funded our growth and infrastructure by reinvesting our profits. We also have a strong cash position, helping us to fund future development and deliver our strategy.

Our customers
- £115.7m spent on developing new products and improving our existing products.
- 66 key locations worldwide providing local customer support and technical expertise.

Our shareholders
- Total dividends of £56.9m for the year, up from with FY2024.
- Continued evolving our investor relations engagement, including our CEO meeting with 36 institutions during our first half-year results roadshow.

Our people
- £306.9m in salaries, bonuses, social security and pensions contributions.
- Continued developing functional competency frameworks to support talent reviews and succession planning.

Our suppliers
- £20.4m committed to global capital expenditure projects.
- 695 global suppliers for direct goods and services to UK manufacturing operations.

Our communities
- Ongoing education outreach programme reached around 13,500 students.
- £0.3m in charitable donations during the year.

Our planet
- 13% reduction in our market-based statutory greenhouse gas emissions compared to FY2024.
- Self-generated 11% of our global electricity consumption through renewable sources.

*As at 30 June 2025

Risk management

Our approach

Risk management shapes every decision we make and is embedded into our corporate culture. Understanding the risks and opportunities facing our business is critical in driving long-term value creation for all our stakeholders. While we are not averse to taking risks, we focus on identifying the risks that could affect our performance or reputation and managing them accordingly. Adopting a balanced and agile approach is not only fundamental to minimising our losses and safeguarding our reputation, but also a driver for effective decision-making while supporting our strategic goals on innovation and growth.

Our risk management framework is dynamic, enabling us to respond to the threats while capitalising on opportunities – without exposing the business to undue levels of risk. So, while our risk appetite for compliance with laws and regulations is low, we have a higher risk appetite for product innovation, given our experience and historic investment levels.

To effectively manage risk, we employ the three-lines-of-defence model:

- First line: our product group divisions, sales teams and functions are responsible for identifying, evaluating and managing their own risks, including applying our policies and procedures, such as our Code of Conduct.
- Second line: the Audit Committee, overseeing the management committees and the Internal Controls team, reviews the effectiveness of the risk and compliance framework and so monitors and challenges the risk profile of the business.
- Third line: our Internal Audit team provides independent assurance by reporting on the effectiveness of the first two lines of defence in managing the risks posed to the business.

Our risk management framework incorporates top-down and bottom-up risk reviews in alternate years to effectively monitor principal and emerging risks, and is coupled with deep dives on targeted principal risks. The reviews provide critical data points for the Risk Committee to help ensure we have an effective system in place to monitor and develop the Group's approach to risk, as well as our risk culture.

Our risk and controls governance framework

Our risk management framework is embedded at all levels of the organisation and is designed to reflect the distinctive characteristics of our business. Our Board retains overall responsibility for risk management and sets the tone for the Group's risk appetite. It is supported by our Audit Committee, which maintains oversight of the overall risk and internal controls framework, and by our Risk Committee, which monitors our principal and emerging risks. At least once a year, the Board, with support from the Audit Committee, assesses the Company's principal risks and uncertainties and identifies any emerging risks. This includes reviewing risks that have the capacity to threaten our business model, future performance, solvency or liquidity.

Our Audit Committee (comprising Independent Non-executive Directors) monitors our risk management and internal controls framework, which is designed to manage rather than eliminate the risk of failure in achieving our strategic objectives. The Committee receives regular reports on financial and non-financial risk matters, such as compliance and financial controls, as well as internal audit reports, and has discussions with the external auditor.

Given the timing of provision 29 of the Corporate Governance Code 2024 being implemented, and the changes to the internal controls framework, we decided to reassess how our Risk Committee reports. The Risk Committee now formally reports to the Audit Committee and meets around four times a year. It assesses the top-down and bottom-up risk review results, maintains the Group Risk Register, assesses internal controls as applicable to our principal risks, undertakes the annual risk scoring process while performing deep dives into some of our principal risks, and identifies emerging risks as appropriate. See more on page 17.

Risk management continued

The framework below outlines the governance of risk management within the Group.

Top-down review

The Board

- Has overall responsibility for risk management.
- Fosters a culture of risk awareness and ensures risk management is embedded across the Group.
- Determines the Company's principal risks and uncertainties.
- Considers any emerging risks.
- Sets risk appetite.

SECOND line of defence

Audit Committee

- Reviews effectiveness of our risk management and internal controls framework.
- Receives reports on risks and internal controls from the Risk Committee and Internal Controls team, as well as internal and external audit.
- Makes recommendations to the Board on principal risks and risk appetite.
- Considers and approves viability assessment scenarios.

Executive Committee

- Is accountable for managing and mitigating risks and making the most of opportunities.
- Ensures that the Board's risk appetite is communicated across the business.
- Receives updates from the Risk Committee on risk management processes and procedures.

Risk Committee

- Oversees risk management processes and procedures, including countermeasures to mitigate risks.
- Collects and aggregates risk information from across the business and manages our Group risk register.
- Identifies and monitors our principal and non-principal risks and proposes the principal risks to the Audit Committee.
- Identifies and assesses emerging risks.

Internal Controls team

- Supports management with design, implementation and monitoring of controls to align with risk and risk appetite.
- Evaluates and reports on the effectiveness of key controls.
- Promotes a risk-aware culture through training and guidance.

Ethics Committee

- Considers ethical issues and recommends next steps to the Executive Committee.
- Considers matters referred to it, usually by internal stakeholders. Matters considered often involve a decision about risk appetite – for example, where a proposed course of action is lawful but may involve some reputational risk.

FIRST line of defence

Bottom-up review

Operational management

- Designs and implements key controls.
- Embeds risk management and controls, carrying out day-to-day risk management using local, specialist knowledge.
- Monitors risks and controls, mitigating or escalating risks as appropriate.
- Ensures business activities are conducted in accordance with our risk appetite and relevant policies.
- Identifies current and emerging risks specific to their function.
- Provides updates to the Risk Committee.

THIRD line of defence

Internal Audit

- Provides independent assurance over the effectiveness of our risk and control framework.
- Assesses the effectiveness of controls as part of the Internal Audit programme and facilitates process and control enhancements.
- Shares executive summaries of its audits with the Audit and Risk Committees, where significant shortcomings are discussed and acted on promptly.

Overview of the year

In FY2025 we continued to refine our risk management framework. Here, we describe the trends in our risk environment and the most significant changes to risks in FY2025.

Revising our risk management framework

This year, we continued to refine our risk management framework, following a review of our processes during FY2024. In FY2025, we:

- reduced the membership of the Risk Committee to key stakeholders, with our Chief Executive Officer now as Chair. This has supported more robust decision-making in managing Group risks;
- revised the Risk Committee's reporting so that it now reports directly to the Audit Committee, with matters brought to the Board's attention as appropriate;
- improved our risk management documentation by strengthening the content of our Group Risk Register, which now includes a more in-depth assessment of our controls and countermeasures, while closely monitoring the consistency of our approach to risk scoring;
- introduced the assessment of risk velocity as an additional metric for each risk, so we can be more agile in our risk mitigation planning; and
- reduced the number of principal risks that we report against from 11 to 10, so we can focus on the key risk areas.

Geopolitical environment

We have seen significant economic and political uncertainty in the geopolitical environment during FY2025, driven by factors such as ongoing trade tensions, fluctuating energy prices and regional conflicts. These uncertainties are affecting global supply chains, causing disruptions and increasing costs for business worldwide. The volatility in international trade policies and tariffs has affected the import and export of critical components, while political instability in key markets has disrupted operations and sales.

Fluctuations in currency exchange rates have also affected financial performance, making it critical for us to continually monitor and adapt to these external factors to maintain our competitive advantage and operational resilience. We are keenly aware of these challenges and have been reviewing our operations accordingly, including our manufacturing footprint and global supply chain of critical components, as well as our people costs.

International trade and tariffs

The USA's introduction of tariffs, combined with China's response, has presented operational and financial challenges for global business. The tariffs themselves represent not only a cost impact but also a new administrative burden, which requires management oversight and continual review. This reflects a broader pattern of geopolitical and trade policy volatility, requiring heightened vigilance towards trade control and sanctions. We maintain robust monitoring mechanisms so we can respond promptly to ongoing and future changes in international trade regulations. We have sought to pass on the cost of tariffs through surcharges and are also developing systems and processes to ensure viable compliance with emerging and evolving legislation.

Specific export licences for commodities, such as rare earths originating from China, have also challenged our supply lines, which could affect procurement timelines. Being acutely aware of this, we have recruited a dedicated Group Head of Export Control who is helping the business to navigate the increasingly complex global trade compliance environment and to better manage the risk of disruption to supply chains.

Cyber security

In light of recent high-profile and complex cyber attacks on organisations, as well as increasing global instability, we continue to closely monitor this risk.

We deploy a comprehensive set of controls to manage cyber security and data protection threats and continue to evaluate additional security solutions. These controls have served us well in FY2025. During the year we also became certified to ISO 27001 to reflect our alignment and commitment to security good practice.

Cyber security risks were also regularly discussed at Board meetings to assess the strength of our control environment, with the Board also reviewing the Cyber Governance Code of Practice recently published by the UK Government. This has enhanced the Board's understanding of cyber security risks.

We remain committed to complying with the General Data Protection Regulation and other data protection laws in the countries where we operate. As part of this, we require all new employees to complete training covering confidentiality, data protection, cyber security, physical security and acceptable use of our systems and equipment. Our Legal team keeps policies, procedures, training and other compliance requirements under review.

Risk management continued

Climate change

The global threat of climate change is rising and we acknowledge that, without any mitigating actions, it poses a risk to our ability to achieve our strategic growth objectives. This year, we recognised that our key climate change-related risk is that we might be slow to benefit from the strategic opportunities offered by sustainable solutions in our markets, rather than facing any significant potential impact from the physical effects of climate change. That's why we have continued to integrate climate-related risks and opportunities into our risk management framework and closely monitor national and international developments.

Our approach to key ESG issues continues to mature. This year we focused on embedding our ESG strategy and continuing to develop our approach, building on the progress we made last year. See pages 40 to 50 for more on our ESG strategy.

Increased risks

- Geopolitical uncertainty: this risk, previously named 'Economic and political uncertainty', has increased moderately because of intensifying political tensions in trading relationships, particularly between the USA and other nations, such as China and the EU, as well as conflicts in the Middle East.
- Low-price competition: this risk, previously named 'Competitor activity', has increased as a result of the continuing emergence of competitors in emerging markets offering comparable products for lower prices.
- Non-compliance with laws and regulations: this risk has increased on account of the current geopolitical tensions, which increase the likelihood of tighter laws and sanctions. The general trend of increased reporting and disclosure also continues.

Decreased risks

- Capital products growth: this risk has reduced because of the investment and roll out of our global ERP system, which will us help adapt our sales process. We have also not seen any change in the inherent risk from last year.
- People: this risk has reduced because of a significant improvement in our ability to attract and retain employees, as well as ongoing work to create more structured succession and development plans.

Our emerging risks

By their nature, emerging risks are risks where the impact and probability are difficult to assess and quantify but which could affect our performance in the future – which is why we reassessed these risks this year. This helps us stay ahead of change and puts in place pre-emptive mitigation measures where possible. While emerging risks may increase the likelihood and impact of our principal risks occurring, we do not currently expect them to become future principal risks.

The impact of AI remains an emerging risk, with AI capability continuing to develop at an accelerated rate. This could fundamentally affect our business, stakeholders and the wider environment in which we operate. Its use could pose a security threat if controls are not sufficient or policies not robust enough to promote safe use. Our competitors' use of AI in design or manufacturing processes may also give them an advantage. For these reasons, we continue to closely monitor this emerging risk and are now implementing controls around AI risks into our governance policies.

As part of our risk management process, the Risk Committee reviews emerging risks every year, including monitoring the emerging risks identified in FY2025 and developments in the internal and external environments. The Committee will oversee work to strengthen this process in future years, using findings from our top-down and bottom-up reviews to help identify any new emerging risks.

Priorities for the year ahead

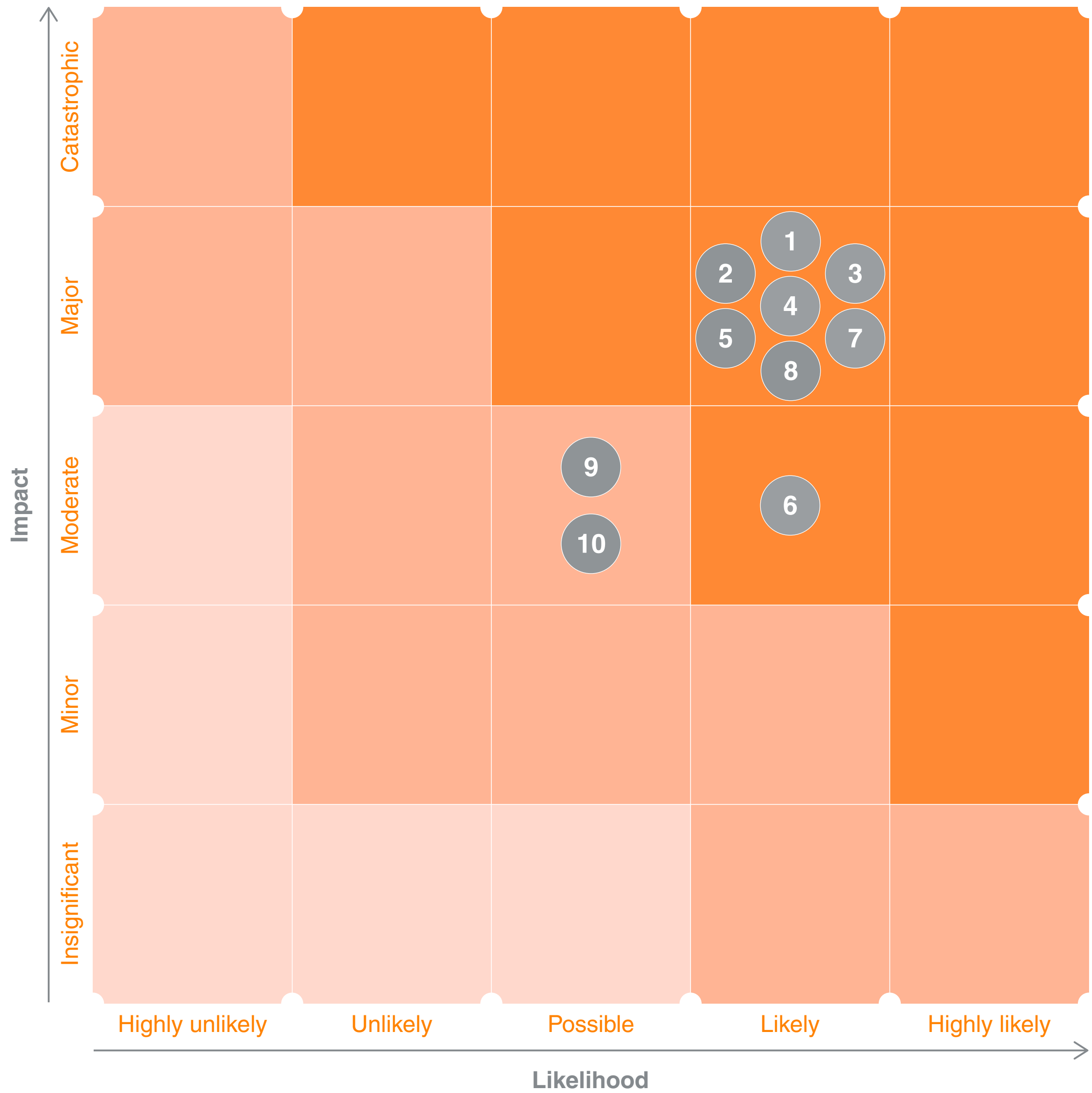
As well as continuing our risk identification and monitoring activities throughout FY2026, we will seek to:

- review our crisis management policy and scenario planning, given continued geopolitical tensions;
- closely monitor the controls in our pricing framework to navigate global cost pressures and supply chain dependencies;
- maintain our focus on productivity, supported by clear capital and resource allocation; and
- refine our internal controls framework to position us to meet the requirements of the Corporate Governance Code 2024.

Principal risks and uncertainties

Risks

1 Geopolitical uncertainty (formerly Economic and political uncertainty)	6 Capital products growth
2 Low-price competition (formerly Competitor activity)	7 Cyber
3 Product innovation (formerly Innovation strategy)	8 Exchange rates (formerly Exchange rate fluctuations)
4 Industry fluctuations	9 IT transformation (formerly IT transformation failure)
5 Non-compliance with laws and regulations	10 People



Risk management continued

Risk movement	
↑	Increased risk
↓	Decreased risk
↔	Stable risk

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

Velocity	
VERY LOW	Very slow impact. Response time adequate to mitigate effects
LOW	Slow impact. Robust response to strategy may mitigate effects
MEDIUM	Moderate time to impact. Swift and robust response may mitigate effects
HIGH	Fast impact. Immediate response may mitigate effects
VERY HIGH	Very rapid impact with little or no warning. No time to respond and mitigate effects

Appetite	
VERY LOW	Following a marginal-risk, marginal-reward approach that represents the safest strategic route available
LOW	Seeking to integrate sufficient control and mitigation methods to accommodate a low level of risk, although this will also limit reward potential
BALANCED	An approach that brings a high chance of success, considering the risks, along with reasonable rewards, economic and otherwise
HIGH	Willing to consider bolder opportunities with higher levels of risk in exchange for increased business pay-offs
VERY HIGH	Pursuing high-risk, unproven options that carry the potential for high-level rewards

1 Geopolitical uncertainty (formerly Economic and political uncertainty)

↑

Velocity
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

- Monitoring external economic and commercial environments and markets in which we operate and identifying relevant headwinds.
- Maintaining our global operating model via regional locations for customer sales and support, inventory management and distribution.
- Maintaining sufficient headroom in our cash balances.
- Business continuity and procurement policies in place that include supply chain risk assessment and mitigation of potential disruption.
- Resilient business model and clear strategy, both of which we regularly scrutinise.
- Financial modelling and stress testing management of cash balances.
- Our internationally diverse business helps to diversify the risk.

2 Low-price competition (formerly Competitor activity)

↑

Velocity
MEDIUM

Appetite
BALANCED

Link to strategy
G, I

Risk owner
Chief Executive Officer

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.

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 in-unit and operating margins.
- Loss of reputation as a leader in innovation.

What we are doing to manage this risk

- Enforcing our intellectual property rights and implementing exclusive distribution agreements.
- Enhancing engagement with key accounts to ensure larger customers fully recognise the value of our products, services and support offerings.
- Pursuing long-term supply agreements to strengthen commercial relationships.
- Reducing manufacturing costs by using lower-cost materials and introducing greater automation.
- Creating capabilities to manufacture certain products in regions with lower operating costs.
- Developing strategies to introduce competitively priced entry-level products designed for emerging markets.
- Strengthening senior management's exposure to and understanding of emerging markets.

3 Product innovation (formerly Innovation strategy)

Velocity
MEDIUM

Appetite
HIGH

Link to strategy
All

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

- Adopting a minimum viable product approach on some projects, aiming to bring products with restricted specification to market quickly, establish an early market presence and enable agile product development. Our ASTRiA inductive encoder is an early example of this.
- Target for new product introductions in place for senior management to help drive performance.
- Regular reviews of flagship projects with a focus on goals and milestones, upcoming decisions and capability to deliver.
- Rolling business plans for high-spend projects enable better understanding and reporting of ROI.
- Ongoing review of geopolitical changes, forecasting and business development opportunities.
- Market development monitoring in place and subject to regular review.
- Regular customer business development and insight activities.
- Competitor insight monitoring with material updates shared with the Executive Committee.

4 Industry fluctuations

Velocity
HIGH

Appetite
BALANCED

Link to strategy
G, I

Risk owner
Chief Executive Officer

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).

Potential impact

- Loss of market share.
- Erosion of customer relationships.
- Restriction on long-term growth.
- Reduced revenue, profit and cash generation.

What we are doing to manage this risk

- Ongoing review of geopolitical changes, industry demand cycle forecasting and business development opportunities.
- Industry trend monitoring, including monthly review of externally published reports of capital expenditure forecasts in key markets.
- Investment in manufacturing and logistics-flexible automation to reduce the need for additional direct manufacturing labour to support higher customer demand.
- Replacing legacy products that are labour-intensive to manufacture in favour of newer products with more automated production processes.
- Production planning process informed by a combination of historic product mix, market demand forecasting and stock levels in relation to inventory policy.
- Securing recurring revenue streams from after-market services and subscription software sales.

5 Non-compliance with laws and regulations

Velocity
HIGH

Appetite
LOW

Link to strategy
All

Risk owner
Group General Counsel & Company Secretary

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.

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.

What we are doing to manage this risk

- Established confidential whistleblowing line, Speak Up, which is available for our whole workforce in multiple languages.
- Various policies and e-learning courses in place, including on anti-bribery and corruption, competition law, health and safety, and anti-facilitation of tax evasion.
- Induction training and mandatory annual training across various functions.
- Upgraded sanctions screening processes.
- Embedding our Code of Conduct, which we launched in 2024.
- Recruitment and onboarding of dedicated compliance professionals.

Risk management continued

6 Capital products growth

Velocity
MEDIUM

Appetite
BALANCED

Link to strategy
I

Risk owner
Chief Executive Officer

Risk description

We do not successfully adapt our sales and manufacturing processes to meet the profit targets of our capital goods businesses.

Potential impact

- Low capital efficiency: high people costs and low productivity.
- High engineering and distribution costs.
- Adverse impact on customer satisfaction levels, revenue and profits.
- Slowdown in long-term growth.
- Failure to gain share in substantial, growing markets.
- Failure to recover investment in R&D.

What we are doing to manage this risk

- Appropriately skilled sales specialists targeting customers with repeat business potential, avoiding time-consuming, one-off sales and reducing the average cost per sale.
- Bid management and contract review processes to ensure that we understand the deliverables, that we do not take on unacceptable liabilities and that our proposal is appropriate.
- Project management process to govern planning and delivery of complex systems.
- Promoting service contracts and software subscription to drive recurring revenues.
- Local solutions for maintenance of complex product configurations and servicing status.
- Financing lease schemes offered.

7 Cyber

Velocity
HIGH

Appetite
LOW

Link to strategy
All

Risk owner
Group Operations Director

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 operate, or lead to the loss of personal and commercially sensitive data and expose us to reputational and financial damage.

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.

What we are doing to manage this risk

- Various tools deployed to monitor and protect our systems, including looking for changes in employee behaviour (insider risk), monitoring suspicious or mass file encryption, blocking data traffic to known malicious domains, encrypting data traffic, identifying email content and senders of concern, and monitoring suspicious network traffic activity.
- Conducting regular security awareness training, including phishing simulation exercises, to train and keep our employees vigilant.
- New employees given privacy and security training, spanning GDPR, cyber security and physical security.
- Continual third-party penetration testing, as well as periodic targeted exercises to find any residual gaps in our systems.
- Regular disaster recovery rehearsals/dry runs to minimise downtime and be confident in our process to recover systems after a successful attack. Each major system is rehearsed once a year.

8 Exchange rates (formerly Exchange rate fluctuations)

Velocity
MEDIUM

Appetite
BALANCED

Link to strategy
G, I

Risk owner
Group Finance Director

Risk description

Exchange rate fluctuations can affect our Consolidated income statement, balance sheet and cash flow, affecting near-term management, investor reporting and planning, and long-term performance.

Potential impact

- Significant variations in profit.
- Reduced cash generation.
- Increased competition on product prices.
- Increased costs.
- Adverse impact on management decision-making.

What we are doing to manage this risk

- Subsidiary overheads and some manufacturing purchases denominated/made in foreign currencies.
- Maintaining rolling forward contracts for cash-flow hedges in accordance with Board-approved policy, and one-month forward contracts to manage risks on intercompany balances.
- Agreed caps for each currency pairing – that is, rates at which we will not trade if prevailing forward rates are in excess of – to mitigate short-term exchange rate spikes.
- A panel of partner banks provides competitive forward contract pricing and advice on managing our exposure.

9 IT transformation (formerly IT transformation failure)

Velocity
MEDIUM

Appetite
LOW

Link to strategy
All

Risk owner
Group Operations Director

Risk description

We fail to successfully implement Microsoft Dynamics 365 ahead of Sage obsolescence 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.

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.

What we are doing to manage this risk

- Developing robust methodology, processes and tools to be able to scale up deployments that we can use across the Group.
- Targeted recruitment of independent Microsoft Dynamics 365 expertise.
- Regular internal project meetings are held, and a steering committee has been established.
- Regular contact with Microsoft and our system integrator.
- Strong central accountability, including deployment strategies and data migration criteria, allowing for one solution for all subsidiaries.
- Group Operations Director appointed as our designated responsible individual, providing clear responsibility for accelerating difficult decisions.

10 People

Velocity
MEDIUM

Appetite
BALANCED

Link to strategy
All

Risk owner
Group Human Resources Director

Risk description

If we fail to retain and develop a diverse, engaged workforce with the right talent and skills, our succession and leadership pipelines will weaken, ultimately affecting our ability to achieve strategic objectives. It is also essential that our people align with our core values, to foster the desired conduct and behaviours that drive success.

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

- Continuing to focus on attracting, rewarding and retaining our people globally. This includes building a more inclusive working environment as part of our ESG strategy.
- Using the results of our global employee engagement surveys to inform our people strategy.
- Continuing to invest in our education outreach and early careers programmes, talent development and succession planning.
- Identifying and implementing functional competencies for all roles, serving as vital building blocks for comprehensive career development frameworks.
- Capturing employee skills within our Human Resources Management System, which enables the formation of dynamic talent pools, targeted development opportunities and robust succession planning. These talent pools allow us to use nine-box talent mapping effectively.
- Promoting our ESG strategy to help attract and retain a diverse pool of talent within the business.
- Implementing and embedding policies that will help foster a culture where ethical conduct is ingrained and aligned with our values. This alignment helps strengthen trust, foster inclusivity and ensure long-term sustainability.

Viability statement

The Directors have assessed our prospects and viability in accordance with the UK Corporate Governance Code. This assessment took account of our current position and principal risks, and the details of the assessment and the conclusion reached are set out below.

Context

In making the assessment, the Directors considered the following factors that they felt provided important context:

Financial resources – we have significant financial resources, with cash and cash equivalents and bank deposits at the start of the viability assessment period of £273.6m. We have a strong history of creating cash for the business. The only external source of finance included in the viability assessment is financing for a property in Japan (see Note 20 on page 144), the repayments for which are not material. We have no debt covenants.

Business model and markets – our business model includes designing and manufacturing products ourselves, giving us the flexibility to respond to customers' needs and control over where we direct our manufacturing resources. We can also direct our sales and marketing resources where needed, should market trends and conditions change. In addition, we are also diversified over a range of markets, as explained on pages 34 to 39.

Business planning – our business planning process uses a top-down approach (the 'corporate view'), as well as detailed forecasts from both our product groups and our sales regions, to ensure we consider a range of perspectives. We also use external sources of information, such as market trends and economic growth rates, in our business planning process.

Risk management – we have a robust risk assessment and management process, as set out on pages 15 to 23. As we explain in the scenarios section below, the crystallisation of our principal risks has been considered in the viability assessment.

Assessment period

The Directors used a three-year period, to the end of September 2028, to make their viability assessment. While a five-year business plan has been prepared, the Directors feel that a three-year period is more suitable for this assessment and better reflects our business model – where we typically have short-term contracts with customers and a short order book, and can adapt our manufacturing to meet demand in months rather than years.

Principal risks

The Directors reviewed our principal risks and considered which of them could have a significant effect on the Group's financial position, business model and/or future performance if they were to crystallise within the period to September 2028. Financial models, described below, were used to assess the potential impact.

Financial modelling

Each of our scenarios used the same starting point, being the pessimistic version of our five-year business plan (with the revenue in this pessimistic forecast also referred to as the 'highly probable' revenue forecast for hedge accounting). For context, revenue in the first year of this pessimistic base scenario is lower than the FY2025 revenue of £713.0m, while costs and other cash outflows still reflect ambitious growth plans.

The three scenarios then took this same starting point and revised the forecasts to reflect:

Scenario	Summary
1	A significant reduction in revenue, incorporating: — a worsening of the global economy; — a disruptive event that causes both short-term disruption and a sustained significant loss of revenue from key customers after the event; — a disruptive event that causes manufacturing difficulties for certain products; — increasing competition in China from emerging local competitors; — a strengthening of Sterling; and — reduced growth from emerging capital equipment.
2	A significant increase in costs, incorporating: — a significant fine or penalty; — a sustained increase in inflation; — higher costs due to trade barriers; — an increase in professional fees; — reduced operating profit margins on the sale of capital equipment; and — additional costs to respond to disruptive events.
3	A combined reduction in profitability, incorporating: — a reduction in revenue less significant than scenario one and an increase in costs less significant than scenario two.

We incorporated appropriate, realistic mitigating actions into each scenario, such as reducing capital expenditure, bonuses and dividends relative to the revised financial performance and position in these scenarios.

This modelling showed that cash and cash equivalents balances remained positive in all three scenarios and exceeded £88m at the end of the assessment period (30 September 2028) in each scenario.

We also performed a 'reverse stress test', identifying the reduction in profit, after mitigating actions, needed to exhaust cash in the assessment period. This identified a trading level so low that the Directors felt that the events that could trigger this would be highly unlikely. The Directors also concluded that a one-off cash outflow that would exhaust the Group's cash and cash equivalents in the assessment period was also highly unlikely.

Outcomes, mitigating actions and upsides

The financial modelling demonstrated that, should the Group experience 'severe but plausible' conditions in the period to September 2028, positive cash and cash equivalents and bank deposit balances can be maintained throughout. As a vertically integrated business that typically funds future growth through cash reserves, we have a good degree of control on how we use cash, and a range of mitigating actions we can take to respond to challenging conditions.

Conclusion

Based on this assessment, incorporating a review of the current position, the scenarios, and our principal risks and mitigation, the Directors have a reasonable expectation that we will be able to continue operating and meet our liabilities as they fall due over the period to 30 September 2028.

Our key performance indicators

We use financial and non-financial key performance indicators (KPIs) to measure progress against our strategy.

Last year, to reflect our focus on long-term value creation, we reported four new KPIs – Through-cycle revenue growth, Adjusted* operating profit margin, Return* on invested capital and Adjusted* cash flow conversion from operating activities. We show past performance against the targets for these KPIs, even though they were not being reported in FY2021, FY2022 and FY2023.

We only report on one profit before tax KPI, focusing on Adjusted* profit before tax, as this is the measure that the Board reviews throughout the year to understand the underlying trading performance of the business.

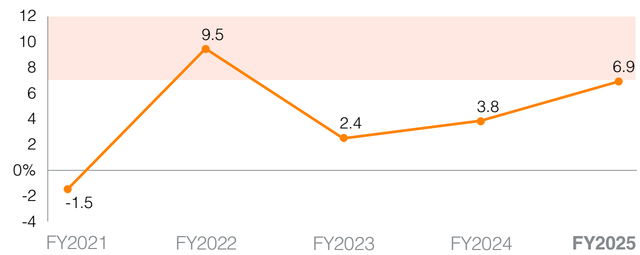
Revenue £m

Why we measure this
Revenue growth helps us to assess the relevance of our products for solving customer problems and the growth in our market share. It also helps increase profits, which we reinvest in the business to deliver long-term growth and use to pay dividends to our shareholders.

How we measure this
Revenue generated from operations, at actual rates of exchange.

How we performed
Revenue grew to a record £713.0m, an increase of 3.1% from FY2024. Growth was 3.7% at constant exchange rates. We saw good growth in sales of position encoders and AGILITY CMMs, while demand for additive manufacturing and spectroscopy products was weaker.

Through-cycle revenue growth %



Why we measure this
Our ambition is to achieve sustainable long-term revenue growth through cycles in our key markets, driving shareholder returns. Our target is high single-digit average growth.

How we measure this
Compound annual revenue growth rate over a rolling five-year period.

How we performed
Five-year average revenue growth has improved this year to 6.9%. Both business segments have delivered similar through-cycle revenue growth, and the Position Measurement product group has been the strongest performer within Manufacturing technologies over this timeframe. We are targeting improvements in this metric as key markets recover and our emerging businesses continue to grow.

Five-year revenue compound annual growth rate   Target range

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

Our key performance indicators continued

Adjusted profit before tax £m

Why we measure this

Profit shows how our strategy delivers value for stakeholders. Adjusted profit before tax (PBT) is the measure that the Board reviews throughout the year to understand the underlying trading performance of the business.

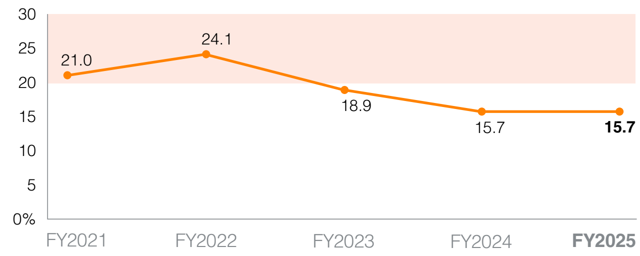
How we measure this

Adjusted PBT is defined in note 29 on page 159.

How we performed

Adjusted PBT increased by 3.8% to £127.2m this year, boosted by an improvement in gross margin excluding engineering costs, which was 0.7% higher at 61.7% of revenue. This gross margin improvement offset inflationary fixed cost increases in engineering, distribution and administration, resulting in a similar level of profitability.

Adjusted operating profit margin %



Why we measure this

Profitability demonstrates the efficiency of our strategy in delivering value for shareholders. Our target is to exceed 20%.

How we measure this

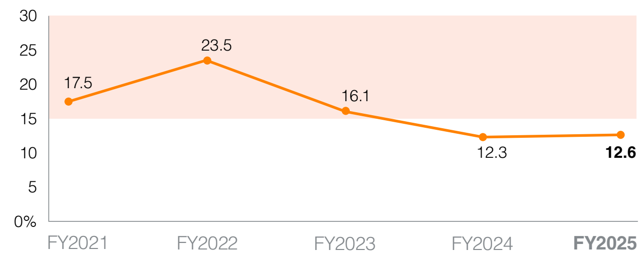
Adjusted operating profit (see note 29 on page 159), expressed as a percentage of revenue.

How we performed

This metric has been stable this year, with operating costs increasing at the same rate as revenue growth. We have continued to invest in our people to drive our future growth. We are focusing on productivity and fixed cost control, aiming to drive this metric back above our target.

— Adjusted operating profit margin ▪ Target range

Return on invested capital %



Why we measure this

Return on invested capital (ROIC) assesses our efficiency in allocating capital to profitable investments. Our target is to exceed 15%.

How we measure this

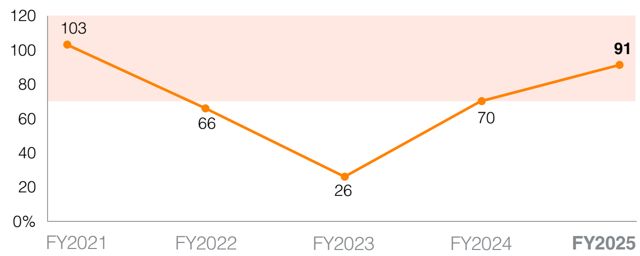
Adjusted profit after tax before bank interest receivable, as a percentage of invested capital. ROIC is defined in note 29 on page 159.

How we performed

This metric has increased slightly to 12.6% this year due to a combination of higher profits after tax and a reduction in invested capital. We retain a strong asset base following recent investment in our manufacturing facilities, to enable us to pursue profitable future growth opportunities.

— Return on invested capital ▪ Target range

Adjusted cash flow conversion from operating activities %



Why we measure this

This ratio assesses our efficiency in converting our operating profit before tax into cash and cash equivalents. Our target is to exceed 70%.

How we measure this

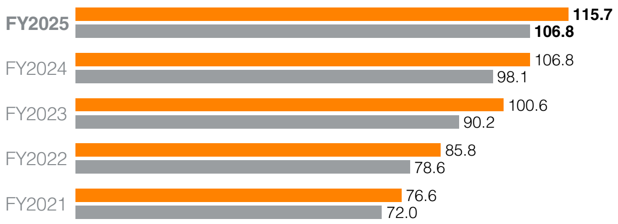
Adjusted cash flow from operating activities as a percentage of Adjusted operating profit. Adjusted cash flow from operating activities is defined in note 29 on page 159.

How we performed

This metric has improved further this year, rising from 70% last year to 91% in FY2025. This improvement has been driven by lower capital expenditure this year, with additions of property, plant and equipment being £19m less than the prior year.

— Operating cash conversion ratio ▪ Target range

Total engineering costs, including R&D £m



Why we measure this

Investing in engineering is fundamental to our growth, helping us to develop innovative new products and evolve our existing products to maintain their competitiveness.

How we measure this

Annual expenditure on engineering, including R&D that has been capitalised in the year, net of amortisation on capitalised R&D.

How we performed

Gross engineering expenditure increased by 8% to £115.7m. This excludes non-recurring costs relating to the closure of our Edinburgh research facility and the drug delivery aspect of our Neurological business (see note 4 on page 131). The increase relates to growth in our early careers cohort and higher pay, helping us to retain and develop engineers to create new technologies for future growth.

■ Included in Consolidated income statement ■ Gross expenditure

Dividend per share in respect of the year pence

Why we measure this

To track the underlying performance of the business and measure how profit growth translates into shareholder returns.

How we measure this

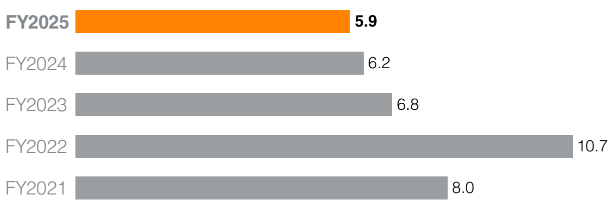
Interim dividend paid in the year, plus the proposed final dividend.

How we performed

We paid an interim dividend of 16.8 pence per share in FY2025 and the Directors propose a final dividend of 61.3 pence per share. This would bring the overall dividend per share to 78.1 pence, 2.5% higher than the total dividend for FY2025.

The Directors have considered the Company's performance and strong cash reserves, and so have increased the dividend per share this year in line with our progressive dividend policy.

Global voluntary employee turnover %



Why we measure this

The success of our strategy relies on our people feeling that Renishaw is a great place to work, grow and contribute.

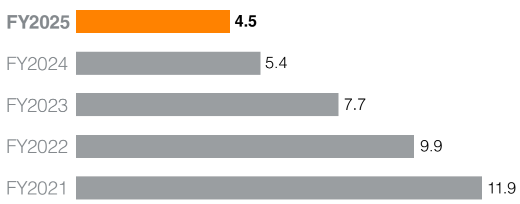
How we measure this

The number of voluntary leavers (excluding voluntary redundancy and mutually agreed severance, if applicable) in the year, as a percentage of our total headcount.

How we performed

We have invested significantly in pay and reward in recent years which has, combined with slowing labour markets in the UK and elsewhere, driven our turnover rate to a lower level. We continue to pursue a range of activities to promote employee engagement. More information can be found on pages 46 to 48.

Statutory GHG emissions tCO_2e per £m revenue



Why we measure this

This helps us to ensure that we are doing business responsibly and tracks our progress against our Net Zero targets.

How we measure this

Tonnes of Scope 1 and 2 ('Statutory') carbon dioxide equivalent (CO_2e) emissions from our operations, per £m of revenue, using the market-based method. See how we calculate our data on page 45.

How we performed

We continue to reduce our greenhouse gas (GHG) emissions/£m, with a 16% reduction in emissions per £m revenue in FY2025, largely driven by the continued transition of our global vehicle fleet to ultra-low emissions vehicles.

How we engage with stakeholders

The success of our business relies on good relationships with our different stakeholders and our engagement with them helps us run our business and achieve our strategic goals. We recognise that our operations can have a significant impact – both positive and negative – on many of them. It's essential, therefore, that we consider their views when making business decisions.

Over the following pages, we summarise our stakeholder groups and give a snapshot of how we engage with them, as well as specific activities this year that have helped inform our thinking. Notable actions include continuing to evolve the way we engage with our investor community and working closely with some of our key aluminium suppliers to address our Scope 3 emissions. We also ran our second global employee engagement survey, with participation rising by 11%.

For more information on how we considered our stakeholders in some of our principal decisions this year, see our Section 172 statement on pages 71 to 73.

Our employees

We aim to attract and retain people with the right skills to help us succeed, including designing and making the products our customers need. Since diversity of thought is one of the best ways of encouraging innovation and creativity, we remain committed to creating an inclusive working culture where people feel able to share their views and achieve their full potential.

How we engage with our employees

We want our people to tell us what we're doing well and where we can improve, and are committed to ensuring we have the channels in place to help them do that. These channels also help us communicate the steps we're taking in response, and give greater clarity about our strategic objectives. They include:

- new employee listening sessions to hear views on key issues. We ran our first session on career progression for women at Renishaw, which was attended by our Chief Executive Officer, Will Lee, Non-executive Director and employee engagement ambassador, Catherine Glickman, and Non-executive Director, Professor Dame Karen Holford;
- our global employee engagement survey, which we run in 23 languages;
- 'Transforming Tomorrow Together' webinars and 'Ask Me Anything' sessions to encourage two-way discussion on key issues, such as our ESG strategy;
- regular engagement between employees and their managers to discuss performance and career development;
- Board site visits to learn more about day-to-day operations and hear directly from employees;
- our network of UK employee resource groups;
- new information screens at manufacturing sites to share key messages with colleagues without daily access to a laptop;
- Works Forums for UK sites, with representation from different business areas; and
- one-to-one engagement between Board members and some senior leaders to help the Board stay connected with employee views and support succession planning.

Outcomes from the year

- As part of our cost reduction programme to make £20m in annualised savings in labour costs, we took a people-first approach to managing voluntary and compulsory redundancy. We provided enhanced redundancy packages and, for those affected in the UK, access to our Employee Assistance Programme. Our HR team also gave support with job searches, CV writing and financial wellbeing, and helped engage with dedicated government services. The programme started at the end of FY2025 and costs will be included in FY2026.
- Participation in our 2025 global employee engagement survey increased by 11%, with 74% of people responding.
- Ran a campaign to encourage employees to voluntarily share data to help track progress against our Social goal.
- Continued to build a more inclusive environment and celebrated key events as part of our cultural calendar. For example, in February 2025, we marked Interfaith Harmony week with a viewing for employees of the short film *Unreflected Reflections* celebrating the history, heritage and culture of the Muslim community in Gloucester, UK.

Learn more about our progress against our Social goal and results from this year's employee survey on pages 46 to 48.

Our shareholders

Our shareholders are the owners of our business. We recognise the trust they place in us and in return we aim to provide sustainable, long-term growth. It is essential that our Board and Senior Leadership Team understand and consider the views of our shareholders when making key strategic decisions.

How we engage with our shareholders

We continue to strengthen the way we engage with our shareholders. This includes working with our joint corporate brokers, UBS and Peel Hunt, to develop a targeted engagement programme with key existing and potential investors. Our Chief Executive Officer, Will Lee, and Director of Group Strategic Development, Marc Saunders, engage on a one-to-one basis at some of our sessions to discuss Renishaw's performance, strategy and culture, and hear feedback from investors. This feedback is shared with our Board. We also receive monthly analysis of our shareholder register from UBS. Some of the key events in our investor relations calendar include:

- new half- and full-year financial results roadshows attended by Will and Marc to discuss performance and strategic progress with key investors;
- our annual Capital Markets Day, held this year at our site in Miskin, Wales, in June 2025 and attended by the Board;
- conference calls and face-to-face meetings with key shareholders, potential investors, analysts and bank sales desks; and
- post-results meetings with advisors to discuss market response to our financial performance.

Outcomes from the year

- Met with 36 institutions during our first half-year roadshow in February 2025, both in-person and via conference calls. Topics included our growth strategy, cash allocation plans, shareholder returns, succession plans and growing competition from low-cost manufacturers.
- Held 47 one-to-one meetings with institutional investors, including 23 in-person. Five of these sessions were attended by our Chief Executive Officer.
- Hosted a site visit to our headquarters in Gloucestershire as part of Peel Hunt's Industrials Conference in January 2025, attended by 23 institutions.
- Updates from UBS and Peel Hunt to the Board on market perceptions and investor sentiment towards Renishaw.
- Two additional banks began tracking and reporting on Renishaw's performance during the financial year, with another two undertaking research with a view to initiating coverage in FY2026.

Learn more about our Chief Executive Officer's views on the past year on pages 7 to 10.

Our customers

We work closely with our customers to understand their production processes and the challenges they face so that we can make the precise, productive and practical products they need. The fact that many customers have been with us for decades is testament to our team's expertise and ability to speak their language.

How we engage with our customers

We have three different types of customers – machine builders who fit our products, end users who buy from us directly, and distributors/channel partners who sell our products. We carefully select this third group based on their sector-specific experience. While we tailor our engagement to suit the specific needs of each customer group, our approach also includes:

- our channel partner programmes in the APAC and the EMEA sales regions. The programmes aim to make it easier for end users to access our products and to strengthen our customer service and product support. Our EMEA programme has three different levels of commercial partnership and a dedicated partner portal that includes up-to-date technical, marketing and sales support materials;
- our global technology centres, which enable us to directly support customers where they are based;
- customer visits to our UK manufacturing facilities to show how we use our own technologies to support efficient, high-quality production processes; and
- gathering feedback via face-to-face and digital sessions, and events.

Outcomes from the year

- Board members attended Control, a major metrology equipment trade show, in Germany in May 2025.
- Several Non-executive Directors visited key customers in APAC and EMEA.
- Collaborated with Siemens and DMG MORI to promote a new concept demonstrator for our NC4+ Blue tool setting system, and gathered customer feedback at private and public events such as the AMB trade show in Germany.
- Showcased our RenAM 500 Ultra product series for the first time in the Americas at the biennial International Manufacturing Technology Show in Illinois, USA, in September 2024.
- Held a three-day event at our new facility in São Paulo, Brazil, in October 2024, enabling more than 200 customers to explore our Industrial Metrology and Additive Manufacturing products.
- Attended a global launch showcase in South Korea in April 2025 held by one of our strategic machine tool OEM partners. As well as networking with our partner's global distributor network and key customers, Renishaw was invited as one of six key suppliers to attend one-to-one meetings with their president.
- Co-hosted the first Additive Manufacturing (AM) conference with Spain's Aeronautics Advanced Manufacturing Centre in April 2025. This enabled customers to share knowledge and Renishaw to showcase our AM technologies and expertise in this important growth area.

Learn more about our product groups on pages 34 to 39.

How we engage with stakeholders continued

Our suppliers

We aim to build effective long-term relationships with our suppliers to access the goods and services we need to manufacture our products (direct suppliers), run our operations (indirect suppliers) and support new product development.

How we engage with our suppliers

While most of our buyers are based in the UK, we also have teams in the countries where our suppliers are based so we can regularly engage with them in their local time zone and language. And because we rely on tens of thousands of different raw materials and components from thousands of suppliers, we can't take a 'one-size-fits-all' approach. Instead, we prioritise our engagement based on certain criteria, including how much we spend with a supplier, their risk profile and quality. We also continue to map suppliers' credentials against our sustainability and compliance requirements. We focus the majority of our day-to-day relationship management on around 250 key suppliers. Some of the ways that we engage include:

- self-assessments for all new direct – and selected indirect – suppliers;
- regular communication via our procurement and engineering teams to ensure a consistent, timely supply of quality goods and services. When a problem occurs, we work with a supplier to ensure they have improvement programmes and training in place;
- compliance, audit and risk management policies and processes, including our Code of Conduct;
- campaigns about compliance topics, such as human rights, health and safety, conflict minerals and sanctions; and
- frequent discussions with suppliers about the challenges and supply chain risks they face. Our Board also receives updates on significant matters that could affect our supply chain.

Outcomes from the year

- Worked collaboratively with our main raw metals supplier to develop a methodology for calculating the greenhouse gas emissions associated with the aluminium we buy to make many of our products. We then worked with this supplier to help them transition to a lower-carbon source of secondary (recycled) aluminium. This will enable us to reduce the emissions intensity of the main aluminium products we buy.
- In FY2025, we used our new supplier relationship management platform to map more than 2,000 suppliers against human rights and conflict minerals risk. For those identified as 'in scope' we then assessed their due diligence processes. Next year, we are aiming to use the platform to onboard all new suppliers.
- Continued training to help our buyers embed sustainability into their everyday thinking. To date, 85% of our buyers have completed the training.

Learn more about the impact of our work with key aluminium suppliers this year to address Scope 3 emissions on page 44.

Our communities

We are committed to conducting business in a socially responsible way and aim to be open, honest and consistent in our approach to community relationships. Meanwhile, our science, technology, engineering and mathematics (STEM) outreach programme supports our broader work to build a pipeline of talent that will support Renishaw's future success.

How we engage with our communities

While each country tailors its approach to community engagement to suit the local area's culture and needs, we focus our efforts on three key areas:

- delivering STEM education through our outreach programme;
- participating in local community and business initiatives; and
- financial and communications support for charities and not-for-profit organisations.

Outcomes from the year

- Continued to deliver our STEM outreach programme by:
  - participating in more than 175 STEM events in Wales and Gloucestershire, engaging with around 13,500 students;
  - engaging with diverse student groups. Almost 30% of our engagements were with diverse groups, including all-female groups, and young people from economically deprived and minority ethnic backgrounds and SEND schools (special educational needs and disabilities);
  - increasing our focus on primary school engagement, recognising the importance of early exposure to STEM experiences. This year we engaged with more than 1,200 students at school assemblies celebrating International Women in Engineering Day;
  - developing our internship programme in EMEA with new commercial and technical roles in Spain, France and the Nordics; and
  - building partnerships with USA colleges and careers fairs to promote STEM subjects. This year we received an industry partner award from the Davis Technical College Foundation in recognition of our support for hands-on student learning.
- Participated in a range of community and business initiatives, including:
  - sponsoring a local ballooning company that offers accessible balloon flights;
  - inviting local communities to 'open door days' at some of our EMEA sites to experience our business and products;
  - renewing our partnership with Greenpower Education Trust, which promotes STEM subjects by giving students opportunities to design, build and race electric cars; and
  - sponsoring music, arts and professional sports organisations in key UK locations.
- Donated £0.3m to charitable and not-for-profit organisations. This included £140,000 from our India charities committee to support local organisations. Meanwhile, employees around the world donated time to local charities. For example, in the USA, our people helped collect Christmas presents for economically disadvantaged children, and donated enough blood to help save 48 lives. And in China we renovated laptops that were donated to children attending school in remote mountainous regions.

Learn more about how our STEM outreach programme supports our ESG strategy on page 47.

Financial review

FY2025 was a year of adjusted profit progress and record revenue in challenging market conditions. While we have continued to experience cost pressures, and are taking action to move us towards our operating margin target, Adjusted* profit before tax increased by 3.8% to £127.2m (FY2024: £122.6m).

We have exceeded our target for cash flow conversion and further strengthened our financial position, with cash and cash equivalents and bank deposit balances at the year end of £273.6m (30 June 2024: £217.8m). This includes our planned reduction in capital expenditure this year, as we now look to benefit from recent investments made in manufacturing infrastructure.

Although we face global political and economic uncertainties, we are well positioned for future growth opportunities and unexpected market downturns.

Financial performance

Revenue

As Will has explained in his review, we achieved 3.1% growth in revenue to £713.0m (FY2024: £691.3m) and so have again achieved record revenue. We continue to benefit from being diversified across a range of markets; while the automotive market was weaker, the semiconductor and defence markets were positive, and we also saw good growth in our metrology systems products including AGILITY CMMs.

With 20% of our revenue coming from the USA, and our manufacturing located in the UK, Ireland and India, we have been closely monitoring and managing the impact of the US Government's tariff changes during the year. While we experienced some net costs when the tariffs came into effect, we have since been able to mitigate them with surcharges.

At constant exchange rates*, revenue would have been 3.7% higher than the previous year. This is mostly as a result of an appreciation of GBP relative to USD, from an average of 1.26 in FY2024 to 1.30 in FY2025. The effect of currency has been partly mitigated by our treasury strategy; without our forward cash flow hedging contracts, revenue would have increased by 0.4%.

Operating costs

We introduced our Adjusted operating profit margin key performance indicator (KPI) last year, with our target of 20%. While we have achieved a margin of 15.7% this year, the same as the previous year, we have undertaken cost initiatives to help move us to this target in the medium term, along with our revenue growth strategy.

Managing our labour costs has continued to be a priority this year, as we target the right balance of rewarding and motivating existing staff, bringing in new people where needed, and generating value for shareholders. We increased salaries by an average (globally) of 4.2% from January 2025 and had a net average headcount increase of 126, resulting in an increase in total payroll costs of £18.2m, or 6.3%. External factors have also been a significant consideration this year, with National Insurance rises in the UK increasing our costs by £1.0m in FY2025, and around £4.0m per year going forward.

In light of these cost pressures, and our expectations of growth, we made the difficult decision in June to initiate a redundancy programme to achieve £20m of annualised savings. This was initially a voluntary programme, with a compulsory programme following in July, mostly affecting people in the UK, Ireland and the EMEA region. Redundancy costs of around £16m will be recognised in FY2026, and excluded from adjusted profit and earnings measures.

Other efforts to improve our operating margin include investments in our manufacturing and logistics facilities, with new machine tools, robots and automated warehousing. These have helped improve this year's gross margin (excluding engineering costs) as a percentage of revenue to 61.7%, compared with 61.0% last year, and will benefit our future margin. We should also see economies of scale in producing our AGILITY CMMs and AM machines as we expand within our existing factory footprint. While we continue to experience pricing pressures globally, we have generally maintained our net pricing with customers, and we intend to make targeted price rises in the coming year.

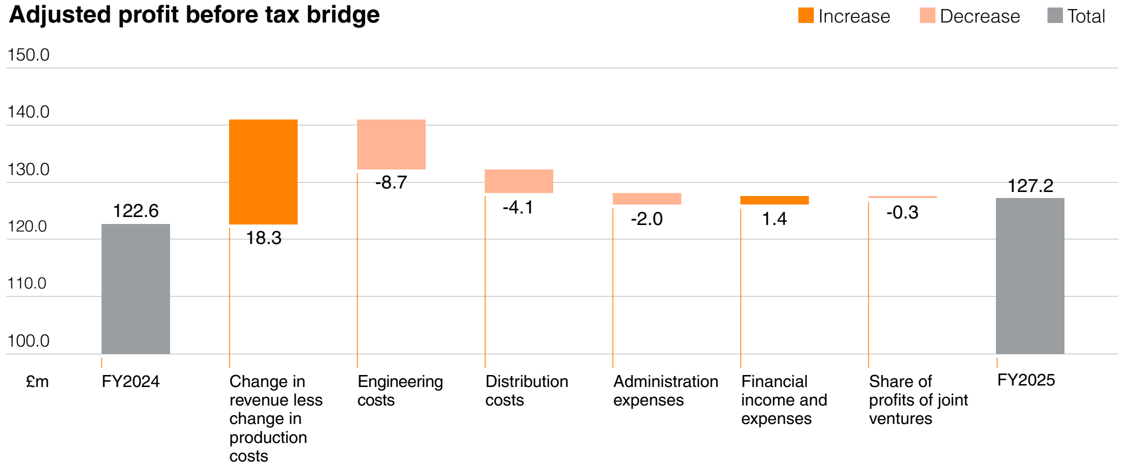
Our core strategy remains to deliver organic growth by developing innovative and patented products, and we have reviewed our priorities during the year to improve our focus and reduce our time to market. This review has resulted in the closure of the drug delivery aspect of our Neurological business and a research facility in Edinburgh, resulting in one-off costs of £2.1m and £2.3m respectively. These are included in the 12% increase in our gross engineering expenditure of £120.1m (FY2024: £106.8m), but treated as adjusting items (see page 32), and are expected to lead to an annualised increase in operating profit of around £4m.

We're also implementing a new global ERP system and a new e-commerce platform, which will make many of our sales, distribution and finance processes more efficient. While this has meant higher software and consultancy costs in recent years, we expect this investment to streamline customer interactions and improve productivity in the future.

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

Financial review continued

Adjusted profit before tax bridge



Profit and tax

Adjusted* operating profit was 3.3% higher this year at £112.3m (FY2024: £108.7m). At constant exchange rates*, Adjusted operating profit would have been 1.2% higher than last year.

Adjusted* operating profit in our Manufacturing technologies segment was £109.9m, compared with £103.2m last year. In our Analytical instruments and medical devices segment, Adjusted* operating profit was £2.4m, compared with £5.5m last year.

To reflect our evolving organisational structure, see page 34, we will be reporting on three segments from FY2026: Industrial Metrology, Position Measurement, and Specialised Technologies.

Financial income, net of financial expenses, for the year was £6.6m, compared with £10.0m last year. This includes a £2.6m increase in interest on bank deposits due to higher interest rates and amounts on deposit, less £4.9m of interest payable on historical tax matters. See Note 5 for a full analysis.

Adjusted profit before tax was £127.2m, compared with £122.6m in FY2024. Statutory profit before tax was £118.0m, compared with £122.6m in the previous year.

The FY2025 effective tax rate has increased to 29.0% (FY2024: 21.0%) mostly as a result of historical and non-recurring tax matters and the new global minimum tax. The underlying effective tax rate, excluding these items, is similar to the previous year. Tax matters of £9.1m relate to specific legacy arrangements which we wouldn't expect to recur. While applicable accounting standards require a full provision for tax and the associated interest of £4.9m we continue to seek resolution to these matters which would reduce these amounts.

Certain infrequent events can sometimes affect our financial statements, prepared according to applicable International Financial Reporting Standards. We exclude these events from adjusted profit and earnings measures to give the Board and other stakeholders another useful metric to understand and compare our underlying performance. This year, we have excluded costs relating to the closure of our Edinburgh research facility (£2.3m), the drug delivery aspect of our Neurological business (£2.1m), and historical and non-recurring tax matters (£9.1m tax and £4.9m interest) from Adjusted profit measures, which are detailed in Note 29. These are excluded from movements in the bridge above.

Earnings per share

Adjusted* earnings per share is 137.8p (FY2024: 133.2p), while Statutory earnings per share is 115.2p (FY2024: 133.2p).

Financial position

As noted earlier, we reduced our capital expenditure this year, with additions to property, plant and equipment of £46.3m (FY2024: £65.2m). This largely relates to manufacturing equipment at our Miskin facility in Wales, UK, following completion of its expansion in the previous year. This project has significantly increased our global manufacturing floorspace, allowing for our expected future growth.

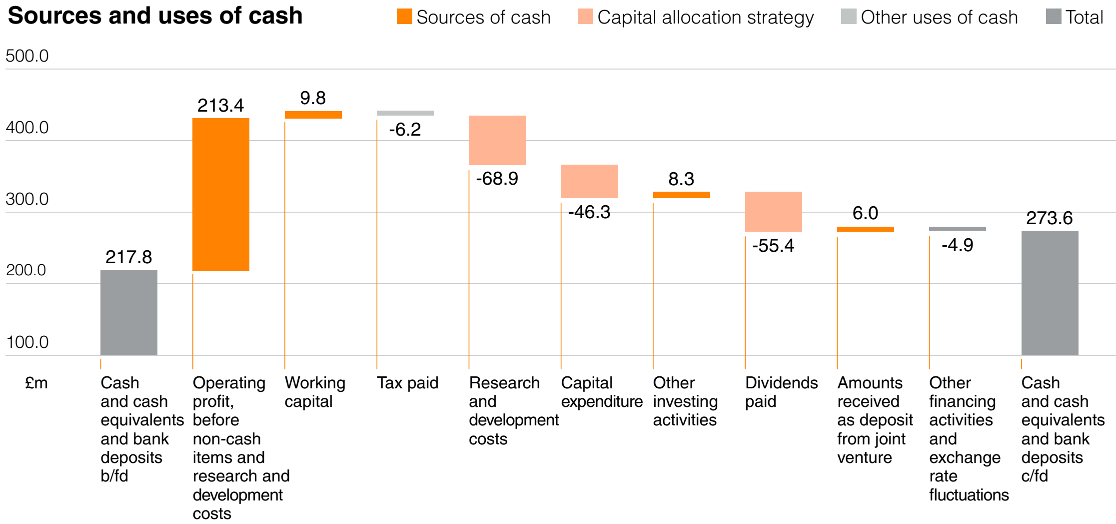
Looking next at intangible assets, our strategic focus on fewer but more significant research projects resulted in £10.0m of additions to capitalised development costs (FY2024: £9.3m). The decision to close our drug delivery business and stop several other projects led to a £1.8m impairment.

In working capital, we've continued to focus on our inventory holding requirements, with inventory at 30 June 2025 totalling £159.5m, which is a £2.5m reduction on the previous year. Trade receivables decreased from £134.1m to £128.5m, mostly due to currency translation. With good credit management practices across the Group, we continue to experience low levels of defaults, and hold a provision for expected credit losses at 0.5% of trade receivables (FY2024: 0.5%).

While our tax charge increased by £8.5m year on year, our net current tax position has reduced by £24.4m. This is mainly due to tax receipts in the UK during the year, from £14.6m of overpayments in the previous two years, and R&D tax credits. Excluding these receipts, our tax payments would have been £20.8m, which is similar to the previous year.

Our defined benefit pension schemes (including reimbursement right) had a net surplus of £3.2m at the end of the year, compared with £1.6m at 30 June 2024. With a buy-in of the UK scheme completed last year, we expect future movements not to be material.

Sources and uses of cash



An error was identified in the year with the Group's classification of a German pension scheme as a defined contribution scheme, as opposed to a defined benefit scheme. In line with IAS 8, the Group has restated balances as at 30 June 2024 and 1 July 2023. The balance at 30 June 2025 for the non-current liability employee benefit and reimbursement right asset were £21.1m and £12.9m respectively, see note 1 and 23 for further details.

Total equity at the end of the year was £925.9m, compared with £896.3m at 30 June 2024. This is primarily a result of profit for the year of £83.8m, less dividends paid of £55.4m.

Cash flow, liquidity and treasury management

We continue to have a strong liquidity position, with cash and cash equivalents and bank deposit balances at 30 June 2025 of £273.6m (30 June 2024: £217.8m). This is a result of our cash flows from operating activities of £147.9m (FY2024: £124.1m), partly offset by our previously noted capital investments, and dividends paid of £55.4m.

We introduced Adjusted cash flow conversion from operating activities* as a KPI last year, which assesses our efficiency at converting operating profit into cash. Given lower capital expenditure of £46.3m (FY2024: £65.5m) and higher working capital inflows of £9.1m (FY2024: £3.9m), we achieved 91% this year (FY2024: 70%), above our target of 70%.

We have significant exposure to currency movements, and we use forward exchange contracts to help mitigate this in two areas. We hedge against a proportion of our anticipated Euro, US Dollar and Japanese Yen cash inflows over a two-year period, where our forward rate cap policy allows. We also use contracts to offset movements in intercompany financing balances in these three same currencies, and Canadian Dollars. While this mitigates short-term volatility relating to foreign currency movements, this doesn't mitigate our exposure to longer-term structural changes in exchange rates. We do not speculate with derivative financial instruments.

Our treasury management also seeks to ensure that appropriate and dynamic funding arrangements are available for each of our companies, and that we maximise interest income on our cash and bank deposits.

Capital allocation

Our priorities in allocating capital are to maintain a strong financial position, generate cash to invest in organic growth, and provide regular returns to shareholders. We continue to commit to R&D investment in new products and processes, and to investments in our infrastructure.

While climate change and our own Net Zero targets aren't expected to have a material effect on revenue and profit in our five-year financial plan, we do expect to continue to invest in the capital expenditure needed to achieve these targets.

We continue to value having cash in the bank to protect our business, recognising that we are exposed to some volatile markets. We monitor our cash against a minimum holding requirement according to overheads and revenue downturn scenarios. This cash also allows us to react swiftly as investment or market capture opportunities arise.

We introduced Return on invested capital* as a new KPI last year, which assesses our efficiency in allocating capital to profitable investments. We achieved 12.6% this year, a small improvement on last year (FY2024: 12.3%). We expect to drive this metric towards our target of 15% with higher profits and lower levels of future capital expenditure.

We have a progressive dividend policy, aiming to increase the dividend per share while maintaining a prudent level of dividend cover. This year we paid an interim dividend of 16.8p per share (FY2024: 16.8p) and are proposing a final dividend of 61.3p per share (FY2024: 59.4p), resulting in a total dividend for the year of 78.1p per share, a 2.5% increase on the previous year.

Looking forward

We remain focused on our revenue growth and operating margin targets. There are good opportunities to increase revenue in existing markets and to extend into new markets, building on three years of successive revenue growth. Alongside this, we are improving operating margins by reducing our fixed costs in relation to our revenue and investing in our infrastructure and systems.

Allen Roberts
Group Finance Director

17 September 2025

Review of product groups

Our five product groups pursue innovation-led growth in established and emerging markets with a combined addressable value of £6bn. Structural drivers and global trends in both contribute to attractive through-cycle growth rates of at least 5%. Over the following pages we give more detail on our structure and explain how each product group supports customers in their respective markets, while exploring opportunities and managing the risks associated with these trends. We give more information on each product group's business performance in our Chief Executive Officer's review on pages 7 to 10. The table below also gives details on the changes we have made for FY2026 to our business segments.

Business segment: **Manufacturing technologies**

Our technologies help customers optimise their manufacturing processes and capabilities. Our products and software help to create more efficient, sustainable and innovative factories.

Our product groups	Our established products	Our emerging products	Our key markets
Industrial Metrology Measurement and control of precision component manufacturing processes.	— CMM sensors — Machine tool probes — Styli and fixturing	— CMM and gauging systems — Metrology software — Smart factory software platform	— **Automotive** — **Electronics** — **Semiconductors** — **Aerospace and defence** — **Precision manufacturing**
Position Measurement Precision motion control of robots, machinery and factory automation.	— Open optical encoders — Laser encoders — Magnetic encoders — Calibration	— Enclosed optical encoders — Industrial automation for robots — Inductive encoders	
Additive Manufacturing Production of intricate metal components from a digital model.		— Industrial metal 3D printers — Build preparation and process monitoring software	

Business segment: **Analytical instruments and medical devices**

Customers in this segment tend to be end users of our technologies working in healthcare and academia. Our innovative Spectroscopy products help our customers improve their materials analysis, while our Neurological solutions support cutting-edge therapies.

Our product groups	Our established products	Our emerging products	Our key markets
Spectroscopy Materials analysis instruments.	— Laboratory Raman spectrometers	— Industrial process Raman spectrometers	— **Academia** — **Healthcare** — **High-tech manufacturing** — **Materials sciences**
Neurological Central nervous system solutions.	— Neurosurgical robot — Surgical planning software		

New segmentation for FY2026

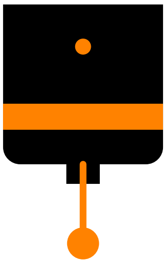
Effective 1 July 2025, we introduced three new reporting segments to help investors better understand Renishaw's business. These segments are more closely linked to end user markets and external demand drivers, and better aligned with our evolving organisational structure:

Industrial Metrology – established and emerging products listed above in the Industrial Metrology product group, plus Calibration products and Industrial automation products for robots.

Position Measurement – established and emerging products listed above in the Position Measurement product group, with the exception of Calibration products and Industrial automation products for robots.

Specialised Technologies – established and emerging products listed above in the Additive Manufacturing, Spectroscopy and Neurological product groups.

Manufacturing technologies



Industrial Metrology

What we do

We make sensors, measurement systems and software that allow customers to precisely measure machined parts, generate inspection reports and control the performance of their production machines. Our products are used throughout production – either directly on metal-cutting machines, on the shop floor nearby, or in a separate quality laboratory.

Industrial Metrology is the most established part of our business and we have customers across almost every sector of manufacturing. Because of our long track record, some of them have been working with us for decades.

Our markets and the trends that affect them

Our products are used in aerospace, automotive, consumer electronics and defence, which all rely on highly repeatable, efficient processes to make complex parts with tighter tolerances. We provide sensors to manufacturers of machines that service these sectors, and also directly to end users with our specialist system offerings.

We continue to see a general trend towards more automation and 'smart' factories across all our sectors, with a growing number of customers incorporating measurement tools into shop-floor processes. We make products that support this trend, like our Renishaw Central software platform, which connects measurement machines and computer numerically controlled (CNC) machines to improve the automation of process control.

Meanwhile, we're seeing our measurement systems, such as our AGILITY range of co-ordinate measuring machines (CMMs) and our Equator range of shop-floor gauges, becoming more prevalent in machine shop applications, as measurement becomes more about controlling ongoing manufacturing processes.

This year, we launched our newest Equator product, called Equator-X, which provides high throughput shop-floor measurement and is expected to open up opportunities to even more applications.

We continue to meet customer demand for greater productivity and precision in the manufacture of increasingly complex products via our combination of new product launches, such as the RPM24-micro, and continuous improvements in our existing machine tool products. For example, this year we incorporated novel technology into our twin probe system for machine tools for faster set-up using a smartphone app.

Sustainability remains a growing issue as our customers develop their own goals and targets. Our automated measurement tools help, since they improve manufacturing efficiency, which reduces both waste material and energy use.

In a climate of geopolitical and economic uncertainty, security of supply remains high on the agenda and customers continue to diversify their supply chains across multiple regions. All our Manufacturing technologies product groups benefit from this because our well-respected global subsidiary network gives us the opportunity to rapidly transfer engineering knowledge and experience around the world.

Our priorities for the future

Looking ahead, we see continued demand for better efficiency, flexibility and reduced waste in manufacturing processes. We will continue to work with our long-standing partners to develop solutions that meet these needs and their commercial goals.

Meanwhile, the launch of Equator-X marks an important development in our shop-floor systems offer and we look forward to supporting its success.

Find out more about our Industrial Metrology solutions in our Virtual-Expo.

Find out more about our AGILITY CMMs.

Position Measurement

What we do

Renishaw's Position Measurement products help customers build, calibrate, control and check precision machines in a wide variety of applications. Our position encoders provide electronic feedback on machine motion to ensure accuracy and enable automated operation, while our calibration systems are used to fine-tune the set-up and check the continued operation of those machines. These systems are used at all stages of the machine construction and operation process, so we focus heavily on practicality and usability to ensure easy deployment and low cost of ownership. That includes continuous development of our CARTO calibration software for efficient machine set-up and maintenance.

Our business is very collaborative and we encourage our engineers and designers to visit our customers to help develop precise, reliable tools that meet their specific needs. Many of our experts have worked for Renishaw for a long time and their knowledge has helped us build a reputation for deep, long-standing relationships. That reputation is reinforced by the fact we use many of our Position Measurement products in our own processes and products.

Our markets and the trends that affect them

This is a highly demanding sector that requires speed, precision and reliability, and our products are used in a range of applications, including semiconductor chip production, flat panel display manufacture and robotics. While we have a strong pipeline of new product launches to serve these rapidly changing markets, we also carefully manage our established product lines to continuously improve or retire them as needed.

Semiconductors and microelectronics remain two of our biggest markets, with growth driven by demand for AI processing in particular. Our encoders are used at all stages of the production process, from manufacturing silicon wafers to packaging and testing individual devices.

Our business is affected by broader economic and geopolitical trends, with compliance and export control an area of increasing complexity. However, these same factors present new opportunities as industrialised nations continue to invest in semiconductor manufacturing to reduce their reliance on the dominant geographical sources of supply.

We have benefited from increasing levels of industrial automation, including EV battery manufacturing despite softer global sales of EVs themselves. This year we also launched ASTRiA, our first inductive rotary absolute encoder, which provides accurate and robust position measurements in demanding operating environments such as defence and factory automation.

Meanwhile, competition from low-cost manufacturers in Asia is growing. Our reputation for innovation and quality helps us but we are committed to increasing automation in our own production processes to meet the cost, flexibility and lead times necessary to remain competitive.

Our priorities for the future

With wider societal trends towards automation and robotics accelerating, we see excellent potential for growth for our Position Measurement products. Our combination of deep market knowledge, long-standing customer relationships and established pipeline of innovative new products will remain essential in helping us realise that potential and stay ahead of our competition.

Find out more about our encoders for position and motion control.

Find out more about our machine calibration and optimisation products.

Find out more about our industrial automation solutions.

Additive Manufacturing

What we do

Additive Manufacturing (AM) – also known as 3D printing – is the process of making 3D components by building up layers of material. Our AM machines use high-powered lasers to selectively melt sections of fine metal powder. This process is repeated, layer-by-layer, to build high-strength, complex components that often can't be made using traditional manufacturing techniques.

While AM has historically been used for rapid prototyping, one-off parts and small batch production, we develop solutions that are accelerating AM use for high-volume manufacturing applications. For example, this year we launched a new dual laser machine, as part of our RenAM 500 series, giving customers greater choice and flexibility to scale up within their budget.

Our software solutions enable our AM machines to be integrated with other 'smart' manufacturing technologies. This includes third-party manufacturing execution systems (MES) for greater production control, and computer-aided design (CAD) tools, which make the most of 3D printing's ability to create designs with enhanced functional performance.

Like our other Manufacturing technologies products, we use AM in our internal processes and understand the challenges of AM volume production, including the need for a cultural shift to optimise part designs for AM rather than subtractive manufacturing. This starts with early careers as we enrol more UK graduates and apprentices who have explored AM as part of their education. We also work with process and design engineers company-wide to further incorporate AM into our toolkit.

Our AM application and service engineers work alongside our key customers, solidifying our reputation as a trusted partner with a scalable platform, which translates into repeat system sales. The fact that many of our target manufacturing customers already use our Industrial Metrology and Position Measurement products helps us build these key relationships.

Our markets and the trends that affect them

We see enormous growth potential for AM to address global megatrends, like industrial automation, decarbonisation and electrification. Performance in the aerospace and medical industries – both early AM adopters – remains strong. In aerospace, a long-established market for our Manufacturing technologies products, lighter AM components help increase fuel efficiency and reduce greenhouse gas emissions. In healthcare, an ageing population drives demand for orthopaedic implants, where AM can produce lattice structures that encourage bone integration and improve patient recovery.

Interest from defence and consumer electronics continues to grow. These are highly agile, high-growth sectors that can benefit from AM's flexibility, although cost-per-part remains a key barrier to widespread adoption.

Our priorities for the future

We're excited about AM's disruptive potential. Our latest developments, which reduce build times by up to 50% without compromising quality, reflect our ongoing focus on boosting productivity and maximising AM cost-effectiveness.

We remain dedicated to deepening our customer relationships and supporting their applications as they scale up. This includes continuously improving our software and service offerings to suit volume production.

We see collaboration with the wider AM industry as important for breaking down barriers and driving adoption. So, we continue to work closely with international committees on developing standards, and software partners to maximise the value of digital workflows.

Find out more about our Additive Manufacturing systems.

Analytical instruments and medical devices

Spectroscopy

What we do

We make Raman spectrometers that help customers analyse the chemical and structural properties of materials. Our flexible, high-performance devices can be used in a wide range of applications, from research and development into new materials and healthcare, to forensics and cultural heritage. Today, we are a leading global manufacturer of laboratory Raman spectrometers.

We design our products to be highly modular, allowing our customers to configure a high-performance spectrometer to their specific needs, and our reputation for precision products and dedicated support is well established. We continue to focus on making it easier to integrate our systems with other analytical techniques, such as scanning electron microscopes, to enable our customers to conduct 'multimodal' imaging. Meanwhile, our robust, transportable Virsa Raman analyser enables customers to carry out lab-quality analysis in the field or in a factory environment.

We look for opportunities to help customers learn from one another and expand our markets. For example, this year we hosted an event in the UK at London's Natural History Museum that included a presentation from the team who used our Virsa Raman spectrometer to analyse the Altar Stone at the World Heritage Site, Stonehenge.

Our markets and the trends that affect them

Academia is our largest, most mature market, where Raman spectrometry is widely used in research and development. While demand remains strong for flexible, powerful systems, the sector is affected by geopolitical events since it relies heavily on government funding. This has created some uncertainty this year, particularly in the USA. However, we have plenty of experience in planning ahead to manage these cycles to ensure we are well placed to win business when funding is made available.

Meanwhile, we continue to see increasing demand for our products in the industrial sector, as more customers look to incorporate materials analysis to help them better understand their products and processes to improve efficiency. This is vital in areas like battery development and pharmaceuticals. This growth provides a robust alternative route to market, balancing out some of the cyclical nature of the academic sector. Other growing markets include healthcare, where spectrometers support studies for early cancer detection, diagnosing diseases, and drug discovery.

We see potential for growth in various regions and continue to build our sales team. For example, we have appointed a sales manager based in the Middle East to enable us to directly support customers in the region.

Our priorities for the future

We are working closely with our sales colleagues to develop the connections we need to make the most of new opportunities, while continuing to invest in the next generation of products. The number of applications for Raman spectrometers is growing, as is their maturity, representing a significant opportunity to expand our existing portfolio into adjacent markets. For example, we see significant growth potential in the bioprocessing, carbon capture and chemical industries, and we continue to develop our products to create better solutions for these customers. We also continuously release software updates for all our platforms including innovative new features and functionality such as artificial intelligence-based data processing modules.

Find out more about our Spectroscopy products.

Neurological

What we do

We design and make products that help clinicians deliver treatments and provide diagnostic procedures for patients with neurological diseases in a safe, effective and predictable way. Those products include our neuromate surgical robot, and navigation and planning software, which help surgeons with precision tool positioning and placement of implantables. We also supply accessories that support procedures like deep brain stimulation and stereoelectroencephalography. Trust is an essential part of our business and we have a reputation for building deep relationships with our customers, based on openness, honesty and integrity.

In FY2025, the Board took the decision to close our loss-making drug delivery business. Meanwhile, we continue to pursue our well-respected neurosurgery activities while we seek a new, more strategically aligned owner for the business.

Our markets and the trends that affect them

Healthcare providers and hospitals are looking for faster, more precise surgical therapies to increase procedure efficiency and improve patient outcomes. The use of robotics in surgery is growing, including neurosurgery, and we see increasing demand for more economical and patient-specific treatments, as well as technologies to reduce the potential for human error.

Our neuromate surgical robot and planning software helps on both fronts, enabling surgeons to plan a procedure ahead of surgery, saving time in the operating theatre. We continue to see new competition emerging in the area of surgical robotics, but we are well established in brain surgery. We see strong retention and renewal rates for our robots as neurosurgeons build their practice around, and expertise in, specific equipment. This gives us a competitive advantage with existing customers, but presents a challenge in displacing existing competitors.

Healthcare is a complex sector, with detailed regulatory approvals and tender processes that contribute to long lead times for significant capital expenditure. While we have a lot of experience navigating those processes and a strong reputation in the market, we are exploring opportunities to deepen existing relationships and develop new strategic partnerships to help expand the complementary products and accessories that we can offer alongside our robot.

Our priorities for the future

Our immediate focus is on operational excellence and reducing manufacturing lead times so that we can be more agile in responding to demand when it occurs. This includes work to consolidate our supply chain, and streamline processes in areas like procurement and quality without relying on single source suppliers for critical, long-lead-time materials. It also includes implementing efficient research and development programmes that are focused on delivering new innovations in both hardware and software. As we do all this we will continue to look for a new owner for the business.

Find out more about our neurosurgery solutions.

ESG review

Our approach to ESG

Introduction from our Chief Executive Officer

Since launching our environmental, social and governance (ESG) strategy a year ago, we have been laying important foundations to help us achieve the goals and targets that underpin it. This includes working with key suppliers to better understand the greenhouse gas (GHG) emissions within our value chain and developing new guidance to embed sustainability into our design and manufacturing processes. We have also run awareness campaigns to encourage colleagues to voluntarily share their data so we can track progress on diversity.

Our ESG strategy continues to evolve into a fundamental pillar of our business. It guides not only our outlook on the environment and our social responsibilities, but also the governance frameworks that must align in order to deliver on our purpose of Transforming Tomorrow Together.

FY2025 presented an increasingly unpredictable geopolitical climate, however, which led us to review our governance goals and strategic targets. Our aim is to continue to be agile in our response to the dynamic world order while ensuring robust decision-making.

There's still plenty of work to do, but, as I hope this review demonstrates, we've made great strides this year towards embedding ESG as a cornerstone of our business.

Will Lee
Chief Executive Officer and Chair of the ESG Steering Committee

Find out more about our approach to corporate responsibility.

Our ESG goals

Environment

Innovate with our customers and suppliers to achieve more with less, working towards Net Zero carbon emissions while minimising all environmental sustainability impacts.

Social

Develop a diverse and inclusive team who are inspired to work for a responsible business.

Governance

Develop a culture of doing business responsibly through transparent and effective risk-based decision-making, supported by our corporate governance framework.

A strategy guided by the UN SDGs

We have aligned our ESG strategy with the three UN SDGs that are most material to our business.

Our ESG strategy

Our ESG strategy is built on our core values and commitment to doing business responsibly, and was developed using the United Nations Sustainable Development Goals (UN SDGs) as a guide. The strategy sets out three environmental, social and governance goals underpinned by a series of strategic targets intended to help us address the areas where we can have the biggest impact.

Our goals provide a roadmap to help us continue developing products that will help solve global challenges and they go beyond the Net Zero greenhouse gas (GHG) emissions targets that we set in FY2021. By raising and broadening our ambition, we also want to empower our people to make a positive difference to our business, stakeholders and planet.

Addressing our most material ESG topics

Our ESG strategy is informed by our double materiality assessment, which we conducted in FY2024 with support from external sustainability experts. We also ran interviews and surveys with internal and external stakeholders, including employees, customers, suppliers and investors. This helped us better understand how our operations affect people and the environment, and review the ESG factors that affect our performance, reputation and longevity. As a result, our ESG strategy focuses on the following topics:

Environment

— Energy use and GHG emissions
— Low-carbon transition and climate risk
— Product design and life cycle management
— Innovation to support customers' sustainability goals
— Environmentally responsible procurement

Social

— Talent attraction, development and retention
— Human rights
— Diversity, inclusion and equal opportunities

Governance

— Corporate decision-making
— Business conduct and ethics
— Risk and compliance

How we govern sustainability

Our commitment to doing business responsibly underpins everything we do. This starts at the top with our Board and Executive Committee, which have ultimate responsibility for overseeing sustainability-related matters. We formed our ESG Steering Committee in FY2024 to oversee our Group ESG strategy and goals. The Committee is chaired by our Chief Executive Officer, Will Lee, and members include our Independent Non-executive Director, Stephen Wilson, and representatives from our larger product divisions and commercial functions, Sustainability, HR, Legal and Finance. Stephen Wilson is a member of our Audit and Remuneration Committees, and so provides continuity and liaison between our Board and management committees. See page 51 in our Climate-related Financial Disclosures statement on how our Board, Executive Committee and other related committees oversee climate-related risks and opportunities. Also see page 68 in our Governance report for a detailed illustration of our governance framework.

Adapting to changing regulation

The regulatory landscape is evolving rapidly, and we have a duty to ensure we provide accurate, appropriate reporting to meet the changes. Over the past two years, this has included work to prepare for the EU's Corporate Sustainability Reporting Directive (CSRD), including our FY2024 double materiality assessment. Following the European Parliament's decision in May 2025 to delay implementing CSRD, Renishaw has chosen not to voluntarily disclose against the directive. Nevertheless, the work we did to prepare for it has helped us better understand our gaps and take targeted action to fill them. In the meantime, we continue to prepare for reporting against the IFRS's International Sustainability Standards Board's first two standards.

Working with others to accelerate progress

The transition to a lower-carbon future isn't something one company can achieve on its own. We're proud of our track record of working collaboratively with customers and suppliers to drive innovation in our products and are using that experience to form partnerships that will help deliver our ESG strategy. We can also help accelerate the transition by working alongside other institutions to support collective action. For example, we are members of the Additive Manufacturer Green Trade Association (AMGTA) and the UK's Manufacturing Technologies Centre (MTC).

Ensuring robust decision-making

Ensuring we have robust decision-making processes in place is not only imperative for good governance, but also serves as a foundation for delivering against our environmental and social goals. It also affects the integrity of our disclosures, determining whether we ethically pursue and report our ESG goals and objectives. In the face of increasing uncertainty in the geopolitical climate and heightened global tensions, it has never been more important that we stand firm on our standards of governance and on our commitment to doing business responsibly. The illustration on page 68 sets out the architecture of our governance framework.

Environment

Our environment goal

Innovate with our customers and suppliers to achieve more with less, working towards Net Zero carbon emissions while minimising all environmental sustainability impacts.

Our environmental strategic targets are:

Climate

- Reduce GHG emissions associated with product design, service and use.
- Achieve more than 50% reduction in GHG emissions from our operations, purchased energy and supply chain by 2030, as part of progress towards Net Zero.
- Continue to ensure strategic business decisions reflect the climate-related financial risks and impacts for our business.

Customer solutions

- Progressively achieve growth from sales of new and existing products with quantifiable sustainability benefits for our customers over the period 2025-2028.

Responsible procurement

- Reduce sustainability impacts and potential risks from purchased goods and services across Renishaw's global supply chain over the period 2024-2028.

A strategy for reaching Net Zero

For more than 50 years, our products and solutions have helped customers solve technological and scientific challenges. We have also helped them lower their impact on the planet with products that reduce manufacturing cycle times, scrap and waste. As we help customers increase their operational efficiency, we're also working with our highest-emitting suppliers to develop GHG emissions reduction plans.

Our environment goal and environmental strategic targets (see left) form part of our ESG strategy and are underpinned by our science-based emissions reduction targets, which we set in FY2021. Approved by the Science Based Targets initiative (SBTi), these targets are:

- Reach Net Zero across our value chain by FY2050 from a baseline of FY2020.
- Reduce our absolute Scope 1 and 2 GHG emissions by 90% by FY2028 and our absolute Scope 3 emissions by 50% by FY2030, both from a FY2020 baseline.
- Maintain a minimum of 90% absolute reduction in our Scope 1 and 2 GHG emissions from FY2028 through to FY2050, from a FY2020 baseline.

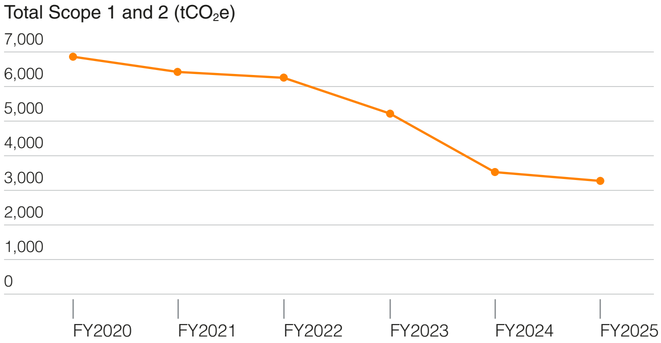
We have also developed detailed climate transition plans that set out the roadmap for achieving our ambitions. These plans are available on our website at www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

Continuing to refine our emissions data

While we are already taking steps to meet our ambitions, this year we have focused particularly on strengthening the way we capture, analyse and report on key data to refine our reporting to create a clear, consistent approach. For example, we have:

- transitioned to primary supplier data for a proportion of our purchased goods and services, enhancing the accuracy and reliability of our Scope 3 emissions reporting;
- identified discrepancies in previous financial years' datasets, which have affected the accuracy of our emissions calculations. We have recalculated emissions figures for the affected years using updated and verified data to ensure we align with current best industry practices and standards. As a result, our FY2020 baseline figures have changed;
- standardised our methodology for use of sold products emissions across all business divisions, to ensure consistency and comparability;
- improved our internal data collection and audit processes for Scope 1 and 2 emissions, increasing the accuracy, integrity and traceability of our data; and
- refined our Scope 3 calculation methodologies for employee commuting, and upstream transportation and distribution calculations.

Trajectory of Scope 1 and 2 emissions since our FY2020 baseline year*



*We have restated historical figures this year based on improvements in our data analysis. Our FY2024 figure has changed because we incorrectly reported certain emissions from several leased sites as Scope 1 and 2 emissions, not Scope 3. We will keep monitoring and updating our figures as we continue to strengthen our data collection and analysis. We also use some averages to estimate emissions for June, to meet publication and audit deadlines; these figures are updated each year in arrears once data is available. Similarly, we also review and update data to align with the UK Government's latest conversion factors for GHG reporting.

Our Scope 1 and 2 emissions

Scope 1 and 2 emissions make up 2% of our total GHG emissions footprint. Reducing them means making changes to the way we run our operations – from our manufacturing facilities to our vehicle fleet.

Our FY2025 performance

We reduced our Scope 1 and 2 emissions by 13% this year, versus FY2024, representing the fourth consecutive annual reduction since setting our science-based targets.

Our Scope 1 emissions fell by 14% versus FY2024, largely due to ongoing work to switch our vehicle fleet from traditional combustion engines to electric and hybrid options.

We continue to look for opportunities to switch more of our fleet to ultra-low emissions vehicles (ULEVs), although this is a bigger challenge in some countries we operate in, where charging infrastructure and low-carbon electricity capacity are developing more slowly.

We have made significant progress in our Scope 2 emissions since setting our science-based targets. We have steadily increased the proportion of renewable electricity we use at our facilities around the world. This is via self-generated sources at some of our manufacturing facilities in the UK, Ireland and India, and renewable electricity contracts or certificates (RECs) that cover the majority of our other operations.

While we remain committed to reducing our Scope 1 and 2 emissions, we recognise this will become increasingly challenging, partly because our transition plan relies on the availability of RECs and ULEVs, adequate charging infrastructure and a low-carbon electricity grid.

In some cases, the available reductions in Scope 1 and 2 emissions will represent a low return on the investment required to achieve them, compared to the potential reductions we could make in our Scope 3 emissions from the same investment. Where this is the case, we will prioritise activities that have the greatest impact on reducing our global GHG emissions.

Our Scope 3 emissions

Our Scope 3 emissions make up 98% of our total GHG emissions footprint. Since they are indirect emissions, they are much harder to address than our Scope 1 and 2 emissions. Our largest source of Scope 3 emissions comes from the energy that our products use during their service life, followed by emissions from the materials, services and equipment needed to make and transport our products. Together, these sources represent more than 91% of our total Scope 3 emissions.

Tackling our Scope 3 emissions relies on collaborating with key supply chain partners to gather accurate data and implement GHG emissions reduction initiatives. While some suppliers have shown strong engagement, others are not as far into their sustainability journey, so a significant part of our focus is on education and building capacity within our supply chain.

As we progress our Scope 3 activities, we're getting valuable insights into the structural and technological complexities that are inherent in decarbonising electricity grids and reducing these emissions. In particular, our work this year has reinforced the importance of aligning efforts across industries; while our products can support the green transition, our footprint is likely to grow as other industries rely on our products to reduce the impact of their own operations. And while we are working towards reducing our products' energy consumption in use, we will also need grid decarbonisation to keep pace with our efforts to achieve our targets.

Looking ahead, we are closely monitoring the SBTi consultation and forthcoming guidance on future Scope 3 targets. This will help ensure we remain aligned with global best practice and help us maximise the impact of our emissions reduction work.

Our FY2025 performance

Overall, our Scope 3 emissions in FY2025 remained consistent with FY2024. We continue to take steps to reduce emissions in our most significant areas. Our emissions from purchased goods and services decreased, reflecting better quality of data and primary data from raw metal suppliers, while our capital goods emissions fell, due to lower capital expenditure. However, emissions from use of sold products and transportation continue to increase, mostly driven by higher sales in certain locations and enhanced data collection processes.

Designing products with sustainability in mind

One of our most meaningful contributions to the transition to a low-carbon economy comes from making products that help our customers increase their energy efficiency and reduce waste. This is why we have set a customer-focused strategic target.

This year, we laid important foundations to embed sustainability in our product design and innovation processes. In consultation with our product divisions, we developed a Design for Sustainability guidance document and a product-level carbon calculator tool. Both provide key information to help our designers make more informed design decisions from a sustainability perspective. We intend to roll both out to our engineers during FY2026, with specific engagement activities to raise awareness. The calculator will also enable Renishaw to track progress against our strategic customer solutions target and demonstrate the emissions reduction benefits for our customers.

This guidance and education supports existing work to incorporate the latest technology into our products to enhance usability and sustainability performance. For example, following customer engagement, we implemented custom design changes to our tool setting products for machine tools to increase repeatability. These changes have also helped reduce compressed air consumption, and, as a result, we will begin implementing them for our standard tool setting products during FY2026. The use of our products during their service life is a key area where we can reduce emissions, and we have run other projects to reduce the quantity of electricity and compressed air needed to use those products. We will incorporate these reductions into our product improvement pipeline.

Working in partnership for a more responsible supply chain

Given that our Scope 3 emissions represent the majority of our footprint, we focus our supplier engagement programme on reducing the indirect emissions of the products and services we buy. Having identified our highest emitting commodities and their respective suppliers, we're using a methodology we developed in-house to engage with and educate key suppliers on sustainability issues. This is also helping us collect primary sustainability data, which enables us to accurately calculate the emissions of the products we buy from these suppliers, and then identify opportunities to reduce those emissions.

This year, for example, we identified that raw metal procurement accounts for around 16% of our purchased goods and services emissions. Within this category, we identified aluminium as the highest emitting commodity. Since this is a key raw material for many of our products, we initially focused our supplier engagement programme on aluminium.

Partnering with our main metals supplier, and using our methodology, we were able to identify an opportunity to transition the majority of the aluminium we buy from 75% to 100% recycled content. This will enable us to reduce the emissions intensity of the main aluminium products we procure. Using the same methodology, we're now collaborating with five other key aluminium suppliers to help them build their own emissions reduction plans.

Continuing to strengthen our data

We've continued to investigate options to consistently calculate the emissions associated with moving our products around the world. By collaborating with our couriers and expeditors, we're strengthening our understanding of our global distribution emissions. Using this knowledge we will aim to make more informed choices about the methods of transport we use to distribute our products and, in time, increase our use of lower-carbon forms of transport, such as ocean and rail freight.

We have also established carbon metrics to monitor manufacturing waste and ensure we focus our efforts on the most impactful GHG emissions reduction initiatives. We keep these metrics under review to ensure they remain fit for purpose. In addition, we have developed training materials to help relevant teams more accurately calculate GHG emissions and identify sources of waste. We've now expanded this training to help teams consider sustainability factors when selecting new equipment.

Priorities for the coming year

In the coming year we will continue to look for ways to strengthen the quality of our data to help us make more informed decisions and achieve our goals. This includes expanding our work to review data in our most material Scope 3 categories.
We will also review and update our Climate-related Financial Disclosures statement.

Our emissions and energy data

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 introduced changes that required quoted companies to report their annual emissions and an intensity ratio in their Directors' Report. The 2018 Regulations bring in additional requirements to disclose annual energy use and GHG emissions, and related information.

How we calculate our data

In line with our Group Environmental Data Policy, we calculate our GHG emissions using the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

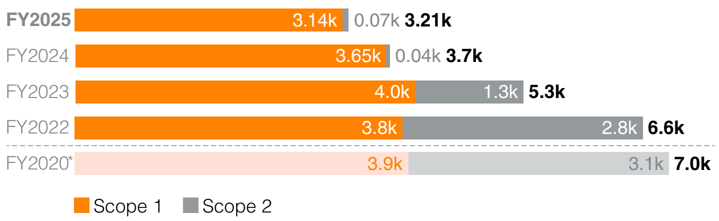
To calculate our emissions we use the latest IPCC GWP 100-year horizon conversion factors, DESNZ, GHG Protocol, supplier-specific factors and other factors taken from a respective country's National Inventory Report or national government/agency/regulator. We base as much data as we can on direct sources, such as meter readings and utility bills. We use estimated figures for June's Scope 1 and 2 emissions each year to ensure timely data capture, then update this data in the next Annual Report.

Data for previous years has been subject to a refinement due to improvements in data capture methodologies, official retrospective updates to carbon emissions factors, and the correction of historical data errors.

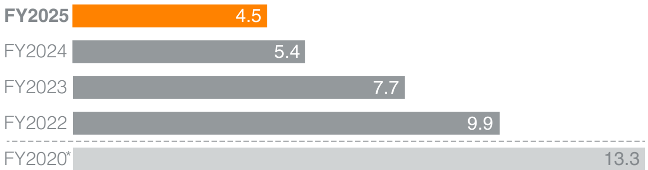
Our 'statutory emissions' mean our Scope 1 and 2 emissions, and we use the market-based methodology to account for our efforts in generating and purchasing low-carbon energy. The location-based method is provided for disclosure only. All our emissions data for FY2023, FY2024 and FY2025 has been externally assured and received limited assurance against the ISO 14064-1:2019 standard – which means our data has been deemed as accurate, materially correct and a fair representation of GHG data and information.

Read more about our commitment to Net Zero.

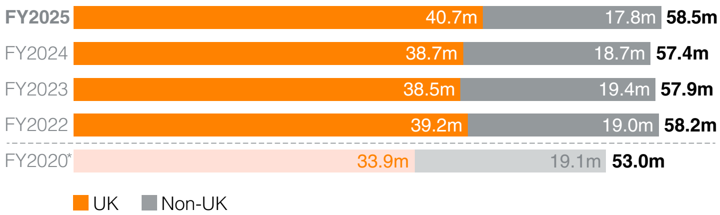
Total statutory emissions tCO_2e



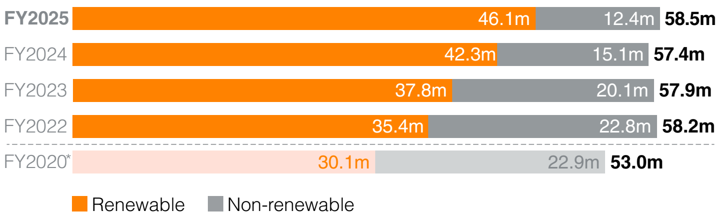
Statutory GHG emissions tCO_2e per £m revenue



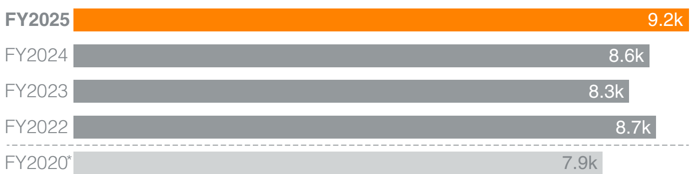
Group energy consumption kWh



Energy source kWh



Total measured Scope 2 GHG emissions tCO_2e location-based



*Baseline year.

We have restated historical figures this year based on improvements in our data analysis. Our FY2024 figures have changed because we incorrectly reported certain emissions from several leased sites as Scope 1 and 2 emissions, not Scope 3. We will keep monitoring and updating our figures as we continue to strengthen our data collection and analysis. We also use some averages to estimate emissions for June, to meet publication and audit deadlines; these figures are updated each year in arrears once data is available. Similarly, we also review and update data to align with the UK Government's latest conversion factors for GHG reporting.

Social

Our social goal

Develop a diverse and inclusive team who are inspired to work for a responsible business.

Our social strategic targets are:

- Attract, develop and retain a diverse and highly engaged team of talented employees.
- Continue to develop clearer career pathways and maintain a strong, diverse pipeline of future succession for management and key critical roles.
- Implement a human rights assessment process across our business operations and all potential higher-risk Tier 1 suppliers globally by 2028.

Continuing to embed our people strategy

We rely on our people's expertise to help us deliver our growth strategy and achieve our ESG goals, and we continue to develop and strengthen our policies and processes to support them. This includes: ensuring we recognise and reward our people appropriately; providing the right frameworks to help them build thriving careers at Renishaw; and setting clear expectations on what we mean by doing business responsibly.

While we are pleased with our continued progress this year, we are mindful of the impact on our people of Sir David McMurtry's death, and some of our business changes, such as closing our drug delivery business and our cost reduction programme.

We informed our people in June 2025 that we were seeking to reduce labour costs by £20m and have taken a 'people-first' approach to managing both voluntary and compulsory redundancies, including enhanced redundancy packages that exceed statutory requirements. Alongside individual consultation meetings, affected employees had access to our Employee Assistance Programme (EAP) for emotional and practical support. Meanwhile, our HR team supported them with job search and CV writing skills, where necessary, including financial wellbeing guidance.

A continued commitment to inclusion and diversity

Innovation and productivity thrive on diverse thinking. We remain committed to our social goal and strategic targets to help build an inclusive working environment that encourages everyone to do their best work. We also have two specific aspirational diversity targets:

- women to globally represent 40% of our senior management (see table on this page) by December 2027; and
- people from ethnic minority backgrounds to represent 10% of our UK-based senior management by December 2027 with senior management and ethnic minority defined by the Parker Review Guidance for Companies: June 2025.

For an engineering and manufacturing business that operates in a traditionally male-dominated industry and is headquartered in a part of the UK where the population is predominantly white British, these targets are very ambitious. Understanding where we are in relation to these targets, and more widely the level of diversity across our business, relies on robust data to help us identify and address our gaps. This year we launched an awareness campaign to encourage our people to voluntarily share their data through our Workday HR platform. To date we have seen a small increase in entries for gender, sexual orientation and religion. We also used our 'nine-box' talent management tool (see page 47 'A maturing approach…') to assess our performance management and succession planning through a gender lens.

Our gender diversity statistics*

	Women	%	Men	%	Undisclosed	%
Board[1]	**3**	33	**6**	67	**n/a**	–
Executive Committee[2]	**1**	17	**5**	83	**n/a**	–
Senior managers[3]	**9**	22	**32**	78	**n/a**	–
Senior managers[4] and subsidiary directors[5]	**10**	12.5	**70**	87.5	**n/a**	–
All employees	**1,319**	24.5	**3,937**	73.5	**86**	2

*All figures as at 30 June 2025.

1 Including the Executive Directors.

2 Including the Executive Directors.

3 As defined by the Parker Review Guidance for Companies: June 2025.

4 As defined by the Companies Act 2006.

5 Means statutory directors.

Currently, 22% of our senior management roles are filled by women and 3% by employees from an ethnic minority, so we are not expecting to meet our targets by December 2027.

However, we continue to work towards these aspirational targets by building a strong foundation to achieve greater diversity in our senior management in the years ahead. We have a specific focus on growing diversity in our talent pipelines through our early careers programmes, by understanding the challenges we face in employee retention and engagement, and by improving our succession-planning processes. We also continue to develop tools and processes that include a focus on diversity in areas such as recruitment, pay and succession planning.

We have introduced new training modules on inclusive leadership and inclusive recruitment, and launched our new Dignity and Respect in the Workplace Policy, which covers topics including bullying and harassment, unconscious bias and discrimination. The policy is supported by new acceptable behaviour training, which 84% of our senior people have now completed. We plan to roll out this training more widely in FY2026.

During the year we also introduced new topic-specific employee listening sessions in the UK to create a sense of community and improve our understanding of the challenges our people face. In our first session, 30 women shared their thoughts with our Chief Executive Officer, Group HR Director and two of our Non-executive Directors about working for an engineering business and on how we can attract more women. We plan to run more sessions next year on topics such as working part time, balancing work and family life, and accessibility.

To support our work towards our ethnic diversity target, we have introduced a new culture network. This gives colleagues a space, regardless of background, to find a sense of community and learn about each other's cultures and faiths, and so promote deeper understanding and build trust.

Our growing network of employee-led resource groups is also an important part of our approach. These groups meet regularly, with participation from members of our Executive Committee. Meanwhile our annual cultural calendar and new culture network help promote a sense of shared community. During Interfaith Harmony week in February 2025, for example, we hosted a viewing of the short film *Unreflected Reflections* to celebrate the history, heritage and culture of the Muslim community in Gloucester, UK. Our interfaith network also provides opportunities to learn how we can better support our ethnic communities.

A maturing approach to reward and development

As part of building a culture where everyone is able to do their best work, we want people to be supported by the right career development and reward structures. We know from our employee surveys that this an area where people would like more clarity.

In the past few years we have simplified our performance review process and developed a more transparent job-grading system. We are also using the 'nine-box' talent management tool to assess performance and potential and support our succession planning. We now have succession plans in place for all 'critical' roles that could have a significant impact on business resilience and that require skills and knowledge that are scarce or hard to develop.

This year we continued developing functional competency frameworks for our job family groups that sit within our job grading structure. These enable managers to review individual performance on an equal basis and help us develop diverse leadership teams and succession plans. We have now completed around 90% of these frameworks. Employees can use a tool to compare behavioural attributes required for the level they are working at and/or the level they are aspiring to reach.

People at Renishaw who are just starting their careers currently represent 7% of our total population and our early careers development programme is an important part of how we attract and retain them. This year we piloted a new UK-Germany exchange programme, giving two of our early careers employees the opportunity to spend time learning from other colleagues and deepening their knowledge of the business. We are now in the early stages of working with colleagues in our USA office to assess the feasibility of sending some of our early careers cohort to the region for a future placement. The aim here is to support the region's longer-term skills requirements and succession planning.

Effective leadership has remained a key focus this year, with our Executive Committee continuing to work with a specialist consultancy to strengthen their leadership and teamwork skills, and some of our senior leaders working with external mentors. And we piloted an advanced leadership development programme, nominating 10 participants to develop key leadership skills. This also supports our longer-term succession planning.

Supporting STEM education in the UK

One of the ways we can build a diverse talent pipeline is through our science, technology, engineering and mathematics (STEM) education programme in the UK. This year, we engaged with around **13,500 students** from a range of groups, including hosting students from a Muslim all-girls' school at our STEM Centre in Gloucestershire. We also increased our focus on primary schools, engaging with more than **1,200 students** at school assemblies celebrating International Women in Engineering Day.
The programme is a key part of our broader community engagement. For more information see page 30.

We continued to work through our global benefits review. While we had hoped to introduce a global set of principles and new benefits platform in FY2025, further evaluation identified the need for more comprehensive reward data. We have since been working with our global HR teams to gather that data and will report on further progress next year.

Creating more opportunities to hear from our employees

As well as introducing new listening group sessions, in April 2025 we ran our second annual global employee survey, in 23 languages. In all, 74% of employees responded, representing an 11% increase on FY2024. Our main engagement score remained steady at 74% (FY2024: 74%).

While we scored well in areas like providing a supportive culture, wellbeing and ethical practice, we have room to improve in areas like cross-team collaboration and clarifying career pathways.

We continue to expand our employee engagement programme, which this year included new 'Transforming Tomorrow Together' webinars and 'Ask Me Anything' sessions to encourage discussion on important topics like our ESG strategy. We have also installed new information screens at manufacturing sites to share key messages with colleagues who don't have regular access to a PC.

Engagement between our employees and Board continues to grow, with Board members meeting employees at our sites in Miskin, Wales, and Stuttgart, Germany. The majority of Board members, including our interim Chair, Sir David Grant, met many of our country sales leaders at our Group Sales Conference in September 2024, while our Non-executive Director, Stephen Wilson, met employees in Hong Kong and China during his visit in May 2025.

Meanwhile, our employee engagement ambassador, Catherine Glickman, shared feedback with the Board from her engagement sessions, which this year included participating in our first employee listening session alongside Non-executive Director, Professor Dame Karen Holford. For more information on Board engagement, see our Section 172 statement on page 71.

Keeping people safe in our operations

We recognise the importance of providing and promoting safe and healthy working practices, and integrate health and safety into our daily activities through a robust management system. We are also committed to identifying potential hazards and making sure we have effective controls to minimise their risk.

We review our high-risk areas every year and low-risk areas every two years. Every site, regardless of activity, is assessed against our occupational health and safety policy. We also monitor incident and accident data to identify and address trends.

This year our accident statistics have been low relative to benchmarking indices. We recorded 197 accidents (FY2024: 194) against a year-end headcount of 5,342 (FY2024: 5,256), giving us an accident frequency rate of 22.15 per million hours worked (FY2024: 22.17). This remains very low compared to the average for the UK manufacturing sector of 218.11 per million hours worked.

We had two reportable accidents under the UK RIDDOR reporting requirements during the year. This equates to a rate of 0.02 per 100,000 workers and is significantly lower than the UK manufacturing sector, which has an average rate of 530 per 100,000 workers. Minor cuts and abrasions to hands from contact with equipment and hand tooling represented 40% of our overall accident figures during the year. To address this, we have worked closely with our supplier to review our personal protective equipment to improve hand protection across all our sites. Following trials in several areas of the business, our employees now have access to a new selection of cut-resistant gloves.

Proactive reporting of near misses is an important part of our approach and this year our people reported 349 near misses (FY2024: 264).

Wellbeing remains a key focus and our network of mental health first aiders continues to grow, with 107 people now trained (FY2024: 101). We have introduced new resources via our wellbeing platform, and run global events highlighting key topics such as stress awareness and setting boundaries. Employees at our largest UK sites also have access to onsite counsellors each month.

Strengthening our approach to human rights

We operate in a complex global value chain, relying on key goods and services from around 3,000 suppliers. As a responsible business we want to help make that value chain more sustainable, which includes a commitment to respecting human rights.

In recent years we have strengthened our approach to identifying and managing the risks we face in areas like modern slavery, child labour and conflict minerals. For example, we now conduct internal reviews to ensure our global teams are using the policies correctly and complying with relevant legislation.

Our new global supplier relationship management platform helps too, providing consistent, verified ESG-related data to help us make more informed decisions. This year, for example, the platform helped identify a potential risk in our recruitment and payroll processes, which we addressed with processes for imposter checks and duplicate bank detail checks alongside our existing right-to-work assessments. This will help reduce the risk of a victim of modern slavery becoming an employee. We intend to audit our processes periodically to ensure the necessary due diligence is in place at all times. Meanwhile, the platform will become a central part of our new global supplier onboarding process, which we are aiming to launch in the UK in FY2026.

We also continued to implement our global modern slavery policy across the Group this year, with strict new guidelines on how it should be used. This will be supported by new modern slavery training to raise awareness of the risk to all employees globally, which we will roll out in the coming months. We've also developed new guidance to help line managers take appropriate action when someone reports a concern.

Some of our products rely on critical minerals that are often located in parts of the world that are at higher risk of human rights abuses and conflict. This year we strengthened our global policy to reaffirm our commitment to avoiding the use of these conflict minerals. This included the UK buying team mapping our supply chain for conflict minerals risk and assessing those suppliers that are in the policy's scope.

Priorities for the coming year

We've always known it will take several years to fully implement our people strategy and, once again, our focus for the next 12 months is largely unchanged. While we expect to complete our functional competency frameworks, we will continue to develop succession plans and look at ways to support career development. We will also continue to work towards our targets, agreeing next steps with our new Group HR Director, Clare Nicholls, who joined Renishaw in September 2025. As we do so, we will be guided by feedback from our employees through our growing engagement programme.

Governance

Our governance goal

To develop a culture of doing business responsibly through transparent and effective risk-based decision-making, supported by our corporate governance framework.

Our governance strategic targets are:

- Promote transparency and accountability in decision-making throughout the organisation.
- Review and revise our risk and internal controls framework during FY2026 and FY2027.
- Continue to evolve and embed our Code of Conduct to support our values and purpose.
- Maintain a zero-tolerance policy on bribery and corruption.
- Identify and prioritise actions for developing our compliance culture in FY2026.

Strong governance is at the heart of our entire business strategy, including our approach to ESG. While we describe our wider approach to governance in our Governance Report on pages 66 to 76, this section focuses on our work to provide a clear framework for delivering our ESG goals and ensuring we do business in a responsible and sustainable manner.

Given the increasing challenges in the geopolitical environment, absolute clarity in our governance framework has never been more important. In 2025, we revised our governance goal and strategic targets. We are confident these will enable us to be more agile in our response to the challenges presented by the dynamic world order, while protecting our values and purpose.

Legal and regulatory compliance

As a global business that engages with multiple stakeholders – including customers, suppliers, employees and investors – in an increasingly complex and uncertain geopolitical landscape, reinforcing our compliance framework is essential to mitigating risks and enhancing our opportunities.

We are taking important steps to strengthen our risk and compliance framework, enabling us to quickly adapt to legislative changes while supporting our growth ambitions. For example, we've implemented a third-party global entity management service to help us respond quickly and effectively to any secretarial requirements in specific countries. We've also carried out work in readiness for the European Cyber Resilience Act. This is a good example of compliance working hand-in-hand with our commercial strategy, supporting our strong track record in innovation and customer service, to provide hardware and software that are cyber-secure and create opportunities by building customer trust. Our Board has been kept informed about and received training on key legislative developments, including those relating to the Corporate Governance Code 2024 and the Economic Crime and Corporate Transparency Act 2023.

Download our Code of Conduct.

We've also made two key appointments in our Legal & Secretarial function: a new Group Head of Legal Compliance and a Group Head of Export Control, both reporting into our Group General Counsel & Company Secretary. They will work closely with our divisional and regional sales teams to provide dedicated focus and risk management of their respective areas of compliance. These include export control and sanctions, and anti-bribery and corruption – important for a business with a global footprint where 95% of our sales come from exports, with around 20% of those sales handled by third-party distributors.

Our ambition is to build not only a robust compliance framework, but to support the way we manage risk through a healthy compliance culture, demonstrated through responsible senior leadership. We are actively working to strengthen our understanding of our compliance culture, driven by a global culture survey. The results of this will be critical in guiding our approach to embedding our values and culture throughout the business.

Managing our risk and controls

As well as focusing on legal and regulatory compliance, we reassessed our approach to risk management, and have taken several key actions, such as refreshing our Risk Committee composition and refining our risk assessment process. This includes a more detailed Group Risk Register and risk scoring protocol. See more on this in the Risk Committee report on pages 15 to 23. We have also reviewed our Group insurance programme and amended our coverage in light of the revisions we've made to our risk management framework and risk appetite.

We have consolidated our internal controls framework, which is designed to support our level of risk appetite and better position us for the legislative requirements of the Corporate Governance Code 2024. This new framework will help us better understand our compliance risks while promoting more transparency and accountability within the business. This is being led by our newly appointed Head of Internal Controls.

As well as new additions to our team, we have expanded the scope of work for certain teams. For instance, our Internal Audit team now conducts a more detailed assessment of our global policies and procedures in areas like modern slavery and conflict minerals, while our health and safety team is now responsible for overseeing our procedures for preventing and managing environmental incidents.

We have also conducted a detailed assessment of our sales channels and routes to market to enable a more informed approach to our Know Your Customer procedures. This has been particularly beneficial in light of the increasingly complex global supply chain, and it will ensure we are better positioned to support our strategic target of maintaining a zero-tolerance policy to bribery and corruption.

Doing business responsibly

Our Code of Conduct sets out our expectations for anyone who works for and with Renishaw. Translated into 14 languages, it explains what we mean by ‘doing business responsibly’, and provides guidance on how to make good decisions, behaviours to watch out for and our supporting policies.

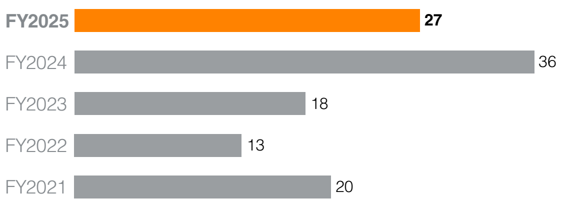
We ask all new employees to acknowledge that they are aware of the Code as part of their onboarding process and we review the Code periodically to ensure it remains up to date.

We expect to continue evolving our Code following the new appointments outlined above, and to better understand its effectiveness through the culture survey and the internal controls framework that will support its enforcement.

We are committed to ensuring that everyone feels able to speak up if they witness unlawful or unethical behaviour. Our Group Speak Up Policy explains how to raise a concern and includes details of our confidential and independent whistleblowing line, Speak Up.

Speak Up is available as an online portal and through a global hotline to all current and former employees, contractors and external stakeholders. This year, we logged 27 cases (FY2024: 36).

Number of Speak Up cases reported



We’ve also worked with our third-party provider to update the portal to make it easier for users to track the progress of their complaint when reporting anonymously, including any actions that the business takes. The Speak Up line is available in multiple languages. For more information on our Speak Up Policy and how we investigate concerns, see page 67 in our Governance Report.

Priorities for the coming year

Our compliance programme continues to evolve to respond to international and domestic policy and the needs of our global business. Our key priorities for FY2026 will include continued preparations for implementing the Corporate Governance Code 2024.

We will also prioritise our review of our Code of Conduct while embedding our risk management framework and implementing our new internal controls programme. The results of our compliance culture assessment will guide our approach to this work. Alongside this, we will review our corporate decision-making protocols to ensure that we are well placed to support our ESG goals and objectives.

Climate-related Financial Disclosures statement

We have continued to build on our significant work over the past two years to identify, assess and manage our climate-related risks and opportunities through our climate-related governance, strategy, risk management, and metrics and targets. We have aligned our disclosures with the requirements of UK Listing Rule 9.8.6R(8) and the requirements of the IFRS S2 Climate-related Disclosures. The disclosures listed below meet these regulatory requirements. They include references to our website and other documents that give further relevant information.

Governance

Recommendation

Disclose the organisation's governance around climate-related risks and opportunities

Recommended disclosure

A) Describe the board's oversight of climate-related risks and opportunities.

Summary	Reference
— Our Board maintains overall responsibility for setting our corporate strategy, which includes clear links to our ESG strategy. Our Board delegates oversight of our ESG strategy to our ESG Steering Committee. The strategy includes objectives to minimise our exposure to climate-related risks and maximise our climate-related opportunities. — Our ESG Steering Committee is chaired by our Chief Executive Officer, Will Lee, and members are chosen to provide the skills and experience we need to effectively oversee our ESG strategy. Our Independent Non-executive Director Stephen Wilson is also a member and provides an independent perspective. — Our Board has reviewed and approved the transitional climate-related risks and opportunities that we financially quantified and incorporated into our five-year plan, along with capital expenditure estimates related to achieving our Scope 1 and 2 Net Zero target. — In FY2025, we revised the Risk Committee membership to make it leaner and more effective. The Committee is now chaired by our Chief Executive Officer, enhancing the governance of our climate-related risks. The Committee reports directly to the Audit Committee, ensuring robust oversight of climate-related governance matters.	More detail on the relationship between our corporate strategy and climate issues can be found on pages 11 and 12.

B) Describe management's role in assessing and managing climate-related risks and opportunities.

Summary	Reference
— Our governance structure ensures that we assess and manage our climate-related risks and opportunities at the appropriate organisational levels. Each of the following committees has been delegated responsibility by our Board for climate-related matters and meets at least four times a year: • Our ESG Steering Committee oversees the delivery of our ESG strategy, which includes reviewing progress against our climate-related goals and targets. It is also responsible for sharing information and expertise with our Audit Committee and Risk Committee to support them with their climate-related responsibilities. • Our Audit Committee reviews the effectiveness of our risk management and our climate-related assurance across the Group. • Our Risk Committee supports the Group in identifying and managing climate-related risks and opportunities. In FY2025 our Chief Executive Officer, Will Lee, became Chair of the Committee. • Our Remuneration Committee aligns our remuneration policies with our strategic objectives. Our strategic objectives, which form 20% of the incentive opportunity for our Executive Directors and Senior Leadership Team, include specific objectives on sustainability.	Our sustainability and climate governance framework is shown on page 68. See our Directors' Remuneration Report on pages 89 to 101 for more information on our Executive Directors' incentive opportunity.

Climate-related Financial Disclosures statement continued

Strategy

Recommendation

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosure

A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Summary	Reference
— Our key climate-related risk is strategic in nature, focused on how we position ourselves competitively in a market that is increasingly focused on sustainability. We recognise that being slow to respond to sustainability trends may affect our market share, customer perceptions and investor confidence. As such, our climate-related risk management currently emphasises market and reputational exposure over physical risk events. — Our FY2023 climate modelling, which looked at physical climate-related risks, identified our manufacturing and major inventory-holding sites that are considered at 'high' risk of physical climate-related risks under varying warming scenarios and timescales. Regardless of warming scenario or timescale, the risk of river flooding was 'high' at four of our sites. Four of our sites in the APAC region are also considered 'highly' exposed to chronic climate risks. There was no material change to our site portfolio in FY2025, so we believe our risk identification remains relevant. — Although our scenario analysis has identified physical climate-related risks at specific sites, we currently classify these risks as emerging rather than as principal risks, and continue to monitor them via our governance processes. — In FY2024, we used the same climate modelling to understand climate-related risks in our supply chain. We identified those suppliers that are considered at 'high' risk for at least one of the climate-related physical risks that we assessed (drought, heat stress, wildfires, flash flooding, river flooding, sea level rise and extra tropical cyclones or similar). — In FY2023, we completed climate scenario analysis with all our product divisions using the International Energy Agency 1.5 °C warming pathway. We considered the impact on financial metrics across our business areas, including impact on revenue, gross margin and profitability. This helped us identify several climate-related technology and legal trends that we believe represent opportunities for our business in the medium to long term: the shift from traditional combustion engine vehicle to electric vehicle production, growth in the use of additive manufacturing technologies, and increasing carbon taxation. We updated our analysis in FY2025, and found no change to the opportunities we originally identified. We explain these in the table below.	For more information on the assumptions included in our transitional climate scenario analysis pathway, see www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach. An expanded table covering our climate-related risks and opportunities and our definition of 'high' risk for the physical risks assessed are available on our website at www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

The percentage of the Group's revenue associated with climate-related trends

Key: Low: <3% Medium: 3-10% High: >10%

Climate-related trend

Technology – development of Additive Manufacturing (AM)

We continue to believe that AM is becoming a more mainstream option for volume manufacturing. External forecasts predict a 20% growth in the AM market by 2030 and we believe that environmental sustainability will be a key driver for this growth.

Potential velocity under a 1.5 °C pathway

Current state	FY2025-FY2030 (short term)	FY2030-FY2049 (medium term)	FY2050+ (long term)
Low	Medium	High	High

Technology – transition from manufacturing internal combustion engine (ICE) vehicles to electric vehicles (EVs)

The transition to EVs is creating new processes, assembly plants, supply chains, research and customers, which offers significant opportunities for all our relevant products.

Potential velocity under a 1.5 °C pathway

Current state	FY2025-FY2030 (short term)	FY2030-FY2049 (medium term)	FY2050+ (long term)
Low	Medium	High	High

Policy and legal – increasing carbon taxation

Carbon taxation will affect us globally. In the short term, we have had to dedicate time to reporting under the European Union's (EU) Carbon Border Adjustment Mechanism (CBAM). While our exposure has been low, CBAM could create risks by increasing costs in our supply chains, which may be passed on to us. However, we believe that carbon taxation could ultimately create more opportunity for us. It may act as a driving force for increased use of metrology to reduce manufacturing process variation and scrap, driven by the high cost and carbon impact of materials.

Potential velocity under a 1.5 °C pathway

Current state	FY2025-FY2030 (short term)	FY2030-FY2049 (medium term)	FY2050+ (long term)
Low	Medium	High	High

Strategy continued

Recommendation

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosure

B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Summary	Reference
— In FY2023, we identified that 37% of the 'asset value'[1] of our manufacturing and major inventory holding sites is considered at 'high' risk of flooding and that 8% of 'asset value' has 'high' exposure to various physical climate risks. — To demonstrate the impact of these risks and how we are managing them in our strategic and financial planning, we reviewed the financial costs to our business of an actual flood that affected our manufacturing site in Woodchester, UK, in 2007. The factory was inundated with 100 mm of flood water and our insurance claim was more than £0.3m for building repairs and inventory loss. The site returned to full production within five days and during that time we were able to redirect stock held in our subsidiaries to cover the shortfall in production. — We also assessed the impact of losing our manufacturing site in Pune, India, as a result of wildfire, because it is our site with the greatest asset value that currently faces 'high' exposure to various chronic climate risks. In this scenario, our immediate ability to produce the volume of cables and tool-setting arms we need would be affected. We would mitigate this potential impact through our stock contingency, ramping up sourcing from our other established supply chains and drawing on our experiences during the COVID-19 pandemic to quickly reinstate production in our other manufacturing locations. — We continue to integrate climate-related risks into our procurement strategy. We focus on assessing suppliers that are more at risk of disrupting supply of goods or services, due to factors such as weak financial health, political uncertainty, or exclusive sourcing status, and that would also have a significant effect on business revenue in the event of supply chain failure. Mitigation steps could include dual sourcing of the product or services, or a requirement to hold a level of safety stock. — Our assessment of transitional climate risks and opportunities shows that we are well positioned to benefit from a transition to a low-carbon economy. While we have identified risks to our business, our financial analysis indicates these risks are outweighed significantly by the opportunities that we can capitalise on. — We have continued to develop our climate transition plans, which describes our Net Zero targets and our strategy for successfully transitioning to the low-carbon economy. The plans include the dependencies that their success rely on that are outside of our control.	Our climate transition plans are available on our website at www.renishaw.com/en/our-emissions--48235. An expanded table covering our climate-related risks and opportunities and our definition of 'high' risk for the physical risks assessed are available on our website at www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

1 'Asset value' includes i) land and buildings (with buildings included at insured reinstatement value), ii) other fixed assets (at net book value), iii) inventory (at Group cost), at 31 March 2023.

Climate-related Financial Disclosures statement continued

Strategy continued

Recommendation

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosure

C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.

Summary	Reference
— We have assessed physical climate risks at our manufacturing and major inventory-holding sites as well as 130 of our important suppliers using climate modelling that covered 1.5 °C, 2 °C to 3 °C and 4 °C warming pathways across current day, 2030, 2050 and 2100 time horizons. We included multiple warming pathways to address the inherent uncertainty created by climate modelling over those time horizons. — For our own sites, the climate modelling indicated that the sites at 'high' physical risk remained mostly static when compared to our current risk exposure. Only one further site was considered at 'high' risk for river flooding under the various time horizons, warming pathways and risk factors. — We believe we have the capacity to adjust our business strategy if these physical risks become more extreme and frequent. We have invested in flood defences and early warning systems at our 'high' flood risk UK manufacturing sites and are also duplicating important parts of our manufacturing processes at lower flood risk sites. Two of our 'high' risk sites in APAC have short-term leases (three to five years), which gives us the flexibility to change where we are based if climate change has a significant adverse effect on our business in these locations. For the remaining 'high' risk site that we own in Shanghai, China, we have a significant physical network of sites established in other areas of the country that could serve our markets in the event of a disruption. — For the suppliers assessed, there is little variation in risk exposure across warming scenarios or timescales. Most suppliers identified as being 'high' risk in these instances are already currently considered 'high' risk. — We have resilient supplier risk management processes that would minimise the impacts of supply chain disruption caused by climate-related risks. For suppliers who are considered 'high' risk in this assessment, we maintain a proportionate level of safety stock and, where appropriate, establish reliable secondary supplier relationships. Our ability to adapt these controls has been successfully tested in recent years due to the COVID-19 pandemic and helped ensure overall business continuity. — In FY2023, we analysed our transitional risks and opportunities using a 1.5 °C warming pathway to assess potential likelihood and financial/strategic impact. We continued this work in FY2024 to expand our understanding of risks and opportunities, but we continue to believe that each climate-related trend disclosed represents an opportunity for our business, and could be associated with 3-10% of our potential revenue by FY2030. This could increase to more than 10% for each climate-related trend in the medium to long term under a 1.5 °C pathway. — We believe our corporate strategy is robust and considers the potential impacts of these climate-related trends. Our strategy will continue to be informed by the work we are doing to identify, assess and manage our climate-related risks and opportunities.	More information on how we completed our climate scenario analysis is available at www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

Risk management

Recommendation

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Recommended disclosure

A) Describe the organisation's processes for identifying and assessing climate-related risks.

Summary	Reference
— In FY2025, we refined our risk identification and management process to include risk velocity (a measure of how quickly a risk can affect the business), which provides more robust climate-related risk evaluation. Our Risk Committee uses alternate top-down and bottom-up reviews to score all risks, including climate-related ones. — Our Risk Committee has reviewed and challenged the output of these processes to help us estimate the likelihood and potential impact of the risks and opportunities identified. Each risk has a risk owner, a risk manager, and named responsibility for reporting. — Our ESG Steering Committee is responsible for assessing our climate-related risks and opportunities and recommending actions to the wider business to help mitigate our risks and capitalise on our opportunities. — In FY2025, we updated our general procurement risk procedures to include formal consideration of climate risk. This more holistic and integrated approach applies to both products and services, assessing supplier risk through four criteria categories: severe climate events; geopolitical context; compliance; and continuity. We determine the criticality of each supplier based on the products and/or services they provide Renishaw. We then assess their listed country of operation against a threshold score on the ND-GAIN[2] Climate Risk Index. If both criteria are met, a full supplier risk assessment and mitigation plan will be required. Mitigation steps could include dual sourcing of the product or services, or a requirement to hold a level of safety stock.	We explain how we identify and manage our risks in our Risk management report on pages 15 to 23. More information on how we have identified and assessed our transitional risks and opportunities and physical risks is available on our website www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

B) Describe the organisation's processes for managing climate-related risks.

Summary	Reference
— Our climate risk register details our controls and how they link to our principal risks and ESG strategy. We have identified risk managers for each of these controls who are accountable for ensuring that the controls are relevant and maintained, and that related actions are completed by the deadlines set out in the climate risk register.	More information on how we manage our climate-related risks and opportunities can be found on page 51 to 56 and on our website www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Summary	Reference
— In FY2025, we created a new risk category titled 'Sustainability'. While this category is recognised in our Group risk register, it is currently not scored as a principal risk.	Read our Risk management report on pages 15 to 23. Find more information on how we are integrating climate change risks and opportunities into other principal risks on page 17.

2 https://gain.nd.edu/our-work/country-index/

Climate-related Financial Disclosures statement continued

Metrics and targets

Recommendation

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosure

A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Summary	Reference
— We have disclosed cross-industry TCFD metrics used to manage our climate-related risks and opportunities. These metrics cover: • Scope 1, 2 and 3 GHG emissions (pages 43 to 44); • energy use (page 45); • climate-related executive management remuneration (page 96); • potential revenue associated with climate-related trends (page 52); • assets and suppliers considered at 'high' risk to physical climate-related risks (pages 53).	We explain how we identify and manage our risks in our Risk management report on pages 15 to 23. More information on how we have identified and assessed our transitional risks and opportunities and physical risks is available on our website www.renishaw.com/en/climate-related-risks-and-opportunities--48236.

B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Summary	Reference
— Our emissions this year have been externally assured by the British Standards Institute as accurate, materially correct and a fair representation of GHG data and information. Our emissions were: • Scope 1: 3,141 tCO_2e. • Scope 2 (market-based): 74 tCO_2e. • Scope 2 (location-based): 9,236 tCO_2e. • Scope 3: 169,253 tCO_2e.	Calculations follow the GHG Protocol guidance. A more detailed breakdown of our Scope 3 emissions into the 15 GHG Protocol emission categories and their calculation methodologies and our ISO 14064 external assurance opinion are available on our website www.renishaw.com/en/our-emissions--48235.

C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Summary	Reference
— Our Net Zero targets have been validated by the Science Based Targets initiative (SBTi) as in line with the 2015 Paris Agreement to limit global temperature rise to well-below 2 °C. The targets, all set against our FY2020 baseline, are to: • achieve Net Zero in Scope 1 and 2 GHG emissions, which is an absolute 90% reduction compared to baseline emissions by FY2028. See page 43 of our ESG review for information on our progress against this target in FY2025; • achieve an absolute 50% reduction in Scope 3 GHG emissions by FY2030. See pages 43 to 44 of our ESG review for information on our progress against this target in FY2025; and • achieve Net Zero across all Scopes by 2050, which is an absolute 90% reduction compared to baseline GHG emissions. — The strategic objectives for the FY2025 annual incentive opportunity for our Executive Directors and Senior Leadership Team included progress against reduction targets for Scope 1 and 2 GHG emissions.	Our climate transition plans are available on our website at www.renishaw.com/en/our-emissions--48235. Our Directors' Remuneration Policy and strategic objectives are discussed in more detail on page 96.

Non-financial and sustainability information statement

We are required by sections 414CA and 414CB of the Companies Act 2006 to include in our Annual Report certain non-financial and sustainability information. The table below shows where this information can be found in this Report.

Our business model is set out on page 14 and our non-financial KPIs are disclosed on page 27.

Reporting requirement(s)	Further information	Policies	Related principal risk(s)
Climate-related financial disclosures	— Climate-related Financial Disclosures statement (pages 51 to 56)	— n/a	— Product innovation (page 21) — Low-price competition (page 20) — Non-compliance with laws and regulations (page 21)
Environmental matters	— ESG review – Environment (pages 42 to 45) — How we engage with stakeholders (page 30)	— Group Environmental Data Policy — Group Management of Waste Policy — Code of Conduct	— Product innovation (page 21) — Low-price competition (page 20) — Non-compliance with laws and regulations (page 21)
Our employees	— How we engage with stakeholders (page 28) — ESG review – Social (pages 46 to 48) — Directors' Corporate Governance Report (pages 66 to 67) — Section 172 statement (page 72) — Other statutory and regulatory disclosures (page 103)	— Equality, Diversity and Inclusion Policy — Speak Up Policy — Group Occupational Health and Safety Policy — Code of Conduct	— People (page 23)
Social matters	— How we engage with stakeholders (pages 28 to 30) — ESG review – Social (pages 46 to 48) — Directors' Corporate Governance Report (pages 66 to 67) — Section 172 statement (pages 72 to 73) — Other statutory and regulatory disclosures (page 104)	— Equality, Diversity and Inclusion Policy — Speak Up Policy — Group Occupational Health and Safety Policy — Code of Conduct	— People (page 23)
Respect for human rights	— How we engage with stakeholders (pages 28 to 30) — ESG review – Social (page 48) — Directors' Corporate Governance Report (page 67)	— Group Modern Slavery and Human Trafficking Policy — Equality, Diversity and Inclusion Policy — Speak Up Policy — Code of Conduct	— People (page 23) — Non-compliance with laws and regulations (page 21)
Anti-corruption and anti-bribery	— ESG – Governance (pages 49 to 50) — Directors' Corporate Governance Report (page 67)	— Group Anti-Bribery and Corruption Policy — Gifts and Hospitality Policy — Code of Conduct	— Non-compliance with laws and regulations (page 21)

Section 172 statement

Our Section 172 statement on pages 71 to 73 describes how the Directors have had regard to stakeholders' interests and other matters when discharging Directors' duties set out in Section 172 of the Companies Act 2006. It includes examples of how stakeholders' interests were considered in the principal decisions taken during the year. Details of our engagement with stakeholders are in the How we engage with stakeholders section on pages 28 to 30.

The Strategic Report on pages 2 to 57 was approved by the Board on 17 September 2025 and signed on its behalf by:

Sir David Grant
Interim Non-executive Chairman

Governance report

Directors' Corporate Governance Report

The year in review

I am pleased to introduce the Directors' Corporate Governance Report for the year ended 30 June 2025. This section focuses on the Company's governance structures, the work of the Board and its Committees and how we complied with the UK Corporate Governance Code 2018 (Governance Code), and other regulatory requirements. During the year, the Board continued to consider the forthcoming amendments contained in the UK Corporate Governance Code 2024 (2024 Governance Code) – which will apply to the Company from the financial year beginning 1 July 2025, except for provision 29, which will apply from the financial year beginning 1 July 2026 – and continued to work towards reflecting the revisions it contains into its processes and procedures.

Our Committee responsibilities are clear and well managed by individual Committee Chairs. We updated and refreshed the terms of reference and forward agendas for all Committees in FY2025, in anticipation of changes in UK governance standards in the 2024 Governance Code, which Renishaw will be required to report on in next year's Annual Report.

The Audit Committee, on behalf of the Board, is currently overseeing the mapping of the material internal controls that underpin the Group's reporting, to ensure that any strengthening of controls or further assurance required can be implemented and that processes are in place to document their effectiveness, ahead of the 2024 Governance Code provision 29 coming into force. Such changes are an essential part of maintaining a robust governance framework.

Richard McMurtry, son of the late Sir David, joined the Board as a Non-executive Director on 1 July 2024. In July 2025, Renishaw's co-founder, John Deer, stepped down as Deputy Chair, although he remains a Non-executive Director. We were pleased to welcome John's granddaughter, Camille Deer, as a Non-executive Director, with effect from 1 September 2025, subject to shareholder approval at this year's AGM. Camille is an excellent addition to the strength of our Board, having already contributed to and enriched discussion during her tenure as an Observer on the Board this year, along with David's other son, Ben McMurtry, who has also contributed as an Observer.

As I explain in more detail in my introduction on page 4, after a career of over 46 years with Renishaw plc, Allen Roberts has agreed with the Board that he will step down from his position as Group Finance Director and will not stand for re-election at the upcoming Annual General Meeting on 26 November 2025. A process has commenced to recruit a Chief Financial Officer.

Our search for a permanent independent Chair of the Board and additional Independent Non-executive Director has resumed after Sir David McMurtry's death, with the future skill needs of the Board needing to be re-evaluated.

The new Chair will be key to maintaining Renishaw's culture and values of innovation, inspiration, integrity and involvement, as well as working with the rest of the Board to navigate the opportunities and challenges facing the Company. Further updates will be provided once we have identified suitable candidates for these roles.

During FY2025, the Board continued to support the Company's delivery of its strategy to promote its long-term sustainable success, in an environment of international geopolitical and economic challenges, which the Board discussed and responded to throughout the year. We have taken action to focus on core activities, improve productivity and reduce our cost base. This included closing the drug delivery part of our Neurological business along with our small research office in Edinburgh. The Board also approved the decision to reduce the forthcoming graduate intake, and implement an operating cost reduction programme, which aims to achieve annualised labour cost savings of £20m.

A summary of the Board's activities during the year and its principal decisions can be found on pages 71 to 73.

The Board and the Executive Committee have continued to work hard to maintain and build on a resilient and sustainable governance framework, which we believe makes us stronger and better placed to take sound decisions in the interests of the Company and its stakeholders. We continue to monitor our culture, and the implementation of our Code of Conduct, whistleblowing policy and other related policies – see more on pages 47, 50, 66 and 67.

Risk management and sustainability

We have reviewed and refreshed our risk management framework this year and Will Lee took over as Chair of the Risk Committee, reflecting its importance to the Group. Regular reporting has provided the Board and its Committees with information to help guide management in responding to the events of the year, as well as to monitor our principal risks. More information can be found on pages 15 to 19.

With sustainability becoming increasingly important across Renishaw in the past few years, our ESG Steering Committee oversees progress against our ESG strategy and ensures the appropriate level of governance. We give more details on progress against our strategy in our ESG review on pages 40 to 50.

Stakeholders

In the UK, Board members attended our Group Sales Conference in Gloucestershire, UK in September 2024, giving us the chance to meet with our global sales leadership team, and we held our Board strategy day in March 2025 at our Miskin, Wales site. Overseas, we held our May 2025 Board meeting at one of our German subsidiaries and took the time to visit Control, a major international metrology equipment trade show. To supplement our strategy discussions and Board meetings, we took the opportunity to meet many of our talented people based at Renishaw's sites, and the visits provided the Board with valuable insights into the experiences of our people, suppliers, customers and competitors, complementing management's insights.

Pages 28 to 30 of our Strategic Report explain more about how we engage with stakeholders. The Board has monitored the Company's increased interaction with the investment community, which we discuss on page 66.

Our engagement with stakeholders, including our people, provides the Board with enhanced context and background when making decisions. In our Section 172 statement on pages 71 to 73, you will read about how we consider the views of our stakeholders in our decision-making process.

Board performance review

This year, we conducted an internal Board and Committee performance review, which concluded that the Board and Committees continue to perform effectively with clear terms of reference, appropriate agendas and a good balance of support and challenge. Details of the performance review, including the areas identified for improvement and the progress made against last year's actions, can be found in the Nomination Committee Report on page 81.

Diversity and inclusion

We have a Board-approved global Equality, Diversity and Inclusion (EDI) Policy, which includes, in particular, the responsibilities of the Board in relation to EDI, and reflects the Financial Conduct Authority's (FCA) requirements in terms of the diversity considerations that should apply at Board and Board Committee level.

Looking forward

Looking ahead to FY2026, the Board will focus on:

- continuing to support the Group's growth plans through oversight of its three key strategic focus areas for growth, as well as improving productivity and reducing our cost base;
- appointing a new independent Non-executive Chair and independent Non-executive Director and continuing to consider succession plans;
- continuing to increase engagement with investors;
- keeping Renishaw's talent pipeline under review at Executive Committee level and one level below;
- ESG and climate change, including improving our diversity across all levels of the business; and
- the UK Government's audit and governance reforms and ensuring compliance with the 2024 Governance Code. We will continue to oversee management's key activities and timeline in this area.

The progress we have made this year has provided us with a sound platform from which we look forward with confidence. The 2025 AGM will be held on 26 November 2025, and I look forward to meeting many of you then.

Sir David Grant
Interim Non-executive Chair

17 September 2025

Board of Directors

N*

Sir David Grant

Interim Non-executive Chair

Date appointed to the Board

April 2012 (Senior Independent Director from October 2013 to June 2024)

Areas of expertise

Engineering, people, science/technology

Contribution, skills and experience

— Various previous leadership positions at international engineering companies and government-related science and technology bodies.

— Extensive engineering experience and recognised for his contributions to industry.

— Contributes to talent recruitment, increasing diversity and development of workforce.

External appointments

None

John Deer

Non-executive Director

Date appointed to the Board

July 1974 (Executive Deputy Chairman from July 1974 to January 2020)

Areas of expertise

Manufacturing, strategy, international development and operations

Contribution, skills and experience

— Co-founder of Renishaw, contributes to Board leadership and strategic decisions for growing the business.

— Extensive manufacturing and quality experience contributes to the delivery of efficient, high-quality manufacturing.

— Strategic vision, and commercial and international experience.

External appointments

None

Will Lee

Chief Executive Officer

Date appointed to the Board

August 2016 (Group Sales and Marketing Director from August 2016 to February 2018)

Areas of expertise

Sales and marketing, strategy, engineering, operations

Contribution, skills and experience

— Effective and strong leadership and management, both technical and commercial, with an acute awareness of the industry and its opportunities and challenges.

— Maintains a wide breadth of knowledge, as well as strong stakeholder relationships that continue to develop the business.

— Joined the Renishaw graduate scheme in 1996 and since then has held various senior management positions in engineering, operations, and sales and marketing, resulting in an in-depth understanding of the Group's business, products and markets.

External appointments

None

Allen Roberts

Group Finance Director

Date appointed to the Board

October 1980*

Areas of expertise

Finance, strategy, internal controls, operations, compliance

Contribution, skills and experience

— Chartered accountant, with an invaluable contribution to financial planning and strategy, including adept management of financial risks and business development.

— Deep understanding of the Group's businesses, products, relationships and the sectors in which Renishaw operates.

— Experienced in the management of financial risks, reporting and planning.

External appointments

None

*Allen Roberts has agreed with the Board that he will step down from his position as Group Finance Director and will not stand for re-election at the upcoming Annual General Meeting on 26 November 2025.

A N R*

Catherine Glickman

Independent Non-executive Director

Date appointed to the Board

August 2018

Areas of expertise

People, remuneration, pensions, strategy

Contribution, skills and experience

— Breadth of human resources experience in other listed companies is particularly valued by the Board.

— Skilled at developing reward structures that align leadership motivation with Group strategy.

— Extensive HR, remuneration and pensions experience, as well as previous international experience with Genus plc and Tesco plc.

External appointments

— Non-executive director of East of England Ambulance Service NHS Trust.

A* N R

Juliette Stacey

Independent Non-executive Director

Date appointed to the Board

January 2022

Areas of expertise

Finance, M&A, strategy, corporate governance, internal controls, compliance

Contribution, skills and experience

— Chartered accountant with an in-depth understanding of finance, M&A and strategy.

— Career experience in finance, as well as executive roles in both listed and non-listed company environments.

— Roles as chair of audit committees at other listed companies brings a wider industry perspective.

External appointments

— Senior independent director and audit committee chair of Fuller, Smith & Turner plc.

— Non-executive director and audit committee chair of Sanderson Design Group plc.

— Non-executive director of Hardwicke Investments Limited.

— Non-executive director and audit committee chair of Willmott Dixon Holdings Limited.

A N R

Stephen Wilson

Independent Non-executive Director

Date appointed to the Board
June 2022

Areas of expertise
Software, finance, strategy, business development, IT transformation, international development

Contribution, skills and experience

- Extensive experience in the software sector, including strategic, financial and business development and IT transformation.
- Career experience in finance and business development, including in global businesses.
- Executive and non-executive roles in listed company environments.

External appointments

- Non-executive director and audit committee chair of Canonical Holdings Ltd.

A N R

Professor Dame Karen Holford

Independent Non-executive Director

Date appointed to the Board
September 2023

Areas of expertise
Engineering, research and development, science/technology, people and diversity

Contribution, skills and experience

- Engineering experience across industry and higher education.
- Leadership and strategic advisory positions, including within government-related science and technology bodies.
- Skilled at advancing diversity in the workforce.

External appointments

- Chief executive and Vice-Chancellor of Cranfield University.

Richard McMurtry

Non-executive Director

Date appointed to the Board
July 2024

Areas of expertise
Engineering, robotics, product development

Contribution, skills and experience

- Highly experienced director of various businesses.
- Career experience in overseeing and developing the future of innovation.
- Trained as an engineer with significant involvement in product development and robotic systems.

External appointments
None

Camille Deer

Non-executive Director

Date appointed to the Board
September 2025

Areas of expertise
IP strategy, innovation pipeline, risk management

Contribution, skills and experience

- IP strategy and portfolio management, innovation pipeline management, IP due diligence and risk management.
- Purpose-driven innovation and processes and frameworks to promote IP awareness in the workplace.
- Experienced in licensing revenue models and related commercial negotiations.

External appointments
None

Kasim Hussain

Group General Counsel & Company Secretary

Appointed
July 2024

Areas of expertise
Risk, compliance, corporate governance and M&A

Contribution, skills and experience

- Adviser to the Board and senior leadership on all matters of risk and governance.
- Responsible for leading the global Legal, Compliance and Company Secretarial teams.
- Specialist in M&A and strategy.
- Substantial experience in a listed environment.

External appointments
None

A Audit Committee
N Nomination Committee
R Remuneration Committee
***** Committee Chair

Board of Directors as at
17 September 2025

Read more extensive Board biographies online at www.renishaw.com/directors

Former officers who held office during FY2025

Sir David McMurtry
Non-executive Director
Appointed September 1975 (Executive Chairman from September 1975 to June 2024)
Passed away 9 December 2024

Executive Committee

Dave Wallace

Group Operations Director

Appointed January 2008

Contribution, skills and experience

- Responsible for Group Operations, with oversight of our centralised Group Commercial Development teams, Group Quality, Group Compliance, our centralised Group Engineering teams, Group IT and Security, and Group Intellectual Property.
- Deep insight into Renishaw's products, markets and product development, as well as strong management skills.
- Has worked in various functions of the business, including as Director and General Manager for the CMM Products Division, and previously held Executive Committee responsibility for the Industrial Metrology business.

Clare Nicholls

Group Human Resources Director

Appointed September 2025

Contribution, skills and experience

- Responsible for defining and overseeing the implementation of our wide-reaching people strategy, developing talent, culture and capability. Responsible for HR and H&S services globally.
- Globally experienced HR leader in the manufacturing and engineering sector, skilled in business transformation, culture & engagement, and talent development.
- Has 25 years' experience working for companies aligned to Renishaw's chosen markets. Joins from TT Electronics, where she most recently held the post of EVP Human Resources. Before TT, worked at Boeing across their non-US business and for Tata Steel and its predecessors across Europe.

Marc Saunders

Director of Group Strategic Development

Appointed April 2024

Contribution, skills and experience

- Responsible for Group strategy, financial planning and analysis, investor relations and communications to internal and external stakeholders.
- Experienced leader of strategic planning processes for listed businesses.
- Has worked in various technical, commercial and corporate functions at Renishaw, including leadership of Additive Manufacturing applications, UK Sales and Group Marketing.

Will Lee* (Chair)
Chief Executive Officer

See page 62 for biography

Allen Roberts*
Group Finance Director

See page 62 for biography

Kasim Hussain
Group General Counsel & Company Secretary

See page 63 for biography

*These members of the Executive Committee were also Board Directors during FY2025.

Former Executive Committee members who held office during FY2025

Diane Canadine
Group Human Resources Director
Resigned August 2025

Gareth Hankins
Group Manufacturing Director
Resigned December 2024

Scope of disclosures

In this Corporate Governance Report, we have incorporated:

— the Audit Committee Report (page 83);
— the Nomination Committee Report (page 77); and
— the Directors' Remuneration Report (page 89).

This report is structured in accordance with the five sections of the Governance Code and we describe how we have applied its principles. The Governance Code can be viewed at www.frc.org.uk.

We report on the operation of our business in the following ways:

The Group's business and likely future developments

The Chair's statement (pages 4 to 6), the Chief Executive Officer's review (pages 7 to 10) and other sections of the Strategic Report give a review of the Group's business and likely future developments. Results are also reported by operating segment in Note 2 to the Financial statements, together with an analysis of revenue by geographical market.

Management Report

The Strategic Report includes a management report, as required by the FCA's Disclosure Guidance and Transparency Rules (DTR).

Directors' Report

The Directors' Corporate Governance Report and Other statutory and regulatory disclosures, as set out on pages 102 to 105, together form the Directors' Report. The Company has chosen to include matters in the Strategic Report that are required to be included in the Directors' Report. These are cross-referred to in the Directors' Corporate Governance Report and Other statutory and regulatory disclosures as applicable, and are incorporated by reference into the Directors' Report.

Corporate Governance Report

The Company's corporate governance practices are set out in the Directors' Corporate Governance Report (on pages 60 to 76), which forms part of the Directors' Report, as required by the DTR.

Shareholder information

Certain information, which the FCA's UK Listing Rules (UKLR) require that the Company provides to its shareholders, is contained in the Directors' Corporate Governance Report (pages 60 to 76), the Directors' Remuneration Report (pages 89 to 101), and Other statutory and regulatory disclosures (pages 102 to 105). This includes information relating to arrangements with controlling shareholders.

Reporting against the Governance Code

To avoid duplication in this report, the table below provides cross-references to explanations elsewhere in this report on how we have sought to apply the principles and comply with the provisions of the Governance Code. We report against other relevant Governance Code principles and provisions within this Directors' Corporate Governance Report.

Topic	Page(s)
Company purpose (Principle B)	2
Values (Principle B and Provision 2)	28
Culture (Principle B and Provision 2)	28
Workforce engagement (Principle D and Provision 5)	28 and 47
Other stakeholder engagement (Principle D and Provision 5)	29 to 30 and 72
Strategy and business model (Principle A and Provision 1)	11 to 14
Effective controls (Principle C)	87
Sustainability (Principle A and Provision 1)	40 to 57
Capital allocation	33
Workforce policies and practices (Principle E and Provisions 2 and 6)	46 to 48 and 57
Risk management (Principles C and O and Provisions 28 and 29)	15 to 23

1 Board leadership and Company purpose

Purpose, values and culture

Renishaw's purpose of Transforming Tomorrow Together, as well as its values of innovation, inspiration, integrity and involvement, help guide the Board and our people when making decisions. These principles will help Renishaw grow and evolve without losing focus on what is important.

A strong culture is needed to ensure Renishaw can achieve its purpose. The Board is responsible for monitoring and assessing culture. The Chair sets the culture for the Board, promoting openness and debate. This informs the culture that the Chief Executive Officer embeds throughout the business with the support of the Directors.

Our Code of Conduct (Code) is our global guide on how to do business responsibly, addressing issues that might arise for our stakeholders. It is aligned with our core values, acts as a top-level summary of our key policies, and sets out how we expect our employees, and other key stakeholders, to act in their daily working lives. See page 50 for more information about the Code.

Throughout FY2025, the Board received updates on key issues related to the Code and monitored compliance. Communications and activities continue around the Group to engage and educate employees on how to use the Code in day-to-day business conduct. Employees are also invited to share their feedback on compliance through our annual employee engagement survey. Feedback from the survey is shared with senior leadership, which helps to shape future communications.

Engagement with employees and management helps the Board understand Renishaw's culture. Some of the ways in which the Board has engaged with employees, and the outcomes, are set out on page 28.

Stakeholder engagement, including the AGM

Shareholders

The AGM takes place at the Company's headquarters or one of our other main sites, and we send our shareholders appropriate advance notice of the meeting. The Chairs of the Audit, Remuneration and Nomination Committees are available for questions during and after the meeting.

Each year, different resolutions are proposed for each substantially separate issue, and all resolutions are taken on a poll. We report on the number of votes lodged in respect of each resolution, the balance for and against each resolution, and the number of votes withheld. This information is published via a Regulatory Information Service (RIS) and on our website following the meeting.

At our 2024 AGM, the Board greatly appreciated the opportunity to speak with attending shareholders. We also have a Q&A facility, which allows shareholders to submit questions via email before the meeting. This helps them to engage with the Board, even when they are not able to attend the AGM. At the 2024 AGM, the Board was pleased that all resolutions were passed with a high level of support from shareholders. Details of this year's AGM can be found in the Notice of Annual General Meeting.

The Company's overall approach to shareholder engagement is set out on page 29. Renishaw has continued to strengthen this engagement, including working with our joint corporate brokers, UBS and Peel Hunt, to develop a targeted engagement programme with key existing and potential investors. This includes new half and full-year financial results roadshows, attended by our Chief Executive Officer and Director of Group Strategic Development. Feedback from investor discussions is shared with the Board. The Board continues to monitor progress with engagement mechanisms and regularly reviews our approach to investor relations.

Other stakeholders

The Board remains committed to engaging effectively with other stakeholders to ensure we continue delivering value for them.

Our Independent Non-executive Director Catherine Glickman remains our designated employee engagement ambassador. Catherine has extensive HR and remuneration experience and the Board believes her background and expertise make her ideally suited for this role, ensuring our employees' views reach the boardroom. Catherine gives the Board helpful feedback from workforce engagement activities, including joining employee briefings. This year, Catherine participated in the first of our new employee listening sessions on career progression at Renishaw for women and attended engagement sessions at various sites of the Group. She provides regular briefings to the Board on recruitment, retention and the progress of our key people projects. In light of this, the Board considers that this engagement mechanism remains the most appropriate for Renishaw.

The Board also takes a close interest in the Group's customers, the challenges they face and how best Renishaw can support them. The Board receives regular updates on conversations that Will Lee, our Chief Executive Officer, and senior colleagues have with our customers. In May 2025, the Board had the opportunity to see how our customers use our products during a visit to Control, a major metrology equipment trade show in Stuttgart, Germany.

More details on other stakeholder engagement activities can be found on pages 28 to 30. How the Board has considered stakeholders in discussions and decision-making can be found on pages 71 to 73.

Anti-bribery and corruption

Renishaw is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever we operate, and to implementing and enforcing effective systems to counter bribery and corruption. Renishaw's policy is to conduct all its business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption, which is communicated to third parties with whom we do business. Our Group Anti-Bribery and Corruption Policy prohibits the offering, paying, solicitation and receipt of bribes in any form.

In addition, Renishaw's Gifts and Hospitality Policy requires any giving or receipt of gifts, benefits or hospitality to be reasonable and proportionate. We maintain a Gifts and Hospitality Register and have in place a straightforward process for employees to seek approval when required.

We require third parties to sign up and adhere to anti-bribery and corruption clauses, and to comply with anti-bribery and corruption laws, in all relevant Group companies' standard terms and conditions, and standard form and negotiated agreements (including relationship agreements such as agency, distribution and consultancy agreements). Anti-bribery and corruption training is mandatory for all employees.

The Group has due diligence procedures for onboarding third-party agents and distributors designed to address bribery and corruption risks, which includes third-party screening.

Employee whistleblowing

The Board encourages our people to raise concerns about suspected unlawful or unethical behaviour and has outlined its expectations in our whistleblowing policy. The Group's confidential whistleblowing hotline service, Speak Up, is there for people to raise any concerns about suspected unlawful or unethical behaviour. The service is also available to officers, suppliers, customers, consultants, contractors, volunteers and job applicants, and any third parties who provide services for or on behalf of the Group. This year we logged 27 cases, compared with 36 in FY2024, all of which were promptly followed up.

All cases are reviewed by our triage coordinators (currently the Senior Finance Manager and the Group General Counsel & Company Secretary), unless the matter is about them. In this instance, a case is allocated to an appropriate investigator. Every matter reported is investigated, unless it is considered outside the scope of Speak Up (for example, if someone raises an issue that falls under our Grievance Policy). Regular meetings are held with key stakeholders to track the progress of investigations to help ensure cases are closed in a timely manner. The Board monitors the operation of this policy and concerns raised.

Conflicts of interest

The Board has a Conflicts of Interest Policy and a Register of Situational Conflicts. This includes procedures for the disclosure and review of any conflicts and potential conflicts, and authorisation by the Board (if considered appropriate). The Board reviews all authorisations granted, and their associated terms, every year. New disclosures are made where applicable.

2 Division of responsibilities

Governance structure

While the Board has overall responsibility for governance across the Group, it delegates certain matters to its three formally constituted Committees: the Audit Committee, the Remuneration Committee and the Nomination Committee.

Our Executive Committee is responsible for the operational management of our businesses. It meets once a month and is chaired by the Chief Executive Officer. The Executive Committee also comprises the Group Finance Director and other members of senior management, as noted on page 64. It considers the performance and strategic direction of our operating segments, performance against objectives and other matters of general importance to the Group.

A chart showing the governance structure is set out below.

Our governance framework

Board

Accountable to shareholders for the long-term sustainable success of the Group. Sets Renishaw's strategy and priorities and oversees their delivery to enable sustainable long-term growth. Maintains a balanced approach to risk within a framework of effective internal controls and considers the interests of our diverse stakeholder groups. Oversees alignment of Renishaw's purpose, vision, values and evolving culture and risk with the Group strategy.

Board Committees

Nomination Committee
Sir David Grant, Chair
Keeps under review the composition, structure and size of and succession to the Board and its Committees. Oversees succession planning for senior executives and the Board, leading the process for all Board appointments. Evaluates the balance of skills, knowledge, experience and diversity on the Board.

Read more in the Nomination Committee Report from page 77.

Audit Committee
Juliette Stacey, Chair
Supports the Board to discharge its financial reporting responsibilities, including reviewing the Group's annual and half-year financial statements and accounting policies, internal and external audits, and risk management and controls.

Read more in the Audit Committee Report from page 83.

Remuneration Committee
Catherine Glickman, Chair
Recommends the Group's policy on executive remuneration, determining the levels of remuneration for Executive Directors, the Chair and senior management. Oversees remuneration and workforce policies and considers these when setting policy for Directors' remuneration.

Read more in the Directors' Remuneration Report from page 89.

Management Committees

Risk Committee
Will Lee, Chair
Supports the Board, together with the Audit Committee, to provide oversight and control of all significant risks across the Group and to develop its risk management strategy. Oversees the current and future risk exposures and risk strategy, develops and monitors the effectiveness of the risk management framework, including risk appetite, risk policies, key process and controls, and promotes a risk-aware culture across the Group.

Read more in the Risk management section from page 15.

Executive Committee*
Will Lee, Chair
Responsible for facilitating and ensuring the development, implementation and execution of our strategy, as set by the Board, through the day-to-day operational and functional management of the business.

Read more about the Executive Committee above.

ESG Steering Committee
Will Lee, Chair
Responsible for developing and overseeing the Group's ESG strategy and reporting. Accountable for our ESG goals and strategic objectives, regularly reviewing and scrutinising our progress against them. Defines actions to mitigate climate-related risks and to maximise opportunities.

Read more in the ESG review from page 40.

*We also have product groups and subsidiaries reporting into the Executive Committee.

The formal schedule of matters reserved for the Board includes:

- the approval of half- and full-year results, and trading statements;
- company and business acquisitions and disposals;
- major capital expenditure;
- borrowing facilities;
- reviewing the effectiveness of workforce engagement mechanisms;
- reviewing whistleblowing policy and processes;
- maintaining a sound and effective system of internal control and risk management;
- forecasts, business plans and budgets;
- material agreements;
- director and company secretary appointments and removals;
- patent-related disputes and other material litigation; and
- major product development projects.

The formal schedule of matters reserved for the Board and the terms of reference for each of the Audit Committee, Nomination Committee and Remuneration Committee are available on our website at www.renishaw.com/corporategovernance. The Committees reviewed their terms in July and August 2024 for the 2024 Governance Code and other matters, and determined that no other updates were required in FY2025.

A framework of delegated authorities maps out the structure below the Board and includes the matters reserved to the Executive Committee. It also includes the level of authorities given to management below the Executive Committee.

Board and Committee meetings

The table below shows the number of meetings of the Board and its Committees, alongside Directors who attended and the number of meetings they were eligible to attend, during FY2025.

Director	Board	Audit Committee	Nomination Committee	Remuneration Committee
Sir David McMurtry	4/5[1]	N/A	N/A	N/A
John Deer	6/10[2]	N/A	N/A	N/A
Sir David Grant	10/10	N/A	5/5	N/A
Will Lee	10/10	N/A	N/A	N/A
Allen Roberts	10/10	N/A	N/A	N/A
Catherine Glickman	10/10	5/5	5/5	6/6
Juliette Stacey	10/10	5/5	5/5	6/6
Stephen Wilson	10/10	5/5	5/5	6/6
Professor Dame Karen Holford	9/10[3]	5/5	5/5	5/6[3]
Richard McMurtry	9/10[4]	N/A	N/A	N/A

1 Sir David McMurtry was unable to attend a Board meeting due to health issues and passed away on 9 December 2024.
2 John Deer was unable to attend certain Board meetings due to health issues.
3 Professor Dame Karen Holford was unable to attend a Board and a Remuneration Committee meeting due to an unavoidable commitment.
4 Richard McMurtry was unable to attend a Board meeting due to an unavoidable commitment.

The table below sets out the Board and Committee meetings that occurred in FY2025.

July 2024	August 2024	September 2024	October 2024	November 2024	December 2024
B* A R*	B A N R	B A N	B R	B N* R	
January 2025	**February 2025**	**March 2025**	**April 2025**	**May 2025**	**June 2025**
B N	B A	B R		B A N*	B R

Key

B Board A Audit Committee N Nomination Committee R Remuneration Committee * Unscheduled meeting

Key activities undertaken by the Board during the year

Below is a high-level summary of the activities of the Board during the year. For an in-depth look into some key decisions made by the Board in FY2025, see our Section 172 statement on pages 71 to 73.

Strategy

- Guided the process for and approved the closure of the drug delivery business.
- Reviewed and approved our strategic objectives.
- Received updates from Executive Committee on progress towards the FY2025 objectives.
- Reviewed the sales and competition strategy during Board Strategy Day.
- Attended trade fairs/shows to better understand geographical markets and sectors.
- Approved the revised global finance strategy.
- Approved new reporting segments.
- Approved the cost reduction programme.

Operational/commercial

- Received regular flagship project updates.
- Received regular regional sales updates.
- Attended a global sales conference.

Financial

- Approved our half- and full-year results, as well as our interim and final dividends.
- Reviewed and approved our tax strategy.
- Reviewed and approved trading updates, including revenue and profit ranges.
- Reviewed and updated our five-year financial plan.

Leadership and people

- Led the ongoing process for recruiting a permanent independent Chair.
- Reviewed plans for Board-level succession planning.
- Received an update on the Group's EDI strategy.
- Considered the results of our FY2025 global employee engagement survey.
- Reviewed and approved the employee pay increase and bonus proposal for FY2025.

Internal control and risk management

- Approved our 2025 principal risks and considered emerging risks.
- Revised the Risk Committee's operating framework.
- Considered reports on compliance with financial, regulatory and corporate responsibilities and sustainability commitments.
- Approved the new internal controls framework.
- Received regular updates on cases arising from the confidential whistleblowing hotline.

Governance and stakeholders

- Conducted the FY2025 internally facilitated Board performance review and approved the subsequent action plan.
- Received updates on key governance matters, including revision of UK Listing Rules, the new Economic Crime and Corporate Transparency Act and Directors duties.
- Received externally facilitated training by Herbert Smith Freehills Kramer LLP.
- Reviewed our registers of Directors' situational conflicts and related parties.
- Considered investor relations practices and engaged with the investor community on Capital Markets Day.
- Approved our Modern Slavery Statement.
- Considered cyber risk and received regular updates on the threat landscape and mitigations.
- Received updates from our joint corporate brokers, UBS and Peel Hunt, on investor relations.

Section 172 statement

Directors are required by Section 172 of the Companies Act 2006 to act in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they must also have regard to wider responsible business behaviour, including:

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

Not only is this the Directors' statutory duty, but it is also the right way to conduct business to achieve long-term, sustainable success. Effective and inclusive decision-making is at the heart of Renishaw's governance structures and is a foundation for effective value creation over the longer term. During this financial year, with continuing global economic uncertainty and geopolitical conflicts, balancing the needs and expectations of stakeholders has continued to be an important and challenging task.

The Board takes its role of fulfilling its obligations to those affected by Renishaw's business very seriously, through stakeholder consideration and engagement. It has ensured that such consideration is embedded throughout the business, with the Executive Committee and senior management actively engaged in communication and engagement initiatives.

How has the Board had regard to Section 172 matters?

Engagement with employees, suppliers and customers during the year is explained on pages 28 to 30. Details of how the Board operates and matters considered by the Board are set out in the Directors' Corporate Governance Report from page 60. The Directors regularly consider reports on health and safety, the environment and security. This supports the Directors in their decision-making, helping them understand the impact those decisions have on local communities and the environment. It is critical to Renishaw's success that high standards of business conduct are promoted.

The Legal and Secretariat, Quality, Compliance, HR and Sustainability teams also report regularly to the Board. The Non-financial and sustainability information statement on page 57 identifies policies and guidelines governing Renishaw's approach to climate-related financial disclosures, environmental matters, people, anti-corruption and anti-bribery, social matters and human rights. Considering the long-term effect of the decisions made by the Board is an integral part of the approval of strategy, and strategic progress this year is disclosed on page 13.

How did the Directors discharge their Section 172 duty during the year?

The Directors recognise that the decisions they make today will affect the business in the long term. It is acknowledged that different stakeholders have different needs, so the Board tries to understand these needs and priorities through engagement to inform its decision-making. This, together with considering the long-term consequences of decisions and maintaining our values and reputation for high standards of business conduct, underpins the way the Board operates and its governance framework.

In understanding the needs and priorities of stakeholders, the Board also acknowledges that situations may arise where stakeholder groups have conflicting priorities. When this happens, the Board considers the priorities of each group. The Board assesses them individually and collectively from the perspective of the strategic objectives and the continued long-term sustainable success of the business.

This statement explains how the Directors have:

— engaged with employees, shareholders, customers, suppliers and communities; and
— considered:
  - employees' interests;
  - the need to act fairly between members of the Company;
  - the need to foster business relationships with suppliers, customers and communities;
  - the impact of Renishaw's operations on the community and environment;
  - Renishaw's reputation for high standards of business conduct; and
  - the outcomes of those considerations on the principal decisions taken during the financial year.

In this statement, principal decisions of the Board are defined as those taken in this financial year, which relate to matters of key strategic importance, and which are significant to any of Renishaw's key stakeholders.

Principal decisions in FY2025

Set out on the following pages are examples of how key stakeholders, Section 172 duties and other matters were considered by the Board when making its principal decisions in FY2025.

Directors' Corporate Governance Report continued

Operating cost reduction programme

What was the principal decision?	Which stakeholders and matters were considered?
Approved operating cost reduction programme.	Employees, shareholders, communities, customers, suppliers and the long-term sustainable success of the Company.

How were the above stakeholders and matters considered?

During the year, the Board carefully monitored ongoing uncertainty in global markets and challenging trading conditions. While we achieved some growth, we also faced significant inflationary pressures in our costs, which have grown faster than our revenues. This has resulted in lower profits and operating margins, and we evaluated how we could better align our operating costs with current demand. We gave serious consideration to our loyal employees, the communities where we operate and the long-term sustainable success of the Company, which is driven by our evolving strategy and business model. There was rigorous Board debate on the various options to position the Group in challenging trading conditions.

What was the outcome?

The Board decided that it was necessary to realign the costs of the business with current global demand, along with a heightened focus on key strategic priorities. We reduced the forthcoming graduate intake. Given payroll is the Company's highest cost contributor, we also decided to make savings in this area and are looking to achieve £20m of annualised savings in the UK, Ireland and EMEA. Growth opportunities in APAC and the Americas mean that we will only seek limited cost reduction in these regions at this stage. Renishaw started to implement redundancy programmes and other efficiencies. Where possible, at-risk employees were offered other roles and those leaving the business were not replaced, to reduce redundancies.

For more information, see page 28.

Drug delivery business (part of the RNS business)

What was the principal decision?	Which stakeholders and matters were considered?
Proposal to close the drug delivery business.	Employees, customers, suppliers, charities, hospitals, patients, shareholders, communities and the long-term sustainable success of the Company.

How were the above stakeholders and matters considered?

After a number of years seeking to attract the necessary third-party investment to grow a profitable drug delivery business, the Board proposed closing the business. We gave serious consideration to the affected employees, our other stakeholders, the effect closure would have on drug trials and drug-delivery programmes that the Company had committed to or otherwise planned to support, and shareholder value.

It is essential that each of our businesses align with our purpose, so the Board carefully balanced the continued financial commitment required to maintain this loss-making business against the risks and anticipated return. This included considering the strategic fit with our purpose, the opportunities for geographic or market growth, the extended timeline to achieve any material return and the potential for products not to achieve market authorisation. We consulted with affected employees and customers, and management gave regular updates to the Board, who provided constructive challenge and support.

What was the outcome?

Following the consultation process on 1 April 2025, the Company decided to close the drug delivery business and in total 34 people have unfortunately left Renishaw. Five people were redeployed elsewhere within the Group. This decision was considered in the best interests of the Group's stakeholders as a whole.

The neurosurgery business (robot sales, servicing and associated products) was not affected by this decision.

For more information, see pages 9 and 39.

New reporting segmentation

What was the principal decision?	Which stakeholders and matters were considered?
Introducing new reporting segmentation from 1 July 2025.	Shareholders and other market participants, our companies, regulators, employees, suppliers and the long-term sustainable success of the Company.

How were the above stakeholders and matters considered?

As part of a wider investor relations policy review, the Board, after consultation with the Company's advisers (including its joint corporate brokers and auditor), approved the decision to report under three new segments, effective from FY2026, with the aim of enhancing investor understanding of our business. The Board believes the decision is in the best interests of our stakeholders and the long-term sustainable success of the Company because the segments are more closely linked to end user markets, external demand drivers and our evolving organisational structure.

What was the outcome?

The three new segments will be:

- Industrial Metrology – comprising metrology sensors for CMMs and machine tools, metrology accessories, calibration systems, CMM and gauging systems, metrology software and industrial automation products;
- Position Measurement – comprising encoder products for position feedback; and
- Specialised Technologies – comprising spectroscopy products, additive manufacturing systems and neurological products.

Profit and loss details for the new segments will be provided in the week following the FY2025 full-year results announcement (in September 2025), including FY2024 and FY2025 historic performance.

For more information, see pages 9 and 34.

2 Division of responsibilities continued

Composition and commitment of the Board

The Governance Code recommends that at least half of a board, excluding the chair, should comprise independent non-executive directors. From 1 July 2024 to 8 December 2024, the Board comprised 10 Directors: two Executive Directors in addition to the Interim Non-executive Chair and seven Non-executive Directors, four of whom are considered to be independent. With effect from 9 December 2024, the Board comprises nine Directors: two Executive Directors, the Interim Non-executive Chair and six Non-executive Directors, four of whom are considered to be independent.

Catherine Glickman, Juliette Stacey, Stephen Wilson and Professor Dame Karen Holford are the Non-executive Directors considered to be independent in character and judgement, and there are no relationships or circumstances that are likely to affect their judgement.

Sir David Grant's tenure

Before Sir David Grant's appointment as Interim Non-executive Chair, the Nomination Committee conducted a rigorous review of Sir David Grant's independence, effectiveness and commitment given his service as an Independent Non-executive Director for more than 12 years. Sir David did not participate in these discussions. Following recommendation by the Nomination Committee, the Board concluded that Sir David continued to be independent in character and judgement, and there were no relationships or circumstances that are likely to affect, or could appear to affect, his judgement. The Board believes that it remains in the best interests of the Company for Sir David to continue as Interim Non-executive Chair. The Board also recognises the benefits of his extensive knowledge of the Company and expertise in engineering, which will provide continuity and stability during a period of Board appointments and departures. Sir David will also be able to serve as a mentor to the newly appointed Directors, support the recruitment of a new independent Chair, and help ensure a smooth transition to that Chair once appointed.

When Sir David McMurtry informed the Board of his intention to step down as Executive Chairman of the Company in 2024, the Board concluded that it was in the best interests of the Company for Sir David Grant, as Senior Independent Director, to remain on the Board as Interim Non-executive Chair to provide continuity and facilitate succession planning. As noted in last year's Annual Report, the Nomination Committee conducted a rigorous review of Sir David Grant's independence, effectiveness and commitment before his appointment as Interim Non-executive Chair. In light of this assessment, Sir David Grant was considered to be independent on appointment as Interim Non-executive Chair for the purposes of provision 9 of the Governance Code.

Sir David has now served on the Board for more than 13 years. Renishaw continues to search for a new permanent independent Chair and anticipates that Sir David will step down from the Board once the appointment is made and following an appropriate handover period. In addition to searching for a new Chair and Independent Non-executive Director, the Board continues to actively consider succession plans more generally.

This year's internal Board performance review concluded that the Board remains effective. More details can be found on page 81.

The terms of appointment of the Non-executive Directors set out the expected time commitment, as well as the requirement to discuss any changes to other significant commitments with the Chair and Chief Executive Officer in advance. The terms are available for inspection at the Company's AGM and its registered office on written request.

Neither of the Executive Directors holds a directorship in a FTSE 100 company.

The Board considers that Renishaw's Non-executive Directors demonstrate commitment to their roles and dedicate sufficient time to their Company duties. Each of the Independent Non-executive Directors provides support to the Board, particularly on areas related to their skills and experience, which for Catherine Glickman is HR matters, for Juliette Stacey is finance, for Stephen Wilson is the software sector, global business and investor relations, and for Professor Dame Karen Holford is engineering and research and development. More details of their contribution, skills and experience are summarised in their biographies on pages 62 to 63.

Senior Independent Director and Non-executive Directors

Sir David Grant was Renishaw's Senior Independent Director before taking on the role of Interim Non-executive Chair on 1 July 2024. The Board believes it is not in the interests of shareholders or the Company to appoint an interim Senior Independent Director and that this matter should be left to the new Chair once they are appointed. In the meantime, Sir David remains available to discuss material concerns with shareholders, or, where this channel has failed to resolve concerns or this contact is inappropriate, the Company Secretary, who will direct them to the appropriate Director.

During the year, the Non-executive Directors and Interim Non-executive Chair met without the Executive Directors on several occasions in private sessions to discuss performance, corporate governance and other matters. The Independent Non-executive Directors also regularly met in private sessions without the other Directors present.

Division of responsibilities

There was a clear division of responsibilities at Board level throughout FY2025. This ensured that there was an appropriate balance of power and authority, so there is no one person with unfettered powers of decision-making. The Board and Executive Committee each meet on a regular basis to make decisions of significance to our business segments and review management actions.

You can find written statements of our Chief Executive Officer's and Chair's key responsibilities on our website at www.renishaw.com/corporategovernance.

Director development

The Company offers its Directors the opportunity to attend formal training courses regarding their duties. The Company also provides them with guidance notes, papers and presentations on changes to law and regulations, as appropriate. Non-executive Directors are invited to attend internal events, which are a great way to keep up to date with product development and marketing initiatives. These events are also an opportunity for the Non-executive Directors to engage with business units and functions.

This year, members of the Board received two external training sessions. The first, from Herbert Smith Freehills Kramer LLP, covered updates on audit and corporate governance, reforms to the UK listing regime and recent developments in directors' duties. The second training session was led by UBS and covered relevant updates on investor relations and market sentiment.

Business leaders (including from the finance and legal functions, product groups and sales regions) give regular presentations at Board meetings to update the Directors on their areas of responsibility, including updates regarding products, performance and business strategies. These also give the Directors the chance to discuss latest developments, and current and future initiatives.

As a new Director who has joined us this year, Richard McMurtry was given a tailored induction pack and bespoke induction programme. This induction included subsidiary and site visits, as well as briefings by both senior managers and external advisers. Camille Deer's programme is now in progress. As part of our continuing development programme, we also offer opportunities to attend external trade shows as well as overseas subsidiary visits.

Information and support

Board members receive business updates, financial information and forecasts with relevant commentaries in advance of each Board meeting. These allow the Directors to review financial performance, current trading and key business initiatives. Directors also have access to the Company Secretary, who advises the Board on all governance matters. Where necessary, the Directors have access to independent professional advice, at the Company's expense, to discharge their responsibilities as Directors. The Company maintains liability insurance for the Directors and officers and has entered into indemnities, as disclosed in Other statutory and regulatory disclosures on page 102.

3 Composition, succession and evaluation

Nomination Committee

A description of the membership and activities of the Nomination Committee, as well as the Board's commitment to diversity, can be found on pages 77 to 82.

Election and re-election of Directors

In accordance with the Governance Code, all the Directors retire from the Board at each AGM and continuing Directors offer themselves for re-election or, in the case of any Director who was first appointed to the Board since the last AGM, election to office.

4 Audit, risk and internal control

Audit Committee

A description of the membership and activities of the Audit Committee is set out on pages 83 to 88.

Financial and business reporting

The respective responsibilities of the Directors and auditor in connection with the Financial statements are set out in the Directors' responsibilities section on page 106 and the Independent Auditor's Report on pages 108 to 118.

Risk management and internal control

The Board is responsible for risk management and internal control, and for reviewing the effectiveness of these systems. The Group has an established process for the review of business risks throughout the Group, which includes the Risk Committee. More information on Renishaw's risk management and internal controls can be found in the Risk management section on pages 15 to 19. Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only give reasonable, but not absolute, assurance against material misstatement or loss.

The Board has conducted a robust assessment of the principal and emerging risks that Renishaw faces, including those that would threaten the Group's business model, future performance, solvency or liquidity. Renishaw's principal risks and uncertainties can be found on pages 20 to 23. The Board is satisfied that there is an ongoing process for identifying, evaluating and managing the significant risks that the Group faces. This is regularly reviewed and accords with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Board verifies that necessary action has been or is being taken to remedy any significant failings or weaknesses identified from its review.

The Group has defined lines of responsibility and delegation of authorities. The Group also has established and centrally documented control procedures, including approvals of capital and other expenditure, information and technology security, and legal and regulatory compliance.

The Internal Audit function helps to give independent and objective assurance on the operation of the controls it tests. The Group Internal Audit Manager attends Audit Committee meetings to present annual internal audit plans and the results of such audits. The Audit Committee monitors actions on an ongoing basis.

The Board ensures that the Group has effective internal controls over the financial reporting and consolidation processes. Monthly accounts and forecasts are made available to the Board for review. The Internal Audit function reviews financial controls and management accounts.

The Board reviews the effectiveness of the system of internal controls, including via the Audit Committee. It receives regular reports from the Internal Audit function, external auditors and other advisers, and carries out an updated risk and controls analysis every year. The review covers material controls, including financial, operational and compliance controls, and risk management systems.

The Audit Committee has regularly received updates on the UK Government's audit and governance reforms, and management's work to respond to these changes. During the year, management focused on improving and standardising risk and controls documentation.

Going concern

The Directors have assessed the Group's position as a going concern and updated the assessment before signing this report. The Board considered the Group's forecast profits and cash flows for the period from the date of approval of the Annual Report to 30 September 2026. The Board is satisfied that the Group has adequate resources to continue operating as a going concern for the foreseeable future, and that no material uncertainties exist with respect to this assessment. The Board therefore considers it appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements. For further information see pages 86 and 127.

Viability statement

The Board approved the Company's viability statement on page 24.

5 Remuneration

The methods used to apply the Governance Code principles relating to remuneration are set out in the Directors' Remuneration Report. A description of the membership and activities of the Remuneration Committee is set out on page 91.

Compliance statement

The Board considers that it has complied with the provisions of the Governance Code throughout FY2025 except in relation to the following matters:

— Provision 19 (that the chair should not remain in post beyond nine years from the date of their first appointment). Sir David Grant, appointed on 1 July 2024 as Interim Non-executive Chair, has served on the Board since April 2012. The Board concluded that it was in the Company's best interests for Sir David to take on this role to provide continuity and stability during a period of recent appointments to and departures from the Board and to support succession planning. In addition to his deep understanding of the Company's business and history, Sir David will be able to serve as a mentor to newly appointed Directors, support with the recruitment of a new independent Chair, and help ensure a smooth transition to that Chair once appointed. As noted on page 74, the Nomination Committee conducted a rigorous review of his independence, effectiveness and commitment before his appointment as Interim Non-executive Chair.

— Provision 11 (that at least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent). From 1 July 2024 to 8 December 2024, the Board comprised nine Directors (excluding the Chair) and included four Non-executive Directors whom the Board considered to be independent, or 44% of the Board excluding the Chair. From 9 December 2024 to 31 August 2025, the Board comprised 50% Independent Non-executive Directors and, following Camille Deer's appointment as a Director on 1 September 2025, the Board comprised 44% Independent Non-executive Directors. The Board considered its composition to be appropriate in light of succession plans and that at all times there was sufficient Independent Non-executive Director oversight on the Board. As noted in the Nomination Committee Report on pages 77 and 81 to 82, Renishaw continues to search for both a new Chair of the Board and Independent Non-executive Director.

— Provision 12 (that the Board should appoint one of the independent non-executive directors to be the senior independent director). As noted on page 74, during the year there was no Senior Independent Director in post because of the Board changes that took place in 2024. It is the Board's intention to appoint a Senior Independent Director once a new Chair is in post.

Sir David Grant
Interim Non-executive Chair

17 September 2025

Nomination Committee Report

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 30 June 2025.

The year in review

The Committee has been working closely with external search consultants to identify suitable candidates for the appointment of an independent Chair of the Board, a role I have held on an interim basis since July 2024. We are also seeking an additional Independent Non-executive Director. The independent Chair appointment will be key to maintaining the culture and values instilled by Sir David McMurtry and John Deer, as well as navigating with the Board the many opportunities and challenges over the coming years.

Together with Will Lee and Catherine Glickman, I have met a number of potential candidates for the Chair role and we remain confident of making appointments in FY2026.

Board succession and founder family continuity

Richard McMurtry was appointed as a Non-executive Director on 1 July 2024 on the recommendation of the Committee and has taken part in a personalised induction programme throughout the year. In July 2025, John Deer stepped down as Deputy Chair, but he remains as a Non-executive Director. As announced on 13 August 2025, I am pleased to welcome John Deer's granddaughter, Camille Deer, as an additional Non-executive Director, who joined the Board on 1 September 2025. Camille brings experience in intellectual property, innovation pipeline and risk management from her other appointments in areas outside of Renishaw's core business interests. Camille's and Richard's appointments demonstrate the continued commitment of the founding families to the future of Renishaw.

As I explain in more detail in my introduction on page 4, after a career of over 46 years with Renishaw, Allen Roberts has agreed with the Board that he will step down from his position as Group Finance Director and will not stand for re-election at the upcoming AGM on 26 November 2025. A process has commenced to recruit a Chief Financial Officer.

Following the appointments of the new independent Chair, Chief Financial Officer and Independent Non-executive Director, the Committee will consider the continuing composition of the Board.

Board diversity

The level of gender diversity at the Board has remained steady, with the percentage of directors who are women being 33% (as at 30 June 2025). This has increased to 40% following the change to the composition of the Board on 1 September 2025, meaning we have reached the UK Listing Rules target of 40% female directors. As part of our searches for a new independent Chair, Independent Non-executive Director and Chief Financial Officer, we will ensure candidates from broad and diverse backgrounds are included in shortlists while continuing to appoint on merit against objective criteria.

Priorities for FY2026

Over the coming year, our focus will be on:

- continuing our searches for a new independent Chair and Independent Non-executive Director;
- conducting the search and making an appointment for a new Chief Financial Officer;
- maintaining focus on succession plans for senior management and developing the pipeline of future talent;
- monitoring the diversity initiatives and progress against our diversity targets for the Board and senior management; and
- conducting an external Board performance review and reviewing the Board composition and skills, backgrounds and experience.

Sir David Grant
Chair of the Nomination Committee

17 September 2025

Nomination Committee Report continued

Role and responsibilities

The Committee operates under terms of reference, which were reviewed this year and are published on Renishaw's website at www.renishaw.com/corporategovernance. The Committee is primarily responsible for:

- reviewing the size, structure and composition – including the balance of skills, knowledge, experience and diversity – of the Board and its Committees (taking into consideration the outcome of the Board performance review), and recommending changes to the Board, as appropriate;
- overseeing succession planning for the Board and other senior management. In doing so, it considers how to create a pipeline for succession that promotes diversity, inclusion and equal opportunity. The Committee also takes into account the leadership skills and expertise required in the future to achieve the Group's strategic goals;
- recommending to the Board its policy on equality, diversity and inclusion (EDI) as it applies to the Board and its Committees, its objectives, appointments and its link to strategy;
- leading the process for new Board appointments and nominating candidates for appointment; and
- reviewing the performance of, and making recommendations to the Board on, the re-election of Directors at the AGM.

Members and attendance

The Committee has been chaired by Sir David Grant since 1 July 2024. The other four members are the Independent Non-executive Directors. Only Committee members are entitled to attend meetings, although the Committee Chair regularly invites Will Lee to attend, unless discussions are due to take place on his role. The Committee met on five occasions during FY2025. Attendance for each of the members at these meetings is set out in the table below:

Committee member	Attended
Sir David Grant (Chair)	5/5
Catherine Glickman	5/5
Juliette Stacey	5/5
Stephen Wilson	5/5
Professor Dame Karen Holford	5/5

Key activities

The Committee's key areas of focus during FY2025 included:

Skills assessment and succession planning

- Reviewed the structure, size and composition of the Board and its Committees.
- Continued searches for a new independent Chair of the Board and additional Independent Non-executive Director.
- Oversaw the induction of Richard McMurtry.
- Considered and recommended that the Board approve the appointment of Camille Deer as a Non-executive Director.
- Recommended the reappointments of Juliette Stacey, Stephen Wilson and John Deer.
- Considered succession planning for the Board, Executive Committee and senior management.
- Reviewed talent and succession plans for key senior operational and executive roles.

Governance

- Reviewed the Committee's terms of reference.
- Reviewed the time commitment required of the Non-executive Directors and evaluated whether sufficient time was being committed to deliver their duties.
- Assessed the independence of each Non-executive Director, agreeing that all Non-executive Directors (excluding John Deer, Richard McMurtry and Camille Deer) were independent.
- Recommended the re-election of each Director due to retire at the 2024 AGM.
- Approved an increase to the aggregate fee cap of Directors' fees.
- Reviewed and approved the FY2024 Nomination Committee Report.

Board performance review

- Monitored the implementation of the improvement plan arising from the FY2024 Board performance review.
- Arranged the FY2025 internal Board performance review.
- Reviewed the results of the performance review in relation to the Committee's own performance, and any items relating to the composition of the Board and succession planning.

Board composition

The Committee has considered the composition of the Board, including the tenure and independence of the Non-executive Directors as well as the make-up of skills and experience. Following this review, and considering the ongoing recruitment for a new Chair and Independent Non-executive Director, the Committee believes there is a healthy mix of tenure lengths that balance experience with fresh perspectives. The Committee is aware of the value that independent non-executive directors bring and that a lack of independence can raise the risk of being less attuned to stakeholder expectations and less able to challenge management. Before Richard McMurtry's appointment to the Board, which resulted in less than half of the Board consisting of Independent Non-executive Directors from 1 July 2024 to 8 December 2024, the search for an additional Independent Non-executive Director had already begun. The Committee will evaluate the need for an additional Independent Non-executive Director once a permanent Independent Chair is appointed.

Time commitments

The Committee recognises the importance of all the Directors having the time needed to perform their roles effectively and avoiding overboarding. At its meeting held in August 2025, the Committee reaffirmed the expected time commitment for non-executive roles and considered the external commitments of the Directors, including the number and nature of the roles. The Committee also considered the external commitments of Richard McMurtry and Camille Deer before their appointments. The Committee concluded that the Directors were dedicating sufficient time to their roles, as evidenced by their Board and Committee attendance record, time spent mentoring senior management and, in the case of Catherine Glickman, engaging with employees. A register of Directors' external commitments is also maintained by the Company, which is periodically reviewed throughout the year.

Diversity

The Committee appreciates the benefits that all forms of diversity, including those beyond gender and ethnicity, can bring to the discussions and decision-making of the Board and its Committees through wide-ranging perspectives and experience. Increasing Board diversity is therefore something the Committee remains committed to. The Group's EDI Policy and standards are applied when reviewing the composition of the Board and its Committees, overseeing succession planning, recommending changes to the Board and Senior Leadership Team, and nominating candidates for appointment. Recruitment consultants hired by the Company to find candidates for senior positions, including those currently engaged in the search for a new Chair, Independent Non-executive Director and Chief Financial Officer are chosen on the basis that they will present a diverse list of candidates, including women and people from ethnic minority backgrounds.

Under Renishaw's EDI Policy, the Board is responsible for developing a diverse pipeline for succession to senior management roles, which it does with the help of the Committee, and for targeting greater diversity at Board level, having regard to the three targets set out in the UK Listing Rules (UKLR). The Committee recognises that for the engineering sector to achieve its full potential, it is important that it mirrors the society in which it operates. The Committee will continue to focus on improving all forms of diversity at senior management level across the Group and monitor the EDI initiatives taking place throughout the Group, including policies to support a diverse intake into the industry. Renishaw's approach to diversity across the Group more widely, including the EDI Policy and diversity initiatives undertaken throughout the year, are set out on pages 46 to 47.

Gender representation of the Board and executive management as at 30 June 2025

Gender identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	67	3	5	83
Women	3	33	–	1	17
Not specified/prefer not to say	–	–	–	–	–

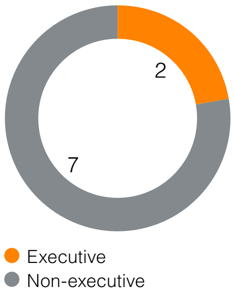
Ethnic representation of the Board and executive management as at 30 June 2025

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	100	3	5	83
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	1	17
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

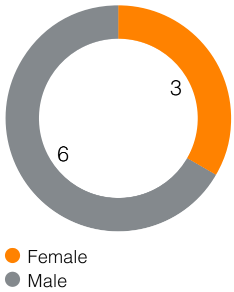
Nomination Committee Report continued

Information regarding Board members (as at 30 June 2025)

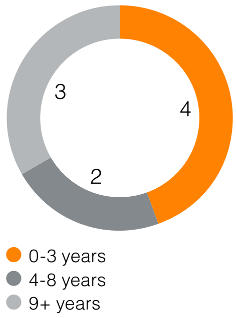
Role



Gender



Tenure



For the purposes of the UKLR, the gender identity and ethnic background of the Board and executive management (as at 30 June 2025) is reported in the tables on page 79. The data was collected by a combination of pre-existing internal records and asking each member of the Board and executive management to indicate their gender and ethnicity according to the categories presented in the tables. References to executive management include the members of the Executive Committee (including the Executive Directors). The terms used in the UKLR map to the Company's roles as follows: CEO is the Chief Executive Officer, CFO is the Group Finance Director and SID is the Senior Independent Director.

Board diversity

As shown in the table on page 79, the Company had not yet met the UKLR's targets of 40% women, having one of the senior Board positions (Chair, Chief Executive Officer, Senior Independent Director or Group Finance Director) held by a woman, and having a director on the Board from a minority ethnic background. However, following the change to the composition of the Board that took place on 1 September 2025, the proportion of women on the Board increased to 40%, meeting the first UKLR target referenced above. The Committee remains committed to ensuring candidates from broad and diverse backgrounds (including candidates who may not have prior listed-company experience) are included in shortlists in current and future recruitment searches, including those searches for a new Chair, Chief Financial Officer and Independent Non-executive Director, while continuing to appoint on merit against objective criteria. This helps ensure the Board has the right skills, knowledge, experience and diversity of perspective that enable it to effectively discharge its responsibilities and achieve the Company's strategic targets. By ensuring a diverse range of candidates are included on shortlists for Board appointments, the Committee is hopeful that the Board will align with all the UKLR's targets in due course. The Committee believes that the current Directors bring a diverse range of perspectives, and that they continue to fulfil their roles effectively considering their experience, skills and competencies.

Senior management diversity

As shown in the table on page 79, as at 30 June 2025 the proportion of women on the Executive Committee increased to 17% and the ethnicity representation on the Executive Committee also increased to 17%. Senior management, being the Executive Committee (including Executive Directors) and their direct reports (excluding those in administrative or non-managerial roles), is made up of 32 men and 9 women (22%), representing a decrease of 4% compared to last year. UK-based senior management consisted of 35 people, of whom 1 (3%) self-identified as being of an ethnic minority.

As reported last year, Renishaw has set a target of 40% women in senior management across the Group by December 2027, and, in line with the new Parker Review recommendations, an ethnic-minority target of 10% of UK-based senior management to be met by December 2027. A number of initiatives have taken place this year to help make progress against these targets, including focusing on women in engineering in the first of our new employee listening sessions. In all, 30 women attended the sessions, alongside our Chief Executive Officer, Group Human Resources Director and two of our Non-executive Directors, during which they discussed their experiences of working for Renishaw and how the Company can attract more women. These targets are also part of our ESG strategy, which is monitored by the ESG Steering Committee and will be assessed by the Nomination Committee when considering succession plans and any recruitment activities. It is hoped this increased focus and greater accountability at various levels of the business will result in more diversity in our senior management in the coming years.

Key findings from the FY2024 Board performance review

	Succession planning and diversity	Board interaction with senior management	Investor relations
Actions for FY2025	Continue succession planning for the Board with a focus on improving diversity.	Create opportunities for senior management to engage more formally with the Board.	Continue to build understanding with institutional investors and receive more regular updates from brokers.
Progress made in FY2025	Search for a new Chair and Independent Non-executive Director has progressed, with shortlists containing a diverse range of candidates. More work has been carried out on Executive Director succession.	The Chair met with members of senior management, while our three regional sales Presidents met with the Board in March 2025. Both the Chair and Catherine Glickman met with senior management earlier in the year in addition to Board visits to Pliezhausen, Germany and Miskin, UK.	The Board received investor relations reports on a regular basis from UBS and Peel Hunt and arranged for them to attend select Board meetings as required.

FY2025 Board performance review

	Strategy	Culture and workforce engagement	Board composition
Actions for FY2026	Hold two strategy sessions annually, using external facilitators where appropriate.	Non-executive Directors to have higher levels of workforce engagement through an increased number of communication sessions.	Focus on broadening the range of skills and expertise on the Board as part of new Director recruitment.

Board performance review

The Board conducts an annual review of its performance and effectiveness to identify opportunities for improvement. Following an external review in FY2023, this year's review was conducted internally. In line with the Governance Code, the next external review will take place next year.

Progress on key findings from the FY2024 review

The 2024 Annual Report reported on the FY2024 internal Board performance review. Progress on the main outcomes is outlined in the table above.

FY2025 Board performance review

This year the Board undertook another internal performance review on the same basis as in FY2024, with support from the Group General Counsel & Company Secretary. The performance review covered the Board, its Committees, the Chair and the individual Directors and the recommendations were made to the Board.

The first part of the performance review consisted of a written questionnaire completed by each Director and members of the Executive Committee. The questions related to the effectiveness of the Board and its Committees; they were based on last year's questions and answers to highlight areas of improvement and included some additional topical matters. The Chair also held one-to-one discussions with each of the Non-executive Directors regarding their own individual performance. Answers to the questionnaires were then anonymised and aggregated, before forming the basis of a facilitated roundtable discussion where comprehensive minutes were taken.

To help ensure the performance review was as effective, formal and rigorous as possible, each Director was given the option to have a pre-meeting with the Group General Counsel & Company Secretary to air any concerns they may have been uncomfortable raising in the roundtable discussion. Any such concerns were then raised anonymously by the Group General Counsel & Company Secretary during the roundtable discussion.

The outcomes of the performance review were discussed at a Board meeting later in the year, where it was concluded that the Board remains effective. The areas noted in the table above were highlighted as opportunities to continue to enhance Board performance. An action plan was compiled and agreed by the Board in August 2025 based on the performance review's recommendations. The Group General Counsel & Company Secretary is responsible for tracking these actions and reporting back to the Board periodically on progress made.

Succession planning

Succession planning, both for the Board and senior management, has been a priority for the Committee this year. With regard to the Board, the focus has been on the ongoing recruitment for a new Chair and Independent Non-executive Director.

Following Allen Roberts' agreement with the Board to step down from his position as Group Finance Director and not stand for re-election at the upcoming AGM, a process has commenced to recruit a Chief Financial Officer.

Having put in place diversity targets for senior management last year, the Committee has increased its focus on improving the diversity of the talent pool. With the help of the Chief Executive Officer, the Committee has been reviewing succession plans and leadership development initiatives for the Executive Committee and the senior management pipeline. This has led to identifying development areas and individuals who show potential as possible future leaders.

In reviewing the length of each Director's tenure, the Committee was mindful that several Directors have held their positions for significant periods of time. This was taken into consideration when looking at succession plans. Despite Sir David Grant having served on the Board since April 2012, the Board considers it in the Company's best interests for him to continue as Interim Non-executive Chair while the search for a new independent Chair is completed. Sir David's deep understanding of the Company's business and history will provide essential continuity and stability during a period of recent appointments to and departures from the Board. He will also be able to serve as a mentor to the newly appointed Directors, support the recruitment process for the new independent Chair, and help ensure a smooth transition to that Chair once appointed. His experience will also underpin informed, balanced decision-making that takes account of the interests of key stakeholders, enabling the Board to remain focused on delivery of its strategic objectives.

The Committee plans to conduct a skills assessment of the Board once the new independent Chair, Independent Non-executive Director and Chief Financial Officer have been appointed. This will allow the Committee to understand the balance of skills, experience and attributes that are on the Board and where these could be strengthened.

Board appointment process

The Board has an established process for identifying and evaluating candidates for appointment to the Board and senior management roles. Equally, Board and senior management appointments are subject to the principles set out in the EDI Policy, which formalises the Group's commitment to diversity at all levels (more information on this policy is set out on page 79). The EDI principles, as set out in the policy, are discussed with recruitment consultants to ensure they take account of its provisions when preparing a longlist of candidates for discussion.

These established processes are being used to support the recruitment of the new independent Chair, Independent Non-executive Director and Chief Financial Officer. Spencer Stuart is the external consultant engaged to support the recruitment process for the Chair and Kingsley Gate is engaged to support the recruitment of the Independent Non-executive Director. Considering the importance of the Chair appointment, Spencer Stuart was invited to visit Renishaw's New Mills office to meet with members of the Board to help refine the candidate profile. Neither Spencer Stuart nor Kingsley Gate has any other connection with the Company or with individual Directors.

An external search consultancy was not used in connection with the appointments of Richard McMurtry or Camille Deer. Also our standard procedure for Board appointments was adapted for their appointments. The Nomination Committee carefully considered these appointments and concluded that their judgement and experience would add value to the Board and its discussions.

Information regarding the inductions for Richard and Camille is set out on page 75. All Non-executive Directors are appointed to the Board for an initial three-year period subject to annual performance review and re-election by shareholders at the AGM.

Sir David Grant
Chair of the Nomination Committee

17 September 2025

The Committee's standard procedure for Board appointments includes the following steps

1. Engaging external recruitment consultants to assist with the recruitment
2. Appointing a subcommittee of the Board to oversee the process
3. Evaluating the balance of skills, knowledge, experience and diversity on the Board, including considering the skills and experience required of the candidates
4. Agreeing role specifications for the proposed appointment
5. Consultants reviewing a longlist of candidates and reducing to a shortlist
6. Reviewing a shortlist of diverse candidates provided by the consultants
7. Interviewing the candidate or candidates who best fit the role specification against objective criteria, with due regard to the benefits of diversity on the Board
8. Inviting the preferred candidate to meet the whole Board
9. Recommending the preferred candidate to the Board
10. Preparing a bespoke induction programme based on the individual's role and experience

Audit Committee Report

Introduction

On behalf of the Board, I am pleased to present the Audit Committee Report for FY2025.

The Committee's annual work plan took into consideration the Group's financial plan within the context of the ongoing mixed trading environment and a plan to deliver significant change and improvements to the Group's finance function, alongside the finance team's continuing input to the Microsoft Dynamics 365 roll out project.

The Committee was involved in both challenging and supporting the proposals for realigning and consolidating elements of the global finance function and welcomed the overall updated global finance strategy, which focuses on the quality of our financial reporting and control, the efficiency of our operations, and the impact of our business partnering.

We continued to review management's approach to financial reporting, including through a review of significant accounting policies. In particular, we focused on inventory accounting and tax provisioning, which can be particularly complex areas, and the impact of business restructuring and cost reduction measures.

Progress was made during the year on further developing the Group's internal control framework and embedding accountability throughout the organisation. The Committee feels that this work is now better understood and resourced across the business, and we will be monitoring its continued implementation in FY2026.

The Committee also welcomed the evolution of the Internal Audit strategy. This included a road map for widening the scope of the Group Internal Audit function to increase the cover of the Group's risks, a focus on key financial controls and migration of testing to the Group Internal Controls team, and concise risk-based reporting to stakeholders.

I continue to work closely with our lead audit engagement partner and was satisfied with the effectiveness of the external audit during the year.

We expect the progress made in our control environment to position us well in FY2026 as we test our readiness for the enhanced reporting on material controls required from FY2027.

I will be attending the AGM on 26 November 2025 and look forward to answering any questions about the work of the Audit Committee.

Juliette Stacey
Chair of the Audit Committee

17 September 2025

The role of the Committee and how it works

The Audit Committee has an important role in providing assurance of effective internal controls and financial reporting on behalf of the Board and shareholders. The Committee fulfils this role by focusing on:

- external reporting, including the Annual Report;
- the risk management and internal control framework;
- the internal audit process; and
- the external audit process.

The Committee's relationship with the Board is an important part of how it fulfils its responsibilities, and the Board receives regular and timely reports from the Committee Chair on the above activities.

An overview of the Committee's work in these areas during the year is set out above and its terms of reference can be found at www.renishaw.com/corporategovernance.

Committee membership

The Committee members are the Independent Non-executive Directors. The Board considers that, as a whole, the Committee has competencies relevant to Renishaw's sector and finance to fulfil its responsibilities, including relevant professional qualifications and experience in senior finance roles. The Independent Non-executive Directors' biographies can be found on pages 62 to 63.

The Audit Committee was advised internally this year by the Group General Counsel & Company Secretary. The Deputy Company Secretary acts as secretary to the Committee.

Committee meetings

Committee member	Attended
Juliette Stacey (Chair)	5/5
Catherine Glickman	5/5
Professor Dame Karen Holford	5/5
Stephen Wilson	5/5

Committee effectiveness

The effectiveness of the Audit Committee formed part of the Board performance review described in the Nomination Committee Report on pages 81 to 82.

Audit Committee Report continued

Key activities

External reporting, including the Annual Report	Risk management and internal control	Internal audit	External audit
— Reviewing the Annual Report, Interim Report and trading updates before publication. — Discussing management's assessment of significant judgements, estimates and financial reporting topics (as explained in more detail on the next two pages) and challenging management's view. — Assessing whether the Annual Report is fair, balanced and understandable. — Reviewing the assumptions and financial modelling for the viability and going concern assessments.	— Reviewing the Risk Committee's assessment of principal and emerging risks. — Assessing and approving management's updated Group internal control framework. — Reviewing the effectiveness of internal controls. — Reviewing management's work on improving the design and operation of financial controls, including the introduction of Microsoft Dynamics 365.	— Assessing and approving the updated Internal Audit strategy. — Agreeing the scope and resourcing of Internal Audit's work. — Evaluating Internal Audit's findings and monitoring the responses from management. — Conducting a review on the effectiveness of Internal Audit.	— Reviewing EY's audit plan, including its scope and methodology, ahead of the FY2025 audit. — Discussing with EY its progress and findings throughout the audit. — Conducting a review on the effectiveness of EY and its audit process. — Reviewing any non-audit services and the corresponding policy.

External reporting

The Committee regularly reviews significant financial reporting issues and judgements made in preparing the financial statements, preliminary announcements and trading updates. The Committee also carefully considers the full Annual Report. In all instances, the Committee provides its opinion to the Board and makes recommendations for approval as appropriate, in line with its terms of reference.

The Committee's work this year on these areas of external reporting is set out below.

Significant accounting judgements and estimates

Cash flow hedges

Description	Our review and conclusions
Most of the Group's sales are generated outside the UK. This means most invoices to, and payments from, customers are in foreign currency. Forward currency contracts are therefore used to manage the effect on revenue of movements in the Group's three most significant trading currencies. Where these contracts are designated as hedges of future cash flows (and so intended by management to be eligible for hedge accounting), the hedged item is a layer component of forecast sales transactions. Management needs to estimate both 'more likely than not' and 'highly probable' revenue forecasts to determine the correct accounting treatment. If contracts are no longer eligible for hedge accounting, future movements in the fair value of these contracts would be recognised through the Consolidated income statement, rather than Other comprehensive income and expense.	Management presented revenue forecasts, including 'more likely than not' and 'highly probable' levels, at Board meetings. We discussed the rationale for the 'more likely than not' and 'highly probable' levels, and the assumptions used in generating the forecasts. We also confirmed with management that it used these Board approved forecasts to support the hedge accounting treatment, and agreed with management's conclusion that the contracts designated as hedges of future cash flows were eligible for hedge accounting.

Research and development projects

Description	Our review and conclusions
The Group undertakes a significant amount of R&D work each year, and two key decisions are needed to determine the appropriate accounting treatment for related costs. The first decision is a judgement as to whether expenditure during the year on R&D activities meets the requirement for this expenditure to be capitalised. The second decision, for projects that have met the criteria for capitalisation, is to estimate the discounted future cash flows of the project and compare this to its capitalised development costs. If the future cash flows are lower than the capitalised development cost, an impairment should be recognised.	We reviewed the costs of the projects capitalised in the year, and agreed that they had been capitalised at the appropriate point in their development. We also reviewed the discounted future cash flows for these projects and the ones that had previously been capitalised, together with the key assumptions behind these forecasts. We then reviewed the headroom between the capitalised costs and the discounted future cash flows, and agreed with management's assessment that an impairment of £1.8m was needed for two projects given reductions in their expected future cash flows.

Goodwill

Description	Our review and conclusions
Where the Group recognises goodwill from the acquisition of a business, an estimate of the discounted future cash flows of this business (representing a 'cash-generating unit') is needed. This is compared to the carrying value of goodwill, to identify whether an impairment to goodwill is needed. At 30 June 2025, goodwill totalled £10.9m.	There are three main cash-generating units (CGUs) for which goodwill is recognised, relating to the acquisitions of itp GmbH, Renishaw Mayfield S.A. and Renishaw Fixturing Solutions LLC. We reviewed the discounted future cash flows for these CGUs, and the key assumptions behind these forecasts. Included in this was a review of management's previous forecasts and how they compared to actual results. We then reviewed the headroom between the capitalised costs and the discounted future cash flows, and agreed with management's assessment that no impairment was needed.

Inventories

Description	Our review and conclusions
The Group holds a significant amount of inventory (£159.5m at 30 June 2025). Estimates of future demand are used to determine the provision needed for slow-moving and potentially obsolete inventory, so that inventory is appropriately valued at the lower of actual cost and net realisable value. At 30 June 2025, the inventory provision was £29.4m.	We reviewed the year-end provision in both absolute terms and as a proportion of gross inventory, and also compared this to previous periods. We also challenged differences between subsidiaries and asked management to provide more detailed reporting and analysis to understand differences. Overall, we concluded that the provision was appropriate.

Uncertain tax positions

Description	Our review and conclusions
The Group is subject to a range of tax legislation that varies by jurisdiction and can be complex, while there can be uncertainties arising from tax-related case law. There are cases where judgement needs to be applied whether to recognise a tax liability.	We reviewed management's assessment of tax risks and conclusions on uncertain tax positions, and discussed management's tax governance framework. We also reviewed where external advisors were used to ensure that management had sought appropriate advice. We agreed with management's assessment that provisions for tax liabilities of £9.2m were required, with an additional £4.9m in interest thereon.

Audit Committee Report continued

Defined benefit (DB) pension schemes	
Description	Our review and conclusions
To determine the value of the defined benefit (DB) pension schemes' liabilities, management needs to estimate the present value of the future obligations. Assumptions of discount rates, inflation rates and mortality rates are used in this estimate and are determined by management in consultation with independent actuaries. Management also needs to determine the appropriate accounting treatment for past service costs.	We reviewed the assumptions of discount rates, inflation rates and mortality rates, including the movement in these since FY2024. We also confirmed with management that these assumptions had been determined in consultation with independent actuaries. We also reviewed management's accounting treatment for matters that may affect past service costs, including discussing professional advice obtained by management. We agreed with management's conclusion that: — a contingent liability should be disclosed relating to a court case in the UK relating to contracted-out DB rights; and — a contingent liability should be disclosed relating to the potential liabilities arising from a defined contribution-underpin drafting issue in the UK DB scheme trust deed. During the year, a pension scheme which was believed to be a defined contribution scheme was found to be a defined benefit scheme. The Committee reviewed management's new treatment of the German pension scheme and agreed with the conclusion that it is a defined benefit scheme and a prior period error. The Committee also challenged management on the root cause of this issue and believe that this is a nuanced and isolated matter.

Employee benefits	
Description	Our review and conclusions
During the year, management introduced an operating cost reduction programme, which included redundancy programmes in the UK and Ireland. Judgement was needed to determine when any associated termination payments to employees should be recognised.	We reviewed management's assessment of the termination payments, including reviewing differences in the accounting considerations depending on location, timing, and type (i.e. voluntary or compulsory redundancy). We agreed with management's assessment that the termination benefits should be recognised in FY2026.

Adjusting items in Alternative Performance Measures (APMs)	
Description	Our review and conclusions
The Group's APM policy allows for specific items to be excluded from APMs, and also for other 'infrequently occurring events' that can significantly affect profit and earnings. This year, management needed to apply significant judgement in determining which items should be 'adjusted for' in the APMs.	We reviewed management's treatment of significant events during the year, including whether they were 'infrequently occurring' and whether they significantly affect profit and earnings. We also reviewed whether the adjusting items met the principles of the Group's APM policy. We agreed with management's assessment, with the 'adjusting items' shown on page 159.

Going concern and viability

The Committee reviewed the financial modelling undertaken by management and used by the Board in making its going concern and viability assessments. This review included assessing the basis of the severe but plausible downside scenarios and how they addressed the principal risks, and the key assumptions and main mitigating actions included in each scenario. We confirmed with management that cash balances were positive in each month in the assessment period. We also reviewed the reverse stress tests that management had prepared for the period to 30 September 2026 and 30 September 2028 for going concern and viability respectively, noting that the sustained falls in revenue (and therefore profit and operating cash flows) in the reverse stress tests are so low as to be highly unlikely.

The Committee also took into consideration the lack of significant external borrowing, the absence of covenants and the current trading performance of the Group. Overall, the Committee concluded that the use of the going concern basis for preparing the financial statements is appropriate, and supported the viability assessment that the Board reviewed and authorised.

Accounting policies and disclosures

The Committee reviewed significant accounting policies and, as noted earlier, challenged management's approach to inventory accounting and tax provisioning. The Committee also reviewed management's approach to presentation and disclosures, including the appropriateness of the Alternative Performance Measures (APMs).

Climate risk and Climate-related Financial Disclosures

The Committee reviewed this year's Climate-related Financial Disclosures reporting. This included receiving an update from the ESG Committee on its review process and reviewing management's work in assessing the impact of climate change on the financial statements.

Fair, balanced and understandable assessment

The Audit Committee reviewed whether the FY2025 Annual Report, taken as a whole, was fair, balanced and understandable and also whether it provided the information necessary for shareholders to assess the Company's position and performance, business model and strategy. In making its assessment, the Committee considered:

- the timetable for the production of the FY2025 Annual Report;
- the use of corporate reporting specialists to support the development of the Strategic Report and Corporate Governance Report;
- that the fair, balanced and understandable requirements were a key part of the Annual Report project team's focus;
- the involvement of senior management and the Board in preparing and reviewing the Annual Report, and explicitly asking whether they felt that the Annual Report was fair, balanced and understandable; and
- the engagement of our remuneration and legal advisers, and corporate reporting specialists, in reviewing the Annual Report.

Following its review, the Audit Committee confirmed to the Board that the FY2025 Annual Report was fair, balanced and understandable, and the Board's statement is set out on page 106.

FRC review

During the year, the FRC carried out a review of the FY2024 Annual report and accounts. The Committee was pleased that no questions or queries arose from this review.

The FRC's review was based solely on the annual report and accounts and does not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The review provides no assurance that the annual report and accounts were correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements.

Risk management and internal controls

The Board has overall responsibility for the Group's approach to risk management and internal control. The Risk Committee has operational responsibility for risk management, and the Board has delegated responsibility to the Audit Committee for the oversight of this work and the effectiveness of internal controls.

Risk management

As explained in more detail on page 16, the Risk Committee has developed the Group's risk management framework in FY2025. The Audit Committee reviewed these changes in the year, and also considered and endorsed the revised principal risks, concurring with the Risk Committee's conclusions.

Internal controls

The Group's systems and processes are designed to provide reasonable but not absolute assurance of:

- mitigation of risk that might cause a failure of business objectives;
- reduced risk of material misstatements, errors or losses;
- safeguarding assets against unauthorised use or disposal;
- maintenance of proper accounting records and the reliability of financial information used within the business for publication; and
- compliance with applicable laws and regulations.

Internal controls are embedded throughout the business's systems, while the Code of Conduct explains how we expect our people to behave with honesty and integrity and specifies requirements on topics such as trade controls and legal compliance. Everyone in the business undertakes relevant training and assessment within three months of joining Renishaw. We further embed our expectation of people's behaviour by having integrity as one of our values.

On a day-to-day basis, management is responsible for implementing internal controls. The Group Internal Control Manual sets out key financial processes and controls, mainly aimed at financial management and financial reporting. The manual is available to all employees and the Internal Audit team tests subsidiary compliance with these controls during its audit work. Self-assessment of compliance with the Group's policies and high-level controls is certified by each Group company on an annual basis, in addition to self-assessments on key financial controls.

The Committee oversees the effectiveness of other material controls, including operational and compliance controls, through principal risk owners providing self-assessments to the Committee that they are not aware of any significant deficiencies in the key controls for their respective risks.

During the year, management developed the Group internal control framework, focusing on accountability throughout the organisation and appropriate levels of resourcing. This will result in more standardised reporting of non-financial risks and controls in FY2026, as the Board prepares for the declaration of the effectiveness of material controls in FY2027.

Whistleblowing

The Committee has oversight of the Group's whistleblowing process. This is set out in more detail on page 67, with the Committee reviewing significant whistleblowing incidents and their outcomes.

Internal audit

Internal Audit work is performed in-house, led by the Group Internal Audit Manager. The Audit Committee agrees this team's work plan at the start of each financial year and checks progress against this plan during Committee meetings.

The Internal Audit strategy was updated in the year, which includes a wider future remit across all business risks. During the year, the Internal Audit team reviewed pricing and discounting, production planning processes and modern slavery compliance.

The Committee also reviewed compliance with the updated Global Internal Audit Standards, which were effective from January 2025, and was satisfied that the findings of the gap analysis are incorporated in the updated strategy.

The Committee receives reports on audit work completed and discusses areas of significance in the audit findings. At each Committee meeting, the Group Internal Audit Manager provides updates on the responses to the findings from local teams.

At the end of each financial year, the Committee assesses Internal Audit's effectiveness, considering if its work was effective by reviewing the volume, age and severity of findings, and then provides feedback to the Group Finance Director.

The Audit Committee also reviews the responses to questionnaires completed by those teams audited in the year.

Overall, the Committee agreed that this year's Internal Audit work was consistent and comprehensive.

External audit

Appointment, reappointment and tendering

EY was first appointed as our auditor at our 2016 AGM, and there have been two audit engagement partner rotations since then. We consider that the Company has complied with the Competition and Markets Authority's Statutory Audit Services Order for the financial year under review.

We will be carrying out a tender process during FY2026 ahead of the FY2027 audit. As noted in the following sections, the Committee is satisfied with the external auditor's independence, objectivity and effectiveness, and considers this proposed tender timeline to be in the best interests of the Company's shareholders.

Independence and objectivity

Both the Group and EY take action to ensure that EY is independent and objective. The Group has a non-audit services policy, which was reviewed during the year to confirm its continued appropriateness. Some non-audit work is permitted by the policy in line with the FRC's Guidance on Audit Committees and the requirements of the FRC's Revised Ethical Standard 2019.

EY requires non-audit work to be approved by the Group's lead audit partner before the work starts; approval is not granted if the lead audit partner concludes there is a risk to the independence and objectivity of the audit. Separation of EY's specialist teams also ensures that members of the audit team do not perform non-audit work for the Group.

This year, EY's fees for non-audit work were £33,000. This was for four engagements: Wotton Travel Limited's annual ABTA reporting, a tax assurance engagement for Renishaw Metrology Systems Limited as required by local law, a limited statutory examination for Renishaw AG, and review procedures for VAT s56a certification for Renishaw Ireland DAC.

Quality and effectiveness

The external auditor is invited to attend our Audit Committee meetings and report its plan for the full-year audit and interim results review. The Committee chair meets with the lead audit partner on a regular basis. The Committee meets with the lead audit partner at least annually, without management present, to allow both Committee members and the external auditor to raise any issues directly.

The FRC's Audit Committees and the External Audit: Minimum Standard (the Standard) sets out how the Committee should assess the effectiveness of the external audit, in the context of the Group's circumstances. The Committee's review of the effectiveness of the FY2025 external audit reflects the points that a Committee should undertake in line with the Standard, and considered:

- the quality and scope of EY's audit plan, and an evaluation of delivery and performance against the plan;
- EY's identified risks to audit quality and how these had been addressed;
- the skills, mindset, efficiency and performance of the audit team;
- the communication between the Group and EY;
- EY's understanding of the Group's business and industry sector; and
- the FRC's Audit Quality Inspection and Supervision report into EY, published in July 2024.

The Committee also confirms that it has met all the relevant requirements of the Standard in FY2025.

After considering these matters, the Committee was satisfied with the effectiveness of the external audit process and recommended to the Board that EY be reappointed at the Company's AGM on 26 November 2025.

Juliette Stacey
Chair of the Audit Committee

17 September 2025

Directors' Remuneration Report

Committee Chair's statement

Introduction

On behalf of the Board, I present our Directors' Remuneration Report for FY2025. The Directors' Remuneration Report, excluding the Policy summary, is subject to an advisory shareholder vote at our 2025 AGM.

Remuneration in context of performance for FY2025 and the wider workforce

We have had a positive year, against a backdrop of mixed trading conditions, with increased revenue and Adjusted profit before tax (PBT). Solid progress has continued against the strategic objectives, particularly on product innovation, with three major product launches; and on people, with a reduction in employee turnover and positive employee engagement scores.

We have continued to invest in wider employee pay to ensure that, having made major strides in improving our competitiveness, we do not fall back. The improvement in our gender pay gap during FY2024 was pleasing to see, with the mean gender pay gap reducing for the sixth year. We made the difficult decision at the year end to implement an operating cost reduction programme, involving voluntary and compulsory redundancies, to ensure that we can continue to pay competitively and attract talent, while managing our people costs.

A full explanation of the way the Committee took into account remuneration for the wider workforce is given on page 92.

FY2025 annual incentive outcome for Executive Directors

This year's annual incentive was made up of two elements: a financial element worth 80% awarded against Adjusted PBT targets and 20% against strategic objectives. The strategic objectives are set based on the targets agreed for the Executive Committee as a whole and these include matters relating to innovation, environment and social, and governance and operations. They are all linked to the strategy and values of the Group, which underpin our culture and drive behaviours consistent with our purpose. When setting targets, the Committee is aware of the possibility of inadvertently motivating irresponsible behaviour, so sets the target framework with this in mind. For the Executive Directors, the strategic objectives element only pays out if the threshold level of financial performance is met.

FY2025 has been a positive and profitable year. Achieving an Adjusted PBT of £127.2m has resulted in a 26% award (of a possible 80%) under the financial element for the Executive Directors. Having considered performance against the strategic objectives, the Committee agreed an award of 15.2% of the 20% available. The overall award for FY2025 is therefore 41.2% of maximum. After two years of no award because the profit threshold was not achieved, the Committee was pleased that the performance delivered in FY2025 resulted in an award being earned and judged it appropriate for the year's performance: as a result, no discretion was exercised. Full details of targets and performance are explained in the Annual Report on Remuneration on page 96.

Under our policy, significant proportions of the annual bonus award for Executive Directors are made in deferred shares that vest after three years and are subject to clawback and malus provisions. For Allen Roberts, 50% of the award will be made in shares; for Will Lee, the deferred element is higher at 62.5% of the award. Also, half of the share award to Will has additional conditions ('enhanced recovery provisions'), which give the ability for the Committee to use discretion to reduce (including to nil) future vesting of all or some of these shares. We will consider this at the end of the three-year vesting period, and this will be a subjective assessment by the Committee, considering both business and personal performance over the three-year period. Our intention would be to exercise this discretion judiciously: it is designed to ensure that amounts can be recovered if they are not a fair reflection of the underlying performance of the business over the next three years.

The bonus for the Senior Leadership Team is aligned with that of the Executive Directors, but they can earn an award on strategic objectives if the profit threshold is not met. For FY2025, in line with the Executive Directors, the award will be 41.2% of total bonus opportunity.

FY2025 employee bonus awards

As is our usual practice, a percentage of our annual profit has been set aside to invest in bonus awards for eligible Renishaw employees. Awards depend on seniority and performance, with the UK minimum award this year being £900 (prorated). Our Adjusted PBT for FY2025 was higher than FY2024, so the average bonus award this year is higher than it was last year.

Executive Director changes

We announced on 21 August 2025 that, after a career of more than 46 years with Renishaw, Allen Roberts agreed with the Board that he will step down from his position as Group Finance Director with effect from 26 November 2025. A process has commenced to recruit a permanent Chief Financial Officer. More information on this will be provided in due course. Allen will remain as an employee of the Company until 31 December 2025 to facilitate an effective transition of responsibilities.

As Allen Roberts served as Group Finance Director for the entirety of FY2025, the remuneration he earned for FY2025 is disclosed in the single total figure table on page 95. Details of the remuneration payments made or to be made to Allen Roberts in connection with his agreed departure terms are set out on page 97.

Committee Chair's statement continued

Employee engagement

I act as the employee engagement ambassador and have attended meetings with HR and members of the Senior Leadership Team during the year to hear feedback received from consultations and engagement on reward initiatives. I have also benefited from reviewing the results of our employee engagement survey, which indicate above-average engagement across the Group.

During the year, I met with employees from different stages of their careers within Renishaw: this included graduates and apprentices in our manufacturing divisions, women at mid-stages in their careers to understand their development opportunities, and senior leaders in a mentoring role. I visited the manufacturing division to meet the leaders of different divisions in New Mills, Woodchester and Miskin, together with visits to our Position Measurement product group to understand the ASTRiA inductive encoder ahead of launch and the work we are doing in understanding disruptive technology. This engagement has provided me with the background and context required to help shape the reward framework for the Executive Directors and senior management.

Our approach to remuneration for FY2026

Remuneration in FY2026 will be based on the Policy as approved by shareholders in November 2023.

Base salary

Salaries were reviewed in November 2024 and increases were effective from 1 January 2025: Will Lee received an increase of 3.5% (to £764,530) and Allen Roberts received an increase of 2.7% (to £482,750). This was slightly lower than the average increase effective January 2025 for the wider workforce at 4%.

During FY2025, Sir David Grant was appointed as Interim Non-executive Chair and his fee was agreed as £325,000. The Deputy Chairman and other Non-executive Directors also received fee increases of 4%, as set out on page 94.

Base salaries will be reviewed in November/December 2025, with any increase for Will Lee effective from January 2026 and made with reference to the wider level of pay investment to UK based employees in line with our agreed Policy.

Annual incentive opportunity

We continue to operate a simple remuneration framework that was widely supported by 95.5% of our shareholders at the 2023 AGM. For FY2026, the maximum opportunity will continue to be 200% of salary for the Chief Executive Officer. A total of 62.5% of the bonus earned will be deferred into shares for three years, with half of those deferred shares being subject to the enhanced recovery provisions (as set out in last year's Directors' Remuneration Report). This will ensure retention and strong alignment with the experience of shareholders. Allen Roberts will not participate in the annual incentive arrangements for FY2026.

The Senior Leadership Team will have the same Adjusted PBT targets and strategic objectives as the Executive Directors to ensure everyone is working to the same targets. The strategic objectives for FY2026 represent 20% of the annual incentive opportunity, to align executive remuneration with delivery of the Group strategy, and are linked to the values of the Group that underpin our culture and drive behaviours. The strategic alignment of each element of pay is set out in the full Policy and summarised on pages 93 to 94.

Committee effectiveness

The Committee reviewed its effectiveness through an internal process this year, agreeing that it had operated effectively during the year. FY2026, our policy review year, will be pivotal in designing a policy that enables us to attract and retain executives and aligns with shareholders and the business strategy. We reviewed and agreed the terms of reference.

Looking ahead – key focus areas for the Committee

FY2026 is the final year for implementing our Remuneration Policy agreed by shareholders in 2023. In line with the standard cycle, we will be tabling a new Policy to shareholders at our AGM in 2026. Over the coming months, we will be conducting a full review of our existing Policy, with a focus on:

- whether our overall remuneration policy continues to align to our business model, specifically on rewarding long-term value creation, research investment and product innovation;
- the effectiveness of the policy in generating share alignment within the senior leadership; and
- the consistency of application of the policy across the senior leaders, reducing variances between Executive Directors and the wider Senior Leadership Team.

We remain committed to a responsible approach to executive pay, ensuring effective alignment with delivery of the business strategy and the shareholder experience. It is vital that a future policy is capable of attracting and retaining quality leadership talent in Renishaw, including the appointment of a new Chief Financial Officer. I look forward to engaging and discussing what we are considering with shareholders to evolve our thinking as a Committee.

On behalf of the Committee, I thank you for your continued support. I will be attending the AGM, but if there are any questions or you wish to give feedback, please contact me via CompanySecretary@Renishaw.com.

Catherine Glickman
Chair of the Remuneration Committee

17 September 2025

Committee members, advisers and meetings

What does the Committee do?

The Committee is responsible for setting competitive remuneration arrangements and incentive structures that attract, retain and motivate talented people. These responsibilities are set by the Board and formally recorded in the terms of reference, which are available on the Company's website at www.renishaw.com/corporategovernance.

Specifically, the Committee is responsible for:

- designing the framework and policy for executive remuneration;
- determining the remuneration for each of the Executive Directors and other senior management;
- ensuring that suitable financial and strategic objectives underpin reward structures and encourage strong performance; and
- reviewing workforce remuneration and related policies.

To avoid duplication, the table below cross-refers to disclosures given elsewhere of how we have sought to comply with provision 41 of the Governance Code.

Topic	Page(s)
An explanation of the strategic rationale for executive directors' remuneration policies, structures and any performance metrics.	89-90, 93-94
Reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps.	98-99
A description, with examples, of how the Remuneration Committee has addressed the factors in provision 40.	92
Whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary.	95
What engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes.	92
What engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy.	89-90, 92
To what extent discretion has been applied to remuneration outcomes and the reasons why.	n/a

Members

All members of the Committee are Independent Non-executive Directors: Catherine Glickman (Chair), Juliette Stacey, Stephen Wilson and Professor Dame Karen Holford. The Committee met six times in FY2025 and we set out in Key activities a summary of the topics discussed in those meetings.

During FY2025, Kasim Hussain, Group General Counsel & Company Secretary, acted as secretary to the Committee. Executive Directors may attend Committee meetings by invitation (to advise on the remuneration and performance of senior management and to take part in specific discussions), although they do not take part in any specific discussions that directly relate to their own remuneration.

Advisers

The Committee uses independent advisers as needed and our current adviser is Deloitte LLP (Deloitte). Deloitte is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee has undertaken a review and continues to believe that the advice received from Deloitte is objective and independent and is satisfied that Deloitte does not have any connections with the Company or any individual Directors that may impair its independence.

Total professional fees and expenses paid to Deloitte for advice received was £22,100.

Deloitte was appointed by the Committee in March 2021 following a competitive tender process and has provided other remuneration and tax advice during FY2025.

Key activities

Governance

- Reviewed the output from the FY2024 effectiveness evaluation.
- Took part in the FY2025 effectiveness evaluation.
- Reviewed and approved the Directors' Remuneration Report.

Remuneration Policy and its operation

- Approved the Executive Directors' and Senior Leadership Team salaries.
- Considered the achievement of the financial and strategic objectives for FY2025 and approved the outcomes for FY2025.
- Approved the wider employee pay review.
- Approved the structure of the annual bonus plan for FY2026 and associated targets.
- Considered the Directors' Remuneration Policy, agreeing no changes for FY2026 and a full review during FY2026.

People

- Conducted a wide review of the elements of remuneration available to the wider workforce.
- Reviewed employee turnover statistics.
- Approved people objectives for FY2025.
- Reviewed the gender pay gap statistics.
- Approved the employee bonus proposal for FY2025.

Committee meeting attendance record

Committee member	Attended
Catherine Glickman (Chair)	6/6
Juliette Stacey	6/6
Stephen Wilson	6/6
Professor Dame Karen Holford	5/6*

*Professor Dame Karen Holford was unable to attend one Committee meeting due to an unavoidable commitment.

Committee members, advisers and meetings continued

Statement of consideration of employment conditions elsewhere in the Group

When the Committee makes decisions on Executive Director pay, it also takes into account the policies and practices in place for the wider workforce.

The average base salary increase awarded to UK employees provides a guide when determining the salaries of the Executive Directors. The Committee also reviews the remuneration policies and, this year, undertook a broad review of each element of remuneration available to the wider UK workforce. This allows the Committee to ensure sufficient alignment between the remuneration policies of the wider workforce and the Executive Directors, and to satisfy itself that the approach taken is fair and reasonable based on market conditions and practice and in the best interests of shareholders. It also gives additional context for making informed decisions on executive pay and ensures performance objectives are aligned with our culture and strategy. The Committee found that the broader framework was operating well and that there was a clear, progressive approach at all seniority levels.

To reward and recognise performance this financial year, eligible employees will receive an annual bonus paying out a UK minimum of £900 (prorated). Over the past three years, we have focused on modernising our approach to employee pay and reward in response to employee feedback and a relatively high attrition rate. This includes benchmarking our pay structure against other companies and developing a more transparent job-grading system and career framework. We have also established an internal working group to focus on key factors like pay equity, transparency and competitiveness, and on monitoring our progress against key actions and targets. As a result of this work, we have made significant investment in employee pay since 2023 and saw a reduction in our turnover rate in 2024. This remains an important topic for us and, like other companies, we had to adjust our FY2025 pay review due to the impact of the UK Government's budget in November 2024. Nonetheless, we will continue to strengthen our approach to remuneration as part of our wider people strategy. The Chair and Group Human Resources Director also regularly update the Committee about feedback from engagement activities, turnover rates and reasons for leaving so that it remains vigilant and can make informed decisions. More information on our work in FY2025 and priorities for FY2026 is on pages 89 to 90.

While the Executive Directors' remuneration package is more heavily weighted towards variable and share-based payments compared to our wider workforce, the Committee has increased the alignment of our Senior Leadership Team remuneration to shareholder interests through our Senior Leadership Team Annual Bonus Plan. The bonus for the Senior Leadership Team is determined by performance against the same metrics as the Executive Directors. However, in their case, where the threshold level of financial performance is not met, they have the opportunity to earn an award based on the achievement against the strategic objectives. The Committee is also involved in setting the remuneration for our Senior Leadership Team.

From 1 January 2025, the policy covering pension arrangements for the Executive Directors was aligned with that for the UK workforce as a whole at a 9% contribution.

Statement of consideration of shareholder views

The Committee values the insight received from its engagement activities with our shareholders and takes all feedback received seriously. In FY2025, on behalf of the Remuneration Committee, Catherine Glickman engaged with some of our largest institutional shareholders and proxy voting agencies regarding the decision to use some of the additional variable pay headroom for Will Lee's annual incentive opportunity. The conversations held were constructive and all investors who responded to the invitation to engage supported the changes. The Committee intends to take into account the feedback received from our shareholders during our review of the Directors' Remuneration Policy. The Committee plans to consult our largest shareholders and proxy agencies as part of this process and looks forward to receiving feedback on our remuneration structures.

Principles underlying our remuneration framework

Our existing Policy, approved by shareholders in November 2023, complies with the Governance Code, including provision 40, as follows:

Factor	How did we address this factor?
Clarity and simplicity	We operate simple and transparent reward mechanisms that are well understood by our investors and workforce. We consulted with investors in relation to the Policy and engage with the workforce on remuneration – see pages 92 and 93.
Risk	There is a mix of fixed and variable pay, and financial and strategic objectives. The Policy maintains robust measures to manage risk and to ensure alignment with long-term shareholder interests including: (i) discretion to override formulaic outcomes; (ii) malus and clawback provisions; (iii) a minimum shareholding requirement and bonus deferral into shares; and (iv) in-employment and post-employment shareholding requirements.
Predictability	The charts on page 94 clearly show the amounts that could be earned by the Chief Executive Officer in the next financial year.
Proportionality	There is a clear link between individual awards, delivery of strategy and Group performance. Payouts from the annual bonus require performance against stretching targets. The Committee assesses performance holistically at the end of the period, taking into account performance against the financial and strategic objectives. There is no payout if the threshold financial objectives are not met. The Committee has full discretion to alter the payout levels to ensure payments are appropriately aligned with the underlying Company and individual performance.
Alignment with culture	The Committee ensures that targets for performance-based remuneration are linked to the KPIs set at Board level. The strategic objectives for FY2025 are set out on page 96 and are all linked to our strategy and values, which underpin our culture. The weighting of the FY2026 strategic objectives (20%) further encourages the successful implementation of our strategy and drives behaviours consistent with our purpose, values and culture.

Remuneration Policy: Implementation in FY2025 and plan for FY2026

Ahead of the Annual Report on remuneration, we have summarised below the key remuneration outcomes for FY2025, the key elements of the Remuneration Policy approved at the 2023 AGM and how we intend to implement the Policy in FY2026. The Committee confirms that the Policy operated as intended throughout FY2025. The full Remuneration Policy can be found at www.renishaw.com/en/financial-reports--22583.

The Committee determined the 2023 Policy after reviewing the impact of the 2020 Policy, key governance factors and market practice, and after taking account of shareholder feedback received in the consultation carried out in June 2023. The Committee further reviewed the Policy against the six themes set out in provision 40 of the Governance Code as described on page 92.

To ensure conflicts of interest are managed, the Committee ensures no Director determines the Policy regarding their own remuneration.

Summary of the Remuneration Policy and its implementation

Purpose and link to strategy	Implementation in FY2025	Implementation in FY2026
Base salary		
To provide a competitive remuneration package to motivate and retain Executive Directors of the required calibre to help the Group meet its objectives to deliver the Group's strategy.	Salaries were reviewed in November 2024 and increases were effective from 1 January 2025: Will Lee received an increase of 3.5% (to £764,530) and Allen Roberts received an increase of 2.7% (to £482,750). This was slightly lower than the average increase effective January 2025 for the wider workforce at 4%.	Will Lee's salary will be reviewed in November/December 2025 and any changes will be effective as of 1 January 2026.
Benefits		
To provide market-competitive benefits that motivate and retain Executive Directors and enable them to give maximum attention to their role.	Benefits provided this year included a car allowance and private medical insurance. The total values are set out in the Annual Report on remuneration on page 95.	No changes are planned for FY2026.
Pension		
To provide a pension contribution/allowance in line with the wider workforce of the home country of the Executive Director and to motivate and retain Executive Directors of the required quality to meet the Group's objectives.	From 1 July to 31 December 2024, Will Lee and Allen Roberts were entitled to receive pension contributions or cash equivalents equal to contributions available to long-serving employees. In line with the Policy, from 1 January 2025 they were entitled to receive contributions or cash equivalents available to the majority of the UK wider workforce.	No changes are planned for FY2026.
Annual incentive opportunity (comprising cash bonus and deferred equity awards)		
To incentivise and reward execution of the Group's objectives, reward outperformance and encourage Executive Director share ownership.	The maximum opportunity for FY2025 was 150% of salary for Allen Roberts and 200% of salary for Will Lee. For Allen Roberts, 50% of any bonus earned will be deferred into shares, and for Will Lee, 62.5% of any bonus earned will be deferred into shares. Shares will be awarded under the Deferred Annual Equity Incentive Plan (DAEIP). For FY2025 the incentive was made up of two elements: a financial element worth 80% awarded against Adjusted PBT targets and 20% against strategic objectives. FY2025 Adjusted PBT was £127.2m: this was above the threshold, paying out at 26% of the 80% maximum. Strategic performance was strong, with a formulaic out-turn of 15.2% of a possible 20%. Given the high weighting towards profit delivery, the overall outcome was an annual bonus award of 41.2% of maximum. See page 96 for full details of the targets and awards.	No changes are planned for FY2026 for Will Lee. The measures will continue to be 80% awarded against Adjusted PBT and 20% against strategic objectives, which this year will be focused on product innovation; environmental, social and governance, including targets on Scope 3 emission reductions; and operational excellence, including cash conversion. These drive long-term growth, new product development and our work on sustainability, specifically on our environmental targets, and are all linked to the strategy and values of the Group, which underpin our culture and drive behaviours consistent with our purpose. Allen Roberts will not participate in the annual incentive arrangements for FY2026.

Remuneration Policy: Implementation in FY2025 and plan for FY2026 continued

Purpose and link to strategy	Implementation in FY2025	Implementation in FY2026
Minimum shareholding guideline		
Supports the alignment of Executive Director and shareholder interests.	Each Executive Director is expected to build up and maintain a level of share ownership of at least 200% of base salary. Will Lee and Allen Roberts have not yet met the minimum shareholding guideline (as shown below).	No changes are planned for FY2026.

Executive Directors' shareholdings (as of 30 June 2025)

The table shows Executive Directors' shareholding against the minimum shareholding guidelines of 2× salary. In line with the Policy approved at the 2023 AGM, shares subject to DAEIP awards (which are subject to continued employment but not to any further performance conditions) count towards the guidelines on a net-of-assumed-tax basis. Both are in the process of building to their minimum shareholding.

	Executive Directors (as of 30 June 2025)	
	Will Lee	Allen Roberts
Shares	14,130	10,427
Shares subject to DAEIP awards (net of assumed tax)	7,591	5,013
Actual (× salary)*	0.813	0.915

*Calculated based on annualised salary as at 30 June 2025 and by reference to the closing share price on 30 June 2025 (2,860p).

Purpose and link to strategy	Implementation in FY2025	Implementation in FY2026
Post-employment shareholding policy		
Supports the principle of long-term share ownership and alignment of interests with shareholders.	Executive Directors will be required to maintain a personal shareholding in Renishaw at a level of at least the lower of their actual shareholding and the level of their minimum shareholding guideline for one year after they step down from the Board, and 50% of that level for another year.	
Non-executive Directors' fees		
To provide a competitive fee to attract and retain Non-executive Directors of the required calibre to meet the Group's objectives.	Basic fees were subject to the aggregate limit set in accordance with the Company's Articles of Association, as amended by shareholder approval from time to time. Fees were reviewed in November 2024 and increased by 4% to £81,900 with effect from 1 January 2025. There was no increase to Sir David Grant's fee of £325,000. None of the Non-executive Directors received any additional fees or bonuses.	Fees will be reviewed in November/ December 2025 and any changes will be effective as of 1 January 2026.

Total remuneration

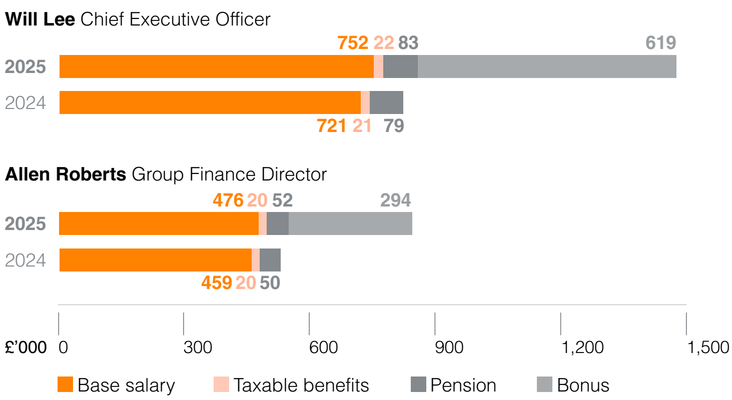
Bar chart A below shows a comparison of the Executive Directors' total remuneration (including a breakdown of the components) for FY2025 and FY2024.

Illustrations of application of Remuneration Policy in FY2026 (£'000)

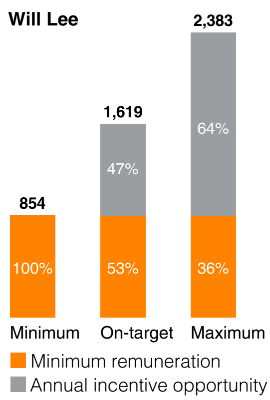
The bar chart labelled B below for Will Lee shows remuneration for the financial year ending 30 June 2026 under different performance scenarios: (i) the minimum remuneration payable in respect of salary, benefits and pension; (ii) the remuneration payable if performance is on target and in line with the Company's expectations; and (iii) the remuneration payable if the maximum cash bonus and deferred annual equity incentive is payable.

Note that deferred equity incentive plan awards granted in a year will not normally vest until the third anniversary of the date of grant, and the projected value excludes the impact of share price movement. As Will Lee is not in receipt of a long-term incentive, the fourth scenario under the reporting regulations (requiring the impact on the value of long-term incentives of 50% share price growth over the performance period) is not shown; this is unchanged from the third scenario above.

A



B



Annual Report on remuneration

This section of the report sets out the remuneration of the Directors in FY2025. Details of how the Committee intends to implement the Remuneration Policy for FY2026 are set out on pages 93 and 94. During FY2025, the Policy operated as intended in terms of performance and quantum. The information on pages 95 to 101 has been audited where required under the regulations and is indicated as audited where applicable.

This Remuneration Report has been prepared in accordance with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), UKLR 6.6 of the UK Listing Rules and the Governance Code.

Single total figure table (audited) – Executive Directors

	Salary		Benefits		Pension[1]		Bonus[2]		Total fixed remuneration		Total variable remuneration		Total remuneration	
	FY 2025 £'000	FY 2024 £'000	**FY 2025 £'000**	FY 2024 £'000	**FY 2025 £'000**	FY 2024 £'000	**FY 2025 £'000**	FY 2024 £'000	**FY 2025 £'000**	FY 2024 £'000	**FY 2025 £'000**	FY 2024 £'000	**FY 2025 £'000**	FY 2024 £'000
Will Lee	**752**	721	**22**	21	**83**	79	**619**	0	**857**	821	**619**	0	**1,476**	821
Allen Roberts	**476**	459	**20**	20	**52**	50	**294**	0	**548**	529	**294**	0	**842**	529
Sir David McMurtry[3]	**n/a**	785	**n/a**	3	**n/a**	n/a	**n/a**	0	**n/a**	788	**n/a**	0	**n/a**	788
Total	**1,228**	1,965	**42**	44	**135**	129	**913**	0	**1,405**	2,138	**913**	0	**2,318**	2,138

Single total figure table (audited) – Non-executive Directors

	Fees		Expenses		Total remuneration[4]	
	FY2025 £'000	FY2024 £'000	**FY2025 £'000**	FY2024 £'000	**FY2025 £'000**	FY2024 £'000
Sir David McMurtry[3]	**39**	n/a	**3**	n/a	**42**	n/a
John Deer	**80**	77	**1**	0	**81**	77
Catherine Glickman	**80**	77	**0**	0	**80**	77
Sir David Grant[5]	**325**	77	**1**	0	**326**	77
Juliette Stacey	**80**	77	**1**	0	**81**	77
Stephen Wilson	**80**	77	**1**	0	**81**	77
Professor Dame Karen Holford	**80**	64[6]	**0**	0	**80**	64
Richard McMurtry	**80**	n/a[7]	**0**	n/a	**80**	n/a
Total	**844**	449	**7**	0	**851**	449

1 Due to an error in the administration of the pension arrangements, pension contributions were overpaid in the year: pension contributions will be adjusted in FY2026 to ensure that the total pension allowance payable reflects alignment with the wider workforce at 9% from 1 January 2025.

2 The value of the bonus includes both the value of the annual cash bonus and the face value of shares to be awarded under the DAEIP in respect of the relevant financial year. Deferred shares will normally vest on the third anniversary of grant, subject to continued employment and, for Will Lee, enhanced recovery provisions, where applicable. The treatment of Allen Roberts' deferred shares in connection with his departure from the business is described on page 97.

3 Sir David McMurtry was an Executive Director until 30 June 2024, when he stepped down from the role of Executive Chairman and took on the role of Non-executive Director from 1 July 2024 until his death on 9 December 2024. Therefore, the figures for FY2025 reflect the remuneration received during the period from 1 July 2024 to 9 December 2024.

4 The Non-executive Directors are not eligible for any variable remuneration and only receive fixed remuneration.

5 Sir David Grant was appointed as Non-executive Chair on 1 July 2024.

6 Professor Dame Karen Holford was appointed as a Non-executive Director on 1 September 2023. Therefore, these figures reflect remuneration received during the period from 1 September 2023 to 30 June 2024.

7 Richard McMurtry was appointed as a Non-executive Director on 1 July 2024.

Benefits

	Car allowance £'000	Private medical cover applies to all Executive Directors and insurance on personal cars applies to some Directors £'000
Will Lee	21	1
Allen Roberts	20	0

Annual Report on remuneration continued

Annual incentive outcomes for FY2025

The incentive opportunity is based on financial and strategic objectives, although the award is only payable provided the financial threshold is met (irrespective of performance against the strategic objectives).

The financial objective, based on stretching Adjusted PBT targets, comprised 80% of the award; the strategic objectives comprised 20%.

Under the Remuneration Policy approved at the 2023 AGM, the Executive Directors were eligible in FY2025 for an annual incentive opportunity (as set out on page 93).

Full details of the financial objectives, strategic objectives and performance against them are set out in the following tables.

Financial objectives

	Threshold	Profit point A	Profit point B	Maximum	Achieved in FY2025
Adjusted PBT	£110m	£125m	£140m	£160m	**£127.2m**
% of bonus payable for Adjusted PBT performance	10%	20%	60%	80%	**26%**

Bonus awards calculated on a straight line basis between the points in the above table.

In assessing the bonus payouts, the Committee considered the experience of other stakeholders and the wider workforce and determined that no discretion would be applied.

Strategic objectives

Performance against the strategic objectives is set out in the table below. Weighting is given to Product innovation at 8%, Environment, social and governance at 8% and Operational excellence at 4%.

Strategic objective	Outcome of objective	% of bonus payable	% of bonus paid out
Product innovation — New product launches — Revenue from new products	— Three new major product releases (Equator-X, ASTRiA and RLE100/200) and 11 minor product releases: this target was exceeded. — Revenue generated was 13.5%, which met threshold but did not achieve the stretching target.	20%	15.2%
Environmental, social and governance — Reduction in Scope 1 and 2 emissions — Level of voluntary employee turnover — Employee engagement — Level of significant non-conformances	— Scope 1 and 2 emission reduction was 13%, which exceeded threshold but did not meet the maximum performance level. — Employee voluntary turnover levels at 5.9% were lower than the 7% target. — The employee engagement score from our new global employee engagement survey was 74%, in line with the threshold. — Significant non-conformances were zero, achieving the maximum.		
Operational excellence — Revenue per subsidiary employee — Cost of product quality	— The revenue per subsidiary employee was at the midpoint of the range set at £590,000 per employee. — Product quality outcomes were within the target range set by the Committee.		

Incentive opportunity outcome

The maximum opportunity for FY2025 was 200% of salary for Will Lee and 150% of salary for Allen Roberts. For Will Lee, 62.5% of any bonus earned is to be deferred into shares for three years. 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. For Allen Roberts, 50% of any bonus earned is to be deferred into shares for three years.

Our financial performance for FY2025 has resulted in the following awards:

Executive Director	Cash bonus £'000	Deferred into shares £'000	Total £'000
Will Lee	232	387	619
Allen Roberts	147	147	294

When considering the outcomes, the Committee has taken a holistic view, including in relation to the employee and wider stakeholder experience, in addition to performance relative to the targets and objectives set. The Committee considers that the level of payout reflects the overall performance of the Group in the year and is appropriate. The Committee has not exercised any discretion in relation to remuneration outcomes for Executive Directors.

Total pension entitlements

Will Lee is a member of our closed UK defined benefit scheme. The normal retirement age is 65. On death, pension benefits would pass to that member's dependants.

Since the closure of the defined benefit scheme, contributions have been made to a defined contribution scheme or paid in cash.

At 30 June 2025	Value of defined benefit pension entitlement £'000 per year	Pension contributions in respect of FY2025*
Will Lee	12	Paid in cash

*As disclosed in the single figure table.

Payments to past Directors and loss-of-office payments

No payments to past Directors were made during the year and no loss-of-office payments were made during the year.

Allen Roberts will step down from his position as Group Finance Director with effect from 26 November 2025. He will remain as an employee of the Company until 31 December 2025 to facilitate an effective transition of responsibilities. Details of the remuneration payments made or to be made to Allen Roberts are set out below.

These terms were the subject of careful consideration by the Remuneration Committee and are in line with his service agreement and the Company's Directors' Remuneration Policy, which was approved by shareholders at the 2023 AGM. When finalising our approach, we had regard to Allen's long service with Renishaw, his contractual entitlements, the approach that we apply to other long-standing employees and additional compensation for loss of office and employment which is to be paid as consideration for entering into a statutory settlement agreement. It is acknowledged that some elements of the loss-of-office terms for Allen Roberts, including the additional compensation for loss of office and employment, are not aligned with best practice and the approach we would take in normal circumstances. This reflects the exceptional and unique factors that needed to be considered by both the Board and the Remuneration Committee, including Allen Roberts' commitment and service to the business over 46 years and the payments required to reach a mutually agreed settlement. This is not a precedent and is not our normal approach to payments for loss of office.

— Salary and contractual benefits: Allen will earn his salary and contractual benefits until he leaves the business on 31 December 2025, following which he will receive a payment of £546,197 in lieu of salary, pension and benefits for the 12-month notice period in his service contract.

— Annual incentive payment for FY2025: The 2025 bonus has been determined in the usual way as set out on page 96 and will be paid half in cash and half as an award of shares. The deferred share award will vest following the end of the usual three-year deferral period. This is aligned with market practice and reflects that Allen served as Group Finance Director for the entirety of FY2025 and will continue as an employee until 31 December 2025. As noted below, Allen will not be entitled to an annual bonus payment for FY2026.

— Outstanding deferred equity awards: Allen earned a bonus in respect of FY2022, half of which was deferred into shares for three years. The deferred shares in respect of this award will vest at the end of the three-year vesting period in October 2025. This is also aligned with market practice and reflects that he will be employed until 31 December 2025.

— Additional compensation for loss of office and employment: Following his departure from the business, Allen will receive an additional payment of £1,179,543. This payment includes £733,407 calculated on a basis consistent with Renishaw's enhanced redundancy package terms, £266,593 agreed as part of the overall settlement of the arrangements relating to his departure from the business and £179,543 in lieu of an annual bonus for the period of his active service to 31 December 2025. As noted above, these payments reflect the exceptional and unique factors that needed to be considered by both the Board and the Remuneration Committee, including Allen Roberts' commitment and service to the business over 46 years and the payments required to reach a mutually agreed settlement.

— Accrued holiday, legal fees and private medical insurance: Allen will also receive a payment in lieu of any accrued but untaken holiday when he leaves the business. In line with usual practice, a payment of £9,000, plus VAT has been made in respect of Allen's legal costs incurred in connection with the taking of advice in relation to his leaving the business. We have agreed that Allen will continue to benefit from Renishaw's private medical insurance until 31 December 2029.

— Post-employment shareholding guideline: The post-employment shareholding requirement will continue to apply to shares acquired pursuant to deferred annual equity awards granted after 30 September 2020, with the number of shares to be retained determined in accordance with the Policy.

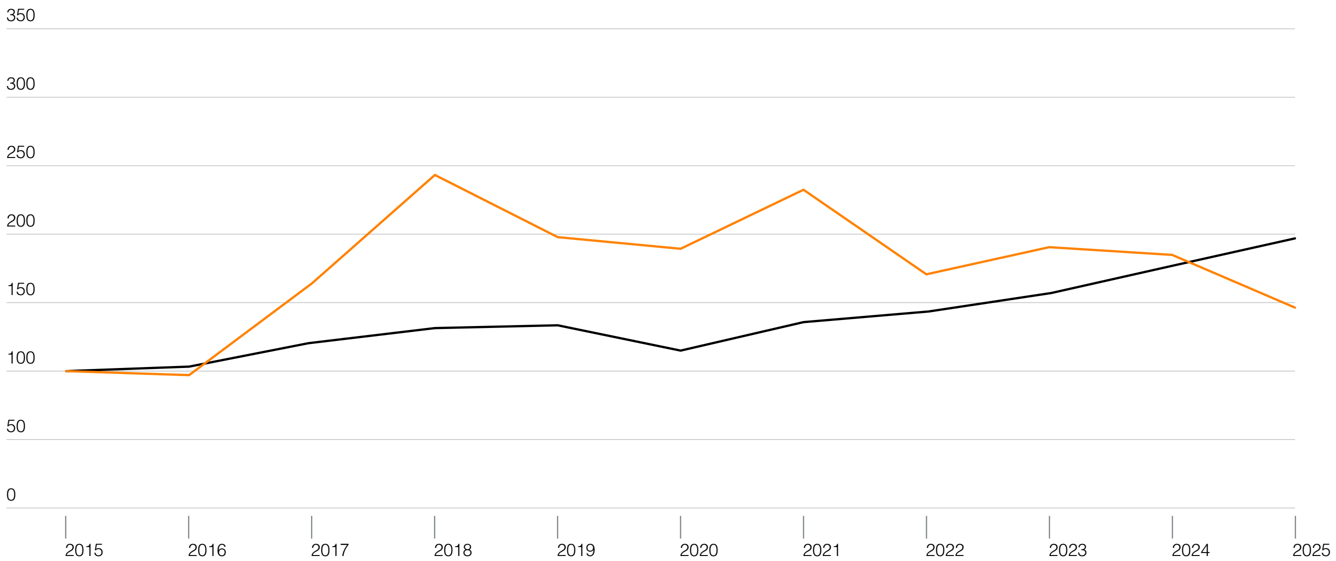
— Recovery provisions: The recovery provisions (covering malus and clawback) under the Policy will continue to apply to relevant remuneration (whether paid in cash or deferred into shares).

Annual Report on remuneration continued

Performance graph

The graph below shows our TSR performance, compared with the FTSE 250 Index. The Committee believes this is the most appropriate broad index for comparison, because Renishaw is a member of this index. TSR performance was rebased to 100 at 30 June 2015.

TSR performance Value of £100 invested on 30 June 2015



Chief Executive Officer total remuneration

The table below sets out information relating to the remuneration of the Chief Executive Officer for each of the years in question:

Year	FY 2016	FY 2017	FY 2018[1]	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	**FY 2025**
Will Lee (from 1 February 2018)										
Single figure of total remuneration (£'000)			594	653	601	1,488	1,770	802	821	**1,476**
Annual incentive award (includes annual cash bonus and deferred equity incentive) % of maximum			95	0	0	100	100	0	0	**41**
Long-term incentive vesting % of maximum			n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**
Sir David McMurtry (until 31 January 2018)										
Single figure of total remuneration (£'000)[2]	668	1,207	818							
Annual bonus payout % of maximum	0	77	100							
Long-term incentive vesting % of maximum	n/a	n/a	n/a							

1 The remuneration shown is on a prorated basis for the period when Sir David McMurtry stepped down and Will Lee took office to the end of the financial year.

2 Represents the total remuneration received by Sir David McMurtry in relation to this role.

Chief Executive Officer pay ratio

The table on page 99 sets out the Chief Executive Officer pay ratios as at 30 June in the financial years 2020 to 2025. The report will build up over time to show a rolling 10-year period. The ratios compare the single total figure of remuneration of the Chief Executive Officer with the equivalent figures for the lower-quartile (P25), median (P50) and upper-quartile (P75) employees. Ratios are presented based on the UK workforce, using base pay only.

Option B has been selected because this method of calculation is considered to be the most robust method of identifying the individual reference points in a Group, such as Renishaw, with multiple operating segments.

Total remuneration

Financial year	Employee remuneration			Pay ratio		
	P25	P50	P75	P25	P50	P75
FY2025	£33,140	£45,735	£58,070	44.5	32.3	25.4
FY2024[2]	£30,551	£42,363	£56,783	26.9	19.4	14.5
FY2023	£27,484	£45,554	£55,940	29.2	17.6	14.3
FY2022	£31,099	£42,246	£48,457	56.9	41.9	36.5
FY2021	£28,438	£37,720	£45,170	52.3	39.4	32.9
FY2020	£27,476	£35,619	£51,563	21.9	16.9	11.6

Base salary

Financial year	Employee remuneration			Pay ratio		
	P25	P50	P75	P25	P50	P75
FY2025	£29,918	£40,675	£52,145	25.1	18.5	14.4
FY2024[2]	£27,035	£38,153	£49,750	26.7	18.9	14.5
FY2023	£24,134	£39,100	£48,205	29.1	18.0	14.6
FY2022	£27,213	£36,276	£41,331	24.6	18.5	16.2
FY2021	£24,420	£32,670	£42,480	23.0	17.2	13.2
FY2020[1]	£24,650	£32,634	£47,092	20.5	15.5	10.7

1 Where necessary, adjustments were made to the underlying data to reflect a reduction in working hours during April 2020 to June 2020 in connection with the COVID-19 pandemic. The reductions in salary and employer pension contributions during this time have been added back to give a full-time equivalent figure. No other adjustments were made to the underlying data.

2 We have restated the FY2024 ratios and total remuneration and base salary figures following a change in the selection criteria for employees in each quartile, such that the calculation of the FY2024 figures is consistent with the approach for other years.

The base salary for the Chief Executive Officer increased by 3.5% in January 2025. This was lower than the average for the wider workforce. The P25 employee base pay has increased over the period FY2023 to FY2025, reflecting targeting of pay investment in the lower quartile staff following external benchmarking. This has had the effect of reducing the ratio with that of the Chief Executive Officer since FY2023. The P50 and P75 employee base pay has also increased with small reductions in the ratios, again reflecting higher base pay rises to staff than the Chief Executive Officer. The total remuneration ratios have increased in FY2025, this was expected with the award of a bonus in FY2025 to the Chief Executive Officer after no awards in either of FY2023 and FY2024.

Taking into account the above, the Committee considers the median pay ratio consistent with the Company's approach to pay and reward. The Committee will continue to monitor the ratios on an annual basis.

Statement of Directors' shareholding and share interests

The interests of Directors who have served on the Board at any time during the year and their connected persons in the Company's ordinary shares as at 30 June 2025 are set out below. There have been no changes to those interests between 30 June 2025 and the date of signing of this Annual Report.

	Number of ordinary shares of 20p each beneficially owned	Unvested and subject to continued employment (awarded under the DAEIP)	Minimum shareholding guideline	Current shareholding[1]	Minimum shareholding guideline met
Will Lee	14,130	14,324	2× salary	0.813× salary	Building
Allen Roberts	10,427	9,115	2× salary	0.915× salary	Building
Sir David McMurtry[2]	26,377,291	n/a	n/a	n/a	n/a
John Deer	12,076,790	n/a	n/a	n/a	n/a
Catherine Glickman	675	n/a	n/a	n/a	n/a
Sir David Grant	–	n/a	n/a	n/a	n/a
Juliette Stacey	–	n/a	n/a	n/a	n/a
Stephen Wilson	1,500	n/a	n/a	n/a	n/a
Professor Dame Karen Holford	–	n/a	n/a	n/a	n/a
Richard McMurtry	13,242	n/a	n/a	n/a	n/a

1 Current shareholdings for comparison with the shareholding requirements for Executive Directors are calculated based on annualised salary as at 30 June 2025 and by reference to the closing share price on 30 June 2025 (2,860p), and, in line with the Policy, include the net-of-assumed-tax shares subject to DAEIP awards.

2 Sir David McMurtry passed away on 9 December 2024 so the number of ordinary shares of 20p each beneficially owned is shown as at 9 December 2024 and not 30 June 2025.

Annual Report on remuneration continued

DAEIP awards granted during the year

Will Lee and Allen Roberts were eligible to receive an award under the DAEIP for performance over the year under review. The details of these awards – which at the date of this Directors' Remuneration Report have yet to be granted – will be reflected in the table on page 99 in next year's Directors' Remuneration Report.

There were no awards granted during the year in respect of FY2024.

Percentage change in remuneration of the Directors

The following table sets out the percentage change in the Directors' remuneration, compared with the percentage change in average remuneration to Renishaw plc employees from FY2020 to FY2025. The figures shown in the table below refer to the base salary actually received by each Director; therefore, these figures do not include the fees (whether all or part) that were waived for any financial years. Where an item is not relevant for that Director or where it has changed from or to a zero figure in the timeframe, the change is shown as not applicable. All percentages in the table are rounded to the nearest whole number and all references to years are to the financial years. Where appropriate, footnotes to the equivalent table in reports for previous years provide more information in relation to the changes for those years.

	Salaries/fees					Benefits/expenses[1]					Annual bonus[2]				
	2024/25 %	2023/24 %	2022/23 %	2021/22 %	2020/21 %	**2024/25 %**	2023/24 %	2022/23 %	2021/22 %	2020/21 %	**2024/25 %**	2023/24 %	2022/23 %	2021/22 %	2020/21 %
Will Lee	**4**	2	5	19	11	**5**	0	5	0	0	**n/a**	n/a	n/a	19	n/a
Allen Roberts	**4**	3	5	2	5	**0**	0	0	0	0	**n/a**	n/a	n/a	2	n/a
Sir David McMurtry[3]	**n/a**	3	5	n/a	n/a	**0**	0	0	0	0	**n/a**	n/a	n/a	2	n/a
John Deer	**4**	3	7	n/a	n/a	**n/a**	13	-21	-37	-94	**n/a**	n/a	n/a	n/a	n/a
Catherine Glickman	**4**	3	7	25	5	**n/a**	n/a	n/a	0	0	**n/a**	n/a	n/a	n/a	n/a
Sir David Grant[4]	**n/a**	3	7	25	5	**n/a**	n/a	n/a	0	0	**n/a**	n/a	n/a	n/a	n/a
Juliette Stacey	**4**	3	114	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Stephen Wilson	**4**	3	1,186	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Professor Dame Karen Holford	**25**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Richard McMurtry	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Renishaw plc employee (average)	**6**	8	11	9	1	**7**	11	4	4	1	**3**	-11	-15	22	n/a

1 Given no benefits/expenses were provided for FY2024 for John Deer, Sir David Grant, Juliette Stacey and Stephen Wilson, no percentage change in benefits/expenses for 2024/25 can be shown.

2 Given no bonus was earned for FY2024 for Will Lee and Allen Roberts, no percentage change in annual bonus for 2024/25 can be shown. Actual employee bonuses in respect of FY2025 are yet to be confirmed; therefore, the percentage change in the Renishaw plc employee (average) for 2024/25 is calculated by comparing the UK employee bonuses for FY2024 and the expected UK employee bonuses for FY2025.

3 Sir David McMurtry was an Executive Director until 30 June 2024, when he stepped down from the role of Executive Chairman and took on the role of Non-executive Director from 1 July 2024 until his death on 9 December 2024. We have therefore not included the percentage change in salaries/fees between FY2024 and FY2025 for Sir David McMurtry in the table above, because this would not be a meaningful comparison in remuneration between FY2024 and FY2025.

4 Sir David Grant was appointed Non-executive Chair from 1 July 2024. Therefore, his remuneration for FY2025 reflects that new role. We have therefore not included the percentage change in salaries/fees between FY2024 and FY2025 for Sir David Grant in the table above, because this would not be a meaningful comparison in remuneration between FY2024 and FY2025.

Executive Directors serving as non-executive directors of other companies

During the year, none of the Executive Directors was paid to serve as a non-executive director of any other company.

Relative importance of spend on pay

The following table sets out the total amount spent in FY2025 and FY2024 on remuneration to all Group employees and on dividends to shareholders:

	FY2025 £'000	FY2024 £'000	Change %
Employee remuneration	**306,853**	288,516	6
Shareholder dividends paid*	**55,424**	55,412	0

*Does not include dividends declared but not yet paid.

Except as shown above, no other distributions have been made to shareholders, or other payments or uses of profit or cash flow, that affect the understanding of the relative importance of spend on pay.

Executive Directors' service contracts

The Executive Directors' service contracts are for an indefinite period and require 12 months' notice of termination by either party. There are no obligations in any Executive Director's service contract that would require the Company to pay a specific amount of compensation for loss of office.

The Executive Directors' service contracts reflect our policy regarding notice periods. No payment will be made for a termination by the Company for a breach by the Executive Director of their service contract. In other cases, payment in lieu of notice will be considered up to the 12 months' notice period to cover base salary, benefits and pension contributions. If additional compensation must be considered, such as on a settlement agreement, the Committee will consider all relevant commercial factors affecting that case. Executive Directors' service contracts are available for inspection at our registered office on written request to the Company Secretary.

Executive Director	Date of service contract during FY2025
Will Lee	1 June 2020
Allen Roberts	20 April 2021

Non-executive Directors' letters of appointment

The Non-executive Directors' letters of appointment require one month's notice of termination by either party. There are no obligations in any Non-executive Director's letter of appointment that would require the Company to pay a specific amount of compensation for loss of office.

Non-executive Directors' letters of appointment are available for inspection at our registered office on written request to the Company Secretary.

Non-executive Director	Date first appointed to the Board	Expiry date of current term of office
John Deer	1 July 1974	31 January 2026
Catherine Glickman	1 August 2018	1 August 2027
Sir David Grant	25 April 2012	n/a[1]
Professor Dame Karen Holford	1 September 2023	1 September 2026
Juliette Stacey	1 January 2022	1 January 2028
Stephen Wilson	1 June 2022	1 June 2028
Richard McMurtry	1 July 2024	1 July 2027

1 Sir David Grant was appointed as Interim Non-executive Chair with effect from 1 July 2024. The appointment will take effect until further notice and is expected to end following the appointment of a permanent Chair of the Company, unless earlier terminated on one month's notice.

Statement of voting at general meeting

At the AGM held on 29 November 2023, votes cast in respect of the Directors' Remuneration Policy were as follows:

Resolution	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
Approval of Remuneration Policy	61,006,328	95.50	2,875,973	4.50	63,882,301	15,204

At the AGM held on 27 November 2024, votes cast in respect of the Directors' Remuneration Report were as follows:

Resolution	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
Approval of Remuneration Report	61,682,004	96.33	2,353,069	3.67	64,035,073	10,122

This report was approved by the Board and has been signed on its behalf by:

Catherine Glickman
Chair of the Remuneration Committee

17 September 2025

Other statutory and regulatory disclosures

Review of the business

A review of the business and likely future developments is given in the Chair's statement, the Chief Executive Officer's review and the other sections of the Strategic Report. Segmental information by geographical market is given in Note 2 to the Financial statements.

The principal activities of the Company are the design, manufacture, sale, distribution and service of manufacturing technologies products and services, and analytical instruments and medical devices, as outlined on pages 34 to 39 of the Strategic Report. The Group has overseas subsidiaries to manufacture, market and distribute some of the Group's products and to support customers in the following major markets outside the UK:

- Americas: Brazil, Canada, Mexico and USA;
- APAC: Australia, China, Hong Kong, India, Japan, Malaysia, Singapore, South Korea and Taiwan; and
- EMEA: Austria, Czech Republic, Finland, France, Germany, Hungary, Ireland, Israel, Italy, the Netherlands, Poland, Spain, Sweden, Switzerland, Turkey and UAE.

There are also representative offices in Indonesia, Slovakia, Thailand and Vietnam.

In addition, in Slovenia the Group has a joint venture, RLS Merilna tehnika d.o.o. (RLS), and a subsidiary that designs and arranges the procurement of application-specific integrated circuits.

More information is available on our website: www.renishaw.com.

Research and development

The Group continues to invest significantly in developing future technologies, with R&D activities located primarily in the UK. We develop technologies that lead to patented products and methods to help deliver our strategy. More information on R&D expenditure is contained in Note 4 to the Financial statements. The amount of R&D expenditure capitalised, the amount amortised and impairment charges in the year are given in Note 12.

Dividends

The Directors propose a final dividend of £47.7m or 61.3p per share, which, together with the interim dividend of £12.2m or 16.8p per share, gives a total dividend for the year of £59.9m or 78.1p per share. Last year, the Board agreed a total dividend for the year of £55.4m or 76.2p.

As at 30 June 2025, 53,746 shares were held by the Renishaw plc Employee Benefit Trust (EBT). These shares may be used to satisfy awards made to employees under the Company's employee share plan – namely, the Renishaw Deferred Annual Equity Incentive Plan (DAEIP). Under the terms of the EBT, any dividends payable on these shares are waived.

Directors and their interests

The Directors who served on the Board during the year are listed on pages 62 and 63. In accordance with the provisions of the Governance Code, all Directors will retire and, being eligible, offer themselves for re-election to office or, in the case of any Director who was first appointed to the Board since the last AGM, election to office at the AGM to be held on Wednesday, 26 November 2025. Details of these Directors are shown on pages 62 and 63 and full biographical details are available at www.renishaw.com/directors.

The rules on appointment, reappointment and retirement by rotation of the Directors and their powers are set out in the Company's Articles of Association. There are no powers given to the Directors that are regarded as unusual.

The Directors' interests in our share capital (with the equivalent number of voting rights), as notified to the Company, are listed on page 99. There has been no change in the holdings shown on page 99 in the period 1 July 2025 to 17 September 2025.

All the interests were beneficially held, except for 2,278,161 shares (2024: 2,278,161 shares) that were non-beneficially held by John Deer but in respect of which he has voting rights.

Directors' and officers' indemnity insurance and Directors' indemnities

Subject to the provisions of the Companies Act 2006, the Company's Articles of Association provide for the Directors and officers of the Company to be appropriately indemnified. In accordance with the Company's Articles of Association and to the extent permitted by law, Directors (excluding the founders) have been granted an indemnity in respect of loss and liability incurred as a result of their office. Neither the Company's indemnity nor insurance provides cover in the event that a Director is proven to have acted dishonestly, fraudulently or negligently. Copies of all indemnities granted are available for inspection at the Company's registered office.

The Company also maintains insurance for its Directors and officers in respect of their acts and omissions during the performance of their duties.

Responsibility statement

As required under the Financial Conduct Authority's (FCA) Disclosure Guidance and Transparency Rules (DTR), a statement made by the Board regarding the preparation of the Financial statements is set out on page 106.

Share capital and change of control

Details of the Company's share capital, including rights and obligations, is given in Note 26 to the Financial statements. The Company is not a party to any significant agreements that might terminate on a change of control.

A shareholder authority for the purchase by the Company of a maximum of 10% of its own shares existed during FY2025. However, the Company did not purchase any of its own shares during that time.

Auditor

A resolution to reappoint Ernst & Young LLP as the auditor of the Company will be proposed at the forthcoming AGM.

Disclosure of information to auditor

The Directors who held office at the date of approval of this statement confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that our auditor is aware of that information.

Annual General Meeting

The notice convening the AGM is enclosed with an explanation of our proposed resolutions. At the meeting, the Company will seek shareholder approval for, among other things, the ability to make market purchases of its ordinary shares, up to a total of 10% of the issued share capital.

Substantial shareholdings

The table below discloses the voting rights that have been notified to the Company under the requirements of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules DTR 5. Please note that these holdings may have changed since being notified to the Company. However, notification of any change is not required until an applicable threshold is crossed.

Substantial shareholdings	% of issued share capital as at date of notification	Number of shares
BlackRock, Inc.	4.92%	3,578,133
Capital Research and Management Company	4.76%	3,465,738
Standard Life Investments Limited	4.99%	3,631,612

There have been no changes notified to the Company in the holdings shown above in the period 1 July 2025 to 17 September 2025.

The estate of Sir David McMurtry is a 36.23% shareholder in the Company and John Deer and his wife Eileen Deer are together 16.59% shareholders in the Company. See page 104 for further details.

Employees

The retention of our highly skilled people is essential to our future. The Directors place great emphasis on the continuation of our training programmes and competitive rewards. Health and safety matters are another key area of focus, and well-established systems of safety management are in place throughout the Group to safeguard employees, customers and others.

Employment policies are designed to provide equal opportunities irrespective of race, religion, gender, age, socio-economic background, disability or sexual orientation. The Company gives full and fair consideration to applications for employment from people with disabilities, where suitable, for appropriate vacancies. Employees who become disabled while with the Company will be given every opportunity to continue their employment through reasonable adjustments to their working conditions and equipment. Where this is not possible, the Company offers retraining for other positions. They will also be afforded opportunities to continue training and gain promotion on the same basis as any other employee.

Details on how the Directors have engaged with employees and had regard to their interests are set out in various sections of this Annual Report, including pages 28, 47 and 66 to 67. Information provided to employees on the performance of the business, consultation with employees and performance incentives is set out in various sections of the Annual Report, including page 92.

There are no agreements with employees providing for compensation for any loss of employment that may occur because of a takeover bid.

Other statutory and regulatory disclosures continued

Suppliers, customers and other stakeholders

Details on how the Directors have had regard to the need to promote the Group's relationships with suppliers, customers and others is set out on pages 71 to 73. The effect of that consideration on the Directors' principal decisions during FY2025 is also contained in that section.

Political donations and expenditure

No political donations were made or expenditure incurred during the year.

Events after the balance sheet date

For material events affecting the Company since the year end (30 June 2025) see note 30 on page 162.

Financial risk management, objectives and policies

Descriptions of the following can be found in Note 25 to the Consolidated financial statements on pages 151 to 156:

- the use of financial instruments;
- the Group's financial risk management objectives and policies;
- policies in relation to hedge accounting; and
- exposure to market risk, including credit and liquidity risk.

Controlling shareholders

The UK Listing Rules (UKLR) contain certain requirements for listed companies with controlling shareholders. A controlling shareholder is a shareholder who individually or with any of their concert parties exercises or controls 30% or more of the votes that may be cast on all, or substantially all, the matters at a company's general meeting.

The Company has had controlling shareholders since the introduction of the controlling shareholder regime in 2014, being Sir David McMurtry as a 36.23% shareholder and John Deer, together with his wife, as 16.59% shareholders and parties to a long-standing voting agreement between them and Sir David McMurtry.

Following the death of Sir David McMurtry, his shareholding is currently being administered by the executors of his estate. The Company considers that it continues to have controlling shareholders by virtue of the estate's 36.23% shareholding, and by virtue of John Deer and his wife's combined shareholding and being parties to the voting agreement.

One of the requirements for companies with controlling shareholders is that the election or re-election of independent directors at the AGM is subject to a dual vote of: (i) the shareholders as a whole; and (ii) the independent shareholders, being any person entitled to vote on the election of directors who is not a controlling shareholder of the Company. Another requirement is that the listed company is able to carry on the business that it carries out as its main activity independently from its controlling shareholders at all times.

For the purposes of UKLR 6.6.1(13), the Board confirms that the Company continues to carry on the business that it carries out as its main activity independently from its controlling shareholders at all times.

Greenhouse gas emissions and energy consumption

Disclosures concerning GHG emissions and energy consumption are set out on page 45.

Disclosure of information under UKLR 6.6.1R

The information that fulfils the reporting requirements under this rule can be found on the pages identified in the table below:

Section	Topic	Location
(1)	Interest capitalised	Not applicable
(2)	Publication of unaudited financial information	Not applicable
(3)	Details of long-term incentive schemes for individual directors	Not applicable
(4)	Waiver of emoluments by a director	Not applicable
(5)	Waiver of future emoluments by a director	Not applicable
(6)	Non-pre-emptive issues of equity for cash	Not applicable
(7)	As item (6), in relation to major subsidiary undertakings	Not applicable
(8)	Parent participation in a placing by a listed subsidiary	Not applicable
(9)	Contracts of significance	Not applicable
(10)	Provision of services by a controlling shareholder	Directors' Remuneration Report, starting on page 89
(11)	Shareholder waivers of dividends	Other statutory and regulatory disclosures, starting on page 102
(12)	Shareholder waivers of future dividends	Other statutory and regulatory disclosures, starting on page 102
(13)	Statement in relation to controlling shareholders	Other statutory and regulatory disclosures, starting on page 102

Signed on behalf of the Board.

Kasim Hussain
Group General Counsel & Company Secretary

17 September 2025

Renishaw plc
Registered number 01106260
England and Wales

Directors' responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and Financial statements

The Directors are responsible for preparing the Annual Report and the Group and Company Financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards, and have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101, 'Reduced Disclosure Framework'.

Under company law the Directors must not approve the Financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their profit or loss for that period.

In preparing each of the Group and Company Financial statements, the Directors are required to:

— select suitable accounting policies and then apply them consistently;

— make judgements and accounting estimates that are reasonable and prudent;

— state whether they have been prepared in accordance with applicable accounting standards; and

— prepare the Financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company, and enable them to ensure that the Financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and corporate governance statement that comply with the relevant laws and regulations.

Directors' confirmations

Each of the Directors, whose names and functions can be found on pages 62 and 63, confirms that, to the best of their knowledge:

— the Financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and of the Company and the undertakings included in the consolidation taken as a whole; and

— the Strategic Report and the Directors' Report include a fair review of the development and performance of the business during the year and the position of the Group and of the Company at the year end, together with a description of the principal risks and uncertainties that they face.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Signed on behalf of the Board.

Allen Roberts
Group Finance Director

17 September 2025

Financial statements

Independent Auditor's Report to the members of Renishaw plc

Opinion

In our opinion:

- Renishaw plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent company's affairs as at 30 June 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Renishaw plc (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise:

Group	Parent company
Consolidated balance sheet as at 30 June 2025	Balance sheet as at 30 June 2025
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income and expense for the year then ended	Related notes C31 to C50 to the financial statements including material accounting policy information.
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flow for the year then ended	
Related notes 1 to 30 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Independence

We are independent of the Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- Understanding the process undertaken by management to perform the going concern assessment including the evaluation of the ongoing impact of current global macro-economic factors.
- Obtaining management's going concern assessment, including the cash flow forecasts for the going concern period, which covers the period to 30 September 2026. We verified these forecasts were consistent with the Board-approved forecasts ensuring the operating profit, working capital adjustments and resultant cashflows in the going concern assessment matched those in the forecasts. The Group has modelled a base scenario, based on the pessimistic version of the business plan; and three 'severe but plausible' downside scenarios linked to the principal risks identified by management reflecting: a significant reduction in revenue; a significant increase in costs; and a combined reduction in profitability. The Group has also modelled a reverse stress test based on liquidity in order to determine how much additional downside in trading could be absorbed before the Group exhausted its cash and cash equivalents and bank deposit balances.
- Assessing the appropriateness of the duration of the going concern assessment period being the period to 30 September 2026;
- Evaluating the key assumptions underpinning the Group's base case forecast. In particular we compared the revenue growth projections to external industry forecasts and latest economic data to search for indicators of contradictory information;
- Considering the results of management's reverse stress test, assessing whether such a scenario was remote with reference to management's forecasts, the Group's historic trading and other information obtained throughout the audit, such as how the Group has responded to market challenges;
- Assessing the historical accuracy of management's forecasting for the past 3 years, by comparing the Group's actual results to Board approved budgets and re-forecasts to further challenge the prospective financial information included in the going concern assessment;
- Testing the clerical accuracy of the model used to prepare the Group's going concern assessment and the appropriateness of the model for this purpose; and
- Assessing the appropriateness of the Group's disclosures regarding the going concern basis of preparation.

We observed that the Group held cash and cash equivalents and bank deposits of £273.6m and had borrowings of £2.8m at 30 June 2025 which are not subject to financial covenants. Revenue for FY2025 increased by 3.1% to £713.0m compared to FY2024 (2024: £691.3m) and the Group generated a statutory profit before tax of £118.0m for the year ended 30 June 2025 (2024: £122.6m). Management's reverse stress test indicated the Group would have to suffer a trading level so low, before it depleted its cash and cash equivalents and bank deposit balances, that the Directors consider that the probability of the events occurring 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 deposit balances in the assessment period, was also remote.

Based on the work we performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent company's ability to continue as a going concern for the period to 30 September 2026.

In relation to the Group and Parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	— We performed an audit of the complete financial information of five components, audit procedures on specific balances for a further five components and specified procedures on two other components. — The components where we performed full, specific or specified audit procedures accounted for 98% of adjusted profit before tax, 85% of Revenue and 89% of Total assets. — We performed centralised procedures on the following accounts: goodwill, elimination of intercompany balances and transactions over the course of the year, dividends and distributable reserve testing and consolidation journals. — For certain accounts the audit procedures were completed by a combination of ourselves, as the primary team, and by component auditors. These included cash and cash equivalents, loans and borrowings, right of use assets and lease liabilities, finance lease receivables, investment properties, forward contracts, pension, income tax liabilities, deferred tax assets and deferred tax liabilities.
Key audit matters	— Revenue recognition – the risk of management override through inappropriate manual journals to revenue — Valuation of the defined benefit pension liabilities — Completeness of provision for uncertain tax positions and related tax disclosures
Materiality	— Overall Group materiality of £6.4m which represents 5% of adjusted profit before tax.

An overview of the scope of the Parent company and Group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered the risk profile, the organisation of the Group, our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures can be performed on all components in the following audit areas: goodwill, elimination of intercompany balances and transactions over the course of the year, dividends and distributable reserve testing, and consolidation journals.

We then identified five components as individually relevant to the Group due to: (i) relevant events and conditions underlying the identified risks of material misstatement of the Group financial statements being associated with the reporting components or (ii) a pervasive risk of material misstatement of the Group financial statements or (iii) a significant risk or an area of higher assessed risk of material misstatement of the Group financial statements being associated with the components. Additionally, we assessed a further five components of the Group as individually relevant due to materiality or financial size of the component relative to the Group.

For all 10 of these individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected two components of the Group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 12 components selected, we designed and performed audit procedures on the entire financial information of five components ("full scope components"). For five components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the remaining two components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key Audit Matters section of our report.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor or her delegate visits key locations on a rotational basis. During the current year's audit cycle, visits were undertaken by the primary audit team to the component teams in China, India and Germany. These visits involved discussing the audit approach with the component team and any issues arising from their work, meeting with local management, attending planning and closing meetings and reviewing relevant audit working papers on risk areas. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact Renishaw plc. The Group has determined that the most significant future impacts from climate change on their operations will be from extreme weather events, technological developments of additive manufacturing and from transition to electric vehicles and increasing carbon taxation. These are explained on pages 51 to 56 in the required Task Force On Climate-Related Financial Disclosures and on page 18 in the Risk management and principal risks and uncertainties section. The Group has also explained its climate commitments on pages 42 to 45. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

Note 1 of the financial statements explains how management reflected the impact of climate change in the financial statements including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. The Group has concluded that climate change did not have a material effect on the accounting judgements and estimates, nor on the carrying value of assets and liabilities for the year ended 30 June 2025 but recognises that climate change may pose a greater risk to the Group over time.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments and the effects of material climate risks disclosed on pages 42 to 45. We also evaluated management's assessment of the impact of climate change on the significant judgements and estimates disclosed in Note 1. This assessment considered whether the impact of climate change has been appropriately reflected in asset values, including goodwill, capitalised development costs, and deferred tax assets, where these are sensitive to future cash flows, as well as in inventories, right-of-use assets, and the useful economic lives and residual values of property, plant and equipment, in accordance with the UK-adopted International Accounting Standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk

Revenue recognition – the risk of management override through inappropriate manual journals to revenue (2025: £713.0 million, 2024: £691.3 million)

Refer to the Accounting policies (page 128); and Note 2 of the Consolidated Financial Statements (page 129)

As revenue is a key performance indicator for external communication and an input into management's earnings considerations, there is an incentive for management to manipulate the revenue recognised through manual journals posted throughout the year, to improve financial performance.

We consider that the vast majority of the Group's revenue transactions are non-complex by nature, with revenue recognised at a point in time with no significant judgement required to be exercised by management.

The risk level is consistent with prior year.

Our response to the risk

We obtained an understanding of the processes and assessed the design and implementation of key controls for each of the material revenue streams.

To test the appropriateness of revenue recognition throughout the period, we performed the following audit procedures:

- We used data analytics on all in scope components to analyse 100% of the revenue transactions recorded in the year, testing the correlation between revenue, trade receivables and cash and performing tests of detail over non-correlated transactions.
- We verified that cash receipts that correlate to trade receivables are recorded accurately, and relate to revenue, through testing a sample of cash journal entries to cash received during the period and testing a sample of trade receivable balances at year end to debtor confirmations or cash received post year end or evidence of delivery of goods to the customer.
- For all in scope components we obtained and reviewed breakdowns of all manual journals and for all material revenue journals and a sample of non-material revenue journals we agreed the journal entries to underlying documentation to verify the appropriateness of the revenue being recognised.
- We assessed for evidence of management bias by testing all material manual journals either side of the year end and agreeing journal entries to appropriate supporting evidence.
- For in scope components we performed analytical procedures to compare revenue recognised with our expectations, management's forecasts and, where possible, external market data.
- We used data analytics to identify potential instances of management override, by performing searches for:
  - i. manual journals based on the transaction type
  - ii. journals recorded outside of normal working hours
  - iii. journals posted by inappropriate individuals

  These journals were then agreed to underlying supporting documentation and business rationale, selecting those journals based on risk and materiality considerations.

Revenue at the in scope components where these procedures were performed represents 85% of the total revenue balance.

In addressing this key audit matter, audit procedures were performed by a combination of the Primary Team and each of the component audit teams under our supervision.

Key observations communicated to the Audit Committee

Based on the procedures performed, revenue recognised in the period is appropriate. Our procedures performed did not identify any unsupported manual adjustments to revenue nor any unexplained anomalies from our revenue analytics.

Our procedures did not identify instances of inappropriate management override across the Group.

Valuation of the defined benefit pension liability (2025: £151.3 million, 2024: £163.6 million)

Refer to the Audit Committee Report (page 86); Accounting policy (page 146); and Note 23 of the Consolidated Financial Statements (page 146)

There is an increased risk of material misstatement due to the size of the pension liability, the level of judgement involved in estimating the key assumptions to calculate the liability and the fact that relatively small movements in these assumptions can result in a material impact to the financial statements.

In the prior year a drafting error was identified in the 2015 trust deed in relation to the defined contribution underpin which requires evaluation as to any impact on the current and prior year valuation of the defined benefit liabilities. Given the potential for material misstatement in the valuation of pension liabilities, we considered this a key audit matter.

The financial statements include a prior period adjustment relating to the German pension scheme. For the current year, we consider the valuation of the defined benefit pension liability related to the German scheme to also be part of the key audit matter.

As a result of the prior year adjustment related to a German pension scheme, we consider the risk level associated with this area has remained stable compared to the prior year.

Our response to the risk

We obtained an understanding of the processes and assessed the design and implementation of key controls for estimating the defined benefit pension liability.

To test the appropriateness of the defined benefit pension liability, our audit procedures included:

- Evaluating the competence and objectivity of management's external actuarial specialists.
- Assessing the completeness and accuracy of the member data, used by the actuaries to estimate the scheme liabilities, by testing the clerical accuracy of the member data schedules, checking changes to the participants in the year and performing an analytical review of the year-on-year movements in the data.
- Evaluating the legal advice obtained by management in relation to the drafting error in the trust deed related to the defined contribution underpin. We challenged management's assessment regarding the potential impact, if any, of this matter in relation to the value of the pension liability recorded in the financial statements. This included obtaining legal confirmation directly from management's specialist.
- Reviewing the legal advice obtained by management regarding the classification of the German pension scheme arrangement, confirming that it should be recognised as a defined benefit obligation in accordance with IAS 19 on the Group's balance sheet. We also involved actuarial specialists from EY Germany to assess the local regulatory and contractual aspects of the scheme to support our conclusion.
- Involving EY actuarial specialists as part of our audit team to:
  - i independently estimate an acceptable range for each of the significant assumptions used in estimating the UK, Irish and German scheme liabilities, which included the discount rate; rate of inflation; and mortality assumptions. We compared each of the significant assumptions used by management's actuarial specialist to our independent acceptable range.
  - ii Perform a roll forward of the UK and Irish scheme liabilities from 30 June 2024 to 30 June 2025 and independently reconcile the output to the amounts calculated by management's external actuarial specialist.
  - iii With assistance from the core audit team, test the membership data relating to the German pension scheme by verifying the underlying employer records and reconciling them with confirmations obtained from the scheme administrator.
- Evaluating whether the disclosures in the Group financial statements are in accordance with those required by IAS 19.

In response to the prior year restatement relating to the German pension scheme, we:

- Reviewed the pension scheme documents and management's assessment of the error.
- Assessed the actuarial assumptions and methodology used to quantify the impact of the error on the defined benefit obligation and related asset (reimbursable right).
- Evaluated the appropriateness of the prior year adjustment in accordance with IAS 8, including the restatement of comparative figures.

We performed centralised procedures, which covered 100% of the Defined benefit pension liability balance. In addressing this key audit matter, audit procedures were performed by the Primary Team alongside EY specialists from the UK and Germany.

Key observations communicated to the Audit Committee

Based on the procedures performed, we agree that the German defined benefit pension scheme should be recognised as a defined benefit pension scheme with the corresponding assets and liabilities recorded within the consolidated balance sheet. As disclosed in Note 1 to the financial statements, the comparative figures have been restated to correct a prior period error relating to the German pension scheme. We have audited the restated comparative information and assessed the appropriateness of the adjustments made.

Our audit procedures did not identify evidence of material misstatement regarding the valuation of the defined benefit pension liability.

We concluded that the disclosures provided in Note 23 & Note 1 to the Group financial statements are in accordance with those required by IAS 19 and IAS 8.

Independent Auditor's Report to the members of Renishaw plc continued

Completeness of provision for uncertain tax positions and related tax disclosures
Refer to the Audit Committee Report (page 85); Accounting policy (page 132); and Note 7 of the Consolidated Financial Statements (page 133) The Group has recognised an uncertain tax position provision of £9.2m (FY2024: Nil) and associated interest of £4.9m (FY2024: Nil) relating to specific legacy arrangements. The Group is subject to a range of tax legislation that can vary by jurisdiction and tax compliance for global businesses is increasingly complex. There is judgement in relation to (i) whether a provision is required for an uncertain tax position; (ii) the quantum of the associated provision; and, (iii) whether the provision and related interest should be disclosed as "adjusting items". This matter has been identified as a new risk in the current year due to the materiality and significant judgement involved in relation to uncertain tax positions.
Our response to the risk In responding to the identified key audit matter, we completed the following audit procedures: — Obtained management's assessment paper regarding potential uncertain tax positions and reviewed the underlying evidence to conclude on management's key judgements set out in their paper, including advice received from management's specialist — Reviewed correspondence between the Group and relevant tax authorities in relation to open tax matters — Involved our tax specialists to perform a review of the specialist advice obtained by management alongside a review of underlying documents associated with the uncertain tax positions — Assessed the level of provision recorded for uncertain tax positions in light of third party evidence obtained and the views of our tax specialists who developed their own point estimates — Read the related disclosures in the Annual Report and Accounts and evaluated the adequacy of these in light of whether it was appropriate for these matters to be included as "adjusted items" and whether the associated disclosure was clear. In addressing this key audit matter, audit procedures were performed by a mix of the Primary Team, UK and overseas tax specialists and overseas component teams under our supervision.
Key observations communicated to the Audit Committee Based on our procedures, we concluded that the provisions for uncertain tax positions and the disclosures in the Annual Report and Accounts for the year ended 30 June 2025 are appropriate.

In the prior year, our auditor's report included key audit matters in relation to the accounting treatment for pension buy-in transaction and, for the Parent company, the carrying value of intercompany receivables. The pension buy-in transaction was completed in the prior year and therefore is not relevant to the current year. In respect of the carrying value of intercompany receivables, the judgement and amount included on the balance sheet has reduced from the prior year. As such, these key audit matters are no longer applicable for the current year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £6.4 million (2024: £6.1 million), which is 5% (2024: 5%) of Adjusted profit before tax. We believe that Adjusted profit before tax provides us with the metric which is used most prevalently by Group management in their internal and external reporting and is the most relevant performance measure to the stakeholders of the Group.

We determined materiality for the Parent Company to be £8.4 million (2024: £8.1 million), which is 1% (2024: 1%) of Equity.

Starting basis	— Statutory profit before tax – £118.0m
Adjustments	— Adjust for non-recurring items – £9.2m, comprising: • Closure of drug delivery business – £2.0m • Closure of Edinburgh research office – £2.3m • Interest payable on historical tax matters – £4.9m
Materiality	— Totals £127.2m adjusted profit before tax — Materiality of £6.4m (5% of materiality basis)

During the course of our audit, we reassessed initial materiality to reflect actual results being different to the forecast used to calculate planning materiality and performed our testing at this revised level.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £4.7 million (2024: £4.6 million). We have set performance materiality at this percentage due to our expectation of misstatements being low.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.3m to £3.2m (2024: £0.3 million to £3.1 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.3 million (2024: £0.3 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report including the Strategic Report set out on pages 2 to 57, the Governance Report set out on Pages 59 to 106 and Shareholders information set out on pages 177 to 178, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

— the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
— the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

— adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
— the Parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
— certain disclosures of Directors' remuneration specified by law are not made; or
— we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

— Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 76;
— Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 76;
— Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 76;
— Directors' statement on fair, balanced and understandable set out on page 106;
— Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 75;
— The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 75; and
— The section describing the work of the Audit Committee set out on page 84.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 106, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the UK Corporate Governance Code) and the relevant tax compliance regulations in the UK and overseas jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules of the London Stock Exchange, the Bribery Act 2010, Occupational Health and Safety Regulations, General Data Protection Regulation and export controls as well as, for the Group's overseas components, the non-UK equivalent of these legislative frameworks.
- We understood how Renishaw plc is complying with those frameworks by reading internal policies and codes of conduct and assessing the entity level control environment, including the level of oversight of those charged with governance. We made enquiries of management, internal audit, the Group's legal counsel and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee and noted that there was no contradictory evidence.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the programmes and controls that the Group has established to address risks identified by the entity, or that otherwise prevent, deter and detect fraud; how senior management monitor those programs and controls, evaluating conditions in the context of incentive and/or pressure to commit fraud, considering the opportunity to commit fraud and the potential rationalisation of the fraudulent act, and by making enquiries of senior management, including the Group Finance Director, Group Financial Controller, Group Internal Audit Manager, Group Company Secretary and General Counsel and Chair of the Audit Committee. We planned our audit to identify risks of management override, tested higher risk journal entries and performed audit procedures to address the potential for management bias, particularly over areas involving significant estimation. Further discussion of our approach to address the identified risk of management override, related to revenue recognition, is set out in the key audit matters section of our report.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquires of management, including the Group's internal and external legal counsel, internal audit and component management, of known instances of non-compliance or suspected non-compliance with laws and regulations; attendance at audit committee meetings; review of committee and board meeting minutes, including board meeting minutes for full scope components to identify any known or potential non-compliance with laws and regulations; journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business; and review of the volume and nature of matters reported through the whistleblowing hotline during the year and post year end period. We also completed procedures to conclude on the compliance of significant disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code. We communicated regularly with the full scope and specific scope component teams and attended key meetings with the component audit teams and local management in order to identify and communicate any instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee we were appointed by the Parent company on 13 October 2016 to audit the financial statements for the year ending 30 June 2017 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is nine years, covering the years ending 30 June 2017 to 30 June 2025.

- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen McLeod-Jones (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

17 September 2025

Financial statements contents

Introduction

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable law and regulations. The full statement of Directors' responsibilities can be found on page 106.

The notes (forming part of the financial statements) provide additional information required by statute, accounting standards or other regulations to assist in a more detailed understanding of the primary financial statements.

Consolidated financial statements

Primary statements

Notes (forming part of the financial statements)

Company financial statements

Primary statements

Notes to the Company financial statements

Consolidated income statement

for the year ended 30 June 2025

from continuing operations	notes	**Adjusted total 2025 £'000**	**Adjusting items 2025 £'000**	**Statutory total 2025 £'000**	Adjusted total 2024 £'000	Adjusting items 2024 £'000	Statutory total 2024 £'000
Revenue	2	**713,044**	**–**	**713,044**	691,301	–	691,301
Cost of sales	4	**(379,650)**	**(4,379)**	**(384,029)**	(367,658)	–	(367,658)
Gross profit		**333,394**	**(4,379)**	**329,015**	323,643	–	323,643
Distribution costs		**(144,031)**	**–**	**(144,031)**	(139,901)	–	(139,901)
Administrative expenses		**(77,099)**	**–**	**(77,099)**	(75,075)	–	(75,075)
Operating profit		**112,264**	**(4,379)**	**107,885**	108,667	–	108,667
Financial income	5	**16,517**	**–**	**16,517**	12,336	–	12,336
Financial expenses	5	**(5,088)**	**(4,852)**	**(9,940)**	(2,289)	–	(2,289)
Share of profits of joint ventures	13	**3,538**	**–**	**3,538**	3,880	–	3,880
Profit before tax		**127,231**	**(9,231)**	**118,000**	122,594	–	122,594
Income tax expense	7	**(27,010)**	**(7,233)**	**(34,243)**	(25,705)	–	(25,705)
Profit for the year		**100,221**	**(16,464)**	**83,757**	96,889	–	96,889
Profit attributable to:							
Equity shareholders of the parent company				**83,757**			96,889
Non-controlling interest	26			**–**			–
Profit for the year				**83,757**			96,889
		pence	**pence**	**pence**	pence	pence	pence
Dividend per share arising in respect of the year	26			**78.1**			76.2
Dividend per share paid in the year	26			**76.2**			76.2
Earnings per share (basic and diluted)	8	**137.8**	**(22.1)**	**115.2**	133.2	–	133.2

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

Consolidated statement of comprehensive income and expense

for the year ended 30 June 2025

	notes	**Adjusted total 2025 £'000**	**Adjusting items 2025 £'000**	**Statutory total 2025 £'000**	Adjusted total 2024 (restated) £'000	Adjusting items 2024 (restated) £'000	Statutory total 2024 (restated) £'000
Profit for the year		**100,221**	**(16,464)**	**83,757**	96,889	–	96,889
Other items recognised directly in equity:							
Items that will not be reclassified to the Consolidated income statement:							
Remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right	23	**2,777**	**–**	**2,777**	(48,776)	–	(48,776)
Deferred tax on remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right		**(374)**	**–**	**(374)**	12,450	–	12,450
Total for items that will not be reclassified		**2,403**	**–**	**2,403**	(36,326)	–	(36,326)
Items that may be reclassified to the Consolidated income statement:							
Exchange differences in translation of overseas operations	26	**(6,295)**	**–**	**(6,295)**	(4,038)	–	(4,038)
Exchange differences in translation of overseas joint venture	26	**169**	**–**	**169**	(311)	–	(311)
Current tax on translation of net investments in overseas operations	26	**–**	**–**	**–**	57	–	57
Effective portion of changes in fair value of cash flow hedges, net of recycling	26	**5,804**	**–**	**5,804**	5,812	–	5,812
Deferred tax on effective portion of changes in fair value of cash flow hedges	7, 26	**(1,451)**	**–**	**(1,451)**	(1,453)	–	(1,453)
Total for items that may be reclassified		**(1,773)**	**–**	**(1,773)**	67	–	67
Total other comprehensive income and expense, net of tax		**630**	**–**	**630**	(36,259)	–	(36,259)
Total comprehensive income and expense for the year		**100,851**	**(16,464)**	**84,387**	60,630	–	60,630
Attributable to:							
Equity shareholders of the parent company				**84,387**			60,630
Non-controlling interest	26			**–**			–
Total comprehensive income and expense for the year				**84,387**			60,630

'Remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right' and 'Deferred tax on remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right' have been restated in the comparative information. See Note 1 for further details.

Consolidated balance sheet

at 30 June 2025

	notes	**2025 £'000**	2024 (restated) £'000	2023 (restated) £'000
Assets				
Property, plant and equipment	9	**338,287**	325,040	286,085
Right-of-use assets	10	**12,218**	14,746	8,402
Investment properties	11	**11,566**	10,285	10,323
Intangible assets	12	**50,550**	47,343	46,468
Investments in joint ventures	13	**27,692**	25,485	22,414
Finance lease receivables	14	**11,950**	11,944	9,935
Employee benefits	23	**11,443**	10,845	57,416
Reimbursement right	23	**12,909**	12,116	11,348
Deferred tax assets	7	**22,432**	20,367	22,595
Derivatives	25	**7,878**	1,387	9,443
Total non-current assets		**506,925**	479,558	484,429
Current assets				
Inventories	16	**159,465**	161,928	185,757
Trade receivables	25	**128,464**	134,073	123,427
Finance lease receivables	14	**5,195**	3,861	3,764
Current tax		**6,453**	21,298	19,558
Other receivables	25	**40,732**	34,076	28,840
Derivatives	25	**14,345**	13,547	5,373
Bank deposits	15, 25	**186,226**	95,542	125,000
Cash and cash equivalents	15, 25	**87,420**	122,293	81,388
Total current assets		**628,300**	586,618	573,107
Current liabilities				
Trade payables	25	**25,943**	21,330	21,551
Contract liabilities	18	**14,669**	10,880	9,971
Current tax		**11,303**	1,767	7,118
Provisions	17	**8,978**	2,997	2,758
Derivatives	25	**150**	448	5,089
Lease liabilities	21	**3,992**	3,960	3,009
Amounts payable to joint venture	13	**14,530**	8,475	–
Borrowings	20	**764**	747	4,694
Other payables	19	**57,132**	50,344	48,130
Total current liabilities		**137,461**	100,948	102,320
Net current assets		**490,839**	485,670	470,787
Non-current liabilities				
Lease liabilities	21	**8,769**	11,062	5,624
Borrowings	20	**2,120**	2,775	–
Employee benefits	23	**21,131**	21,349	20,538
Deferred tax liabilities	7	**38,784**	33,600	38,770
Derivatives	25	**1,096**	177	120
Total non-current liabilities		**71,900**	68,963	65,052
Total assets less total liabilities		**925,864**	896,265	890,164
Equity				
Share capital	26	**14,558**	14,558	14,558
Share premium		**42**	42	42
Own shares held	26	**(2,140)**	(2,963)	(2,963)
Currency translation reserve	26	**(3,646)**	2,480	6,772
Cash flow hedging reserve	26	**15,264**	10,911	6,552
Retained earnings		**901,170**	870,434	865,283
Other reserve	26	**1,193**	1,380	497
Equity attributable to the shareholders of the parent company		**926,441**	896,842	890,741
Non-controlling interest	26	**(577)**	(577)	(577)
Total equity		**925,864**	896,265	890,164

Reimbursement right, Employee benefits, Deferred tax assets and retained earnings have been restated in the comparative information. See Note 1 for further details.

These financial statements were approved by the Board of Directors on 17 September 2025 and were signed on its behalf by:

Sir David Grant
Interim Non-executive Chair

Allen Roberts
Group Finance Director

Consolidated statement of changes in equity

for the year ended 30 June 2025

Year ended 30 June 2024	Share capital £'000	Share premium £'000	Own shares held £'000	Currency translation reserve £'000	Cash flow hedging reserve £'000	Retained earnings £'000	Other reserve £'000	Non-controlling interest £'000	Total £'000
Balance at 1 July 2023	14,558	42	(2,963)	6,772	6,552	871,777	497	(577)	896,658
Prior year restatement	–	–	–	–	–	(6,494)	–	–	(6,494)
Balance at 1 July 2023 (restated)	14,558	42	(2,963)	6,772	6,552	865,283	497	(577)	890,164
Profit for the year	–	–	–	–	–	96,889	–	–	96,889
Other comprehensive income and expense (net of tax)									
Remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right	–	–	–	–	–	(36,326)	–	–	(36,326)
Foreign exchange translation differences	–	–	–	(3,981)	–	–	–	–	(3,981)
Foreign exchange related to joint venture	–	–	–	(311)	–	–	–	–	(311)
Changes in fair value of cash flow hedges	–	–	–	–	4,359	–	–	–	4,359
Total other comprehensive income and expense	–	–	–	(4,292)	4,359	(36,326)	–	–	(36,259)
Total comprehensive income and expense	–	–	–	(4,292)	4,359	60,563	–	–	60,630
Share-based payments charge	–	–	–	–	–	–	883	–	883
Dividends paid	–	–	–	–	–	(55,412)	–	–	(55,412)
Balance at 30 June 2024	**14,558**	**42**	**(2,963)**	**2,480**	**10,911**	**870,434**	**1,380**	**(577)**	**896,265**
Year ended 30 June 2025									
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**

More details of share capital and reserves are given in Note 26. 'Remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right' have been restated in the comparative information. See Note 1 for further details.

Consolidated statement of cash flow

for the year ended 30 June 2025

	notes	2025 £'000	2024 £'000
Cash flows from operating activities			
Profit for the year		**83,757**	96,889
Adjustments for:			
Depreciation and impairment of property, plant and equipment, right-of-use assets, and investment properties	9,10,11	**29,057**	24,195
Profit on sale of property, plant and equipment	9	**(1,083)**	(1,199)
Amortisation and impairment of intangible assets	12	**6,689**	8,633
Share of profits from joint ventures	13	**(3,538)**	(3,880)
Defined benefit pension schemes past service and administrative costs	23	**1,833**	907
Financial income	5	**(16,517)**	(12,336)
Financial expenses	5	**9,940**	2,289
Share-based payment expense	24	**790**	883
Tax expense	7	**34,243**	25,705
		61,414	45,197
Decrease/(increase) in inventories		**2,463**	23,829
Increase in trade, finance lease and other receivables		**(11,025)**	(23,719)
Increase/(decrease) in trade and other payables		**16,525**	3,557
Increase/(decrease) in provisions		**1,129**	239
		9,094	3,906
Defined benefit pension scheme contributions	23	**(162)**	(161)
Income taxes paid		**(6,207)**	(21,752)
Cash flows from operating activities		**147,896**	124,079
Investing activities			
Purchase of property, plant and equipment, and investment properties	9,11	**(46,273)**	(65,518)
Sale of property, plant and equipment		**4,887**	4,475
Development costs capitalised	12	**(9,999)**	(9,281)
Purchase of other intangibles	12	**(286)**	(246)
(Increase)/decrease in bank deposits	15	**(90,684)**	29,458
Interest received	5	**12,216**	9,110
Dividends received from joint ventures	13	**1,500**	498
Cash flows from investing activities		**(128,639)**	(31,504)
Financing activities			
Repayment of borrowings	20	**(794)**	(799)
Amounts received as deposit from joint venture	13	**5,983**	8,475
Interest paid	5	**(1,140)**	(608)
Repayment of principal of lease liabilities	22	**(4,284)**	(4,359)
Own shares purchased	26	**(154)**	–
Dividends paid	26	**(55,424)**	(55,412)
Cash flows from financing activities		**(55,813)**	(52,703)
Net decrease in cash and cash equivalents		**(36,556)**	39,872
Cash and cash equivalents at the beginning of the year		**122,293**	81,388
Effect of exchange rate fluctuations on cash held		**1,683**	1,033
Cash and cash equivalents at the end of the year	15	**87,420**	122,293

Cash and cash equivalents and bank deposits at the end of the year were £273.6m (2024: £217.8m). 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 Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards (IAS). The parent company financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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. Page 127 sets out 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.

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 includes 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 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.

1. Accounting policies continued

New, revised or changes to existing accounting standards

The following accounting standards and amendments became effective as at 1 January 2024 and have been adopted in the preparation of these financial statements, with effect from 1 July 2024:

— amendments to IAS 1, Classification of Liabilities as Current or Non-current;
— amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements; and
— amendments to IFRS 16, Lease liability in a Sale and Leaseback.

These have 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 (not yet endorsed by the UK); and
— IFRS 19 Subsidiaries without Public Accountability: Disclosures (not yet endorsed by the UK); and
— amendments to IAS 21, Lack of exchangeability.

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 adopted IFRS 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).

Prior year restatement

An error has been identified with the Group's classification of a German pension scheme as a defined contribution scheme, as opposed to a defined benefit scheme, following a request for funding from the pension scheme support fund. In line with IAS 8, the Group has restated balances at 30 June 2024 and 1 July 2023.

The impact on the financial statements as 1 July 2023 was the recognition of a non-current liability employee benefit of £20,493,000 and a reimbursement right asset of £11,348,000. A corresponding net deferred tax asset of £2,651,000 has also been recognised. The net effect was a reduction in retained earnings of £6,494,000.

At 30 June 2024, the closing non-current liability employee benefit and reimbursement right asset were of £21,349,000 and £12,116,000 respectively. A corresponding net deferred tax asset of £2,677,000 has also been recognised. The total adjustment recognised through the Consolidated statement of comprehensive income and expense related to the 'Remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right' and 'Deferred tax on remeasurement of defined benefit pension scheme assets/liabilities/reimbursement right' was a loss of £88,000 and a gain of £26,000 respectively. See Note 23 Employee benefits for further details.

	2024			2023		
	Reported £'000	Adjustment £'000	Restated £'000	Reported £'000	Adjustment £'000	Restated £'000
Assets						
Reimbursement right	–	12,116	12,116	–	11,348	11,348
Deferred tax assets	17,690	2,677	20,367	19,944	2,651	22,595
Non-current liabilities						
Employee benefits	–	(21,349)	(21,349)	(45)	(20,493)	(20,538)
Equity						
Retained earnings	876,990	(6,556)	870,434	871,777	(6,494)	865,283

1. Accounting policies continued

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 that 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)	Page
Taxation	J – Whether uncertain tax positions need to be recognised	132
Research and development costs	J – Whether a project meets the criteria for capitalisation	138
Goodwill and capitalised development costs	E – Estimates of future cash flows for impairment testing	138
Inventories	E – Determination of net realisable value	143
Defined benefit pension schemes	E – Valuation of defined benefit pension schemes' liabilities	146
Defined benefit pension schemes	J – Whether past service costs need to be recognised	146
Cash flow hedges	E – Estimates of highly probable forecasts of the hedged item	151
Adjusted performance measures	J – Whether items are appropriate to exclude from adjusted measures	159
Employment benefits	J – When termination benefits should be recognised	162

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 in the carrying value of assets and liabilities in the consolidated financial statements for the year ended 30 June 2025. We will continue to review this, and update our accounting and disclosures as 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, as set out on pages 11 to 14;
- the Group's risk management processes and principal risks, disclosed on pages 15 to 23;
- the Group's financial resources and strategies (pages 31 to 33); and
- the process undertaken to review the Group's viability, including scenario testing, as set out on page 24.

The financial models for the viability review were based on the pessimistic version of the five-year business plan, but covering a period to 30 September 2028. For context, revenue in the first year of this pessimistic base scenario is lower than the FY2025 revenue of £713.0m, while costs and other cash outflows still reflect ambitious growth plans. In the going concern assessment, the Directors reviewed this same version of the plan but to 30 September 2026, as well as the 'severe but plausible' scenarios used in the viability review, again to 30 September 2026. 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 30 September 2026.

The Directors also reviewed a reverse stress test for the period to 30 September 2026, 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 30 September 2026.

2. Revenue disaggregation and segmental analysis

We manage our business by segment, comprising Manufacturing technologies and Analytical instruments and medical devices, and 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 in which installation is complete. For training, this is typically the point in time at which 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 in which 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 is 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 in which 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.

2. Revenue disaggregation and segmental analysis continued

Within the Manufacturing technologies business there are multiple product offerings with similar economic characteristics, similar production processes and similar customer bases. Our Manufacturing technologies business consists of industrial metrology, position measurement and additive manufacturing (AM) product groups. Analytical instruments and medical devices represents all other operating segments within the Group, which consists of spectroscopy and neurological product lines. More details of the Group's products and services are given in the Strategic Report.

Year ended 30 June 2025	**Manufacturing technologies £'000**	**Analytical instruments and medical devices £'000**	**Total £'000**
Revenue	671,469	41,575	713,044
Depreciation, amortisation and impairment	33,001	2,745	35,746
Research and development expenditure	65,727	3,183	68,910
Operating profit	107,593	292	107,885
Share of profits of joint ventures	3,538	–	3,538
Net financial income	–	–	6,577
Profit before tax	–	–	**118,000**

Year ended 30 June 2024	Manufacturing technologies £'000	Analytical instruments and medical devices £'000	Total £'000
Revenue	648,063	43,238	691,301
Depreciation, amortisation and impairment	31,374	1,454	32,828
Research and development expenditure	68,205	2,855	71,060
Operating profit	103,181	5,486	108,667
Share of profits of joint ventures	3,880	–	3,880
Net financial income	–	–	10,047
Profit before tax	–	–	122,594

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.

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

	2025 £'000	2024 £'000
UK	**286,145**	268,027
Overseas	**166,118**	166,816
Total non-current assets	**452,263**	434,843

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:

	2025 £'000	2024 £'000
Goods, capital equipment and installation	**642,378**	624,491
Aftermarket services	**70,666**	66,810
Total Group revenue	**713,044**	691,301

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

2. Revenue disaggregation and segmental analysis continued

The analysis of revenue by geographical market was:

	2025 £'000	2024 £'000
APAC total	**337,721**	318,836
UK (country of domicile)	**34,017**	37,956
EMEA, excluding UK	**173,751**	170,077
EMEA total	**207,768**	208,033
Americas total	**167,555**	164,432
Total Group revenue	**713,044**	691,301

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

	2025 £'000	2024 £'000
China	**186,495**	177,155
USA	**142,860**	138,836
Germany	**55,682**	54,572
Japan	**49,273**	49,329

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, which are analysed in this note.

The aggregate employee costs for the year were:

	2025 £'000	2024 £'000
Wages and salaries	**247,070**	233,536
Compulsory social security contributions	**30,514**	27,130
Contributions to defined contribution pension schemes	**29,269**	27,851
Share-based payment charge	**790**	883
Total payroll costs	**307,643**	289,400

Wages and salaries and compulsory social security contributions include £11.1m (2024: £10.0m) relating to performance bonuses.

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

	2025 Number	2024 Number
UK	**3,491**	3,400
Overseas	**1,848**	1,813
Average number of employees	**5,339**	5,213

Key management personnel have been assessed to be the Directors of the Company and the Senior Leadership Team (SLT), which was an average of 22 people (2024: 22 people).

The total remuneration of the Directors and the SLT was:

	2025 £'000	2024 £'000
Short-term employee benefits	**6,322**	6,139
Post-employment benefits	**489**	529
Share-based payment charge	**790**	883
Total remuneration of key management personnel	**7,601**	7,551

Short-term employee benefits include £0.8m (2024: £0.2m) relating to performance bonuses payable in cash.

The share-based payment charge relates to share awards granted in previous years, not yet vested. Shares equivalent to £0.9m (2024: £0.2m) are to be awarded in respect of FY2025 (see Note 24).

Further details of Directors' remuneration are given in the Directors' Remuneration Report.

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 2025 £'000	**Adjusting items 2025 £'000**	**Statutory total 2025 £'000**	Adjusted total 2024 £'000	Adjusting items 2024 £'000	Statutory total 2024 £'000
Production costs	**272,814**	**–**	**272,814**	269,562	–	269,562
Research and development expenditure	**68,910**	**–**	**68,910**	71,060	–	71,060
Other engineering expenditure	**46,770**	**4,379**	**51,149**	35,723	–	35,723
Gross engineering expenditure	**115,680**	**4,379**	**120,059**	106,783	–	106,783
Development expenditure capitalised (net of amortisation)	**(5,574)**	**–**	**(5,574)**	(4,287)	–	(4,287)
Development expenditure impaired	**1,818**	**–**	**1,818**	3,299	–	3,299
Research and development tax credit	**(5,088)**	**–**	**(5,088)**	(7,699)	–	(7,699)
Total engineering costs	**106,836**	**4,379**	**111,215**	98,096	–	98,096
Total cost of sales	**379,650**	**4,379**	**384,029**	367,658	–	367,658

Production costs includes the raw material and component costs, payroll costs and sub-contract 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	**2025 £'000**	2024 £'000
Bank interest receivable	**11,741**	9,110
Fair value gains from one-month forward currency contracts	**3,360**	318
Interest on pension schemes' assets	**503**	2,908
Other interest income	**913**	–
Total financial income	**16,517**	12,336

Financial expenses	**2025 £'000**	2024 £'000
Currency losses	**3,899**	1,645
Lease interest	**685**	537
Interest payable on amounts owed to joint ventures	**371**	55
Interest payable on borrowings	**49**	36
Other interest payable	**4,936**	16
Total financial expenses	**9,940**	2,289

Currency losses relate to revaluations of foreign currency-denominated balances using latest reporting currency exchange rates. The losses recognised in FY2024 and FY2025 largely related to an appreciation 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 for further details. The net currency movement of foreign currency-denominated balances and one-month forward currency contracts was a loss of £539,000 (2024: loss of £1,327,000).

Other interest payable includes liabilities recognised of £4,852,000 for historical and non-recurring tax matters, see Note 7 for further details.

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	2025 £'000	2024 £'000
Depreciation and impairment of property, plant and equipment, right-of-use assets, and investment properties	9,10,11	**29,057**	24,195
Profit on sale of property, plant and equipment	9	**(1,083)**	(1,199)
Amortisation and impairment of intangible assets	12	**6,689**	8,633
Grant income	–	**(3,280)**	(2,816)

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 included:

	2025 £'000	2024 £'000
Audit of these financial statements	**899**	873
Audit of subsidiary undertakings pursuant to legislation	**589**	606
Other assurance	**33**	27
All other non-audit fees	**–**	–
Total auditor fees	**1,521**	1,506

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 make use of these 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. This year, the nature and potential value of the issues under review were significant and were a key judgement for management.

7. Taxation continued

The following table shows an analysis of the tax charge:

	2025 £'000	2024 £'000
Current tax:		
UK corporation tax on profits for the year	**7,550**	3,748
UK corporation tax – prior year adjustments	**2,778**	(693)
Overseas tax on profits for the year	**16,018**	14,497
Overseas tax – prior year adjustments	**6,166**	105
Global minimum tax	**757**	–
Total current tax	**33,269**	17,657
Deferred tax:		
Origination and reversal of temporary differences	**2,077**	8,613
Prior year adjustments	**(1,203)**	(473)
Derecognition of previously recognised tax losses and excess interest	**323**	427
Recognition of previously unrecognised tax losses and excess interest	**(223)**	(519)
	974	8,048
Tax charge on profit	**34,243**	25,705

The tax for the year is higher (2024: lower) than the UK standard rate of corporation tax of 25.0% (2024: 25.0%). The differences are explained as follows:

	2025 £'000	2024 £'000
Profit before tax	**118,000**	122,594
Tax at 25.0% (2024: 25.0%)	**29,500**	30,649
Effects of:		
Different tax rates applicable in overseas subsidiaries	**(4,648)**	(4,866)
Permanent differences	**1,439**	1,028
Global minimum tax	**757**	–
Companies with unrelieved tax losses	**7**	93
Share of profits of joint ventures	**(885)**	(970)
Tax incentives	**(123)**	–
Prior year adjustments	**7,741**	(1,061)
Recognition of previously unrecognised tax losses and excess interest	**(223)**	(519)
Derecognition of previously recognised tax losses and excess interest	**323**	427
Irrecoverable withholding tax	**720**	447
Deferred tax on unremitted earnings	**(425)**	425
Other differences	**60**	52
Tax charge on profit	**34,243**	25,705
Effective tax rate	**29.0%**	21.0%

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 FY2025 ETR has increased mainly due to the Global minimum tax charge of £757,000 and a prior year adjustment of £9,154,000 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 full provision for tax and the associated interest of £4,852,000, 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, therefore the rules apply to the Group from FY2025 onwards.

The Group has accrued Global minimum tax of £757,000 for FY2025 (FY2024: nil) in respect of Ireland, which 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 as a result was 0.6% (FY2024: 0.0%). This is in line with the Group's expectations in FY2024 that the impact would not exceed a 0.7% increase to the Group's ETR in FY2025. The Group will continue to assess the future impact of Pillar Two based on the latest guidance and law changes of each jurisdiction that it operates in to ensure compliance.

7. Taxation continued

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 £16.4m liability (2024: £13.2m liability) is presented as a £22.4m deferred tax asset (2024: £20.4m asset) and a £38.8m deferred tax liability (2024: £33.6m 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:

	2025			2024		
	Assets £'000	**Liabilities £'000**	**Net £'000**	Assets £'000	Liabilities £'000	Net £'000
Property, plant and equipment	**574**	**(33,086)**	**(32,512)**	549	(29,946)	(29,397)
Intangible assets	**–**	**(4,655)**	**(4,655)**	–	(4,067)	(4,067)
Intragroup trading (inventories)	**16,262**	**–**	**16,262**	15,147	–	15,147
Intragroup trading (fixed assets)	**1,129**	**–**	**1,129**	1,101	–	1,101
Defined benefit pension schemes	**6,128**	**(2,380)**	**3,748**	6,191	(2,445)	3,746
Reimbursement right	**–**	**(3,744)**	**(3,744)**	–	(3,514)	(3,514)
Derivatives	**–**	**(5,088)**	**(5,088)**	–	(3,637)	(3,637)
Tax losses	**1,545**	**–**	**1,545**	1,823	–	1,823
Other	**7,663**	**(700)**	**6,963**	6,895	(1,330)	5,565
Balance at the end of the year	**33,301**	**(49,653)**	**(16,352)**	31,706	(44,939)	(13,233)

Other deferred tax assets include temporary differences relating to inventory provisions totalling £2.6m (2024: £2.9m), other provisions (including bad debt provisions) of £0.6m (2024: £1.0m), and employee benefits relating to Renishaw plc of £1.0m (2024: £1.1m) and Renishaw KK of £0.7m (2024: £0.8m), with the remaining balance relating to several other smaller temporary differences.

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

	2025 £'000	2024 £'000
Balance at the beginning of the year	**(13,233)**	(16,175)
Movements in relation to property, plant and equipment	**(3,115)**	(5,008)
Movements in relation to intangible assets	**(588)**	(145)
Movements in relation to intragroup trading (inventories)	**1,115**	(1,618)
Movements in relation to intragroup trading (fixed assets)	**28**	(669)
Movements in relation to defined benefit pension schemes	**146**	(521)
Movements in relation to tax losses	**(278)**	(458)
Movements in relation to other	**1,718**	371
Movements in the Consolidated income statement	**(974)**	(8,048)
Movements in relation to the cash flow hedging reserve	**(1,451)**	(1,453)
Movements in relation to the defined benefit pension scheme assets/liabilities/reimbursement right	**(374)**	12,450
Movements in the Consolidated statement of comprehensive income and expense	**(1,825)**	10,997
Currency adjustment	**(320)**	(7)
Balance at the end of the year	**(16,352)**	(13,233)

Deferred tax assets of £1.5m (2024: £1.8m) 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 £5.0m (2024: £6.1m), due to uncertainty over their offset against future taxable profits and therefore their recoverability. These losses are held by Group companies in Brazil, Australia, Canada, UAE and the US, where for 90% of losses there are no time limitations 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 £0.2m. 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, £73.7m (2024: £68.3m) 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 £5.2m (2024: £4.3m), of which £nil (2024: £0.4m) has been provided on the basis that the Group does not expect to remit these amounts in the foreseeable future.

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.

Basic and diluted earnings per share are calculated on earnings of £83,757,000 (2024: £96,889,000) and on 72,734,797 shares (2024: 72,719,565 shares), being the number of shares in issue. The number of shares excludes 53,746 (2024: 68,978) shares held by the Employee Benefit Trust (EBT). On this basis, earnings per share (basic and diluted) is calculated as 115.2 pence (2024: 133.2 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, per Note 29, earnings of £83,757,000 were adjusted by post-tax amounts for:

- Costs related to the closure of the drug delivery business, £2,059,000 loss;
- Costs related to the closure of the Edinburgh research facility, £2,320,000 loss;
- Other interest payable related to liabilities recognised for historical and non-recurring tax matters, £4,852,000 loss; and
- Taxation prior year adjustment related to historical and non-recurring tax matters, £9,154,000 loss.

There is no difference between statutory and adjusted earnings per share in FY2024.

9. Property, plant and equipment

The Group makes significant investments in distribution and manufacturing infrastructure. During the year we have invested in our manufacturing equipment at our Miskin facility in Wales, UK, following the expansion in the previous year.

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 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

Profit on disposals of Property, plant and equipment amounted to £1.1m (2024: £1.2m profit).

Additions to assets in the course of construction comprise £11.2m (2024: £36.5m) for land and buildings and £4.2m (2024: £15.4m) for plant and equipment.

At 30 June 2025, properties with a net book value of £48.7m (2024: £45.9m) were subject to a fixed charge to secure the UK defined benefit pension scheme liabilities.

9. Property, plant and equipment continued

Year ended 30 June 2024	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 2023	213,385	273,156	7,112	53,469	547,122
Reclassification	3,669	(3,669)	–	–	–
Additions	2,412	10,615	308	51,912	65,247
Transfers	42,637	6,151	–	(48,788)	–
Disposals	(2,916)	(6,810)	(1,245)	–	(10,971)
Currency adjustment	(3,651)	(1,254)	(76)	–	(4,981)
At 30 June 2024	255,536	278,189	6,099	56,593	596,417
Depreciation					
At 1 July 2023	45,647	209,546	5,844	–	261,037
Reclassification	540	(540)	–	–	–
Charge for the year	4,378	14,526	382	–	19,286
Disposals	(658)	(5,951)	(1,086)	–	(7,695)
Currency adjustment	(447)	(743)	(61)	–	(1,251)
At 30 June 2024	49,460	216,838	5,079	–	271,377
Net book value					
At 30 June 2024	206,076	61,351	1,020	56,593	325,040
At 30 June 2023	167,738	63,610	1,268	53,469	286,085

10. Right-of-use assets

The Group leases distribution properties 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 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**

Year ended 30 June 2024	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Net book value				
At 1 July 2023	5,069	89	3,244	8,402
Additions	7,320	51	3,843	11,214
Reductions	–	–	(3)	(3)
Depreciation	(2,434)	(73)	(2,146)	(4,653)
Currency adjustment	(56)	(1)	(157)	(214)
At 30 June 2024	9,899	66	4,781	14,746

11. Investment properties

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

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 is not depreciated.

	2025 £'000	2024 £'000
Cost		
Balance at the beginning of the year	**12,103**	11,896
Additions	**–**	271
Transfers from Property, plant & equipment	**3,392**	–
Currency adjustment	**(284)**	(64)
Balance at the end of the year	**15,211**	12,103
Depreciation		
Balance at the beginning of the year	**1,818**	1,573
Charge for the year	**193**	256
Transfers from Property, plant & equipment	**1,618**	–
Currency adjustment	**16**	(11)
Balance at the end of the year	**3,645**	1,818
Net book value	**11,566**	10,285

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:

	2025 £'000	2024 £'000
Rental income	**945**	829
Direct operating expenses (including repairs and maintenance)	**218**	247
Profit	**727**	582

The fair value of the Group's investment properties totalled £18.4m at 30 June 2025 (2024: £14.7m). 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 2025.

12. Intangible assets

Our Consolidated balance sheet contains significant intangible assets, mainly for 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 into 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.

12. Intangible assets continued

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

Year ended 30 June 2024	Goodwill £'000	Internally generated development costs £'000	Software licences £'000	Intellectual property and other intangible assets £'000	Total £'000
Cost					
At 1 July 2023	20,261	178,660	11,978	4,875	215,774
Additions	–	9,281	246	–	9,527
Currency adjustment	(3)	–	(27)	(11)	(41)
At 30 June 2024	20,258	187,941	12,197	4,864	225,260
Amortisation					
At 1 July 2023	9,028	146,221	11,605	2,452	169,306
Charge for the year	–	5,011	165	158	5,334
Impairment	–	3,299	–	–	3,299
Currency adjustment	–	–	(19)	(3)	(22)
At 30 June 2024	9,028	154,531	11,751	2,607	177,917
Net book value					
At 30 June 2024	11,230	33,410	446	2,257	47,343
At 30 June 2023	11,233	32,439	373	2,423	46,468

12. Intangible assets continued

Goodwill

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. Goodwill is allocated to cash generating units (CGUs), as set out below. This is the lowest level in the Group at which goodwill is monitored for impairment.

The analysis of goodwill according to business acquired is:

	2025 £'000	2024 £'000
itp GmbH	**2,959**	2,934
Renishaw Mayfield S.A.	**2,180**	2,089
Renishaw Fixturing Solutions, LLC	**5,055**	5,497
Other smaller acquisitions	**660**	710
Total goodwill	**10,854**	11,230

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:

Business acquired	CGU	**2025 Discount rate**	2024 Discount rate
itp GmbH	itp GmbH entity ('ITP')	**15.1%**	13.6%
Renishaw Fixturing Solutions, LLC	Renishaw plc ('PLC')	**16.5%**	14.6%
Renishaw Mayfield S.A.	Renishaw Mayfield S.A. entity ('Mayfield')	**20.5%**	24.6%

The Group post-tax weighted average cost of capital, calculated at 30 June 2025, is 11.6% (2024: 10.7%). Pre-tax discount rates for Manufacturing technologies CGUs (ITP and PLC) are calculated from this basis, given that they are aligned with the wider Group's industries, markets and processes. The Analytical instruments and medical devices' CGU (Mayfield) has a higher risk weighting, reflecting the less mature nature of this segment.

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 outperformance, 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.

A growth rate of 0.0% (2024: 0.0%) is used to derive the value in perpetuity in all CGUs.

For there to be an impairment in the PLC, ITP or Mayfield CGUs, the pre-tax discount rate would need to increase to at least 20%, 21% and 25% respectively, or there would need to be a reduction to forecast cash flows of 18%, 30% and 8% 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 period 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 11.6% (2024: 10.7%).

There were impairments of internally generated development costs in the year of £1.8m (2024: £3.3m). This includes a £0.9m impairment of our chronic drug delivery intangible asset, following the decision to close the drug delivery business during the year. The remaining £0.9m is for three other projects where revenue growth is now expected to be lower than previously forecast.

For the largest projects, comprising 97% of the net book value at 30 June 2025, a 10% reduction to forecast unit sales, or an increase in the discount rate by 5%, would not result in an impairment.

13. Investments in joint ventures

Where we make an investment in a company which gives us significant influence but not full control, we account for our share of their post-tax profits in our financial statements. We have joint venture arrangements with two companies, RLS and 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	**2025 Ownership %**	2024 Ownership %
RLS Merilna tehnika d.o.o. ('RLS') – joint venture	Slovenia	**50.0**	50.0
Metrology Software Products Limited ('MSP') – joint venture	England & Wales	**70.0**	70.0

Although the Group owns 70% of the ordinary share capital of MSP, this is accounted for as a joint venture as the control requirements of IFRS 10 are not satisfied. This is because the shareholders agreement includes that for so long as the Group's holding is less than 75% of the total shares of MSP, Renishaw plc agrees to exercise its voting rights such that it only votes as if it has the same aggregate shareholding as the remaining Management Shareholders.

Movements during the year were:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**25,485**	22,414
Dividends received	**(1,500)**	(498)
Share of profits of joint ventures	**3,538**	3,880
Currency adjustment	**169**	(311)
Balance at the end of the year	**27,692**	25,485

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. As at 30 June 2025, under this agreement RIL had received EUR 17.0m (£14.5m equivalent) (2024: £8.5m), which is recognised as 'Amounts payable to joint venture' in the Consolidated balance sheet.

Summarised financial information for joint ventures:

	RLS		**MSP**	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Assets	**52,093**	49,295	**6,258**	5,470
Liabilities	**(5,526)**	(6,167)	**(532)**	(442)
Net assets	**46,567**	43,128	**5,726**	5,028
Group's share of net assets	**23,284**	21,564	**4,008**	3,520
Revenue	**38,045**	38,548	**3,389**	2,947
Profit for the year	**6,100**	6,546	**697**	867
Group's share of profit for the year	**3,050**	3,273	**488**	607

For the nature of the activities, see note C.50.

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:

	2025			2024		
	Gross investment £'000	Interest £'000	Net investment £'000	Gross investment £'000	Interest £'000	Net investment £'000
Receivable in less than one year	6,027	832	5,195	4,761	900	3,861
Receivable between one and two years	5,416	572	4,844	5,903	765	5,138
Receivable between two and three years	4,120	317	3,803	4,038	347	3,691
Receivable between three and four years	2,669	154	2,515	2,072	138	1,934
Receivable between four and five years	803	15	788	1,264	83	1,181
Total future minimum lease payments receivable	19,035	1,890	17,145	18,038	2,233	15,805

Finance lease receivables are presented as £11.9m (2024: £11.9m) non-current assets and £5.2m (2024: £3.9m) current assets in the Consolidated balance sheet.

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

	2025 £'000	2024 £'000
Receivable in less than one year	1,138	1,042
Receivable in more than one year	1,323	707
Total future minimum lease payments receivable	2,461	1,749

During the year, £1.4m (2024: £1.2m) 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:

	2025 £'000	2024 £'000
Bank balances and cash in hand	87,138	75,090
Short-term deposits	282	47,203
Balance at the end of the year	87,420	122,293

Bank deposits

Bank deposits at the end of the year amounted to £186.2m (2024: £95.5m), of which £60.0m matures in July 2025, £21.0m matures in September 2025, £69.2m matures in December 2025, £0.8m in January 2026, £1.0m in February 2026, £30.0m in May 2026 and £4.2m in June 2026.

During the year bank deposits of £95.5m matured, of which £50.0m matured in December 2024 and £43.0m in May 2025.

16. Inventories

We have continued to focus on our inventory holding requirements, with a small reduction in total inventories, 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:

	2025 £'000	2024 £'000
Raw materials	**56,911**	53,542
Work in progress	**31,623**	32,840
Finished goods	**70,931**	75,546
Balance at the end of the year	**159,465**	161,928

At the end of the year, the gross cost of inventories which had provisions held against them totalled £29.4m (2024: £29.6m). During the year, the amount of write-down of inventories recognised as an expense in the Consolidated income statement was £1.0m (2024: £6.2m).

Inventories in Renishaw plc account for 61% (2024: 63%) 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 £0.4m (2024: £0.6m).

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

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 included in the Group financial statements, which is calculated on the basis of historical returns and internal quality reports.

Warranty provision movements during the year were:

	Warranty		Other	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Balance at the beginning of the year	**2,997**	2,758	**–**	–
Created during the year	**3,281**	2,633	**6,152**	–
Unused amounts reversed	**(924)**	–	**–**	–
Utilised in the year	**(2,528)**	(2,394)	**–**	–
	(171)	239	**6,152**	–
Balance at the end of the year	**2,826**	2,997	**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 £4,852,000 for historical and non-recurring tax matters, see Note 7 for further details, and an onerous contract provision of £1,300,000.

FINANCIAL STATEMENTS

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:

	2025 £'000	2024 £'000
Goods, capital equipment and installation	813	210
Aftermarket services	8,251	6,955
Deferred revenue	9,064	7,165
Advances received from customers	5,605	3,715
Balance at the end of the year	14,669	10,880

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied at the end of the year is £14.7m (2024: £10.9m). Of this, £1.5m (2024: £1.4m) is not expected to be recognised in the next financial year.

19. Other payables

Separate to 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.

Balances at the end of the year were:

	2025 £'000	2024 £'000
Payroll taxes and social security	7,484	6,477
Performance bonuses	11,047	9,990
Holiday pay and retirement accruals	11,091	9,397
Indirect tax payable	5,278	5,163
Deferred research and development tax credit ('RDEC')	1,131	–
Other creditors and accruals	21,101	19,317
Total other payables	57,132	50,344

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 ('RDEC') relates to amounts received for capitalised development costs which cannot be recognised, see Note 4 for further details.

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 in our Japanese subsidiary, entered into to directly finance the purchase of a new distribution facility in Japan in FY2019.

Third-party borrowings at 30 June 2025 consist of a loan entered into on 31 May 2019 by Renishaw KK, with original principal of JPY 1,447,000,000 (£10,486,000). Principal of JPY 12,000,000 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:

	2025 £'000	2024 £'000
Balance at the beginning of the year	3,522	4,694
Interest	49	36
Repayments	(794)	(799)
Currency adjustment	107	(409)
Balance at the end of the year	2,884	3,522

Borrowings are held at amortised cost. There is no significant difference between the book value and fair value of borrowings, which 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 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 any payments due. 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 and 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:

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 liabilities	**9,026**	**75**	**3,660**	**12,761**

2024	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Due in less than one year	2,396	36	2,161	4,593
Due between one and two years	2,137	22	1,816	3,975
Due between two and three years	1,862	7	1,035	2,904
Due between three and four years	1,549	1	205	1,755
Due between four and five years	1,001	–	8	1,009
Due in more than five years	4,454	–	–	4,454
Total future minimum lease payments payable	13,399	66	5,225	18,690
Effect of discounting	(3,311)	(2)	(355)	(3,668)
Lease liabilities	10,088	64	4,870	15,022

Lease liabilities are also presented as a £4.0m (2024: £4.0m) current liability and a £8.8m (2024: £11.1m) non-current liability in the Consolidated balance sheet.

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

	2025 £'000	2024 £'000
Depreciation of right-of-use assets	**4,633**	4,653
Interest expense on lease liabilities	**685**	537
Expenses relating to short-term and low-value leases	**395**	138
Total expense recognised in the Consolidated income statement	**5,713**	5,328
Total cash outflows for leases	**5,364**	5,034

22. Changes in liabilities arising from financing activities

	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**
	18,544	**(5,078)**	**2,612**	**(434)**	**15,644**

	1 July 2023	Cash flows	Other	Currency	30 June 2024
Lease liabilities	8,633	(4,359)	10,967	(219)	15,022
Borrowings	4,694	(799)	36	(409)	3,522
	13,327	(5,158)	11,003	(628)	18,544

See Notes 20 and 21 for further details on borrowing and leasing activities.

23. Employee benefits

The Group operates contributory pension schemes for UK, Ireland and German employees which are of the defined benefit type. The UK and Ireland schemes were closed to new members on 5 April 2007 and 31 December 2007 respectively, at which time they ceased any future accrual for existing members. The German scheme closed to new members on 30 June 2012, however the scheme is open to future accrual for existing members. The Group's largest defined benefit scheme is in the UK.

Accounting policy

Defined benefit pension schemes are managed by trustees who are independent of the Group finances. 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. Actuarial valuations of overseas pension schemes were not obtained, apart from Ireland and Germany.

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 advisors and actuaries.

The total pension cost of the Group for the year was £29.3m (2024: £27.9m), of which £0.1m (2024: £0.1m) related to Directors and £6.2m (2024: £6.5m) related to overseas schemes. The latest full actuarial valuation of the UK defined benefit pension scheme ('UK scheme') was carried out as at 30 September 2021 and updated to 30 June 2025 by a qualified independent actuary. The full actuarial valuation as at 30 September 2024 is in progress.

The Group operates a defined benefit pension scheme for certain employees within Germany. An error has been identified with the Group's classification of the German pension scheme as a defined contribution scheme, as opposed to a defined benefit scheme, following a request for funding from the pension scheme support fund. In line with IAS 8, the Group has restated balances as at 30 June 2024 and 1 July 2023. The actuarial valuation of the liabilities has been prepared by a qualified actuary.

The mortality assumption used for FY2025 is the S3PxA base tables and CMI 2023 model, with long-term improvements of 1% per annum. Adjustments have been made to both the core base tables and CMI 2023 model to allow for the scheme's membership profile and best estimate assumptions of future mortality improvements. The CMI 2024 model was released on 30 June 2025, we will adopt this model as part of our mid-year accounting at 31 December 2025.

23. Employee benefits continued

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

	30 June 2025			30 June 2024		
	UK scheme	**Ireland scheme**	**Germany scheme**	UK scheme	Ireland scheme	Germany scheme
Discount rate	**5.55%**	**4.00%**	**3.90%**	5.10%	3.75%	3.70%
Rate of increase in pension payments	**2.85%**	**2.25%**	**2.00%**	2.95%	2.50%	2.00%
Rate of increase in salary	**n/a**	**n/a**	**2.50%**	n/a	n/a	2.50%
Inflation rate (RPI)	**3.05%**	**2.25%**	**n/a**	3.25%	2.50%	n/a
Inflation rate (CPI)	**2.05%[1] 3.05%[2]**	**2.25%**	**2.00%**	2.25%[1] 3.25%[2]	2.50%	2.00%
Retirement age	**65**	**65**	**67**	64	65	67

1 Pre-2030 2 Post-2030

The major assumptions used by actuaries for the German scheme to calculate the liability at 1 July 2023 were consistent with the assumptions used at 30 June 2024.

The life expectancies from the retirement age of 65 for the UK scheme implied by the mortality assumption at age 65 and 45 are:

	2025 years	2024 years
Male currently aged 65	**21.1**	21.1
Female currently aged 65	**23.5**	23.5
Male currently aged 45	**21.8**	21.8
Female currently aged 45	**24.4**	24.4

The weighted average duration of the UK scheme obligation is around 15 years (2024: 16 years).

The assets and liabilities in the defined benefit pension schemes were:

	30 June 2025 £'000	**% of total assets**	30 June 2024 £'000	% of total assets
Market value of assets:				
Insurance contract	**118,158**	**83**	129,207	84
Credit and fixed income funds	**7,924**	**6**	9,268	6
Index linked gilts	**5,815**	**4**	1,269	1
Multi-asset funds	**4,640**	**3**	5,869	4
Equities	**4,295**	**3**	6,861	4
Cash and other	**781**	**1**	660	–
	141,613	**100**	153,134	100
Actuarial value of liabilities	**(151,301)**		(163,638)	–
Deficit in the schemes	**(9,688)**		(10,504)	–
Deferred tax thereon	**3,748**		3,746	–

Note C.45 gives the analysis of the UK scheme. For the Ireland scheme, the market value of assets at the end of the year was £14.8m (2024: £14.0m) and the actuarial value of liabilities was £11.0m (2024: £11.9m). The UK scheme was in a net surplus position at 30 June 2025 totalling £7.6m (2024: surplus £8.7m), and is therefore presented in non-current assets in the Consolidated balance sheet. The Ireland scheme was in a net asset position at 30 June 2025 totalling £3.8m (2024: £2.1m), and is therefore also presented in non-current assets. For the German scheme, the actuarial value of liabilities was £21.1m (2024: £21.3m), which is presented gross in non-current liabilities. The German scheme does not have any plan assets, rather a reimbursement right asset of £12.9m (2024: £12.1m) which is separately disclosed in the Consolidated balance sheet in assets.

During FY2024, the Trustee of the UK scheme undertook a buy-in and insured around 99% of the UK scheme's liabilities by purchasing an insurance policy. This contract was effective from 19 October 2023 and 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, where 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.

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 are also level 2 assets. Cash and other at 30 June 2025 mostly comprises amounts held in a Sterling 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.

23. Employee benefits continued

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

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

Year ended 30 June 2024	Reimbursement right £000	Assets £'000	Liabilities £'000	Total £'000
Balance at the beginning of the year	11,348	196,329	(159,451)	48,226
Contributions paid	–	161	–	161
Interest on pension schemes	–	9,581	(6,673)	2,908
Remeasurement gain/(loss) under IAS 19	768	(45,054)	(4,490)	(48,776)
Scheme administration expenses	–	(907)	–	(907)
Benefits paid	–	(6,976)	6,976	–
Balance at the end of the year	12,116	153,134	(163,638)	1,612

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

	2025 £'000	2024 £'000
Actuarial gain/(loss) arising from:		
Changes in demographic assumptions	–	35
Changes in financial assumptions	14,857	775
Experience adjustment	187	(4,532)
Return on plan assets excluding interest income	(12,267)	(45,054)
Total amount recognised in the Consolidated statement of comprehensive income and expense	2,777	(48,776)

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of comprehensive income and expense was a loss of £63.9m (2024: loss of £66.7m).

The net surplus of the Group's defined benefit pension schemes, including the reimbursement right, on an IAS 19 basis, has increased from £1.6m at 30 June 2024 to £3.2m at 30 June 2025, primarily as a result of actuarial movements.

For the UK scheme, the latest actuarial report prepared in September 2021 shows a deficit of £52.8m, 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 deficit.

The existing deficit funding plan for the UK scheme is in place until 30 June 2031, at which time any outstanding deficit will be paid. The agreement will end sooner if the actuarial deficit (calculated on a self-sufficiency basis) is eliminated in the meantime. The net book value of properties subject to fixed charges under this agreement at 30 June 2025 was £48.7m (2024: £45.9m).

The charges may be enforced by the Trustees if one of the following occurs: (a) the Company does not pay funds into the scheme in line with the agreed plan; (b) an insolvency event occurs in relation to the Company; or (c) the Company does not pay any deficit at 30 June 2031.

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.

For the UK scheme, a guide to the sensitivity of the value of the respective liabilities is as follows:

	Variation	Approximate effect on liabilities
UK – discount rate	Increase/decrease by 0.5%	-£10.2m/+£11.4m
UK – future inflation	Increase/decrease by 0.5%	+£7.7m/-£7.8m
UK – mortality	Increased/decreased life by one year	+£5.7m/-£4.5m

23. Employee benefits continued

Benefits in the UK Fund are subject to a DC underpin at the point of retirement or transfer out. Historically, this has been allowed for in the accounts in a consistent manner to current administrative practice and the triennial funding valuations. During the buy-in process, it was identified that the drafting of the DC underpin in the UK Fund Rules may require that the DC underpin is applied in a manner which is different to the administrative practice which has been applied. The Trustee and Company are currently seeking legal clarification and advice on this issue, with the intention of correcting the Rules to match administrative practice. No allowance for this matter has been made in the 30 June 2025 financial statements, as management continue to assess it to be unlikely that there will be an increase in liabilities, and due to the uncertainty of legal treatment and therefore any potential impact on liabilities.

In June 2023, the High Court ruled that certain historical amendments made to the rules of the Virgin Media pension scheme were invalid without the scheme's actuary having provided the associated Section 37 certificates. This judgment was upheld by the Court of Appeal in July 2024, which has implications on other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016. The UK scheme was contracted out until 5 April 2007 and amendments were made during the relevant period and as such the ruling could have implications for the UK scheme. In June 2025, the UK Government announced it will introduce legislation to allow affected pension schemes to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. 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.

Reimbursement right

The Group has recognised a reimbursement right in respect of its pension obligation for the German scheme. At 30 June 2025, the value of reimbursement right is £12,909,000 (2024: £12,116,000). 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.

24. Share-based payments

The Group provides share-based payment arrangements to certain employees in accordance with the Renishaw plc deferred annual equity incentive plan. The Governance section provides information of how these awards are determined.

Accounting policy

Renishaw shares are granted in accordance with the Renishaw plc deferred annual equity incentive plan (the DAEIP). The share awards are subject only to continuing service of the employee and are equity settled. 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 of not more than five dealing days ending with 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 five 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 FY2025 Consolidated income statement in respect of the DAEIP was £0.8m (2024: £0.9m). See Note 26 for reconciliations of amounts recognised in Equity.

In accordance with the DAEIP, shares equivalent to £0.9m (2024: £0.2m) are to be awarded in respect of FY2025. See the Directors' Remuneration Report for further details of the DAEIP.

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.

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 qualify 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.

Key estimate – Estimates of highly probable forecasts of the hedged item

Derivatives are effective for hedge accounting to the extent that the hedged item is 'highly probable' to occur, with 'highly probable' indicating a much greater likelihood of occurrence than the term 'more likely than not'. Determining a highly probable sales forecast for Renishaw plc and Renishaw UK Sales Limited, being the hedged item, over a multiple year time period, requires judgement of the suitability of external and internal data sources and estimations of future sales.

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.

25. Financial instruments continued

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 with one customer or in any 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	
Currency	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Pound Sterling	**17,076**	17,258	**30,438**	24,807	**223,491**	168,781
US Dollar	**50,034**	57,209	**970**	1,613	**11,322**	8,261
Euro	**30,669**	30,699	**3,525**	2,320	**5,153**	10,532
Chinese Yuan	**13,592**	11,179	**512**	574	**17,069**	11,284
Japanese Yen	**13,181**	13,135	**136**	144	**2,730**	3,358
Other	**21,057**	20,398	**5,151**	4,618	**13,881**	15,619
	145,609	149,878	**40,732**	34,076	**273,646**	217,835

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 £13.2m (2024: £21.3m) of US Dollar-denominated trade receivables being held in Renishaw (Hong Kong) Limited and £1.6m (2024: £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:

	2025 £'000	2024 £'000
Past due zero to one month	**13,601**	13,250
Past due one to two months	**5,935**	7,763
Past due more than two months	**8,538**	13,041
Balance at the end of the year	**28,074**	34,054

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

	2025 £'000	2024 £'000
Balance at the beginning of the year	**4,479**	3,438
Changes in amounts provided	**3,215**	2,264
Amounts used	**(1,800)**	(1,223)
Balance at the end of the year	**5,894**	4,479

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.

25. Financial instruments continued

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 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%**	**–**	**0.52%**
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**

Year ended 30 June 2024	Risk category 1 £'000	Risk category 2 £'000	Risk category 3 £'000	Risk category 4 £'000	Risk category 5 £'000	2024 Total £'000
Gross trade receivables	14,215	38,781	84,049	1,508	–	138,553
Expected credit loss rate	0.46%	0.50%	0.54%	0.58%	–	0.52%
Expected credit loss allowance	65	193	447	9	–	714
Specific loss allowance	–	4	3,440	322	–	3,766
Total loss allowance	65	197	3,887	331	–	4,480
Net trade receivables	14,150	38,584	80,162	1,177	–	134,073

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

Derivative assets are assessed based on the credit risk of the banks counterparty 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:

	2025 £'000	2024 £'000
Indirect tax receivable	**10,959**	7,206
Software maintenance	**10,181**	7,816
Grants	**885**	875
Research and development tax credit ('RDEC') recoverable	**1,224**	4,969
Contract assets	**1,509**	309
Other prepayments	**15,974**	12,901
Total other receivables	**40,732**	34,076

The maximum exposure to credit risk is £482.2m (2024: £416.7m), 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:

	2025 £'000	2024 £'000
Receivable between one and two years	**7,878**	1,387
Receivable between two and five years	**–**	–
	7,878	1,387

25. Financial instruments continued

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 2025 totalling £273.6m and £147.9m cash flows generated from operating activities in the period, 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 affected by interest rates that are either fixed or floating, which can change over time, affecting the Group's interest income. A decrease of 1% in interest rates would result in a reduction in interest income of approximately £2.5m.

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

				Contractual cash flows		
Year ended 30 June 2025	**Carrying amount £'000**	**Effect of discounting £'000**	**Gross maturities £'000**	**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**
Forward exchange contracts	**1,246**	**–**	**1,246**	**150**	**1,096**	**–**
	87,205	**85**	**87,290**	**83,989**	**1,850**	**1,451**

				Contractual cash flows		
Year ended 30 June 2024	Carrying amount £'000	Effect of discounting £'000	Gross maturities £'000	Up to 1 year £'000	1-2 years £'000	3-5 years £'000
Trade payables	21,330	–	21,330	21,330	–	–
Other payables	50,344	–	50,344	50,344	–	–
Borrowings	3,522	138	3,660	756	745	2,159
Forward exchange contracts	625	–	625	448	177	–
	75,821	138	75,959	72,878	922	2,159

25. Financial instruments continued

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, therefore 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:

	2025		2024	
	Nominal value £'000	**Fair value £'000**	Nominal value £'000	Fair value £'000
US Dollar	**299,987**	**18,954**	332,679	7,388
Euro	**146,500**	**613**	173,089	4,661
Japanese Yen	**21,947**	**1,354**	15,581	2,260
Canadian Dollar	**5,133**	**56**	–	–
	473,567	**20,977**	521,349	14,309

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

	2025			2024		
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	**1.28**	**1.37**	**1.30**	1.25	1.27	1.26
Euro	**1.14**	**1.17**	**1.19**	1.13	1.18	1.17
Japanese Yen	**178**	**198**	**193**	140	203	189
Canadian Dollar	**1.85**	**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. 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%, such that, by way of example, £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 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.

25. Financial instruments continued

For both the Group and the Company, the following table details the fair value of these forward foreign currency derivatives according to the categorisations of instruments noted on page 155:

	2025		2024	
	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	**137,417**	**7,878**	140,109	1,387
Current derivative assets	**218,870**	**13,606**	245,577	13,338
Current derivative liabilities	**19,339**	**(37)**	790	–
Non-current derivative liabilities	**33,559**	**(1,096)**	54,852	(177)
	409,185	**20,351**	441,328	14,548
Amounts recognised in the Consolidated statement of comprehensive income and expense	**–**	**5,804**	–	5,812
Forward currency contracts not in a designated cash flow hedge (ii)				
Current derivative assets	**56,873**	**739**	17,614	209
Current derivative liabilities	**7,509**	**(113)**	62,407	(448)
	64,382	**626**	80,021	(239)
Amounts recognised in Financial income/(expense) in the Consolidated income statement	**–**	**3,360**	–	318
Total forward contracts and options				
Non-current derivative assets	**137,417**	**7,878**	140,109	1,387
Current derivative assets	**275,743**	**14,345**	263,191	13,547
Current derivative liabilities	**26,848**	**(150)**	63,197	(448)
Non-current derivative liabilities	**33,559**	**(1,096)**	54,852	(177)
	473,567	**20,977**	521,349	14,309

The total recognised in Revenue in the Consolidated income statement relating to cash flow hedges previously recognised through Other comprehensive income amounted to £19.2m gain (2024: £0.1m 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 £19.2m and increase profit before tax by £3.1m, while a depreciation of 5% would decrease pre-tax equity by £21.3m and decrease profit before tax by £3.4m.

26. Share capital and reserves

The Group defines capital as being the equity attributable to the owners 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

	2025 £'000	2024 £'000
Allotted, called-up and fully paid 72,788,543 ordinary shares 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:

	2025 £'000	2024 £'000
FY2024 final dividend paid of 59.4p per share (2023: 59.4p)	**43,205**	43,195
Interim dividend paid of 16.8p per share (2024: 16.8p)	**12,219**	12,217
Total dividends paid	**55,424**	55,412

A final dividend of 61.3p per share is proposed in respect of FY2025, which will be payable on 5 December 2025 to shareholders on the register on 31 October 2025.

Own shares held

The EBT is responsible for purchasing shares on the open market on behalf of the Company to satisfy the DAEIP awards, see Note 24 for further detail. 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:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**(2,963)**	(2,963)
Acquisition of own shares	**(154)**	–
Disposal of own shares on vesting of awards	**977**	–
Balance at the end of the year	**(2,140)**	(2,963)

In November 2022, 54,582 shares were purchased on the open market by the EBT at a price of £40.24, costing a total of £2,212,831. The fair value of these awards at the grant date, being 26 October 2022, was £1,915,000. A total of 5,082 vested early in FY2025, based on the performance conditions being met. The remaining shares will vest on 26 October 2025, with no forfeitures expected at 30 June 2025.

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 2025.

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:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**1,380**	497
Disposal of own shares on vesting of awards	**(977)**	–
Share-based payments charge in respect of shares vesting in 2024	**80**	245
Share-based payments charge in respect of shares vesting in 2025	**656**	638
Share-based payments charge in respect of shares vesting in 2027	**54**	–
Balance at the end of the year	**1,193**	1,380

26. Share capital and reserves continued

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:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**2,480**	6,772
Loss on net assets of foreign currency operations	**(6,295)**	(3,811)
Loss on intragroup loans classified as net investments in foreign operations	**–**	(227)
Tax on translation of net investments in foreign operations	**–**	57
Loss in the year relating to subsidiaries	**(6,295)**	(3,981)
Currency exchange differences relating to joint ventures	**169**	(311)
Balance at the end of the year	**(3,646)**	2,480

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:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**10,911**	6,552
Losses on contract maturity recognised in revenue during the year	**19,176**	133
Revaluations during the year	**(13,372)**	5,679
Deferred tax movement	**(1,451)**	(1,453)
Balance at the end of the year	**15,264**	10,911

Non-controlling interest

Movements during the year were:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**(577)**	(577)
Share of profit for the year	**–**	–
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 our warehousing operation in Germany, which includes expenditure on sustainability initiatives.

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

	2025 £'000	2024 £'000
Freehold land and buildings	**13,856**	26,199
Plant and equipment	**6,411**	16,206
Motor vehicles	**129**	135
Total committed capital expenditure	**20,396**	42,540

28. Related parties

We report transactions with related parties, which mostly comprises our joint venture companies, RLS and MSP.

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

	2025 £'000	2024 £'000
Purchased goods and services from the Group during the year	**219**	250
Sold goods and services to the Group during the year	**22,794**	23,026
Interest paid from the Group during the year	**371**	55
Paid dividends to the Group during the year	**1,500**	498
Amounts owed to the Group at the year end	**223**	243
Amounts owed by the Group at the year end	**17,462**	11,422

Amounts owed by the Group include a 14-day notice deposit agreement with RLS for EUR 17.0m (£14.5m equivalent) (FY2024: £8.5m), see Note 13 for further details. The total interest payable on amounts owed to joint ventures during the year was £371,000 (FY2024: £55,000). There were no bad debts relating to related parties written off during FY2025 or FY2024.

Sold goods and services to 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 has been reclassified to investment property in the Consolidated balance sheet, with the rental income and direct operating expenses recognised in Consolidated income statement. At 30 June 2025, rental income of £46,875 has been recognised, with no amounts owed to the Group.

By virtue of a longstanding voting agreement, the estate of the late Sir David McMurtry (Non-executive Director, 36.23% shareholding), and John Deer (Non-executive Deputy Chairman, together with his wife, 16.59%), are the ultimate controlling party of the Group. See page 104 of the Governance Report for further details in relation to this. The only significant transactions between the Group and these parties are in relation to their respective remuneration, as detailed in the Governance Report.

29. Alternative performance measures

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

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 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. 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:	2025 £'000	2024 £'000
Statutory revenue as reported	**713,044**	691,301
Adjustment for forward contract (gains)/losses	**(19,176)**	(133)
Adjustment to restate current year at previous year exchange rates	**23,119**	–
Revenue at constant exchange rates	**716,987**	691,168
Year-on-year revenue growth at constant exchange rates	**3.7%**	–

Year-on-year revenue growth at constant exchange rates for FY2024 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, earnings per share and operating profit after excluding:

- costs relating to the closure of the drug delivery business (a);
- costs relating to the closure of the Edinburgh research facility (b);
- costs relating to the Other interest payable related to liabilities recognised for historical and non-recurring tax matters (c); and
- costs related to the Taxation prior year adjustment related to historical and non-recurring tax matters (c).

29. Alternative performance measures continued

a) Restructuring costs, where applicable during the year, are excluded from adjusted measures on the basis that they do not frequently recur. During FY2025, the Group made the decision to close the drug delivery business, which has resulted in costs of £2,059,000. The amount comprises redundancy payments of £1,108,000, intangible asset impairment of £864,000 and other expenses of £87,000. These amounts are recognised within Cost of sales, in Gross engineering expenditure, within the Consolidated income statement.

b) Restructuring costs, where applicable during the year, are excluded from adjusted measures on the basis that they do not frequently recur. During FY2025, the Group made the decision to close the Edinburgh research facility, which has resulted in costs of £2,320,000. The amount comprises redundancy payments of £1,066,000, Property, plant and equipment impairment of £759,000 and Other payables of £495,000. These amounts are recognised within Cost of sales, in Gross engineering expenditure, within the Consolidated income statement.

c) There may be other items which do not frequently occur, for which it may be appropriate to exclude from adjusted measures. During FY2025, the Group recognised an interest charge of £4,852,000 and a Taxation charge of £9,154,000 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 full 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 expenses and Income tax expense within the Consolidated income statement respectively.

Adjusted profit before tax:	**2025 £'000**	2024 £'000
Statutory profit before tax	**118,000**	122,594
Closure of drug delivery business	**2,059**	–
Closure of the Edinburgh research facility	**2,320**	–
Other interest payable on historical and non-recurring tax matters	**4,852**	–
Adjusted profit before tax	**127,231**	122,594

Adjusted earnings per share:	**2025 pence**	2024 pence
Statutory earnings per share	**115.2**	133.2
Closure of drug delivery business (net of tax)	**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)	**5.5**	–
Taxation prior year adjustments	**12.6**	–
Adjusted earnings per share	**137.8**	133.2

Adjusted operating profit:	**2025 £'000**	2024 £'000
Statutory operating profit	**107,885**	108,667
Closure of drug delivery business	**2,059**	–
Closure of the Edinburgh research facility	**2,320**	–
Other interest payable on historical and non-recurring tax matters	**–**	–
Adjusted operating profit	**112,264**	108,667

Adjustments to the segmental operating profit:

Manufacturing technologies	**2025 £'000**	2024 £'000
Operating profit	**107,593**	103,181
Closure of Edinburgh research facility	**2,320**	–
Adjusted manufacturing technologies operating profit	**109,913**	103,181

Analytical instruments and medical devices	**2025 £'000**	2024 £'000
Operating profit	**292**	5,486
Closure of drug delivery business	**2,059**	–
Adjusted analytical instruments and medical devices operating profit	**2,351**	5,486

29. Alternative performance measures continued

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:	2025 £'000	2024 £'000
Adjusted operating profit	**112,264**	108,667
Adjustment for forward contract (gains)/losses	**(19,176)**	(133)
Adjustment to restate current year at previous year exchange rates	**16,784**	–
Adjusted operating profit at constant exchange rates	**109,872**	108,534
Year-on-year adjusted operating profit increase at constant exchange rates	**1.2%**	–

Year-on-year adjusted operating profit at constant exchange rates was a reduction for FY2024 of 8.8%.

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:	2025 £'000	2024 £'000
Cash flows from operating activities	**147,896**	124,079
Income taxes paid	**6,207**	21,752
Purchase of property, plant and equipment and intangible assets	**(56,558)**	(74,774)
Proceeds from sale of property, plant and equipment and intangible assets	**4,887**	4,475
Adjusted cash flow from operating activities	**102,432**	75,532
Adjusted cash flow conversion from operating activities	**91.2%**	69.5%

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

Adjusted profit after tax before bank interest receivable is calculated as follows:

	2025 £'000	2024 £'000
Statutory profit after tax	**83,757**	96,889
Closure of drug delivery business (net of tax)	**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)	**4,026**	–
Prior year adjustment taxation charge on historical and non-recurring tax matters	**9,154**	–
Adjusted profit after tax	**100,221**	96,889
Bank interest receivable (net of tax)	**(8,805)**	(6,832)
Adjusted profit after tax before bank interest received	**91,416**	90,057

Return on invested capital (ROIC):	2025 £'000	2024 £'000	2023 £'000
Total non-current assets	**506,926**	464,765	470,430
Total current assets	**628,300**	586,618	573,107
Total current liabilities	**(137,461)**	(100,948)	(102,320)
Less cash and cash equivalents	**(87,420)**	(122,293)	(81,388)
Less bank deposits	**(186,226)**	(95,542)	(125,000)
Invested capital	**724,118**	732,600	734,829
Average invested capital	**728,359**	733,715	670,869
Return on invested capital	**12.6%**	12.3%	16.1%

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.

30. Events after the reporting period

Key judgement – When termination benefits should be recognised
Determining when termination benefits should be recognised requires judgement as there are different recognition points.

A cost reduction programme was initiated in June 2025, see page 72, which aims to achieve annualised labour cost savings of £20m through a voluntary and compulsory redundancy programme. The cost of the voluntary redundancy programme will be recognised in FY2026 as the employee has the right to withdraw from the voluntary redundancy programme until the 'notice of redundancy' was signed by the employee. The compulsory redundancy will be recognised in FY2026 as there was no constructive obligation at the balance sheet date, as all communication took place after the balance sheet date. The total estimated cost of the voluntary and compulsory redundancy programme is estimated to be £16.0m.

Company balance sheet

at 30 June 2025

	notes	2025 £'000	2024 £'000
Assets			
Property, plant and equipment	C.32	**227,712**	213,180
Right-of-use assets	C.33	**2,788**	2,850
Investment properties	C.34	**6,658**	5,863
Long-term loans to Group undertakings	C.35	**5,937**	26,249
Intangible assets	C.36	**39,278**	34,860
Investments in subsidiaries	C.37	**299,028**	298,174
Investments in joint ventures	C.38	**1,453**	1,453
Employee benefits	C.45	**7,596**	8,717
Derivatives	25	**7,878**	1,387
Total non-current assets		**598,328**	592,733
Current assets			
Inventories	C.40	**100,610**	104,838
Trade receivables	C.41	**43,669**	48,690
Current tax		**4,939**	17,582
Other receivables		**27,172**	18,646
Derivatives	25	**13,777**	13,452
Bank deposits	15	**145,000**	71,000
Cash and cash equivalents		**15,621**	45,963
Total current assets		**350,788**	320,171
Current liabilities			
Trade payables		**17,480**	13,267
Provisions	C.42	**1,859**	2,266
Lease liabilities	C.43	**452**	330
Derivatives	25	**37**	24
Other payables	C.44	**47,660**	44,862
Total current liabilities		**67,488**	60,749
Net current assets		**283,300**	259,422
Non-current liabilities			
Deferred tax liabilities	C.39	**40,616**	35,596
Lease liabilities	C.43	**2,475**	2,621
Long-term loans from Group undertakings		**80**	58
Derivatives	25	**1,096**	177
Total non-current liabilities		**44,267**	38,452
Total assets less total liabilities		**837,361**	813,703
Equity			
Share capital	C.46	**14,558**	14,558
Share premium		**42**	42
Own shares held	26	**(2,140)**	(2,963)
Cash flow hedging reserve	26	**15,264**	10,911
Retained earnings		**807,984**	789,315
Other reserve		**1,653**	1,840
Total equity		**837,361**	813,703

The Company reported a profit for the financial year ended 30 June 2025 of £74,403,000 (2024: £14,024,000).

These financial statements were approved by the Board of Directors on 17 September 2025 and were signed on its behalf by:

Sir David Grant **Allen Roberts**
Directors

Company statement of changes in equity

for the year ended 30 June 2025

Year ended 30 June 2024	Share capital £'000	Share premium £'000	Own shares held £'000	Cash flow hedging reserve £'000	Retained earnings £'000	Other reserve £'000	Total £'000
Balance at 1 July 2023	14,558	42	(2,963)	6,552	868,733	957	887,879
Profit for the year	–	–	–	–	14,024	–	14,024
Other comprehensive income and expense (net of tax)							
Remeasurement of defined benefit pension scheme assets/liabilities	–	–	–	–	(38,030)	–	(38,030)
Changes in fair value of cash flow hedges	–	–	–	4,359	–	–	4,359
Total other comprehensive income and expense	–	–	–	4,359	(38,030)	–	(33,671)
Total comprehensive income and expense	–	–	–	4,359	(24,006)	–	(19,647)
Share-based payments charge	–	–	–	–	–	883	883
Dividends paid	–	–	–	–	(55,412)	–	(55,412)
Balance at 30 June 2024	14,558	42	(2,963)	10,911	789,315	1,840	813,703
Year ended 30 June 2025							
Profit for the year	–	–	–	–	74,402	–	74,403
Other comprehensive income and expense (net of tax)							
Remeasurement of defined benefit pension scheme assets/liabilities	–	–	–	–	(309)	–	(309)
Changes in fair value of cash flow hedges	–	–	–	4,353	–	–	4,353
Total other comprehensive income and expense	–	–	–	4,353	(309)	–	4,043
Total comprehensive income and expense	–	–	–	4,353	74,093	–	78,446
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)**	**15,264**	**807,984**	**1,653**	**837,361**

Notes to the Company financial statements

C.31. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the Company.

Basis of preparation

The financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible fixed assets;
- disclosures in respect of transactions with wholly-owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRS; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

The financial statements have been prepared on the historical cost basis, except for the fair value of financial instruments. Historical cost is based on the fair value of the consideration given in exchange for the assets. The principal accounting policies are set out below.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Critical accounting judgements and estimation uncertainties

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 for the Company are consistent with those of the Group, (as summarised on page 127), in addition to those described below.

Expected credit loss

In accordance with IFRS 9, an expected credit loss model is used to determine a credit loss provision against the carrying value of certain trade receivables. Application of this model to the loans to Group undertakings within the Company requires estimation by management. The provision has been calculated based on the size of the loan, the probability of default and the loss estimated to arise if a default occurred.

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 as part of the assessment of the Group's going concern status, details of which are set out on page 127.

Having considered the impact on the Company of the same factors set out on page 127, and the Company's business model, risk management and principal risks, and significant financial resources and cash balances, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 30 September 2026. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Investments

Investments in subsidiary and associated undertakings are stated at cost less any provision for permanent impairment losses.

Property, plant and equipment

Property, plant and equipment assets are stated at cost less accumulated depreciation. 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, and building infrastructure, 10 to 50 years;
- plant and equipment, 3 to 25 years;
- motor vehicles, 3 to 4 years; and
- no depreciation is provided on freehold land.

C.31. Accounting policies continued

Right-of-use assets

At the commencement date of a lease arrangement the Company 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. 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.

Lease liabilities

At the commencement date of a lease arrangement the Company recognises a right-of-use asset for the leased item and a lease liability for any payments due. 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. The lease liability is subsequently measured at amortised cost using the effective interest method and 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 Company'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 Company 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. The same treatment applies to low-value assets, which are typically IT equipment and office equipment.

Inventories

Inventories are valued at the lower of actual cost on a first-in, first-out (FIFO) basis and net realisable value. Cost comprises direct materials and labour plus overheads applicable to the stage of manufacture reached.

Intangible assets

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

Taxation

The charge for taxation is based on the Company's profit for the year. 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.

Deferred tax assets are recognised to the extent that it is regarded as probable that they will be recovered.

Employee benefits

The Company operated a contributory pension scheme, of the defined benefit type up to 5 April 2007, after which this scheme was closed for future accruals to existing members and was closed to new members. Since 5 April 2007, the Company has operated a defined contribution scheme.

For the defined contribution scheme, the amount charged as an expense represents the contributions payable to the scheme in respect of the accounting period.

The scheme is managed by trustees who are independent of the Company's finances.

Pension scheme assets in the defined benefit scheme are measured at fair value using market value. 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. The expected return on the scheme's assets and the interest on the scheme's liabilities arising from the passage of time are included in other finance income.

The pension scheme's surplus, to the extent that it is considered recoverable, or deficit is recognised in full and presented on the face of the balance sheet. Where a guarantee is in place in relation to a pension scheme deficit, liabilities are reported in accordance with IFRIC 14. 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.

Accruals are made for holiday pay, based on a calculation of the number of days' holiday earned during the year but not yet taken, and also for performance bonuses, if applicable.

Derivative financial instruments

In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for speculative purposes.

The Company uses forward exchange contracts to hedge its exposure to foreign exchange risk arising from operational and financing activities. Forward exchange contracts are recognised at fair value, being the estimated amount that the Company 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 currency hedging reserve, and subsequently transferred to the carrying amount of the hedged item or the income statement. The ineffective part of any gain or loss is recognised in the income statement immediately.

C.31. Accounting policies continued

Other financial instruments

Loans to Group undertakings are initially recognised at fair value and are subsequently held at amortised cost using the effective interest rate method. Where such intercompany loans are repayable on demand the Company determines whether any impairment provision is required by assessing the company's ability to repay the loan. Where it is determined that a recipient company does not have the capacity to repay the loan at the balance sheet date, or the loan is not repayable on demand, an expected credit loss model is used to calculate the impairment provision required.

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. Trade and other current payables are initially recognised at fair value and are subsequently held at amortised cost.

Warranty

The Company provides a warranty from the date of purchase, except for those products that are installed by the Company 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 included in the accounts, which is calculated on the basis of historical returns and internal quality reports.

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Sterling at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on such translation are recognised in the income statement.

C.32. Property, plant and equipment

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	147,884	214,414	2,742	53,912	418,952
Additions	5,889	14,666	–	12,195	32,750
Transfers to investment properties	(1,324)	(597)	–	–	(1,921)
Transfers of assets in the course of construction	19,054	18,444	–	(37,498)	–
Disposals	–	(3,062)	(607)	–	(3,669)
At 30 June 2025	**171,503**	**243,865**	**2,135**	**28,609**	**446,112**
Depreciation					
At 1 July 2024	28,728	174,347	2,697	–	205,772
Impairment	989	–	–	–	989
Transfers to investment properties	(565)	(439)	–	–	(1,004)
Charge for the year	3,304	12,273	43	–	15,620
Released on disposals	–	(2,370)	(607)	–	(2,977)
At 30 June 2025	**32,456**	**183,811**	**2,133**	**–**	**218,400**
Net book value					
At 30 June 2025	**139,047**	**60,054**	**2**	**28,609**	**227,712**
At 30 June 2024	119,156	40,067	45	53,912	213,180

At 30 June 2025, properties with a net book value of £48.7m (2024: £45.9m) were subject to a fixed charge to secure the UK defined benefit pension scheme liabilities. See Note 23 for additional information.

Additions to assets in the course of construction comprise:

	2025 £'000	2024 £'000
Freehold land and buildings	**8,065**	32,769
Plant and equipment	**4,130**	15,321
	12,195	48,090

C.33. Right-of-use assets

Year ended 30 June 2025	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Net book value				
At 1 July 2024	1,842	–	1,008	2,850
Additions	–	–	404	404
Depreciation	(21)	–	(445)	(466)
At 30 June 2025	**1,821**	**–**	**967**	**2,788**

Year ended 30 June 2024	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Net book value				
At 1 July 2023	1,752	36	363	2,151
Additions	115	–	909	1,024
Depreciation	(25)	(36)	(264)	(325)
At 30 June 2024	1,842	–	1,008	2,850

C.34. Investment properties

	2025 £'000	2024 £'000
Cost		
Balance at the beginning of the year	7,012	6,739
Additions	–	273
Transfers from Property, plant & equipment	1,921	–
Balance at the end of the year	**8,933**	**7,012**
Depreciation		
Balance at the beginning of the year	1,148	982
Charge for the year	123	167
Transfers from Property, plant & equipment	1,004	–
Balance at the end of the year	**2,275**	**1,149**
Net book value	**6,658**	**5,863**

Amounts recognised in the income statement relating to investment properties:

	2025 £'000	2024 £'000
Rental income	**562**	421
Direct operating expenses (including repairs and maintenance)	**145**	120
Profit for the year	**417**	301

The fair value of the Company's investment properties totalled £10.0m at 30 June 2025 (2024: £7.6m). 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 2025.

C.35. Long-term loans to Group undertakings

Amounts owed by Group undertakings at 30 June 2025 amounted to £5.9m (2024: £26.2m). This included expected credit loss provisions of £32.4m (2024: £32.4m).

These amounts are unsecured and accrue variable interest.

C.36. Intangible assets

Year ended 30 June 2025	Internally generated development costs £'000	Software licences, intellectual property and other intangible assets £'000	Total £'000
Cost			
At 1 July 2024	182,113	16,497	198,610
Additions	9,999	42	10,041
Disposals	(8,368)	–	(8,368)
At 30 June 2025	**183,744**	**16,539**	**200,283**
Amortisation			
At 1 July 2024	150,615	13,135	163,750
Charge for the year	4,293	376	4,669
Impairment	954	–	954
Disposals	(8,368)	–	(8,368)
At 30 June 2025	**147,494**	**13,511**	**161,005**
Net book value			
At 30 June 2025	**36,250**	**3,028**	**39,278**
At 30 June 2024	31,498	3,362	34,860

There were impairments of internally generated development costs in the year of £1.0m (2024: £3.3m).

C.37. Investments in subsidiaries

Movements during the year were:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**298,174**	298,174
Additions	**854**	–
Balance at the end of the year	**299,028**	298,174

During the year, the Company made additional investments of £0.9m (2024: nil). Details of the Company's subsidiaries are given in note C.49.

C.38. Investments in joint ventures

Investments in joint ventures at 30 June 2025 were £1,453,000 (2024: £1,453,000). There were no movements during the year. Details of the Company's joint ventures are given in note C.50.

C.39. Deferred tax

Balances at the end of the year were:

	2025			2024		
	Assets £'000	**Liabilities £'000**	**Net £'000**	Assets £'000	Liabilities £'000	Net £'000
Property, plant and equipment	**–**	**(30,528)**	**(30,528)**	–	(27,174)	(27,174)
Intangible assets	**–**	**(4,475)**	**(4,475)**	–	(3,751)	(3,751)
Defined benefit pension scheme	**–**	**(1,899)**	**(1,899)**	–	(2,179)	(2,179)
Derivatives	**–**	**(5,088)**	**(5,088)**	–	(3,637)	(3,637)
Other	**1,374**	**–**	**1,374**	1,145	–	1,145
Balance at the end of the year	**1,374**	**(41,990)**	**(40,616)**	1,145	(36,741)	(35,596)

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 £40.6m liability (2024: £35.6m liability) is presented as a deferred tax liability in the Company's balance sheet. Where deferred tax assets are recognised, the Directors are of the opinion, based on recent and forecast trading, that the level of taxable profits in current and future years make it more likely than not that these assets will be recovered.

Notes to the Company financial statements continued

C.39. Deferred tax continued

Movements during the year were:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**(35,596)**	(41,875)
Movements during the year	**(5,020)**	6,279
Balance at the end of the year	**(40,616)**	(35,596)

C.40. Inventories

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

	2025 £'000	2024 £'000
Raw materials	**42,912**	38,382
Work in progress	**30,748**	31,784
Finished goods	**26,950**	34,672
Balance at the end of the year	**100,610**	104,838

C.41. Trade receivables

An analysis of trade receivables at the end of the year was:

	2025 £'000	2024 £'000
Trade receivables	**13**	50
Amounts owed by Group undertakings	**43,656**	48,640
Balance at the end of the year	**43,669**	48,690

C.42. Provisions

Warranty provision movements during the year were:

	2025 £'000	2024 £'000
Balance at the beginning of the year	**2,266**	2,130
Created in the year	**2,100**	2,473
Unused amounts reversed	**–**	–
Used in the year	**(2,507)**	(2,337)
	(407)	136
Balance at the end of the year	**1,859**	2,266

The warranty provision has been calculated on the basis of historical return-in-warranty information and other quality 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.

C.43. Leases (as lessee)

Lease liabilities are analysed as below:

Year ended 30 June 2025	**Leasehold property £'000**	**Plant and equipment £'000**	**Motor vehicles £'000**	**Total £'000**
Total future minimum lease payments payable	**3,756**	**–**	**1,113**	**4,869**
Effect of discounting	**(1,862)**	**–**	**(80)**	**(1,942)**
Lease liability	**1,894**	**–**	**1,033**	**2,927**

Year ended 30 June 2024	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Total future minimum lease payments payable	3,799	–	1,154	4,953
Effect of discounting	(1,897)	–	(105)	(2,002)
Lease liability	1,902	–	1,049	2,951

C.44. Other payables

An analysis of other payables due within one year at the end of the year was:

	2025 £'000	2024 £'000
Amounts owed to Group undertakings	**21,328**	24,274
Other taxes and social security	**4,023**	3,753
Other creditors and accruals	**22,309**	16,835
Balance at the end of the year	**47,660**	44,862

Other creditors and accruals includes £6.9m (2024: £6.0m) relating to performance bonus accruals.

C.45. Employee benefits

The Company operated a defined benefit pension scheme, which, at 5 April 2007, ceased any future accrual for current members and was closed to new members. Employees of the Company now participate in a defined contribution scheme.

The total pension cost of the Company for the year was £21.7m (2024: £20.2m), of which £0.1m (2024: £0.1m) related to Directors. The latest full actuarial valuation of the scheme was carried out at 30 September 2021 and updated to 30 June 2025 by a qualified independent actuary.

The major assumptions used by the actuary for the scheme are disclosed in Note 23, along with relevant sensitivities.

The assets and liabilities in the scheme were:

	30 June 2025 £'000	% of total assets	30 June 2024 £'000	% of total assets
Market value of assets:				
Insurance contract	**118,158**	**93**	129,207	93
Credit and fixed income funds	**7,924**	**6**	9,268	7
Cash and other	**776**	**1**	656	–
	126,858	**100**	139,131	100
Actuarial value of liabilities	**(119,262)**	**–**	(130,414)	–
Surplus in the scheme	**7,596**	**–**	8,717	–
Deferred tax thereon	**(1,899)**	**–**	(2,179)	–

The movements in the scheme were:

Year ended 30 June 2025	**Assets £'000**	**Liabilities £'000**	**Total £'000**
Surplus in scheme at the beginning of the year	139,131	(130,414)	8,717
Interest on pension scheme	6,936	(6,516)	420
Remeasurement gain/(loss) under IAS 19	(12,477)	12,065	(412)
Scheme administration expenses	(1,129)	–	(1,129)
Benefits paid	(5,603)	5,603	–
Surplus in scheme at the end of the year	**126,858**	**(119,262)**	**7,596**

Year ended 30 June 2024	Assets £'000	Liabilities £'000	Total £'000
Surplus in scheme at the beginning of the year	181,687	(124,271)	57,416
Interest on pension scheme	9,124	(6,216)	2,908
Remeasurement gain/(loss) under IAS 19	(45,944)	(4,763)	(50,707)
Scheme administration expenses	(900)	–	(900)
Benefits paid	(4,836)	4,836	–
Surplus in scheme at the end of the year	139,131	(130,414)	8,717

C.45. Employee benefits continued

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

	2025 £'000	2024 £'000
Actuarial gain/(loss) arising from:		
Changes in demographic assumptions	**–**	31
Changes in financial assumptions	**(11,759)**	(433)
Experience adjustment	**(306)**	(4,361)
Return on plan assets excluding interest income	**12,477**	(45,944)
Total recognised in the Other comprehensive income and expense	**412**	(50,707)

C.46. Share capital

	2025 £'000	2024 £'000
Allotted, called-up and fully paid 72,788,543 ordinary shares 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.

C.47. Related parties

During the year, related parties, these being the Group's joint ventures, see Note 13, had the following transactions and balances with the Company:

	2025 £'000	2024 £'000
Purchased goods and services from the Company during the year	**23**	117
Sold goods and services to the Company during the year	**2,526**	2,318
Amounts owed by the Company at the year end	**237**	121
Amounts owed to the Company at the year end	**9**	49

C.48. Capital commitments

Capital commitments at the end of the year, for which no provision has been made in the financial statements, were £9.1m (2024: £26.5m).

C.49. Subsidiary undertakings

The following are the subsidiary undertakings of Renishaw plc as at 30 June 2025, all of which are wholly-owned and held by a subsidiary undertaking, unless otherwise stated. The country in which each subsidiary has its registered/principal office is its domicile and country of incorporation. The accounting year-end for each subsidiary undertaking is 30 June unless otherwise stated. The shareholdings in all the subsidiary undertakings are in the ordinary share capital of those undertakings unless otherwise stated. The principal activities for all the subsidiary undertakings are those of the Company, as set out in the Other statutory and regulatory disclosures, except as indicated below:

D Dormant company · * 31 March year-end · F Finance company · ^ 31 December year-end
H Holding company · † Ordinary-A shares · T Travel agency · ‡ Ordinary-C shares

Company	Registered Office
Owned by Renishaw plc	
MTT Investments Limited[D]	New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR United Kingdom
Renishaw Advanced Materials Limited[D]	
Renishaw International Limited[F]	
Renishaw Medical Limited[D]	
Renishaw PT Limited[D]	
Renishaw Software Limited[D]	
Renishaw Transducer Systems Limited[D]	
Renishaw UK Sales Limited	
Wotton Travel Limited[T]	
Measurement Devices Limited[D]	272 Bath Street, Glasgow, Scotland, G2 4JR United Kingdom

C.49. Subsidiary undertakings continued

Company	Registered Office
Renishaw Diagnostics Limited[†‡] (92.4%)	272 Bath Street, Glasgow, Scotland, G2 4JR United Kingdom
Renishaw Tehnicni Inženiring d.o.o.	4th Floor, Faculty of Electrical Engineering, University of Ljubljana, Tržaška cesta 25, Ljubljana, 1000 Slovenia
Renishaw Neuro Solutions Limited	Wotton Road, Charfield, Wotton-under-Edge, Gloucestershire, GL12 8SP United Kingdom
Owned by MTT Investments Limited	
MTT Technologies Limited[D]	New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR United Kingdom
Owned by Renishaw International Limited	
itp GmbH	Rathausstraße 75-79, 66333, Völklingen Germany
OOO Renishaw[^] (not actively trading)	Kantemirovskaya Ulitsa, 58, 115477, Moskva, Russian Federation
Renishaw (Austria) GmbH	Industriestraße 9, Top 4.2, 2353, Guntramsdorf Austria
Renishaw (Canada) Limited	2196 Dunwin Drive, Mississauga, Ontario, L5L 1C7 Canada
Renishaw (Hong Kong) Limited	Ever Gain Plaza Tower 2, 28/F, 88 Container Port Road, Kwai Chung Hong Kong
Renishaw (Ireland) DAC	Swords Business Park, Mountgorry, Swords, County Dublin, K67 FX67 Ireland
Renishaw (Israel) Limited	HaTnufa Street 3, Kraytek Building, PO Box 4, Yokne'am Illit, 2069204 Israel
Renishaw (Korea) Limited	RM#1314, Woolim e-Biz Center, 28 Digital-ro 33-gil, Guro-gu, Seoul Republic of Korea
Renishaw AB	Biskop Henriks väg 2, 176 76, Järfälla Sweden
Renishaw AG	Stachelhofstrasse 2, 8854, Siebnen, Schübelbach Switzerland
Renishaw Benelux BV	Nikkelstraat 3, 4823 AE, Breda Netherlands
Renishaw GmbH (5.1% owned by Renishaw plc)	Karl-Benz Straße 12, 72124, Pliezhausen Germany
Renishaw Gulf Measuring & Control Systems Trading LLC[^]	Office 501, 5th Floor, Block B, Business Village, Port Saeed, Deira, Dubai United Arab Emirates
Renishaw Healthcare, Inc.	137 N Oak Park Ave, Ste 215, Oak Park, IL 60301 United States
Renishaw Hungary Kft	Gyár utca 2, Budaörs, 2040 Hungary
Renishaw Ibérica S.A.U.	Gavà Park, Carrer de la Recerca, 7, Gavà, 08850, Barcelona Spain
Renishaw K.K.	4 Chome-29-8 Yotsuya, Shinjuku-ku, Tokyo, 160-0004 Japan
Renishaw Latino Americana Ltda.[^]	Alameda Juari, 361, Tambore, Barueri, São Paulo, 06460-090 Brazil
Renishaw Metrology Systems Limited[*]	S.No.283, Hissa no.2, S.No.284, Hissa no.2 & 3A, Raisoni Industrial Estate, Village Mann, Taluka Mulshi, Pune, 411057 India
Renishaw México S. de R.L. de C.V.[^] (0.001% owned by Renishaw, Inc.)	Iridium 5004, Parque Industrial Milenium, Apodoca, Nuevo León, 66600 Mexico
Renishaw Oceania Pty Limited	c/o KPMG, Tower Two, Collins Square, 727 Collins Street, Docklands VIC 3008 Australia

C.49. Subsidiary undertakings continued

Company	Registered Office
Renishaw Oy	c/o WaBuCo Oy, Energiakuja 3, Helsinki, 00180 Finland
Renishaw S.A.S.	15 Rue Albert Einstein, 77420, Champs-sur-Marne France
Renishaw S.p.A.	Via dei Prati 5, 10044 Pianezza, Torino Italy
Renishaw s.r.o.	Olomoucká 1164/85, Brno-Černovice, Brno, 627 00 Czech Republic
Renishaw Sp. z o.o.	ul. Osmańska 12, 02-823, Warszawa Poland
Renishaw Teknoloji Çözümleri LŞ	Turgut Özal Blv. No:193, Şerifali Mahallesi, Dudullu Osb, Ümraniye, İstanbul, 34775 Turkey
Renishaw US Holdings, Inc.[H]	262 Chapman Rd, Suite 240, Newark, DE 19702 United States
Renishaw, Inc.	137 N Oak Park Ave, Ste 215, Oak Park, IL 60301 United States
Owned by Renishaw (Hong Kong) Limited	
Renishaw (Malaysia) Sdn. Bhd.	Upper Penthouse, Wisma RKT, 2, Jalan Raja Abdullah, Chow Kit, 50300 Kuala Lumpur, Wilayah Persekutuan Malaysia
Renishaw (Shanghai) Management Company Limited[^]	288 Jiang Chang San Lu, Zhabei Qu, Shanghai, 20436 China
Renishaw (Shanghai) Trading Company Limited[^]	286 Jiang Chang San Lu, Zhabei Qu, Shanghai, 20436 China
Renishaw (Singapore) PTE Limited	988 Toa Payoh North, #06-07/08, 319002 Singapore
Renishaw (Taiwan) Inc	2F. No. 2, Jingke 7th Road, Nantun District, Taichung, 40852 Taiwan
Owned by Renishaw US Holdings, Inc.	
Renishaw Fixturing Solutions, LLC	405 W. Greenlawn Ave, #g11, Lansing, Michigan, 48910 United States
Renishaw Properties, Inc.	262 Chapman Rd, Suite 240, Newark DE 19702 United States
Owned by Renishaw Medical Limited	
Renishaw Medical AM Solutions Limited[D]	New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR United Kingdom
Owned by Renishaw Neuro Solutions Limited	
Renishaw Mayfield SARL	31 Rue Ampère, 69680, Chassieu France

C.50. Joint ventures

The following are the joint ventures of Renishaw plc at 30 June 2025. The country in which each entity has its registered/principal office is its domicile and country of incorporation. The accounting year-end for each joint venture is 30 June unless otherwise stated. The shareholdings are in the ordinary share capital of those undertakings unless otherwise stated. The principal activities for the joint ventures are those of the Company, as set out in the Other statutory and regulatory disclosures.

Company	Registered Office
Owned by Renishaw plc	
Metrology Software Products Limited (70%)	6F Greensfield Court, Alnwick, Northumberland, NE66 2DE United Kingdom
Owned by Renishaw International Limited	
RLS Merilna tehnika d.o.o. (50%)	Poslovna cona Žeje pri Komendi, Pod vrbami 2, Komenda, 1218 Slovenia

10-year financial record

Results	note 2025 £'000	note 2024 £'000	note 2023 £'000	note 2022 £'000	note 2021 £'000	note 2020 £'000	note 2019 £'000	note 2018 £'000	note 2017 £'000	note 2016 £'000
Overseas revenue	**679,027**	653,345	649,674	639,540	538,636	482,784	539,915	580,940	509,212	404,472
UK and Ireland revenue	**34,017**	37,956	38,899	31,536	26,923	27,431	34,044	30,567	27,595	22,752
Total revenue	**713,044**	691,301	688,573	671,076	565,559	510,215	573,959	611,507	536,807	427,224
Adjusted operating profit	**112,264**	108,667	130,407	161,406	118,568	51,700	93,711	143,045	108,733	86,952
Adjusted profit before tax	**127,231**	122,594	140,983	163,742	119,666	48,614	103,862	145,081	109,079	87,475
Taxation (excluding adjusted items)	**27,010**	25,705	28,126	28,685	23,611	11,547	16,557	20,942	12,819	14,880
Profit for the year (excluding adjusted items and tax on adjusted items)	**100,221**	96,889	112,857	135,057	96,055	37,067	87,305	124,139	96,260	72,595

Capital employed	2025 £'000	2024* £'000	2023* £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Share capital	**14,558**	14,558	14,558	14,558	14,558	14,558	14,558	14,558	14,558	14,558
Share premium	**42**	42	42	42	42	42	42	42	42	42
Reserves	**911,264**	881,665	875,564	800,570	688,730	532,264	568,677	533,994	429,214	366,785
Total equity	**925,864**	896,265	890,164	815,170	703,330	546,864	583,277	548,594	443,814	381,385

Statistics	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Overseas revenue as a percentage of total revenue	**95.2**	94.5%	94.4%	95.3%	95.2%	94.6%	94.1%	95.0%	94.9%	94.7%
Adjusted earnings per share	**137.3**	133.2p	155.1p	185.5p	132.0p	51.0p	119.9p	170.5p	132.4p	100.4p
Proposed dividend	**78.1**	76.2p	76.2p	72.6p	66.0p	0.0p	60.0p	60.0p	52.0p	48.0p

*Reserves and Total equity has been restated in the comparative information for 2024 and 2023. See note 1 for further details.

Note

The results and adjusted earnings per share for the years 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 exclude certain items. These were:

- 2016 (£25.8m pre tax loss), 2017 (£8.0m pre tax gain), 2018 (£10.1m pre tax gain), 2019 (£6.1m pre tax gain), 2020 (£21.6m pre tax loss), 2021 (£23.0m pre tax gain) and 2022 (£8.3m pre-tax loss) and 2023 (£5.5m pre-tax gain) gains and losses from financial instruments not effective for cash flow hedging;

No years prior to 2016 have been adjusted for gains and/or losses from financial instruments not effective for cash flow hedging.

- 2020 (£23.8m loss), 2022 (£1.7m gain) and 2023 (£0.7m) restructuring costs;
- 2021 (£3.2m loss) and 2022 (£0.2m gain) third-party FSP costs;
- 2022 (£11.7m loss) UK defined benefit pension scheme past service cost;
- 2023 (£2.1m loss) US defined benefit pension scheme past service cost.

Glossary

AGM	Annual General Meeting
AI	Artificial Intelligence
AM	additive manufacturing (3D printing)
APAC	Asia Pacific
APM(s)	alternative performance measure(s)
Governance Code	UK Corporate Governance Code 2018
CO_2e	carbon dioxide equivalent
Company	Renishaw plc
CMM	co-ordinate measuring machine
CNC	computer numerically controlled
CPI	consumer price index
DESNZ	Department for Energy Security and Net Zero
DTR	the FCA's Disclosure Guidance and Transparency Rules
EBT	Employee Benefit Trust
EDI	equality, diversity and inclusion
EMEA	Europe, Middle East and Africa
EPS	earnings per share
ERP	enterprise resource planning
ESG	Environment, social and governance
EU	European Union
EUR	Euro
EV	electric vehicle
EY	Ernst & Young LLP
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FSP	formal sale process
FX	foreign exchange
GBP	Great British Pound or Pound Sterling
GHG	greenhouse gas
GMP	Guaranteed minimum pension
Group	Renishaw plc and its subsidiaries
GWP	global warming potential
H&S	health and safety
HKD	Hong Kong Dollar
HQ	headquarters
HR	human resources
ICE	internal combustion engine
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IP	intellectual property
IPCC	International Panel on Climate Change
JPY	Japanese Yen
KPI(s)	key performance indicator(s)
kW	kilowatt – an amount of power equal to 1,000 watts
kWh	Kilowatt hour – an amount of energy equivalent to delivering 1kW of power for an hour
M&A	mergers and acquisitions
MRP	Material Requirements Planning
NCI	non-controlling interest
OCI	other comprehensive income
OEM	original equipment manufacturer
PC	personal computer
P&L	profit and loss account
PBT	profit before tax
RDEC	Research and development tax credit
RIS	Regulatory Information Service
R&D	research and development
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013
SBTi	Science Based Targets initiative
Scope 1	direct GHG emissions occur from sources that are owned or controlled by the Company. For example, emissions from combustion in owned or controlled boilers, generators, vehicles, etc.
Scope 2	GHG emissions from the generation of purchased electricity consumed by the Company
Scope 3	Indirect GHG emissions are a consequence of the activities of the Company, but that occur from sources not owned or controlled by the Company
SEEG	stereoelectroencephalography
STEM	science, technology, engineering and mathematics
tCO_2e	Tonnes of carbon dioxide equivalent
TCFD	Task Force on Climate-related Financial Disclosures
TPR	The Pensions Regulator
TSR	Total shareholder return, calculated as change in share price, assuming dividends are immediately reinvested
UAE	United Arab Emirates
ULEV	ultra-low emission vehicle
UK	The United Kingdom of Great Britain and Northern Ireland
UKLR	The FCA's UK Listing Rules
UN SDG	United Nations Sustainable Development Goal
USA	United States of America
USD	Unites States Dollar

Trademarks

The following registered and unregistered trademarks, which are owned by Renishaw plc and its subsidiaries, appear throughout this Annual Report.

AGILITY®	ASTRiA™	CARTO™	Equator™	Equator-X™	FORTiS™	MODUS™
MODUS™ IM	neuromate®	Opti-Logic™	RenAM®	REVO®	TEMPUS™	Virsa™

Shareholder information

Ordinary shares

The Company has one class of ordinary 20p shares listed on the London Stock Exchange under code RSW, ISIN number GB0007323586.

Registrars

For all enquiries about shareholders' holdings, transfer and registration of shares, and changes of name and address, contact the Company's registrars, Equiniti Limited:

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: +44 (0)371 384 2169
Website: www.shareview.co.uk

Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate. Lines are open from 8:30am to 5:30pm (UK time), Monday to Friday (excluding English and Welsh public holidays).

AGM

Our 2025 AGM will be held on Wednesday, 26 November 2025 at our headquarters at New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR at 10am. Further details can be found in the Notice of Meeting, which is set out in a separate circular to shareholders. Shareholders holding shares in the Company through a nominee service should arrange to be appointed as a corporate representative or a proxy in respect of their shareholding in order to attend and vote at the meeting.

Financial reports

The Annual Report and copies of previous financial reports are available at www.renishaw.com/investor. The half-year results and the preliminary announcement of the full-year results are published on our website promptly after they have been released through a Regulatory Information Service.

Electronic communications

All shareholder communications, including the Company's Annual Report, are made available on the Renishaw website, and you may opt to receive email notifications informing you when shareholder communications are available to view and download rather than receiving paper copies through the post. Receiving communications electronically provides certain advantages to shareholders and Renishaw, including accessing documents more quickly, reducing our environmental impact and reducing the cost of printing and delivery of documents. If you would like to sign up for this service, visit Equiniti's Shareview Portfolio website. You may change the way you receive communications at any time by contacting Equiniti.

Dividend mandate

Shareholders can arrange to have their dividends paid directly into their bank or building society account by completing a bank mandate form. This is the most secure and efficient method of payment. A mandate form can be obtained from Equiniti or you will find one on your last dividend confirmation.

Financial calendar

Annual General Meeting

26 November 2025

Half year

31 December 2025

Half-year results

February 2026

Trading update

May 2026

Final dividend

Ex-div date 30 October 2025
Record date 31 October 2025
Payment date 5 December 2025

Interim dividend (provisional)

Ex-div date 5 March 2026
Record date 6 March 2026
Payment date 7 April 2026

Registration details and Company Secretary

Group General Counsel & Company Secretary

Kasim Hussain

Registered office

New Mills
Wotton-under-Edge
Gloucestershire
GL12 8JR

Telephone: +44 (0)1453 524524
Email: companysecretary@renishaw.com
Website: www.renishaw.com/investor

Registered number

01106260 (England and Wales)

Auditor and corporate advisers

Auditor

Ernst & Young LLP

Solicitors

Norton Rose Fulbright LLP
Herbert Smith Freehills Kramer LLP

Corporate brokers

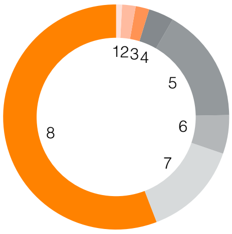
UBS
Peel Hunt

Principal bankers

Lloyds Bank
BNP Paribas
HSBC

Shareholder information continued

Shareholder profile



Shareholdings		%
1	1 – 5,000	1.04
2	5,001 – 25,000	1.83
3	25,001 – 50,000	2.11
4	50,001 – 100,000	3.62
5	100,001 – 500,000	16.29
6	500,001 – 1,000,000	5.66
7	1,000,001 – 3,000,000	13.77
8	more than 3,000,000	55.69

Share fraud

We are aware some of our shareholders have received unsolicited calls or correspondence, offering to buy or sell their shares for a price in excess of the current market price. The callers can be very persuasive and extremely persistent and often have professional websites and telephone numbers to support their activities. These callers will sometimes imply a connection to Renishaw and provide incorrect or misleading information. Please be aware this is likely to be a scam – the safest thing to do is hang up.

You are advised to be wary of unsolicited advice or offers to buy shares.

See www.fca.org.uk/consumers/protect-yourself-scams for further advice.

Find out more or report suspected fraud to the FCA on their consumer helpline 0800 111 6768 (overseas callers dial +44 207 066 1000) or using the share fraud reporting form available at www.fca.org.uk/consumers/report-scam.

If you have already paid money to share fraudsters contact Action Fraud on 0300 123 2040 (overseas callers dial +44 300 123 2040) or their online fraud reporting tool at www.actionfraud.police.uk/reporting-fraud-and-cyber-crime.

Cautionary note and safe harbour: this Annual Report has been prepared for the purpose of assisting the Company's shareholders to assess the strategies adopted by the Company and the potential for those strategies to succeed and no one, including the Company's shareholders, may rely on it for any other purpose.

This Annual Report has been prepared on the basis of the knowledge and information available to the Directors at the time. Given the nature of some forward-looking information, which has been given in good faith, the Company's shareholders should treat this information with due caution.

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