

Renishaw plc

Annual Report 2026

About us

Who we are

We are a world leader in sensors and systems for measurement and manufacturing.

Our purpose

Transforming
Tomorrow
Together

We innovate with our customers to make the products of the future, transforming their capabilities through unparalleled levels of precision, productivity and practicality.

Our strategy

- Deliver innovation-led organic growth through disciplined investment and focused execution.
- Focus on attractive markets with durable growth potential, enabled by long-term customer relationships.
- Build a manufacturing technology powerhouse by growing our market-leading positions, scaling our emerging product lines, and diversifying into close-adjacent markets.
- Accelerate growth through targeted acquisitions.

Our culture

Our founders set out to build a company that stood apart – proudly independent, grounded in a love of engineering and manufacturing, with long-term thinking and never losing sight of doing interesting, pioneering work.

This ethos is ingrained in our culture, which is built on 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 individuals.

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 three segments: Industrial Metrology (IM), Position Measurement (PM), and Specialised Technologies (ST). You can find an overview of these on pages 14 to 20.

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	£381.9m (FY2025: £337.7m)
EMEA	20	£214.9m (FY2025: £207.8m)
Americas	7	£219.0m (FY2025: £167.5m)

FY2026 financial highlights

Record year with accelerating revenue growth and higher operating margins

£815.8m

Revenue

(FY2025: £713.0m)

14.4%/17.3%

Revenue growth at actual/constant exchange rates

- Strong demand from customers in semiconductor and aerospace and defence sectors
- Significant growth from emerging product lines

18.7%

Adjusted operating profit margin

(FY2025: 15.7%)

- Strong operating margin improvement with all segments now profitable at this level
- Cost reduction and revenue growth offsetting adverse currency impact and impairments

£168.0m

Adjusted profit before tax

(FY2025: £127.2m)

Statutory profit before tax £150.0m

(FY2025: £118.0m)

79%

Adjusted cash flow conversion from operating activities

(FY2025: 91%)

- Lower capital expenditure
- Increase in working capital to support growth

17.5%

Return on invested capital

(FY2025: 13.2%)

- Higher profit after tax, and stable levels of invested capital
- Benefiting from previous investments in manufacturing

82.0p

Total dividend per share for the year

(FY2025: 78.1p)

- Excluding special dividend of 70.0p per share

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

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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 199 for this information. In our narrative commentaries in this report, as an example, FY2026 means the financial year ended 30 June 2026. Other dates in our narrative commentary, such as 2026, refer to the calendar year.

Chair's statement

This has been a strong year for Renishaw, with growing demand from key sectors driving record sales and profit, despite the impact of ongoing geopolitical uncertainty on international trade. This success is a clear demonstration that Renishaw's strategy for long-term organic growth is working. At the heart of that growth model is a strong focus on innovation, which is helping the business to develop more efficient, easier-to-use products that address significant trends in our markets, while continuing to solve specific customer challenges.

This year's performance is also thanks to our talented people, led by our Chief Executive Officer, Will Lee, and his executives. The team and our people across the world have reacted quickly to increased demand from key markets, and shown great resilience and agility in the face of supply chain pressures. To do this following the cost reduction programme at the beginning of the year is testament to their commitment to the business, our customers and each other, and I would like to thank everyone for their achievements.

Continuing to evolve the Board

We made some key changes to the Board this year, with John Shipsey appointed as our new Chief Financial Officer and Executive Director in April 2026, after Allen Roberts stepped down in December 2025. The Board and I would like to thank Allen for his exemplary 46 years at Renishaw. Also, my thanks to Rob Macdonald, who served as Interim Group Finance Director during this transition. Rob has done an outstanding job during an extremely important and busy period for Renishaw.

Also in April 2026, I was honoured to accept the role of permanent Chair of Renishaw and retain my role as Chair of the Nomination Committee.

In September 2025, we welcomed Camille Deer to the Board as a Non-executive Director. Like our other founding family Board representatives, Non-executive Director Richard McMurtry, and Observer Ben McMurtry, Camille has approached the role with considerable engagement, eager learning and openness. She has also brought fresh eyes and excellent questions to the Board's discussions this year, reflecting the culture and values that our two founders, John Deer and the late Sir David McMurtry, instilled in the business over many years. The Board welcomed the formation of a joint family holding company in November 2025 and believes it gives Renishaw a clear structure to build on David and John's legacy for long-term success. For more information see page 58.

I believe the Board's evolution over the past two years has strengthened our leadership at a time of changing risks and opportunities in our global markets.

An independent review of the Board, conducted on Renishaw's behalf by Fidelio Partners in the year, confirms my confidence and demonstrated that we are working well together. This review also provided recommendations on areas for improvement, which we discuss in more detail on pages 81 to 82.

A clearer business structure to accelerate growth

The Board has been impressed with the executive team's collaborative approach to responding to the rapid changes in customer demand this year.

While our performance reinforces the Board's confidence in Renishaw's strategy for long-term growth, we must ensure the business is agile enough to make the most of future opportunities, while navigating markets that can be highly cyclical. The Board has, therefore, supported the Executive Committee's work to reshape Renishaw's structure around three segments. The Board believes these changes provide greater clarity and enable greater efficiency across the business.

A strong Executive Committee and clearer reporting structure have had a positive impact on Board discussions, with a deeper focus on key topics, such as strategy, organisation and productivity. The creation of the Specialised Technologies segment has been particularly helpful, giving the Board a much clearer view of opportunities and challenges in new or developing businesses. The Board has also benefited from greater engagement with our three regional presidents, who I'd like to thank for helping us better understand the trends driving specific international markets.

At the beginning of the year, the Board oversaw the implementation of a cost reduction programme. Recognising the programme's impact on colleagues across the Group, the Board received regular updates on how the business has supported our people during this period.

A maturing approach to stakeholder engagement

Our investors have welcomed Renishaw's more transparent reporting structure. Together with our strengthened investor engagement programme, which now includes in-person results presentations, they see this transparency as a positive sign that the business is evolving its approach to communicating with key stakeholders.

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

As well as our increasing engagement with investors, Renishaw's external profile is growing in other ways. For example, this year Richard McMurtry, Will Lee and I met with several key UK government department officials, including through hosted site visits. These meetings were an important opportunity to discuss Renishaw's role in the UK economy and industrial strategy, as well as to demonstrate some of our products.

It was also a pleasure to attend EMO Hannover with the founder families in September 2025. Held every two years, this is a huge, five-day manufacturing technology event. It was a great opportunity to see our industry in action and talk to Renishaw colleagues, business partners and customers, some of whom have worked with us for decades. These events give the Board a unique insight into the business, and I was particularly proud to be a small part of the launch of our Equator-X gauge. Since then, Equator-X has gone on to become one of our big success stories this year (see page 16).

I've also enjoyed spending time with many of our UK engineering and manufacturing teams during the year. As Chair, and an engineer, I'm privileged to see many of the next-generation products in development. My particular thanks to our three business segment directors, Louise Callanan (Specialised Technologies), Derek Marshall (Industrial Metrology) and Steve Oakes (Position Measurement), for introducing me to our world-leading products, engineers and scientists. My regular visits to our largest manufacturing site in Miskin, Wales, have also been exciting as volumes increased during the year, and quality was enhanced by the use of our own products in the production process.

Looking ahead

It has been a pleasure to work alongside my colleagues this year, and I believe we're continuing to build a Board that blends deep experience in the business with fresh perspectives. We will need more of both in the coming year as we implement the recommendations of the Board review, and continue to support and challenge the Executive Committee. In doing so, I believe Renishaw can build on the successes of the past year, while continuing to navigate our customers' changing needs and staying alert to the challenges and opportunities we see ahead of us.

Sir David Grant
Chair

22 September 2026

Chief Executive Officer's review

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

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

Strong financial performance in FY2026

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

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

Additive manufacturing (AM) products were the key driver of performance improvement in ST. As well as achieving multiple machine orders from existing customers, we are gaining market share, particularly in aerospace and defence. We explain our new structure and give more performance details in our Segment review on pages 14 to 20.

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

Adjusted* profit before tax for the year was £168.0m (FY2025: £127.2m). Adjusted earnings per share was 179.5p (FY2025: 137.8p). Adjusted measures are the ones the Board uses to measure our underlying trading performance. Statutory profit before tax was £150.0m (FY2025: £118.0m), leading to Statutory earnings per share of 163.5p (FY2025: 115.2p). Read more in the Chief Financial Officer's review on page 21.

Segment	FY2026 revenue £m	FY2025 revenue £m	Variance at actual exchange rates %	Variance at constant exchange rates %
Industrial Metrology	447.4	430.6	3.9	6.7
Position Measurement	260.9	207.4	25.8	29.2
Specialised Technologies	107.5	75.0	43.1	45.8
Total	815.8	713.0	14.4	17.3

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

Strong strategic progress underpinned by innovation

Everything we do at Renishaw is guided by our purpose of Transforming Tomorrow Together and underpinned by our strategy, which we set out on pages 7 to 9. This year's performance reflects the progress we're making against our three strategic priorities – growing our existing markets, increasing the value of the technology that we sell, and extending into new, high-growth markets – as I explain below. Our long-term commitment to innovation is a key driver across these priorities, helping us to unlock the opportunities that arise from the big structural trends I mentioned earlier, and, in turn, to deliver our strategy.

Growing in our existing markets

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

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

Increasing technology value

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

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

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

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

Extending into new markets

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

Understanding and addressing customer needs

We're proud of the long-term relationships we've built with customers over the years. It's always a pleasure when I get the chance to meet them, whether visiting their factories or at the various trade events that I attend during the year across our three regions. Understanding our customers' challenges is an important aspect of how we develop the innovative solutions to address their needs, and something that our sales and engineering teams do throughout the year.

One of the biggest emerging conversations is around the impact of AI. This is an area of strategic importance to Renishaw due to our role in supporting the manufacturing of advanced semiconductors, and we continue to develop the next generation of position encoders to meet the needs of this demanding sector. AI also affects our business in other ways, helping our people to innovate and be more productive, while also heightening cyber risks.



Find out more about our ASTRIA inductive encoder



Find out more about our MODUS IM software and Equator-X gauging system



Find out more about our Strada Raman microscope

Chief Executive Officer's review continued**A simpler, more focused Renishaw**

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

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

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

Responding to employee feedback

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

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

Simplifying our processes to accelerate growth

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

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

Refreshing our ESG strategy

I've spent time this year working with colleagues to refresh our environmental, social and governance (ESG) strategy. The purpose of this review was to refine our goals, remove outdated elements and streamline our targets while retaining the ambition of our original strategy. We explain these changes and provide an update on our progress in our ESG review on pages 37 to 48. We continued to make progress against our strategy this year, most notably by reducing the emissions intensity of the aluminium and steel we bought in FY2026 by more than 20% (versus FY2025), against a target of 15%.

Looking ahead

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

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

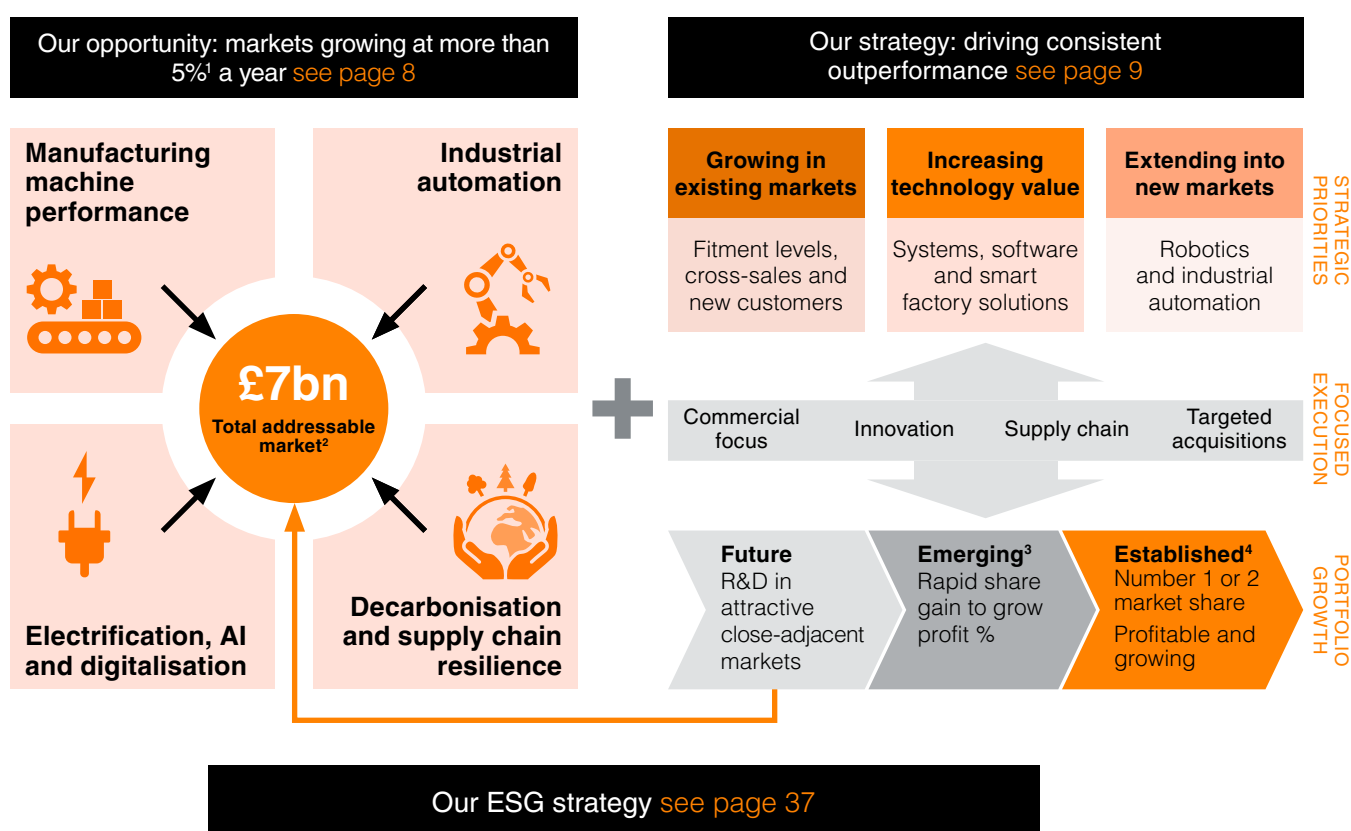
Will Lee

Chief Executive Officer

22 September 2026

Our strategy for long-term growth

We are building 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 target an expanding range of high-growth markets for our portfolio of sensor- and software-enabled systems products.



Our strategy is underpinned by a robust risk management framework.
[See pages 23 to 32.](#)

We measure our progress against KPIs that reflect financial and non-financial performance. [See pages 11 to 13.](#)

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 our own market knowledge.

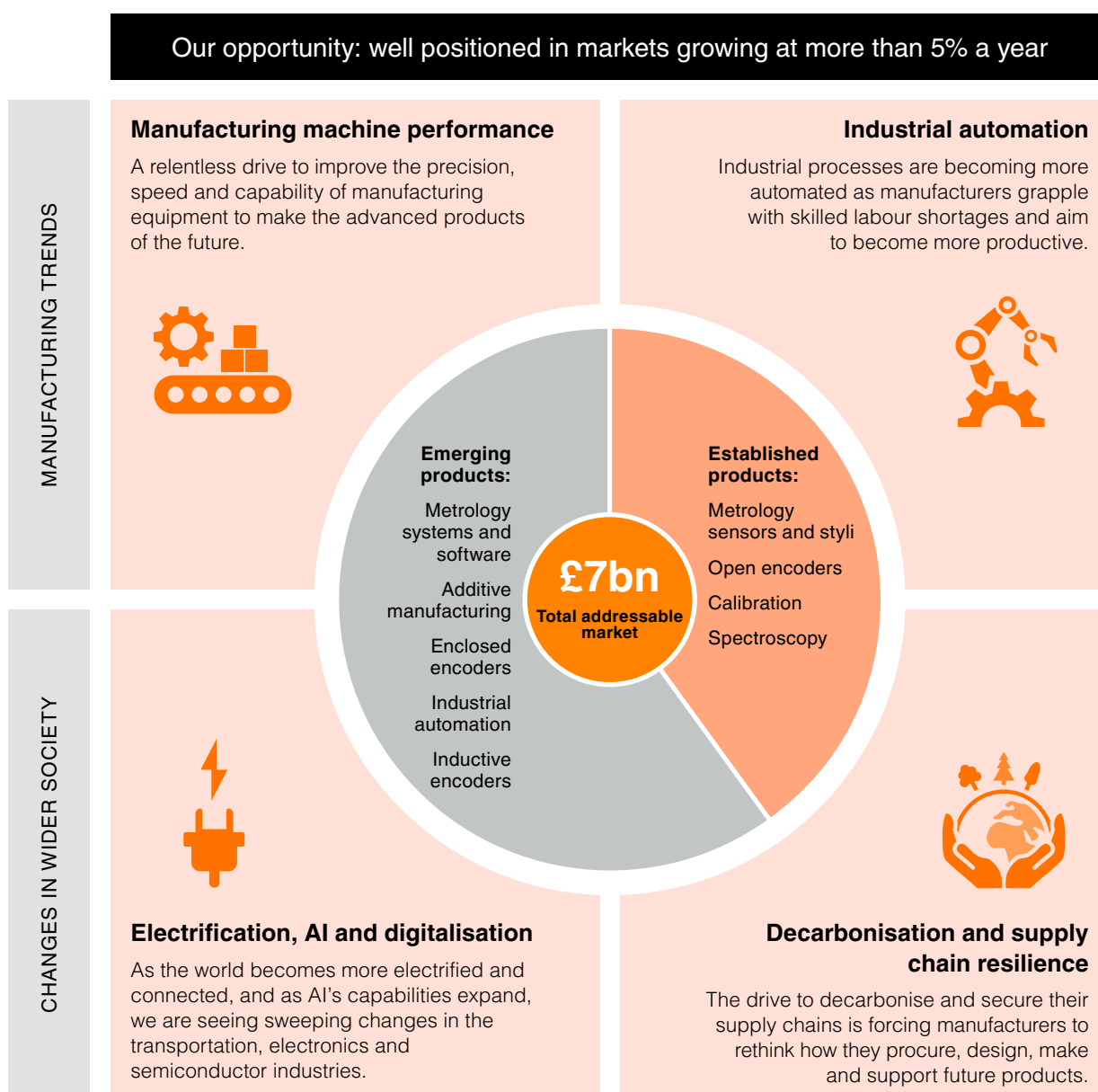
3 Emerging portfolio products operate in more fragmented markets with significant opportunity to gain market share; they are typically below the scale needed to generate our target level of return.

4 Established portfolio products have a strong, profitable market position (number one or two market share) in growing markets.

Our strategy for long-term growth continued

Our opportunity

We pursue innovation-led growth in emerging and established markets with a combined addressable value of £7bn, and where manufacturing and societal trends contribute to attractive through-cycle growth rates of at least 5%.



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 us create value and grow market share ahead of our competition.

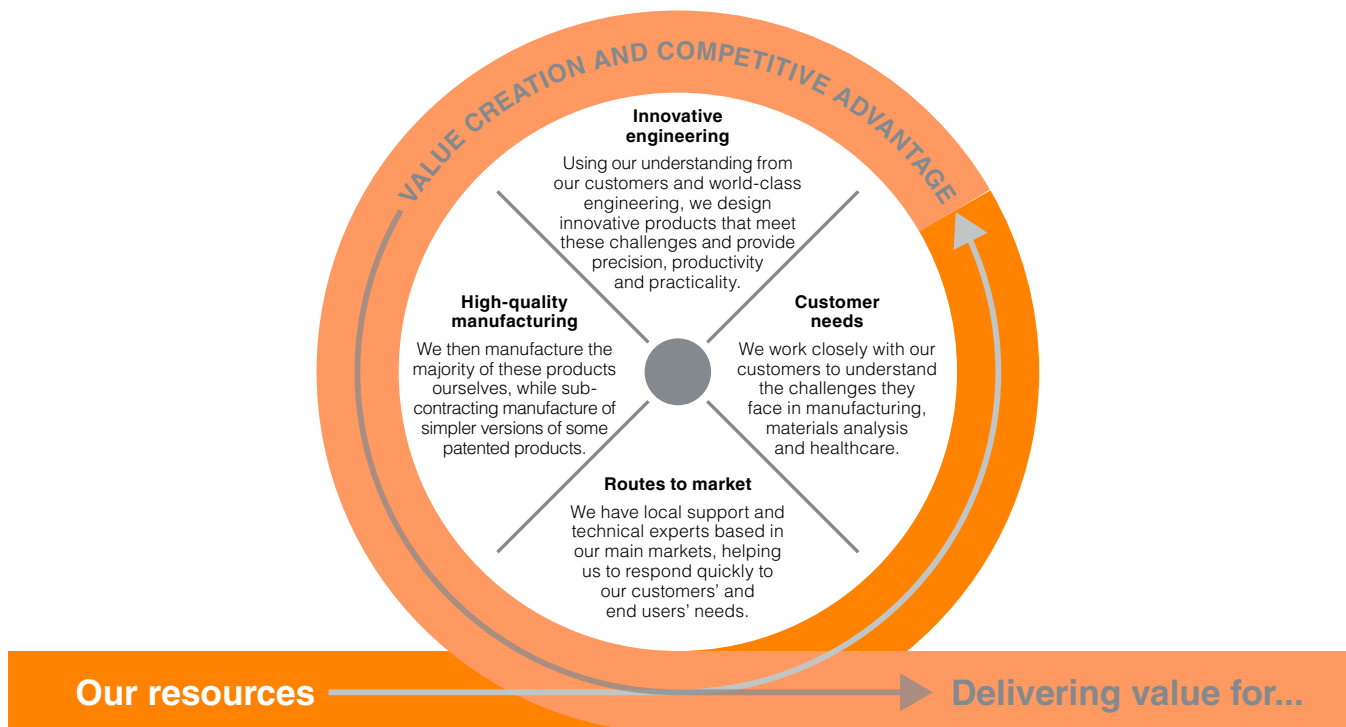
Our focus on these areas is set within a rigorous risk management framework, which includes our approach to climate risk (see page 26), and is underpinned by our ESG strategy (see pages 37 to 48).

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.
HIGHLIGHTS FROM FY2026	Strong growth in demand for optical encoders in the semiconductor sector. Introduced 1.5D optical encoders for precision motion applications, such as advanced packaging and hybrid bonding, and a next-generation laser encoder range providing ultra-precise motion control for wafer inspection. Developed a new generation of machine tool probing systems, enabling advanced on-machine metrology for high-value components, and enhanced 5-axis motorised probe heads for CMMs.	Accelerated adoption of AM supported by platform innovations, including our patented TEMPUS technology, which offers production speeds up to three times faster than conventional single laser systems, and LIBERTAS, which enables advanced laser control. Continued to develop our range of shopfloor flexible gauges with the commercialisation of our Equator-X gauge and our MODUS IM Equator software.	Strong growth in demand for our ASTriA inductive encoders, which complement our magnetic and optical encoders to offer robust and accurate position measurement in harsh environments, including robotics, aerospace and defence, and medical devices.

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 team of more than 5,200 talented people around the world are committed to delivering our purpose 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

- £114m spent on developing new products and improving our existing products.
- 57 locations worldwide providing local customer support and technical expertise.

Our shareholders

- Total dividends of £59.7m for the year (FY2025: £56.9m), excluding special dividend of 70.0p per share.
- Continued evolving our investor relations engagement, including introducing in-person results presentations in London.

Our people

- £327m in salaries, bonuses, social security and pensions contributions.
- Continued developing functional competency frameworks to support talent reviews and succession planning.

Our suppliers

- £20m committed to global capital expenditure projects.
- More than 600 global suppliers for direct goods and services to UK manufacturing operations.

Our communities

- Ongoing education outreach programme reached around 12,500 students.
- £0.3m in charitable donations during the year.

Our planet

- 7% reduction in Scope 1 and 2 emissions versus FY2025.
- Self-generated 8.5% of our global electricity consumption through renewable sources.

Our key performance indicators

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

Revenue £m



Why we measure this

Revenue growth helps us to assess the relevance of our products for solving customer problems. It also indicates growth in market share and helps generate profits, which we reinvest in the business and use to pay dividends to our shareholders.

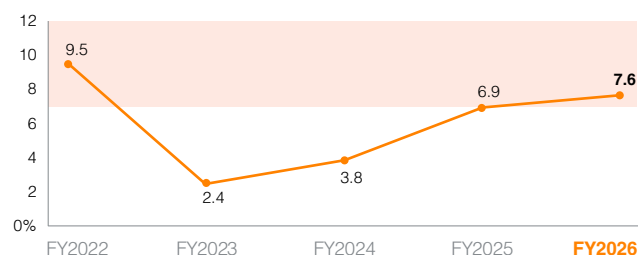
How we measure this

Revenue generated from operations, at actual rates of exchange.

How we performed

Revenue grew to a record £815.8m, an increase of 14.4% from FY2025 at actual exchange rates and 17.3% at constant exchange rates. We achieved particularly strong growth in sales of position encoders and additive manufacturing systems, while demand for metrology sensors and spectroscopy systems was flat.

Through-cycle revenue growth %



Why we measure this

Understanding revenue growth through cycles in our key markets helps us to add context to our performance and focus on sustainable growth.

How we measure this

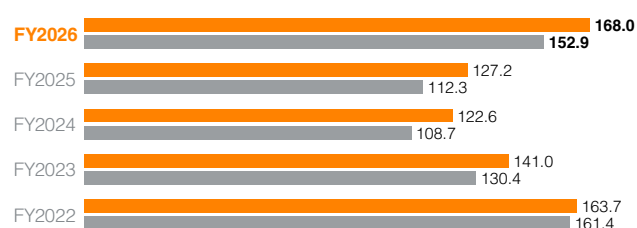
Compound annual revenue growth rate over a rolling five-year period.

How we performed

Key markets have strengthened and our emerging product lines continue to grow. Our IM segment has grown at an average rate of more than 5% over this timeframe, while both our PM and ST segments have grown more than 10%.

— Five-year revenue compound annual growth rate ■ Target range

Adjusted operating profit & Adjusted profit before tax £m



Why we measure this

These measures help the Board understand the underlying trading performance of the Group.

How we measure this

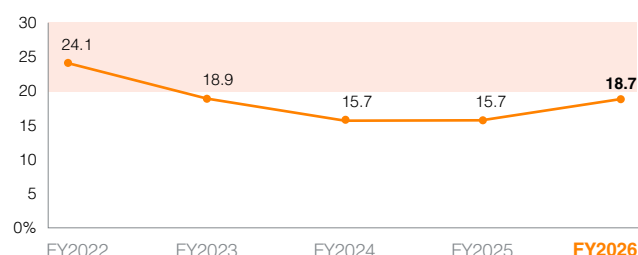
Adjusted operating profit and Adjusted profit before tax are defined in Note 29 on page 180.

How we performed

Adjusted operating profit increased by 36.2% to £152.9m and Adjusted profit before tax increased by 32.0% to £168.0m this year. Both metrics were boosted by increased margin from higher sales and our cost reduction programme.

■ Adjusted operating profit ■ Adjusted profit before tax

Adjusted operating profit margin %



Why we measure this

As a relative rather than absolute measure, this helps us assess our financial efficiency. Our target is to exceed 20%.

How we measure this

Adjusted operating profit (see Note 29 on page 180), as a percentage of revenue.

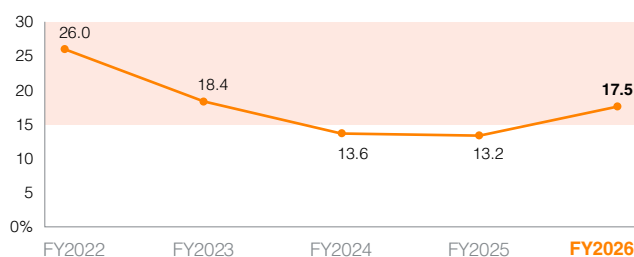
How we performed

We achieved a 3.0%pt improvement in this metric this year. Currency headwinds of 2.2%pt and impairments of 0.7%pt were offset by 5.9%pt of organic margin improvement from a combination of cost reduction and operating leverage, supported by our 17.3% constant currency revenue growth. We continue to focus on productivity and organic growth to drive our margin into our target range.

— Adjusted operating profit margin ■ Target range

Our key performance indicators continued

Return on invested capital (ROIC) %



Why we measure this

This helps us understand how well we're creating value from our investments. Our target is to exceed 15%.

How we measure this

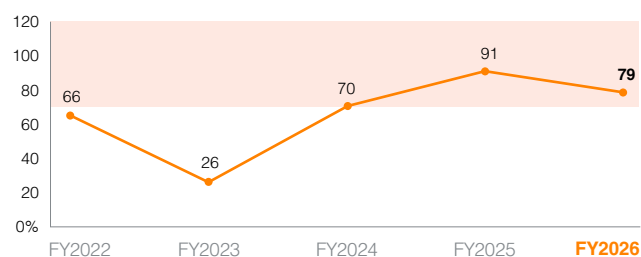
Adjusted profit after tax before post-tax net financial income, as a percentage of invested capital. We have updated how ROIC is defined this year, resulting in prior year restatements – see Note 29 on page 180.

How we performed

We exceeded our ROIC target this year, improving by 4.3%pt to reach 17.5%. This is due to higher profits after tax, offset by a small increase in average invested capital.

— Return on invested capital ■ Target range

Adjusted cash flow conversion from operating activities %



Why we measure this

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

How we measure this

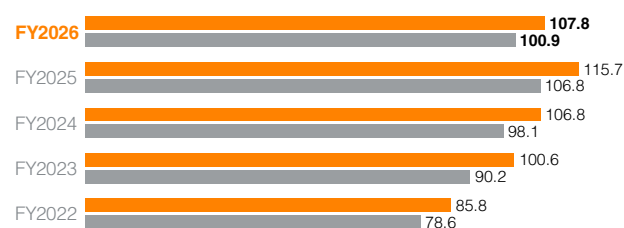
Adjusted cash flow from operating activities as a percentage of Adjusted operating profit. Adjusted cash flow from operating activities is defined in Note 29 on page 180.

How we performed

This metric fell to 79% this year from 91% in FY2025, but remained within our target range. This reduction was driven by an increase in working capital to support rapid growth throughout the year.

— Operating cash conversion ratio ■ Target range

Total engineering costs £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, and net of amortisation on capitalised R&D.

How we performed

Reduced spend following operating cost reductions during the year, excluding non-recurring costs relating to restructuring (see Note 4 on page 153). We continue to deliver new products to market, with a strong pipeline of new products in development.

■ 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 improving shareholder returns.

How we measure this

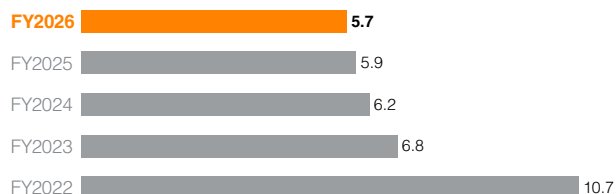
Interim dividend paid in the year, plus the proposed final dividend. These measurements do not include special dividends.

How we performed

We paid an interim dividend of 16.8 pence per share in FY2026 and the Directors propose a final dividend of 65.2 pence per share. This would bring the overall dividend per share to 82.0 pence, 5% higher than the total dividend for FY2025.

In addition to the final dividend, we have also approved a special dividend of 70.0p per share as an interim dividend.

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.

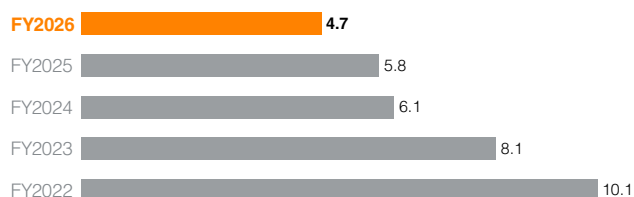
How we measure this

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

Voluntary employee turnover slightly reduced this year. This figure excludes voluntary leavers under our cost reduction programme during the year. We continue to pursue a range of activities to promote employee engagement. More information can be found on pages 34, and 43 to 46.

Statutory GHG emissions tCO₂e 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 (CO₂e) emissions from our operations, per £m of revenue, using the market-based method. See how we calculate our data on page 42.

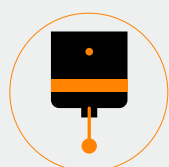
How we performed

Our Net Zero strategy continues to reduce our GHG emissions/£m, with a 19% reduction in emission per £m revenue in FY2026. While this was largely driven by higher revenues this year, we were also pleased to reduce our statutory emissions in absolute terms.

Segment review

In July 2025 we organised our business into three segments – Industrial Metrology, Position Measurement and Specialised Technologies – to bring together products with similar end-user markets and demand drivers. Together, they help Renishaw pursue innovation-led growth in established and emerging markets with a combined addressable value of £7bn. Each segment director is now a member of the Executive Committee, supporting Renishaw's strategic focus and sharing examples of good practice from their part of the Group.

Below we provide an overview of each segment, followed by a deeper review of their markets, opportunities and performance during the year throughout the rest of this section.



Industrial Metrology

Measurement and control of precision component manufacturing processes

Routes to market:

- Probes and styli mostly through machine builders and distributors, plus end-user projects and consumables.
- CMM & gauging systems and calibration products mostly sold to end users.

Revenue for FY2026

£447.4m



Position Measurement

Precision motion control of robots, machinery and factory automation

Routes to market:

- Encoder sales mostly to machine builders who integrate encoders into their equipment.

Revenue for FY2026

£260.9m



Specialised Technologies

Novel technologies in high growth sectors

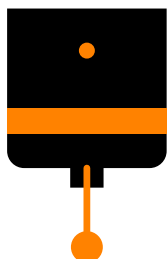
Routes to market:

- Primarily direct sales to end users.

Revenue for FY2026

£107.5m

	Share of Group revenue	FY2026 revenue growth (at constant fx)	Five-year revenue growth rate	FY2026 adjusted operating profit	FY2026 adjusted operating profit margin	Addressable market value
Industrial Metrology	55%	6.7%	5.5%	£76.7m	17.1%	£3.4bn
Position Measurement	32%	29.2%	10.0%	£71.5m	27.4%	£2.3bn
Specialised Technologies	13%	45.8%	12.1%	£4.7m	4.4%	£1.3bn



Industrial Metrology

Industrial Metrology (IM) is our largest segment, making sensors, measurement systems and software that allow customers to precisely measure machines and machined parts, generate inspection reports and control their production machines. Our products are used throughout the production process – directly on metal-cutting machines, on the shopfloor nearby, and in quality assurance laboratories. Our calibration systems are used to fine-tune the production and set-up of precision machines, and to check their continued operation in a range of applications. Our industrial automation products enhance the accuracy and productivity of robots, which are increasingly used within machining operations.

Our customers

Our customers work in key manufacturing sectors, including aerospace and defence, automotive, and consumer electronics, and rely on our products to support highly repeatable, efficient processes to make complex parts with tight tolerances. We provide sensors to manufacturers of machines that service these sectors, as well as complete metrology systems to end users. Because of our long track record of innovation, reliable products and excellent support, many of our customers have been working with us for decades. We're proud of the close relationships we have with them to help develop solutions that meet their needs and commercial goals.

Our FY2026 performance

The segment saw solid growth this year, with good performance in our APAC and Americas regions. Revenue for IM products increased by 3.9% to £447.4m at actual exchange rates (FY2025: £430.6m) and was 6.7% higher at constant exchange rates.

This year's performance was underpinned by strong year-on-year revenue growth and a growing order book for our emerging metrology systems and software product lines. We continued to see good demand for 5-axis AGILITY co-ordinate measuring machines (CMMs) in the Americas, reflecting the continuing trend towards measurement as a means of automating manufacturing processes. Revenue was also bolstered by growth in energy infrastructure to support AI data centres.

Sales of shopfloor gauging systems in the consumer electronics sector in APAC increased significantly. Our established machine calibration product line also delivered strong year-on-year growth, boosted by higher demand from semiconductor manufacturing equipment builders.

By contrast, sales of CMM and machine tool sensors were flat, with improved demand in APAC offset by continued weakness in EMEA where demand from machine tool and CMM builders supplying the automotive sector remained subdued.

Adjusted operating profit for the segment was 1.6% higher at £76.7m, with an adjusted operating margin that was 0.4%pt lower at 17.1%.



Find out more about our CMMs and CMM probe systems



Find out more about our probe systems for machine tools



Find out more about our machine calibration and optimisation products



Find out more about our industrial automation solutions

Segment review continued

Industrial Metrology continued

Driving organic growth through innovation

We had an outstanding response to the launch of our new Equator-X 500 gauging system and MODUS IM Equator software at the EMO Hannover trade show in September 2025. Since then, interest has surged thanks to our focus on addressing common shopfloor challenges, including product variety and frequent design changes. Our manufacturing and sales teams are now expanding their capacity to support growing customer demand.

In our calibration product line, we introduced our new XK20 alignment laser system and accompanying CARTO XK20 app, targeted at builders of large and complex machine tools. We continue to innovate our products for machine tools, for example with our third-generation NC4+ Blue laser tool setter. This enables detection of minute defects in cutting tools to ensure good surface finish and enhanced part quality, with lower running costs.

At the end of the year we also introduced two new probe systems that will help customers bring more automated inspection processes directly onto machine tools, saving time and reducing the requirement for specialist off-machine equipment and training. The RUP60 uses ultrasonic technology to measure the thickness of parts on the machine, removing the need to move parts to specialist equipment or perform manual inspection. The RMP400S, meanwhile, is a versatile, multi-purpose probe that allows users to automatically switch between touch-trigger, scanning and surface finish measurement depending on the application. Both new products will have their full market introductions at trade shows in autumn 2026.

The trends affecting our markets

We are seeing significant global investment in defence applications, as well as increased reinvestment in internal combustion engine manufacturing, particularly in the USA. Demand for power generation to run data centres is having an impact, with more diesel and turbine generators being manufactured to provide back-up power sources. We continued to see lower overall demand from machine tool builders, but with that demand concentrated on higher-value, 5-axis machines. This benefits Renishaw since our reputation for precision and reliability in fully automated production means our products are often chosen for these machines.

More broadly, the trend towards more automation and 'smart' factories continues to grow across our sectors, with an increasing number of customers incorporating measurement into shopfloor processes. Our newer metrology software is supporting this trend, incorporating functionality that allows data from measurement machines and computer numerically controlled (CNC) machines across a factory to be used to improve the automation of process control.

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 uncertainty, security of supply remains high on the agenda and customers continue to diversify their supply chains across multiple regions. Our global subsidiary network helps us respond to this trend by enabling the rapid transfer of engineering knowledge and experience around the world.

Looking ahead

Incorporating our calibration products and industrial automation products for robots into IM has helped create efficiencies because of similar technologies, customer applications and external demand drivers. We have helped customers set up and maintain their machine tools for many years and are now applying that same knowledge and expertise to support users of robots.

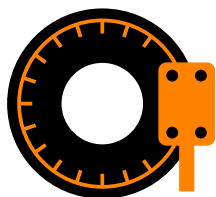
The structural changes within IM will also help us unlock new opportunities to meet customer demand for greater productivity, precision and automation in the manufacture of increasingly complex products. For example, we see significant opportunity to develop new tools that will help increase the precision and accuracy of robot arms in industries such as car manufacturing.

We will continue to work closely with our customers across multiple industries to develop solutions that meet continuing demand for manufacturing processes with greater efficiency, flexibility and reduced waste.

Meanwhile, the RMP400S and RUP60 probes are important new high-value sensors that support the trend towards fully integrating metrology within manufacturing processes, as well as the rising use of 5-axis machine tools for complex components. These will help our strategic aim to grow our existing markets and we look forward to their successful global introduction in the coming year.

Derek Marshall

Director of Industrial Metrology



Position Measurement

Position Measurement (PM) makes products that enable customers to improve control and precision in their machines in a wide variety of applications. Our position encoders provide electronic feedback on machine motion to ensure accuracy and enable automated operation.

Our customers

Our customers work in highly demanding sectors that require speed, precision and reliability, and we work closely with them to develop products that meet their specific needs for a wide range of applications. This includes semiconductor chip production, flat panel display manufacturing and robotics.

Our encoders are used at all stages of the semiconductor production process, from manufacturing silicon wafers to packaging and testing individual devices. The semiconductor sector is highly cyclical and we are currently seeing a 'super cycle', which is driving very high levels of investment across the entire supply chain.

We maintain a strong pipeline of new products to serve these rapidly changing markets, and carefully manage our established product lines to continuously improve or retire them as needed.

Many of our experts have worked for Renishaw for a long time and their knowledge has helped us build deep, longstanding relationships. Our credibility is reinforced by the fact we use PM products to manufacture our IM and ST products.

Our FY2026 performance

Revenue for the segment increased by 25.8% to £260.9m at actual exchange rates (FY2025: £207.4m) and by 29.2% at constant exchange rates.

We delivered strong sales growth from our established open optical encoder product line, resulting largely from AI-driven demand from the semiconductor industry. Our magnetic position encoder product line also grew strongly, driven by demand from industrial automation and robotics. Additionally, both product lines experienced a significant increase in their order books.

Meanwhile, sales of laser encoders, which are primarily used in semiconductor wafer inspection applications, were slightly down relative to a strong previous year. However, we saw strong growth in our order book as the year progressed.

Adjusted operating profit was 53% higher at £71.5m, resulting in an adjusted operating margin that was 4.9%pt higher at 27.4%.

Winning new customers through innovation

We saw strong interest in our new ASTriA product line, which we launched in FY2025. This is our first inductive encoder, which provides accurate and robust position measurements in demanding operating environments. We're now working closely with prospective customers, primarily in the aerospace and defence sector, to meet their requirements. We launched the ASTriA encoder as a minimum viable product, which enabled us to bring it to market faster. Positive reaction from customers, the majority of whom are new to Renishaw, has given us the confidence to invest in developing additional variants to take advantage of market opportunities.

At the end of FY2025 we introduced our next generation of laser encoders, which offer improved metrology performance and 'plug-and-play' functionality, making them easier to install and service, and therefore reducing machine downtime. The new range is suitable for a wide range of semiconductor manufacturing applications, and while two of the new encoders are direct replacements for existing products, the RLE300 laser encoder provides even higher metrology performance. This will enable us to target customers supplying the most demanding applications, including lithography. Reaction to the new range has been very positive but given the time taken to adopt new products and the long lead times associated with the development of machinery for the sector, we do not expect to see a significant contribution from the new range in FY2027.



Find out more about our encoders for position and motion control

Segment review continued**Position Measurement** continued**The trends affecting our markets**

One of the biggest trends to affect the segment this year was the exponential rise in demand for AI processing in data centres, which relies heavily on microelectronics, semiconductors and optical couplers.

We also continued to benefit from increasing levels of industrial automation, including rising demand from the battery manufacturing sector.

As already noted, growing global investment in aerospace and defence applications over the past 12 to 18 months has driven significant interest in our new ASTriA inductive encoder.

More generally, the segment continues to be affected by broader economic and geopolitical trends, with export control an area of continued complexity. However, these same factors present new opportunities as industrialised nations continue to invest in reshoring semiconductor manufacturing to reduce their reliance on the dominant geographical sources of supply.

Similarly, competition from low-cost manufacturers, particularly in Asia, continues to grow. 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.

We are using highly automated processes to build some of our newer large-volume products. This will enable us to flex our manufacturing output to respond to the inherently cyclical demand in some of our key end markets, including semiconductor manufacturing.

Looking ahead

With demand in the semiconductor sector expected to remain strong, our focus over the next year will be to continue supporting our customers who supply this sector, and to take advantage of the multiple opportunities that we have to grow revenue.

We continue, therefore, to invest in increasing production capacity while focusing on adopting greater levels of automation in our own processes. To help achieve this we are re-allocating resources from other areas of our business, including short-term secondments. Our design and purchasing teams are also working hard to minimise the impact of supply chain challenges, including redesigning some existing products to use alternative components for those that are in short supply.

Over the coming year, the segment will continue to build on the early success of the ASTriA encoder by expanding the range of sizes available to meet the immediate demands of our new customers in the aerospace and defence sector. We will also focus on designing automated processes that will allow us to rapidly scale manufacturing of this exciting new product. As previously mentioned there has been a positive market reaction to our next generation of laser encoders and a full market launch is planned for autumn 2026 at global semiconductor exhibitions. Over the year we will also retire some of our older encoder products to focus on newer solutions with more modern features, and which are easier to produce using automated processes.

Steve Oakes

Director of Position Measurement



Specialised Technologies

Our Specialised Technologies (ST) segment provides capital equipment and after-sales support in three main areas: additive manufacturing (AM), spectroscopy and neurological.

Our AM machines incorporate high-powered lasers to make complex 3D metal components. They are supported by our software solutions, which enable them to be integrated with other 'smart' manufacturing technologies, such as computer-aided design tools.

Our spectroscopy product division designs and manufactures high-powered Raman spectrometers that are used to analyse the chemical and structural properties of materials. We are a leading global manufacturer of laboratory Raman microscopes, and provide highly configurable products that allow our customers to meet their specific needs. Our current focus is on products that are versatile and easy-to-use and targeted at maturing industrial applications.

Our neurological product division makes neurosurgical robots, accessories and planning software to support clinicians in planning and delivering neurological procedures with a high degree of precision and predictability.

Our customers

Our AM customers primarily work in the aerospace and defence and healthcare sectors. Cost-per-part remains a barrier to widespread adoption in other more price-sensitive, highly agile markets, like consumer electronics, but interest there is growing, thanks to our longstanding focus on manufacturing machines that boost productivity and maximise cost effectiveness. We aim to be a trusted partner with scalable solutions and close relationships between our AM application and service engineers and key customers.

Our Raman spectrometers are used by customers in a range of sectors, including academia, pharmaceuticals, high-tech materials research and development, forensics and cultural heritage. We're seeing increasing interest in industrial sectors as we introduce new, easier-to-use instruments like our new Strada microscope.

In neurological, we provide hospitals with faster, more precise surgical products that help increase procedural efficiency and support accurate delivery of neurological interventions. Our products also help surgeons to plan a procedure ahead of surgery, saving time in the operating theatre.

Our FY2026 performance

Revenue for ST products increased by 43.1% to £107.5m at actual exchange rates (FY2025: £75.0m) and grew by 45.8% at constant exchange rates.

Sales of AM systems were significantly higher than FY2025, with a growing order book for FY2027. Demand was particularly strong from the aerospace and defence sector in both the Americas and EMEA regions.

Demand for our spectroscopy systems was lower than FY2025, with improvements in the Americas offset by lower sales in APAC and EMEA. This is largely a result of lower demand from government-funded research organisations (academia).

While we completed the closure of our loss-making drug delivery business in FY2026 and continue to investigate opportunities to exit the remaining neurosurgery activities, performance in our neurological product line was strong, with a growing order book.

We achieved adjusted operating profit for the segment of £4.7m, with an adjusted operating profit margin of 4.4%, from a loss of £9.9m in FY2025. This improvement was primarily due to the increase in AM revenue.



Find out more about our additive manufacturing systems



Find out more about our spectroscopy systems



Find out more about our neurological products

Segment review continued

Specialised Technologies continued

Driving greater productivity and precision through innovation

In AM we saw strong interest in our RenAM 500 series machines, boosted by the faster production speeds made possible by using our TEMPUS technology. Available in a range of specifications, the machines give customers greater choice and flexibility to suit their initial budget, with the possibility to upgrade in the future. As a result, we saw accelerating interest in the use of AM for high-volume manufacturing applications.

We continued to make productivity improvements to the series this year, previewing our new LIBERTAS software that allows customers to precisely print complex shapes without the need for additional supports. This helps reduce the quantity of material and energy needed to make a component. We also introduced long-life filters, which reduce operating and labour costs.

In spectroscopy, we launched our new Strada Intelligent Raman Microscope, with significant interest from potential customers. The Strada system combines the sensitivity of our research-grade Raman spectrometers with user-friendly software and high levels of automation, giving users the ability to rapidly conduct advanced chemical analysis in both industrial and multi-user laboratories.

In our neurological business, we introduced a new headholder accessory that supports accurate alignment of the surgical plan with patient anatomy during image-guided neurosurgical procedures.

The trends that affect our markets

We've seen particularly strong demand for our AM products from the aerospace and defence sector this year, where the design freedom and productivity the technology offers makes it ideal for printing intricate, high-value components. Demand from the medical sector remains strong, too.

We saw rising interest in emerging AM markets, including the consumer electronics sector. This is particularly exciting as we see significant volume production applications for our products. We use AM in our own processes and therefore understand the challenges associated with adopting AM, including the need for a cultural shift to optimise part design for additive rather than subtractive manufacturing. For example, we're using the technology to manufacture some of the components in our Strada microscope.

Academia is our biggest spectroscopy market. However, it relies heavily on government funding, and continues to be affected by geopolitical uncertainty. Industrial applications offer exciting growth opportunities, often seeded by previous research activities. We see increasing demand in areas like battery development and semiconductors, where our systems can be used to monitor production processes. Demand is also rising in healthcare to support studies for early cancer detection, diagnosing diseases and drug discovery. Our broader product portfolio is positioned to take advantage of these emerging opportunities.

Demand continues to grow for image-guided and robotic-assisted neurosurgical procedures that support greater procedural precision and workflow efficiency. As previously announced, we believe these opportunities would be better realised by finding a new, more strategically aligned owner for the business.

Looking ahead

While their products are different, AM and spectroscopy are working together to address common production challenges, share expertise and streamline certain day-to-day processes and functions. We also see significant prospects for both in the after-sales market.

We remain excited about AM's disruptive potential and see significant growth opportunities to address global megatrends like industrial automation, decarbonisation and electrification. Productivity, cost effectiveness and consistency remain key challenges, particularly as customer expectations grow. So we continue working closely with international committees to develop standards, and with software partners to maximise the value of digital workflows. We're also working with our own process and design engineers to further incorporate AM into our own manufacturing operations.

We continue to focus on developing our next generation system, which we believe will deliver a step-change in the economics of AM production, by maximising build productivity and increasing levels of process automation.

We see a significant opportunity for Raman spectrometers in industrial markets. Key to this will be ramping up our production capabilities to meet growing interest in the Strada microscope, and developing customer relationships.

While we seek a new owner for our neurological business, we continue to respond to opportunities to maximise its value, and remain focused on our ability to meet customer demands.

Louise Callanan
Director of Specialised Technologies

Chief Financial Officer's review

It is a privilege to have joined Renishaw as Chief Financial Officer. I am grateful to my colleagues across the Group for their warm welcome and support.

I take no credit for the strong FY2026 results, but I very much look forward to contributing, with Will and the wider team, to the next chapter in Renishaw's growth.

Record financial performance

We achieved another year of record revenue of £815.8m (FY2025: £713.0m), an increase of 14.4%. See Will's review on pages 4 to 6, the Segment review on pages 14 to 20, and Note 2 on pages 148 to 150 for further detail.

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

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

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

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

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

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

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

Currency had an adverse effect of 2.2% on operating margin at actual exchange rates. At constant exchange rates, adjusted operating profit would have been 62.6% higher than last year. We aim to hedge a significant proportion of our anticipated Euro, US Dollar, HK Dollar and Japanese Yen cash inflows over a two-year period. From July 2026 we removed our previous forward rate caps that could result in unhedged periods. This increases certainty over forward positions, although we maintain some flexibility over coverage. See Note 25 Financial instruments on pages 171 to 176 for more information on our coverage and hedging policies.

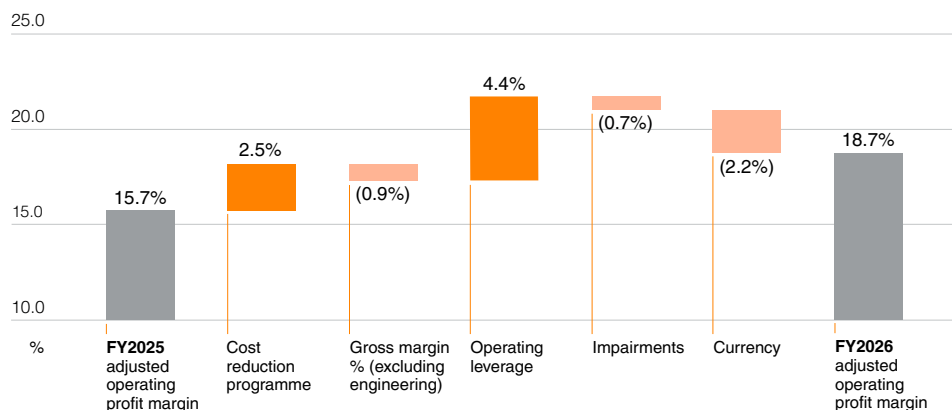
After financial income less expense (excluding adjusting items) and share of profits of joint ventures of £15.1m (FY2025: £15.0m), adjusted profit before tax was a record £168.0m (FY2025: £127.2m).

Statutory operating profit was £135.3m (FY2025: £107.9m), with adjusting items mostly relating to the cost reduction programme. Statutory profit before tax was £150.0m, compared with £118.0m in the previous year. See Note 29 on pages 180 to 183 for reconciliations of adjusted profit measures.

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

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

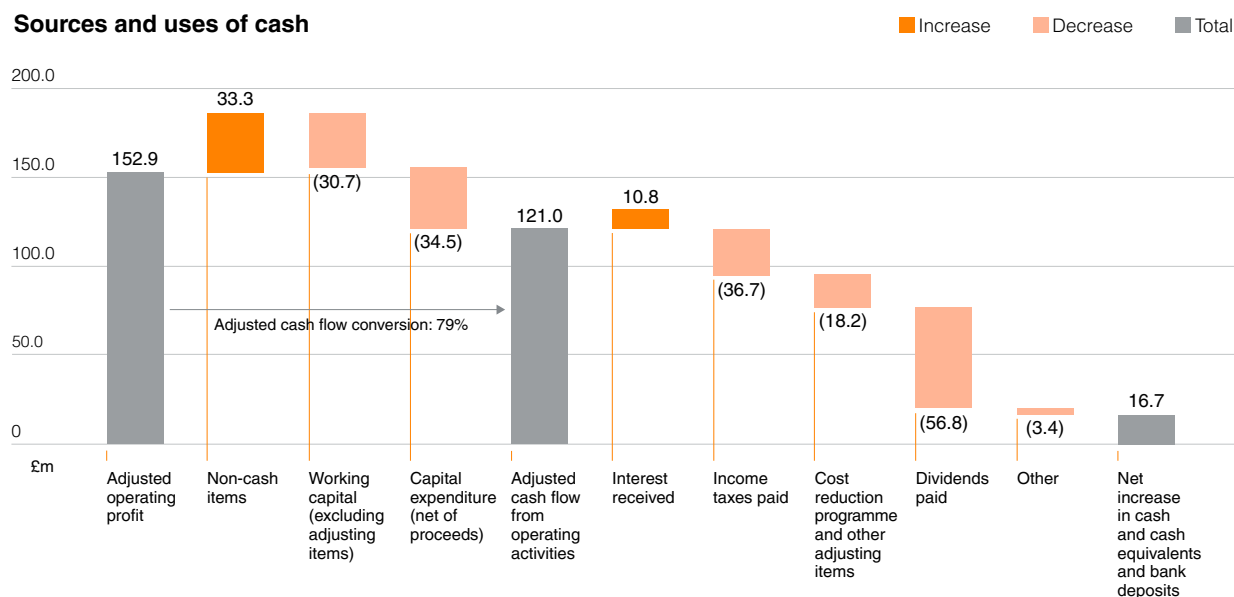
Adjusted operating profit margin



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

Chief Financial Officer's review continued

Sources and uses of cash



Maintaining a strong financial position

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

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

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

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

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

Looking forward

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

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

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

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

John Shipsey
Chief Financial Officer

22 September 2026

Risk management

Our approach

Risk management informs our decision-making and is embedded in our culture. A clear understanding of the risks and opportunities facing our business is central to delivering long-term value for all our stakeholders. While we are willing to take carefully considered risks, we focus on identifying those that could have the greatest impact on our performance or reputation and managing them appropriately. A balanced and agile approach is therefore fundamental, not only to minimising potential losses and safeguarding our reputation but also to supporting effective decision-making and our strategic goals on innovation and growth.

Our risk management framework is dynamic, enabling us to respond to threats while capitalising on opportunities without exposing the business to undue levels of risk. Accordingly, while our risk appetite for compliance with laws and regulations is low, we maintain a higher risk appetite for product innovation, reflecting our experience and longstanding investment in this area.

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

- **First line:** our business segments, 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:** our 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 gives independent assurance by reporting on the effectiveness of the first two lines of defence in managing our risks.

Our risk management framework incorporates top-down and bottom-up risk reviews in alternate years to support effective oversight of principal and emerging risks, complemented by deep dives into selected principal risks. Together, these reviews provide important inputs for our Risk Committee and help to ensure that we maintain an effective system for monitoring and developing the Group's approach to risk, as well as our wider risk culture.

Our risk and controls governance framework

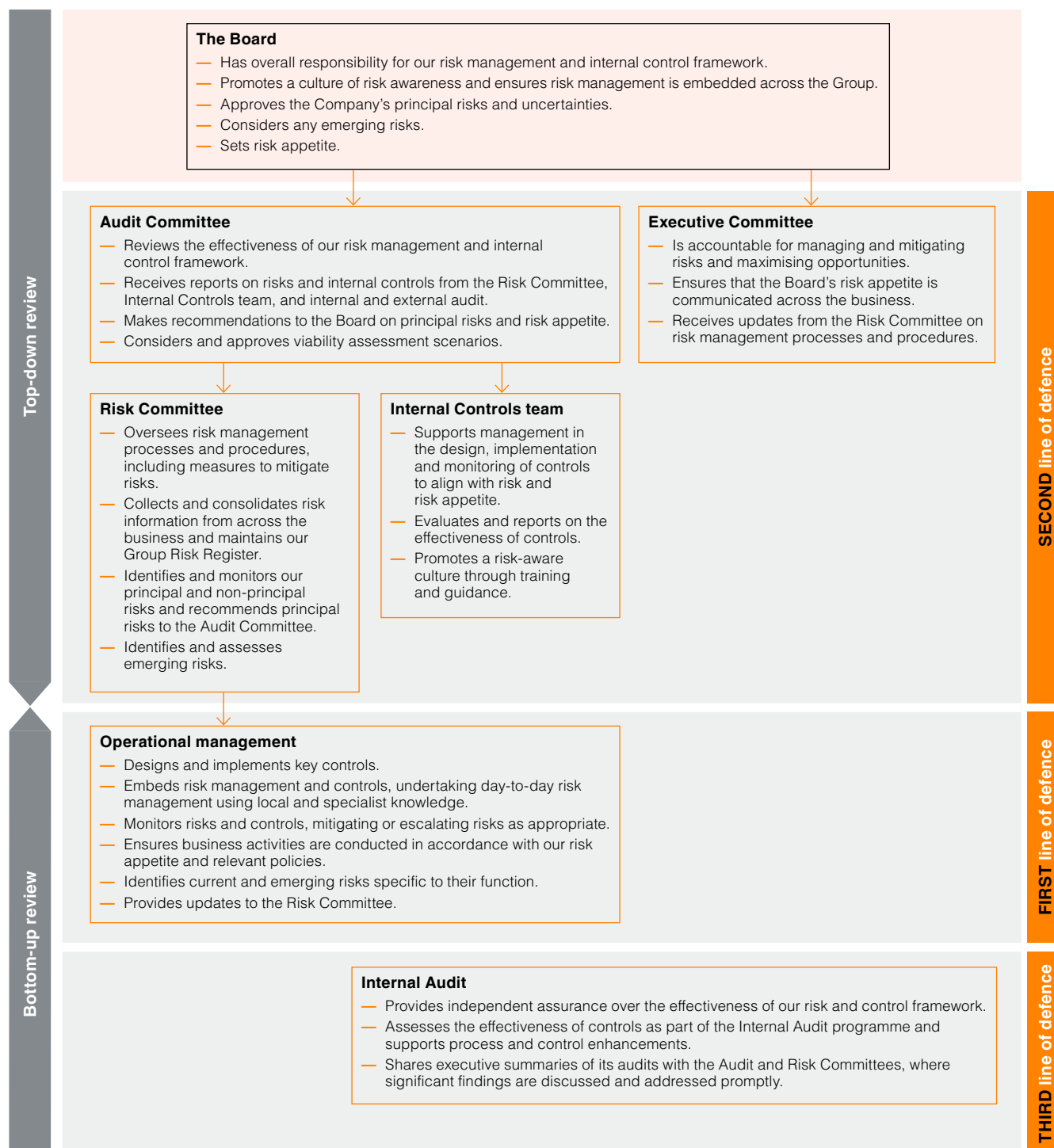
Our risk management framework is embedded throughout the organisation and is designed to reflect the distinctive characteristics of our business. Our Board retains overall responsibility for risk management and sets the tone for the Group's risk appetite. It is supported by our Audit Committee, which oversees the overall risk and control framework, and by our Risk Committee, which monitors principal and emerging risks. At least annually, the Board, with support from the Audit Committee, assesses the Company's principal risks and uncertainties and considers any emerging risks. This includes reviewing those risks that could threaten our business model, future performance, solvency or liquidity.

Our Audit Committee, comprising Independent Non-executive Directors, oversees our risk management and internal control framework, which is designed to manage rather than eliminate the risk of failing to achieve our strategic objectives. The Committee receives reports on financial and non-financial risk matters, including compliance and financial controls, together with internal audit reports, and engages in discussion with our external auditor.

In light of the implementation timetable for Provision 29 of the Corporate Governance Code 2024, together with changes to our internal control framework, last year we changed our Risk Committee's reporting arrangements. The Risk Committee now formally reports to the Audit Committee and meets approximately four times each year. It reviews the outcomes of the top-down and bottom-up risk reviews, maintains the Group Risk Register, assesses the internal controls relevant to our principal risks, conducts our annual risk scoring process, performs deep dives into selected principal risks, and identifies emerging risks as appropriate. Further information is set out on page 25.

Risk management continued

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



Overview of the year

During the year we continued embedding our updated risk management framework. This included conducting a top-down risk review, allowing us to better understand our principal risks. As explained more fully below, we refocused our work on internal controls to develop our understanding on design effectiveness.

Embedding our risk management framework

Under our risk management framework, we conduct top-down and bottom-up reviews in alternating years. This year we carried out a top-down review with help from our segment directors and regional presidents. They were asked to assess the impact of our FY2025 principal risks on their businesses or regions. This provided valuable information on how our risks affect the Group, as well as what we're doing to mitigate them, giving us a much fuller picture and understanding of our risks. We also considered the outcomes of the top-down review when updating the content of our Group Risk Register, which forms the basis of our annual risk assessment.

Internal control framework

The Committee's work on internal controls this year focused on design effectiveness, being how well a control is designed to prevent or detect risks. Enabled by the Board's approval of a definition of material controls, the Internal Controls team worked with risk owners to identify controls meeting this definition and review whether their respective material controls are designed effectively. The Risk Committee then reviewed the outputs for most of our principal risks. This work not only supports the Group's readiness for Provision 29, but should also streamline and strengthen the Risk Committee's work going forward by providing a more focused review of residual risk.

Risk activities during the year

We undertook a number of activities this year under our wider risk management framework. Key activities included:

- **Compliance culture:** we conducted an anonymous compliance culture survey across a significant cross-section of the Group to understand the views and experiences of employees on compliance across our businesses and regions. The results of the survey will inform our priorities and how we develop our global compliance programme (see page 47).
- **Cyber security:** we strengthened our cyber resilience through additional third-party support, including cyber insurance with proactive services and access to specialist cyber incident response support. We also upgraded our phishing simulations to raise further awareness among our colleagues of the increasing sophistication of these scams and to strengthen our security culture. In preparation for the EU Cyber Resilience Act, which introduces product security requirements and vulnerability reporting, we are enhancing our product design and release procedures and have established a product security function. Both the Executive Committee and Board received training on cyber security this year and reviewed an internal maturity assessment against the UK Cyber Governance Code of Practice.
- **AI:** our legal and cyber security teams reported to the Executive Committee and the Board on the risks and opportunities of AI this year. We continue to follow an AI governance process that includes conducting risk assessments and due diligence on AI tools and maintaining an audit trail in our AI register.
- **Supply chain:** to minimise our exposure to single points of failure, plans have progressed this year to introduce greater flexibility and reduce reliance on single source supply routes. Where specific supplier or component risks are identified, design owners are notified to enable focused mitigation actions ahead of potential supply disruption. Our key site risk dashboards, which highlight inventory position and the potential revenue impact, help ensure inventory levels are maintained and support the prioritisation of alternative supply sources. The Board received an update on how we're managing our supply chain during the year.
- **Horizon scanning:** due to the increased geopolitical uncertainty and industry fluctuations in demand this year, we focused on our horizon scanning activities by tracking market developments, including emerging trends, obtained from various third-party sources. Regional commentaries from our three sales regions were also presented to both the Executive Committee and Board on a periodic basis.
- **Export control:** we made significant progress this year on customer due diligence in relation to export and sanctions compliance, further developing our enhanced due diligence for higher risk destinations. We have embedded these requirements into our ERP systems with supporting process and training to ensure risks have been identified, reviewed and mitigated before releasing shipments.

Risk management continued

Risk movement

Following our annual risk assessment, Supply chain dependencies has been identified as a principal risk. Capital products growth is no longer considered a principal risk. No other changes have been made to the principal risks, although the relative rankings of certain risks have changed.

Increased risks

- **Geopolitical uncertainty:** this risk has increased due to changing tariffs and trade controls in some of our major markets, including the USA and China, as well as the impact of conflict in the Middle East.
- **Low-price competition:** the appearance of competitors in emerging markets offering comparable products for lower prices has accelerated this year. While these competitors still largely operate within their domestic markets, and have limited international reach, this risk has still increased.
- **Industry fluctuations:** we have seen a significant increase in customer demand since October 2025 from the semiconductor and aerospace and defence sectors, resulting in an increase to this risk.
- **Cyber:** this risk has grown with the increasing use of AI and continuing state-sponsored activities associated with ongoing geopolitical tension.
- **IT transformation:** this risk has increased due to challenges experienced when deploying Microsoft Dynamics 365 in the year. While actions are underway to address these challenges and mitigate similar issues in future deployments, they have not yet had time to result in the needed improvement, resulting in an increase to this risk.
- **Supply chain dependencies:** the continued intensification of geopolitical tensions and trade policy actions have increased this risk, particularly for commodities associated with rare earth materials and those with a high dependence on certain regions. In parallel, the global electronics market has entered a period of renewed demand-driven constraint.

Decreased risks

While we continued to enhance our controls and the way we mitigate our principal risks, none of our risks have decreased in significance this year. This reflects the ongoing complexity of the external environment as well as the inherent nature of our business.

Our emerging risks

By their nature, emerging risks are risks where the impact and probability are difficult to assess and quantify but that could affect our performance in the future – which is why we review these risks each year. As part of our risk management process, the Risk Committee monitors the emerging risks identified in the previous year and developments in the internal and external environments. The Committee will continue to strengthen this process in future years, using findings from our top-down and bottom-up reviews to help the Board identify any new emerging risks. This helps us stay ahead of change and put 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 pace of technological change, particularly in AI and quantum computing, has been identified as an emerging risk. If advances in AI outpace our ability to reskill, recruit and redeploy talent, this could impair innovation, decision-making and productivity. Inadequate controls or policies governing AI use may also introduce security vulnerabilities, while increasingly capable models could be exploited to identify weaknesses in IT systems, heightening the risk of cyber attacks. Developments in quantum and other advanced computing may also increase longer-term cyber and intellectual property risks, including the need for post-quantum protection of sensitive data such as R&D, product designs and customer information, as well as potential expectations from customers and regulators for a defined transition roadmap. In addition, competitors' adoption of new technologies in design and manufacturing may give them a competitive advantage through shorter development cycles, lower production costs, and enhanced capabilities in pricing, forecasting and customer targeting. We continue to closely monitor this emerging risk via our AI governance process and the Board and Executive Committee have considered the risks and opportunities of AI this year.

While the climate-related opportunities facing our business outweigh the risks, there are still limited risks, which will increase as the effects of climate change continue to rise, and this year we have classified climate change as an emerging risk. These risks cover both physical risks and transitional risks. Physical risks include exposure of our sites and operations as well as our value chain partners to extreme weather events and chronic shifts in climate patterns. We have mature plans in place to prepare for and mitigate these risks, such as short leases, and several sites in areas where we have a strong regional footprint, stock contingency plans, sourcing from established supply chains, and reinstating production at other manufacturing locations. Our transitional risks include legislation and market pressures. With growing demand for automation and resource efficiency in manufacturing, we could risk losing market share and our position as an industry leader if competitors develop more energy- or resource-efficient products. More information on our climate-related risks and opportunities can be found in the Climate-related Financial Disclosures statement on pages 49 to 55.

Priorities for the year ahead

In FY2027, we will seek to focus on the following areas:

- addressing the outputs from our material controls testing;
- developing reporting to both the Audit Committee and Board to include material control effectiveness;
- analysing the results of the compliance culture survey and addressing the findings;
- enhancing our third-party due diligence programme;
- developing our capital allocation framework and further enhancing our M&A assessment and planning capability; and
- strengthening our production planning process to help better deal with significant changes in demand.

Principal risks and uncertainties

Risk movement	Link to strategy	Velocity	Appetite
↑ Increased risk	G Growth in existing markets	VERY LOW Very slow impact. Response time adequate to mitigate effects	VERY LOW Following a marginal-risk, marginal-reward approach that represents the safest strategic route available
↓ Decreased risk	I Increasing technology value	LOW Slow impact. Robust response to strategy may mitigate effects	LOW Seeking to integrate sufficient control and mitigation methods to accommodate a low level of risk, although this will also limit reward potential
↔ Stable risk	E Extending into new markets	MEDIUM Moderate time to impact. Swift and robust response may mitigate effects	BALANCED An approach that brings a high chance of success, considering the risks, along with reasonable rewards, economic and otherwise
		HIGH Fast impact. Immediate or near-term response may mitigate effects	HIGH Willing to consider bolder opportunities, with higher levels of risk, in exchange for increased business pay-offs
		VERY HIGH Very rapid impact with little or no warning. No time, or very limited time, to respond and mitigate effects	VERY HIGH Pursuing high-risk, unproven options that carry the potential for high-level rewards

1 Geopolitical uncertainty

 Velocity VERY HIGH Appetite BALANCED Link to strategy All Risk owner Chief Executive Officer	Risk description We are unable or slow to respond to geopolitical changes that may affect the delivery of our growth plans.	
	Potential impact — Reduced addressable market. — Increased sales concentration in fewer regions. — Capital losses from stranded assets. — Reputational damage if key markets become inaccessible. — Reduced margins or competitiveness. — Decline in overall demand. — Disruption to supply chain.	What we are doing to manage this risk — Horizon scanning is undertaken to monitor market, geopolitical and regulatory developments, with reporting to the Executive Committee continuing to be enhanced. — A rolling five-year strategic plan is maintained and updated to reflect developments in the business environment. — Scenario modelling supports the planning process, with further work underway to simulate the impact of financial and operational crises. — A Crisis Management Policy is in place and continues to be developed to support crisis preparedness and response. — Manufacturing business continuity plans are in place, supported by supply chain risk assessments and procurement measures, and are subject to ongoing review. — The operating model is reviewed periodically to support alignment with the Group's strategy and risk appetite.

Risk management continued

2 Low-price competition

 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, compounded by market access issues in markets such as China.	
	Potential impact — Reduced revenue, profit and cash generation. — Loss of market share and/or pricing power, but also provides an opportunity to expand into new market segments. — Reduced operating margins. — Loss of reputation as a leader in innovation.	What we are doing to manage this risk — Protection of intellectual property through registration, monitoring and enforcement activities, including the safeguarding of copyrights. — Use of distribution agreements, including arrangements providing for exclusivity or other commercial protections. — Key account management for major customers to support strong customer relationships and ensure the Group's value proposition, products and service offering are clearly understood. — Development of localised manufacturing strategies for selected products and markets to support market access, reduce lead times and improve cost competitiveness. — Application of targeted pricing strategies for selected entry-level products in emerging markets. — Ongoing cost-reduction initiatives across manufacturing, supported by product and process design improvements, including automation where appropriate. — Leveraging the Renishaw brand and reputation to emphasise the importance of quality and performance and support appropriate margins.

3 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 — Horizon scanning uses internal and external data to monitor market conditions and trends, supported by Executive Committee updates and the Board's annual strategy review. — The daily activity report process supports the maintenance of monthly and full-year forecasts, with formal quarterly reviews at regional and Group level. — Forecasts are reviewed regularly to support decision-making and maintain an up-to-date view of expected demand. — Production planning reflects historical product mix, demand forecasts, inventory levels and new product introductions. — Annual cost budgets are set across the business and monitored monthly by Group Finance. — Workforce planning includes contingency arrangements to respond to changes in demand.

4 Cyber

 Velocity VERY HIGH Appetite LOW Link to strategy All Risk owner Chief Financial Officer	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. <table border="1"> <thead> <tr> <th data-bbox="352 555 699 589">Potential impact</th><th data-bbox="715 555 1471 589">What we are doing to manage this risk</th></tr> </thead> <tbody> <tr> <td data-bbox="352 589 699 1238"> — Inability to operate normal processes for a potentially significant period. — Loss of intellectual property and/or commercially sensitive and/or personal data. — Financial loss and reputational damage. — Reduced customer service. — Diversion of management time and an impact on business decision-making. </td><td data-bbox="715 589 1471 1238"> — The Group maintains an information security management system certified to ISO/IEC 27001:2022, providing a recognised framework for identifying, assessing and managing information security, cyber security and privacy risks. The standard comprises 93 controls across four categories: 1 Organisational controls, including governance arrangements, defined roles and responsibilities, policies and risk assessment processes. 2 People controls, including employee training, awareness and related personnel security measures. 3 Physical controls, including secure areas, access controls, equipment security and environmental protection measures. 4 Technological controls, including network security, malware protection, data encryption, data-loss prevention, monitoring and logging, and incident response capabilities. — Quarterly quality management reviews are undertaken by the IT & Security leadership team to consider emerging internal and external risks, service performance, newly identified vulnerabilities and the actions required to address them. These reviews also monitor progress against actions arising from internal and external assurance activities. — Third-party penetration testing on a perpetual basis, as well as periodic targeted exercises to find any residual gaps in our systems. — The Board receives quarterly information security updates covering key risks, initiatives to strengthen the cyber security framework, and the status of assurance activities. </td></tr> </tbody> </table>	Potential impact	What we are doing to manage this risk	— 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.	— The Group maintains an information security management system certified to ISO/IEC 27001:2022, providing a recognised framework for identifying, assessing and managing information security, cyber security and privacy risks. The standard comprises 93 controls across four categories: 1 Organisational controls, including governance arrangements, defined roles and responsibilities, policies and risk assessment processes. 2 People controls, including employee training, awareness and related personnel security measures. 3 Physical controls, including secure areas, access controls, equipment security and environmental protection measures. 4 Technological controls, including network security, malware protection, data encryption, data-loss prevention, monitoring and logging, and incident response capabilities. — Quarterly quality management reviews are undertaken by the IT & Security leadership team to consider emerging internal and external risks, service performance, newly identified vulnerabilities and the actions required to address them. These reviews also monitor progress against actions arising from internal and external assurance activities. — Third-party penetration testing on a perpetual basis, as well as periodic targeted exercises to find any residual gaps in our systems. — The Board receives quarterly information security updates covering key risks, initiatives to strengthen the cyber security framework, and the status of assurance activities.
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5 IT transformation

 Velocity MEDIUM Appetite LOW Link to strategy All Risk owner Chief Financial Officer	Risk description We fail to successfully implement Microsoft Dynamics 365 ahead of obsolescence of our existing system or with the anticipated productivity benefits. Technical issues or poor integration with existing systems could negatively affect our ability to operate and could mean that we do not realise productivity aspirations, leading to manual intervention and slowing us down. <table border="1"> <thead> <tr> <th data-bbox="352 1485 699 1518">Potential impact</th><th data-bbox="715 1485 1481 1518">What we are doing to manage this risk</th></tr> </thead> <tbody> <tr> <td data-bbox="352 1518 699 1886"> — Major systems disruption causing operational delays. — Delays in processing or issuing invoices and customer orders, or in procuring goods and services. — Increased costs, including costs to fix technical issues and restore or upgrade other affected systems. </td><td data-bbox="715 1518 1481 1886"> — Given the deployment challenges we encountered during the year, we have paused the rollout of the existing Microsoft Dynamics 365 solution, to assess our system configuration, our business processes, and our programme governance. We recently re-organised our resources to better set us up for success, including through the creation of global process owners and leads. Additionally, we are engaging third-party advisers to undertake a diagnostic on our core solution, which we aim to configure to allow us to scale at pace after our pause. A programme structure has been implemented to support the management and delivery of Microsoft Dynamics 365, which is based on a recognised project management framework. — Our programme Steering Committee, which includes the CFO and Group Operations Director, meets regularly to provide strategic direction and oversee project progress. </td></tr> </tbody> </table>	Potential impact	What we are doing to manage this risk	— 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.	— Given the deployment challenges we encountered during the year, we have paused the rollout of the existing Microsoft Dynamics 365 solution, to assess our system configuration, our business processes, and our programme governance. We recently re-organised our resources to better set us up for success, including through the creation of global process owners and leads. Additionally, we are engaging third-party advisers to undertake a diagnostic on our core solution, which we aim to configure to allow us to scale at pace after our pause. A programme structure has been implemented to support the management and delivery of Microsoft Dynamics 365, which is based on a recognised project management framework. — Our programme Steering Committee, which includes the CFO and Group Operations Director, meets regularly to provide strategic direction and oversee project progress.
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Risk management continued

6 Product innovation

 Velocity MEDIUM Appetite HIGH Link to strategy G, I Risk owner Chief Executive Officer	Risk description Failure to develop our competitive position and derive value from our investment in product innovation.	
	Potential impact — Failure to lead the market with innovative products in our core and adjacent sectors. — Gradual loss of market share. — Reduced revenue, profit and cash generation. — Inability to differentiate ourselves from our competitors. — Failure to hit business plan targets and recover investment in R&D.	What we are doing to manage this risk — Intellectual property protection through the registration, monitoring and enforcement of rights, together with broader protection of the Group's proprietary technology and copyrights. — A strategic plan aligned to the Group's product innovation priorities, including regular review and refresh to support effective capital and resource allocation across business segments. — A structured product innovation process incorporating feasibility assessments, product roadmaps, stage-gate reviews and testing procedures to support commercial viability and expected returns. — Annual Group targets for the commercial launch of new products, supported by performance measures and marketing activity designed to promote growth from innovation. — Quarterly reviews of 'flagship' (strategically important) projects involving segment directors and the CEO, focusing on objectives, milestones, resourcing, key decisions and risks. — Regular review of market and customer insights, competitor developments and broader industry trends, including the use of AI to develop new products and to enhance their performance. — Reporting to the Executive Committee and Board to inform our intellectual property strategy.

7 Supply chain dependencies (new)

 Velocity HIGH Appetite LOW Link to strategy All Risk owner Group Operations Director	Risk description Disruption to supply of products to our customers because of interruption to or loss of a critical supplier, leading to erosion of market position and customer relationships.	
	Potential impact — Loss of future business and reduced revenue, profit and cash generation. — Reduced margins or competitiveness. — Loss of market share. — Reduced operating margins. — Erosion of customer and supplier relationships.	What we are doing to manage this risk — Dual sourcing options where possible. — Risk-based inventory policy that promotes a multi-site strategy. — Dashboards that highlight inventory positions and potential revenue impact to help maintain inventory levels and support prioritisation of alternative supply sources. — Product design owners are notified of supply risks to enable mitigation actions ahead of potential supply disruptions. — Onboarding vendor assessment procedures including a review process to evaluate high-risk suppliers before production handover. — Product development and innovation processes include requirements for key supplier risk assessment and mitigations for new products and solutions. — Supplier relationship and performance management framework in place.

8 Non-compliance with laws and regulations

 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 — The Group maintains policy frameworks covering key compliance and operational risk areas, including anti-bribery and corruption, competition law, export controls, fraud, tax, and environmental, health and safety. — These frameworks are supported by the Code of Conduct, policies and procedures, risk assessments, due diligence on relevant third parties, contractual protections, and defined approval and delegation processes. — Mandatory e-learning and targeted training are given to employees according to role and risk exposure, supported where appropriate by specialist external advisers. — Monitoring activities include management information, compliance reporting, gifts and hospitality controls, whistleblowing arrangements, audit activity, and red-flag monitoring in selected areas. — Board and management oversight is supported by periodic reporting, internal review activity, and ongoing enhancement programmes designed to strengthen the effectiveness and consistency of controls across the Group.

9 Exchange rates

 Velocity MEDIUM Appetite BALANCED Link to strategy G, I Risk owner Chief Financial Officer	Risk description Exchange rate fluctuations can affect our Consolidated income statement, balance sheet and cash flow, affecting near-term management and planning, investor understanding, and long-term performance.	
	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 — A Board-approved market risk management policy is in place. The strategy is reviewed annually by Group Finance, with support from external advisers, and its effectiveness and operating limits are monitored quarterly by the Group Treasury Committee. — Board-approved business plans are used to forecast future net cash flows and determine forward contract requirements. — Forward contract dealings and portfolios are subject to management review and controls.

Risk management continued

10 People

 Velocity MEDIUM Appetite BALANCED Link to strategy All Risk owner Group Human Resources Director	Risk description Failure to recruit, develop and retain a diverse, engaged workforce with the right talent and skills for now, and the future, will limit our ability to achieve our strategic objectives. Potential impact — Delays in product delivery and ability to deliver strategic objectives because of loss of expertise and specialist talent. — Loss of innovative edge because of insufficient diversity. — Failure to develop future leaders and insufficient talent progression to support Renishaw's future. — Loss of market share, reduced revenue, poor customer service and reduced profit. — Reputational damage and increase in attrition rates because of a failure to uphold ethical standards and behaviours. What we are doing to manage this risk — We continue to review our reward strategy for all employees to ensure remuneration practices remain competitive, support talent retention and mitigate workforce-related risks. — We are revising incentive arrangements for senior leaders to better align activity and performance. — An annual performance management cycle supports objective setting, progress reviews, feedback and year-end evaluation, with reference to defined competencies and behaviours. — Employee potential is reviewed annually and development plans are established where appropriate, supported by talent assessment tools. — Roles and grades are periodically benchmarked against relevant external markets to support the Group's reward framework. — Succession plans are maintained for defined management grades and business-critical roles. — A Group-wide employee engagement survey informs actions at both Group and local level. — The Group maintains policies and procedures to promote clear standards of behaviour and support the appropriate management of issues, including the Code of Conduct, Conflict of Interest, Diversity and Inclusion, Grievance and Speak Up policies.
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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 £291.0m. 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 164), 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 14 to 20.

Business planning – our business planning process uses a top-down approach (the 'corporate view'), as well as detailed forecasts from our segments 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 23 to 26. 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 December 2029, 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 31 December 2029. 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 FY2026 revenue of £815.8m, 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 and increasing trade barriers; — 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 import tariffs that cannot be passed on to customers; — 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, with 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 £87m at the end of the assessment period (31 December 2029) 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 31 December 2029, 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 31 December 2029.

How we engage with stakeholders

The success of our business relies on good relationships with our various stakeholders, and engaging 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, which is why it's essential 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 helped inform our thinking. Highlights include expanding our supplier engagement programme to reduce emissions in our raw metals supply chain, and increased participation in our latest employee engagement survey.

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 are committed to inspiring and supporting people from all backgrounds to unlock their full potential. We are proud to be a responsible employer and expect the same from our partners. Our employees have shown great commitment and resilience during organisational changes this year, and we continue to review and improve our processes to support effective and sustainable ways of working.

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:

- our global employee engagement survey, which we run in 23 languages;
- 'Transforming Tomorrow Together' hybrid webinars to encourage two-way discussion on topics, such as design for additive manufacture and our ESG strategy;
- regular engagement between employees and their managers to discuss performance and career development;
- Board member site visits to learn more about day-to-day operations and hear directly from employees;
- our network of UK employee resource groups;
- information screens across our 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

- Participation in our annual global employee engagement survey rose for the second consecutive year, with 78% of people responding (2025: 74%).
- Refreshed our internal 'Channel R' video leadership communications to help employees better understand our strategy and their role and introduced regular leadership short videos highlighting key activities and updates from across the business.
- Executive Committee members attended internal early careers showcase events during the year. These included one to celebrate National Apprenticeship Week in February 2026 and our Industrial Placement showcase in June 2026, recognising the valuable contributions of apprentices and placement students across the business.
- Held employee resource group roadshows in the UK in April and May 2026 to raise awareness, encourage greater employee participation, and highlight each group's contribution to Renishaw's Social ambition under our ESG strategy.
- Our Chief Executive Officer, Will Lee, Non-executive Director, Camille Deer, and Group Human Resources Director, Clare Nicholls, met with employees during a visit to China in October 2025.

Learn more about our focus areas on pages 43 to 46.

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 Executive Committee understand and consider the views of our shareholders when making key strategic decisions.

How we engage with our shareholders

Our targeted shareholder engagement programme continues to mature, with ongoing support from our joint corporate brokers, UBS and Peel Hunt. Will Lee and our Group Strategy Director, Marc Saunders, regularly engage with investors on a one-to-one basis to discuss Renishaw's performance, strategy and culture, and hear their feedback. Will and Marc share this feedback 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:

- half- and full-year financial results roadshows attended by Will, our CFO John Shipsey, and Marc to discuss performance and strategic progress with key investors;
- our annual Capital Markets Day, attended by the Board, alternating between London and a Renishaw site;
- conference calls and face-to-face meetings with key shareholders, potential investors, analysts and bank sales desks; and
- post-results meetings with advisers to discuss market response to our financial performance.

Outcomes from the year

- Held our first in-person interim results presentation in London.
- Met with 51 institutions during our roadshows, both in person and via conference calls. Topics included our new segments, margin improvement, currency hedging policy and capital allocation.
- Held 31 one-to-one meetings with institutional investors, including six in person. Four of these were attended by Will Lee.
- Sought targeted feedback from significant shareholders on our plans for a new long-term incentive plan for our leaders, as well as a new three-year Directors' Remuneration Policy. The feedback was generally supportive of the proposals, which seek to bring our remuneration more in line with benchmark comparators.
- Increased engagement with sell-side analysts to improve market understanding of our business and to support more informed, up-to-date consensus on key performance metrics.
- Held a presentation on additive manufacturing as part of this year's Capital Markets Day in June 2026 to address specific investor questions and interest.
- Attended key investor-focused events, including the UBS European Investor Conference in November 2025 and Peel Hunt Industrials Conference in January 2026. During the year, Will Lee participated in 'fireside chats' organised by Deutsche Numis and Panmure Liberum.

Our Chief Executive Officer, Will Lee, shares his thoughts on the year on pages 4 to 6.

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. Understanding their expectations has been more important than ever this year as we responded to growing demand in some of our key sectors.

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 includes:

- our channel partner programmes in APAC and EMEA. 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 the biennial industrial manufacturing trade show, EMO, held in Hannover, Germany, in September 2025. This was an opportunity to witness firsthand significant customer interest in Renishaw's Equator-X gauging system, which we launched at the event.
- Will Lee met customers in China and Japan during his most recent visit to Asia. This included attending the Laser World of Photonics China and SEMICON China trade shows.
- Hosted an EMEA sales partner conference in Germany in October 2025 to discuss planning and growth with 65 partner delegates from 16 EMEA countries.
- Held seminars in India for almost 400 attendees to discuss common shopfloor challenges and demonstrate how our products enable greater automation in a cost-effective way.
- Hosted more than 130 customers and partners at our Solutions Network 2026 event in Germany in March 2026. The event included live demonstrations and customer sessions sharing insights on using our products. Feedback was positive, with participants commenting on the opportunity to build new connections.

Learn more about our products and customers on pages 14 to 20.

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. We continue to work with suppliers to help them adopt more responsible practices and strengthen supply chain resilience. Our supplier engagement programme focuses on working with key suppliers to reduce the greenhouse gas emissions in our supply chain to support our ESG ambitions.

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;
- awareness campaigns on 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

- Achieved a reduction in the emissions intensity of aluminium and steel purchased in FY2026 that exceeded our Executive Committee target of 15% versus FY2025.
- Building on the in-house methodology we developed in FY2025, we created a new carbon calculator to help more suppliers calculate and address their emissions.
- Continued using our supplier relationship management platform to map suppliers against modern slavery and conflict mineral risk and assess evidence from suppliers in the UK, Ireland, India and Germany. We also rolled out a new global internal review protocol to the UK, India and Ireland.
- Incorporated our new Supplier Code of Conduct into our onboarding process for all new and reactivated suppliers. We are now exploring options to share with existing key suppliers.

Learn more about the success of our supplier engagement programme on pages 40 to 41.

Our communities

We are committed to creating positive impacts for society by inspiring and supporting our communities. This includes conducting business in a socially responsible way and taking an open, honest approach to community relationships. Our science, technology, engineering and mathematics (STEM) outreach programme is a key part of this work, encouraging the next generation of engineers and scientists to continue their STEM studies.

How we engage with our communities

While each country tailors its approach 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:
 - delivering more than 250 outreach events reaching more than 12,500 students across 125 schools and colleges in the UK. This included a dedicated STEM outreach stand at MACH 2026, a major UK manufacturing and engineering exhibition;
 - offering week-long engineering and software work experience places for more than 70 students;
 - launching new virtual work experience to give a 'bitesize' introduction to working in a global engineering business;
 - sponsoring students from ESF Discovery College, Hong Kong, in the STEM Racing Hong Kong & Macau competition. The competition brings together students to apply engineering, design and project management skills to create and race a miniature Formula 1 car.
 - engaging with students at the École de technologie supérieure in Montréal, Canada, to demonstrate our solutions and software to engineering students; and
 - participating in the 2025 National HTEC (Haas Technical Educators) Conference at Southwestern Illinois College, USA, as well as running technical demonstrations at colleges across the USA.
- Participated in a range of community and business initiatives, including:
 - renewing our technical partnership with British Cycling to help the team prepare for the 2028 Olympic Games in Los Angeles, USA;
 - sponsoring the Gromit Unleashed charity trail in Bristol, UK, to support local hospitals;
 - sponsoring a local Pride event close to our UK headquarters in June 2026;
 - donating essential equipment, including blood collection mixers, to the Janakalyan Blood Bank in Pune, India;
 - funding building renovations at Renuka Swarup Memorial Girls High School for children from families on lower incomes in Pune, India;
 - providing financial support to India's RESQ Charitable Trust to purchase vital equipment for wildlife rescue and rehabilitation; and
 - employees in São Paulo, Brazil, participating in the 24th GRAACC (Support Group for Adolescents and Children with Cancer) run and walk.
- Donated almost £0.3m to charitable and not-for-profit organisations. This included £0.1m from our India charities committee to support local organisations.

Learn more about the new communities objective we've set as part of our Social goal on pages 43 to 44.

ESG review

Our approach to ESG

Our refreshed ESG ambitions

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

To inspire and support people from all backgrounds to unlock their full potential. We are proud to be a responsible employer and expect the same from our partners.

Governance

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

Our ESG strategy is a fundamental part of doing business responsibly. It guides day-to-day decisions about how to lower the environmental impact of our products, and how to support our employees, supply chain partners and local communities. It also ensures we govern our work in ways that deliver our purpose of Transforming Tomorrow Together.



Find out more about our approach to corporate responsibility.

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.



Refining our ESG strategy

The external environment has evolved significantly since we launched our ESG strategy two years ago, growing increasingly complex and uncertain. Our commitment to upholding high environmental, social and governance standards remains unchanged and we must remain agile in our response to the changing external landscape. This year, our ESG Steering Committee oversaw work to review our strategy and update the ambitions and targets that underpin it.

This work included engaging with key ESG stakeholders, including some of our newest senior leaders, to hear their views on what is working well and where we need to simplify or narrow our focus. While many of the changes reflect our growing maturity in key ESG areas, some are intended to remove outdated elements and refresh and streamline our targets.

We also reassessed the outcomes of the double materiality assessment we conducted in FY2024, for changes in the business and progress made since then. This reassessment helped inform the refinements to our ESG strategy, condensing some of the topics originally identified.

Throughout, we have aimed to retain the ambition of our original strategy, while creating a clear, concise set of targets focused on our most material topics. This will enable us to track and report on our progress with greater clarity in the years ahead.

The most significant changes have been made within our Social ambition and supporting targets. Appointing a new Group Human Resources Director this year gave us the opportunity to reflect on our progress and ensure we have the right tools and processes in place to create a culture where every employee, supplier and local community can thrive. We give more detail on these changes – as well as those in other areas of our strategy – within the relevant sections of this review.

ESG review continued**How we govern our approach to ESG**

Our commitment to doing business responsibly underpins everything we do. This starts at the top with our Board and Executive Committee, who have ultimate responsibility for overseeing ESG-related matters. We formed our ESG Steering Committee in FY2024 to oversee our Group ESG strategy. 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, Manufacturing, Legal and Finance. As a member of our Audit and Remuneration Committees, Stephen provides continuity and liaison between our Board and management committees.

Our Climate-related Financial Disclosures statement on pages 49 to 55 describes how our Board, Executive Committee and other committees oversee climate-related risks and opportunities.

Good governance is essential for robust decision-making, and provides the foundation for delivering our environmental and social ambitions. It underpins the quality and integrity of our disclosures, ensuring that our ESG ambitions, targets and performance are reported transparently and responsibly. In the face of an increasingly complex and uncertain geopolitical climate, it has never been more important that we stand firm on our standards of governance and on our commitment to doing business responsibly. We give a detailed illustration of our governance framework on page 68 of our Governance report.

Adapting to changing regulation

The regulatory landscape is evolving rapidly, and it's essential that we keep our reporting up-to-date and accurate. The European Parliament's decision to simplify and delay implementing the EU's Corporate Sustainability Reporting Directive (CSRD) means we no longer fall within the legislation's scope. Nevertheless, the work we did to prepare for it, including conducting a double materiality assessment, helped us better understand our impacts and inform revisions to our ESG strategy. In the meantime, we continue to prepare for reporting against the International Sustainability Standards Board's first two standards. We also continue to monitor upcoming guidance from organisations like the Science Based Targets initiative and GHG Protocol, as well as the UK's forthcoming Carbon Border Adjustment Mechanism, to ensure our targets, actions and reporting remain in line with requirements.

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 supply chain, and we're 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 active members of the Additive Manufacturer Green Trade Association (AMGTA) and the UK's Manufacturing Technologies Centre (MTC).

Environment

Our environment ambition

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 targets are:

- Reduce Scope 1 and 2 emissions to Net Zero by FY2028.
- Reduce Scope 3 emissions across our value chain by 50% by FY2030.
- Ensure a year-on-year reduction in total operational energy use per £1m revenue by FY2030.
- Reduce climate-related risks across our global supply chain by FY2028.

A refreshed 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. We're also drawing on our longstanding supplier relationships to tackle the emissions embedded within the whole value chain.

We refreshed our environmental targets (see box) as part of reviewing our ESG strategy this year. Our revised targets create a simpler, more focused plan of action that concentrates on our three most material issues: energy associated with using our products, our own operational energy consumption and emissions from purchased goods.

As a result, we have retired our specific customer solutions target, updated our supply chain target and created a new operational energy reduction target. Our net zero targets, which we set in FY2021 and have been validated by the Science Based Targets initiative (SBTi), remain the same. They are:

- 90% reduction in absolute Scope 1 and 2 emissions by FY2028, from an FY2020 baseline.
- 50% reduction in absolute Scope 3 emissions by FY2030 from an FY2020 baseline.
- 90% reduction in absolute Scope 3 emissions by FY2050, from an 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

Our Scope 1 and 2 emissions

Scope 1 and 2 emissions make up 3% of our total GHG emissions footprint. Reducing them means improving the way we run our operations – from our manufacturing facilities to our vehicle fleet.

Our FY2026 performance

We reduced our Scope 1 and 2 emissions by 7% this year, versus FY2025. This is the fifth consecutive fall since setting our science-based targets in FY2021.

Our Scope 1 emissions fell by 8% versus FY2025. This is thanks to our ongoing programme to switch more of our vehicle fleet from traditional combustion engines to electric and hybrid options. We continue to look for opportunities to keep lowering our Scope 1 emissions by switching more of our fleet to ultra-low emission vehicles (ULEVs), although this is a bigger challenge in some of the countries we work in. We're also investigating options to use alternative refrigerant gases in our heating and cooling systems.

We have made significant progress in our Scope 2 emissions since setting our science-based targets, with a 97% reduction since our FY2020 baseline. This is largely due to the steady increase in 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. This year we saw a small, expected increase in our electricity consumption due to work to electrify our transport fleet.

We have also developed our Energy Savings Opportunity Scheme (ESOS) action plan, in line with UK government requirements for businesses to assess and reduce their energy use. This has supported the delivery of several initiatives, including the installation of rapid roller doors at our UK sites in Miskin and Woodchester. We also continued the rollout of sub-metering at Miskin – this gives us more granular information about energy use and so strengthens energy monitoring and management. The plan will help us deliver our new strategic target to ensure a year-on-year reduction in total operational energy use per £1 million revenue by FY2030.

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.

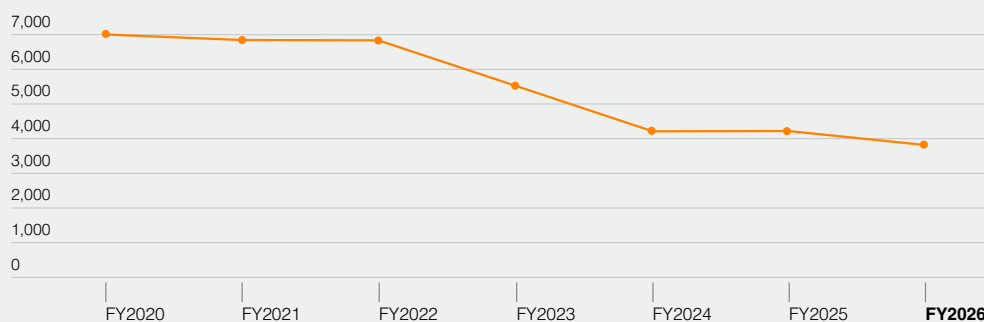
In some cases, the available reductions in Scope 1 and 2 emissions will represent a low return on the investment needed to achieve them, compared to the potential reductions we could make in our Scope 3 emissions from the same investment. Where this is the case, we will prioritise activities that have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

The table overleaf shows how this work in lowering our emissions has progressed over time.

ESG review continued

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

Total Scope 1 and 2 (tCO₂e)



Our Scope 3 emissions

Our Scope 3 emissions make up 97% of our total GHG emissions footprint. Since they are indirect emissions, they are more complex 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 87% of our total Scope 3 emissions.

Tackling our Scope 3 emissions remains a big challenge, because reductions depend partly on decarbonising electricity grids. Since establishing our ESG strategy, we have learnt the importance of aligning efforts across industries. While our products can support the transition to a lower-carbon economy, our footprint is likely to grow as other industries rely on our products to reduce the impact of their own operations. And as we work towards reducing our products' energy consumption in use, we will also need grid decarbonisation to keep pace with our efforts to achieve our targets.

While some of these issues need significant societal change, we remain focused on the areas within our control. This includes designing products with sustainability in mind and collaborating with key supply chain partners to gather accurate data and implement GHG emissions reduction initiatives.

Looking ahead, we will assess the SBTi's new Corporate Net-Zero Standard to ensure we remain aligned with global best practice and able to maximise the impact of our emissions reduction work.

Our FY2026 performance

Our Scope 3 emissions increased 6% versus FY2025. This was largely due to increased sales (use of sold products) and purchased goods and services. Our other Scope 3 categories remained consistent with previous years.

Meanwhile, we reduced the emissions intensity of the aluminium and steel we bought in FY2026 by 20.5%. This meant we exceeded a new internal Executive Committee target to reduce that intensity by 15% versus FY2025. This was due to growing maturity in our supplier engagement programme and improvements in primary data collection, allowing us to replace assumptions with supplier-specific emissions data.

Designing products with sustainability in mind

We remain committed to designing and manufacturing products that help our customers increase their energy efficiency and reduce running costs and waste.

We continue to embed sustainability into our product design and innovation processes, which this year included running webinars for employees to learn more about our Design for Sustainability guidance document and product-level carbon calculator. Our engineers also used the calculator to assess and address the cost of ownership for a number of product development projects.

We always look for opportunities to work with our customers and peers to support more sustainable manufacturing, which this year included strengthening our engagement with AMGTA. This is a global, independent organisation that brings together stakeholders from across the additive manufacturing value chain to promote evidence-based understanding of the environmental and resource efficiency performance of these technologies.

We've been an AMGTA member since FY2023, and this year contributed technical expertise and data insights to support the responsible adoption of additive manufacturing. We also participated in working groups and industry forums to share examples of good practice with our peers and promote early consideration of sustainability in decision-making.

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.

This programme took a significant step forward in FY2025, when we identified that raw metal procurement accounts for around 29% of our purchased goods and services emissions, with aluminium and steel being the commodities with the highest embodied emissions. We then partnered with our main metals supplier to use our in-house methodology to identify an opportunity to transition the majority of aluminium we buy from 75% to 100% recycled content.

This year, we significantly expanded that work, partnering with seven other aluminium and steel suppliers to help them calculate their emissions and transition to lower-carbon supply chains for these raw metals. As a result, we exceeded the Executive Committee target mentioned above. We want to build on this success and have identified further opportunities to expand the programme, and apply lessons learnt, to other commodities and their suppliers.

While the number of suppliers who are engaging with us is growing, some are not as far into their sustainability journey. So we continue to focus on education and engagement with our supply chain, and this year launched a new carbon calculator to help more suppliers determine their footprint.

As well as giving us access to more primary data to make more informed decisions, partnering with suppliers helps increase our resilience in an unpredictable economic climate. For example, the work we've done with our aluminium and steel suppliers has helped lower our exposure to certain tariffs.

Continuing to refine and strengthen our data

Accurate, reliable data remains essential for clear reporting, and we continue to strengthen the way we capture, analyse and report on our key data. This includes integrating environmental data into our business-as-usual processes, and increased automation and streamlined data processes to improve the quality and consistency of our data and free up people's time to focus on achieving our targets. We also established a major project to improve the way we capture data on the goods and services we buy to enable more accurate Scope 3 emissions reporting. This data is improving all the time, enabling us to transition to lower emitting supply chains.

It's important that our own data is as accurate and clear as possible as well, so we have continued working with our manufacturing teams to help them monitor manufacturing waste and ensure we focus on the areas where we can make the most impact on our GHG emissions. This year, that work included launching new calculators to help our teams map their emissions and sources of waste more accurately.

Together with improvements in governance and calculation methodologies, the work we're doing in this area continues to enhance the accuracy, consistency and clarity of our reporting, while supporting better decision-making across the business.

Each year, as our data quality, emissions factors and methodologies improve, we recalculate previous years so that we can assess, and report on, our progress consistently over time. Details of any restatements and their impact are disclosed in our ISO 14064 Greenhouse Gas Report, available on our website.

Priorities for the coming year

Our focus over the next year will be on continuing to embed our sustainability tools into our day-to-day operations and finding new ways to automate and streamline some of our processes. As well as looking to expand our supplier engagement programme to other commodities we'll explore options to feed more aluminium waste back into the supply chain to support a more circular economy. We will also continue to monitor and assess guidance from key organisations, including SBTi and the GHG Protocol to ensure our metrics – and the way we report them – remain in line with their requirements and expectations. In addition to monitoring absolute GHG emissions against our science-based targets, we're developing an emissions intensity measure covering Scope 1, 2 and 3 emissions. Finally, mindful of the potential environmental impacts of AI, we will continue to engage internally and with suppliers to understand and control the impact of our AI usage.

ESG review continued

Our emissions and energy data

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 required quoted companies to report their annual emissions and an intensity ratio in their Directors' Report. The 2018 Regulations added 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.

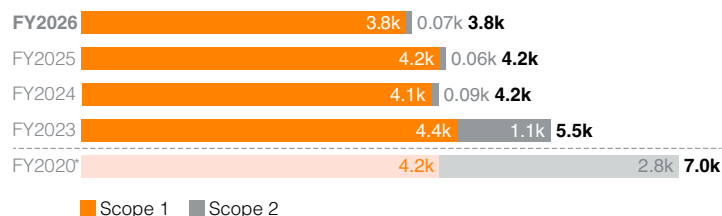
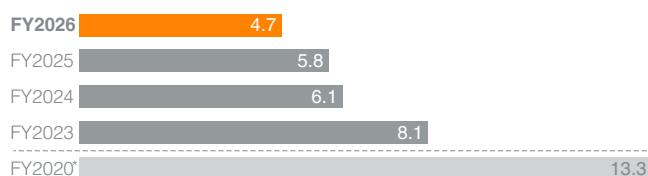
To calculate our emissions, we use the latest IPCC GWP 100-year horizon conversion factors, DESNZ, GHG Protocol, supplier-specific factors and other factors taken from a respective country's National Inventory Report or national government/agency/regulator. We base as much data as we can on primary sources, 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.

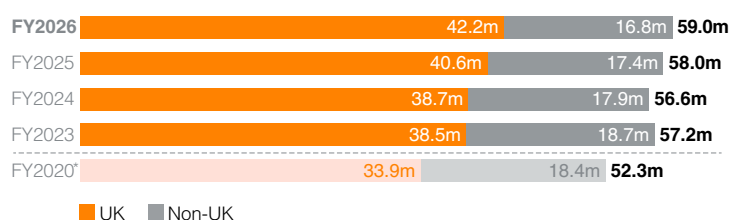
Our 'statutory emissions' mean our Scope 1 and 2 emissions, and we use the market-based methodology to account for our efforts in generating and purchasing low-carbon energy. The location-based method is provided for disclosure only. All our emissions data for FY2023, FY2024 and FY2025 has been externally 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.



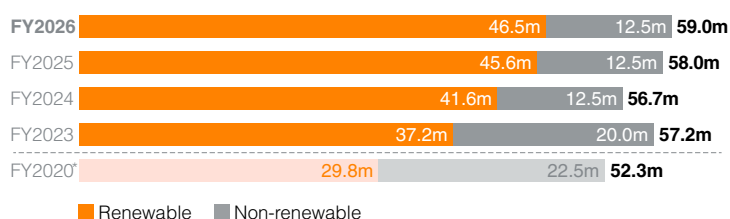
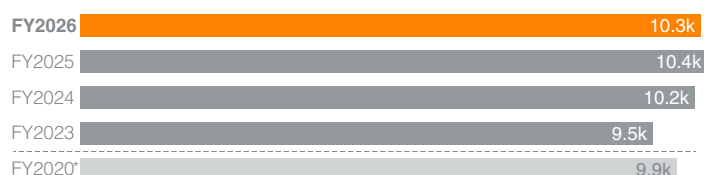
Read more
about our
commitment
to Net Zero

Total statutory emissions tCO₂eStatutory GHG emissions tCO₂e per £m revenue

Group energy consumption kWh



Energy source kWh

Total measured Scope 2 GHG emissions tCO₂e location-based

*Baseline year.

Social

Our social ambition

To inspire and support people from all backgrounds to unlock their full potential. We are proud to be a responsible employer and expect the same from our partners.

Our social targets are:

- 40% women in global senior management.
- 10% of UK senior management to be from ethnic minorities.
- Identify and mitigate human rights risk, within our own operations and within Tier 1 supply chains, globally by 2028.
- To develop a global employee and community engagement programme.

Refreshing our social ambition and people agenda

Our financial and strategic success this year would not have been possible without our talented people. Thanks to their expertise, we have continued to manufacture products that deliver precision, productivity and practicality to our customers, while navigating an increasingly complex geopolitical landscape. This, together with work to reorganise our business and reduce costs, has also made it a challenging year, and we're proud of the resilience and care they have shown – for our business, customers and each other – throughout the period.

Employee wellbeing has remained a key focus during the year, supported by our well-established network of mental health first aiders. This included access to confidential counselling for employees to discuss personal or work-related challenges and dedicated wellbeing resources, including digital tools and webinars. We run frequent communications campaigns to raise awareness of and encourage conversations about important wellbeing topics, as well as to highlight the resources available to support our people. We also held a dedicated event for early careers employees in January 2026 to highlight the importance of wellbeing in supporting performance, resilience and engagement.

Following the appointment of our new Group Human Resources Director, Clare Nicholls, we took time this year to reflect on our social ambition, targets and broader people agenda, alongside a wider review of our ESG strategy. In some cases this meant pausing certain activities, such as our UK employee listening sessions, to apply what we've learnt and refine our priorities, given the changes we've made to the business.

A simpler set of social targets

We have now refreshed our social ambition around three key areas: our employees, people working in our supply chain, and our communities, both within our workforce and in the areas where we operate. These changes better reflect our evolving business, while remaining ambitious and true to the values and the vision first set out by our founders.

Throughout the rest of this section, we explain the steps we've taken to refresh our social goal and strategic targets, followed by information about our broader, ongoing work to support, protect and engage with our people.

Helping people from all backgrounds unlock their potential

As innovators, we have always viewed difference as a strength. But diversity of thought can only thrive in a culture where everyone has an equitable chance of realising their full potential. Setting diversity targets are a helpful way of tracking and reporting on progress and we remain committed to the two aspirational targets we set in our original ESG strategy:

- women to globally represent 40% of our senior management; and
- people from ethnic minority backgrounds to represent 10% of our UK-based senior management, with senior management and ethnic minority defined by the Parker Review Guidance for Companies: June 2025.

Currently 22% of our senior management roles are filled by women and 1.8% by employees from ethnic minority backgrounds. Diversity at senior leadership level decreased slightly during the year due to changes in Executive Committee composition and reporting structures, rather than a reduction in ethnic minority representation. These targets were benchmarked externally and improving representation remains a priority.

We have made progress in some areas: women represent 40% of our Board, while our early careers programme is thriving, with good representation across gender, ethnic and socioeconomic backgrounds.

However, we always knew our targets were ambitious, and we still have more to do to break down barriers at other levels of the business. So we will continue to review barriers to progression and opportunities to support greater diversity across the workforce during FY2027. We will also commission a specialist gender equity consultancy to help assess barriers and recommend actions for achieving our aspirational targets. By focusing on gender first, we believe we can make the biggest, fastest impact against our ambition and then apply the lessons we learn to other aspects of diversity, including our ethnicity target.

ESG review continued

While we've taken time to refine our approach, we've also continued to introduce new measures to support our ambitions, including further enhancing our paternity leave in response to feedback from our FY2025 listening sessions.

Our gender diversity statistics*

	Women	%	Men	%	Undisclosed	%
Board ¹	4	40	6	60	–	–
Executive Committee ¹	2	20	8	80	–	–
Senior managers ²	14	22	49	78	–	–
Senior managers ³ and subsidiary directors ⁴	16	15	91	85	–	–
All employees	1,340	26	3,788	72	126	2

*All figures as at 30 June 2026.

1 Including the Executive Directors.

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

3 As defined by the Companies Act 2006.

4 Means statutory directors.

Identifying and mitigating human rights risks

We operate in a complex global value chain, with around 5,200 employees and 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, set out in our updated target (see box on page 43).

For our own operations, this year we introduced new due diligence checks in our global recruitment and payroll processes, launched mandatory modern slavery awareness training and a global communications campaign to help our employees recognise and report modern slavery concerns.

As well as strengthening our own operations, we have continued addressing risks in our supply chain. This includes introducing a new Supplier Code of Conduct to our onboarding process for all new and reactivated suppliers.

Meanwhile, our global supplier relationship management platform has become an invaluable tool in engaging with suppliers on key supply chain compliance topics. For example, as well as mapping suppliers against modern slavery risks, we're now using the platform to store assessment records, providing evidence of our due diligence approach, and to assess and rate the evidence provided by suppliers. To date, we've mapped 100% of our UK and Ireland suppliers, with 84% of those in scope now assessed. We have also assessed 100% of our suppliers in India, and more than half in Germany. We're also mapping suppliers against conflict mineral risk, since 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.

We are proud of the longstanding relationships we've built with many of our supply chain partners, and, wherever possible, we work with them to address specific risks when they arise. We are supported in this work by new 'health check' dashboards on our supplier relationship management platform.

Our employee resource groups

Our UK network of employee-led resource groups are essential in helping us achieve our social ambition. These groups meet regularly. We have the following four groups:

- LGBTQIA+ network
- Progress (Women's health network)
- Neurodiversity network
- Culture network

Inspiring and supporting our local communities

One of the best ways that we can deliver our purpose of Transforming Tomorrow Together is by creating positive impacts for society and inspiring and supporting our communities. Our new target to develop a global employee and community engagement programme formalises the work we've done over many years to support our people and the communities where we operate.

Our science, technology, engineering and mathematics (STEM) outreach programme is key to this work, helping to inspire the next generation of engineers and scientists. In the UK, this included hosting all-female STEM sessions for International Women in Engineering Day 2026 at our site in Miskin, Wales, and running outreach in some Gloucestershire libraries.

We also have a thriving community outreach programme in India. While originally developed in response to requirements for public limited companies to donate a certain percentage of profits to community activities, the way the team has developed the programme is one of the best demonstrations of Renishaw's values and purpose. This includes developing long-term partnerships with charities and community-based organisations to support projects that fund infrastructure improvements and provide essential equipment. For example, this year we provided funds for key equipment at a specialist cancer hospital and donated essential equipment to a blood bank, and to non-profit healthcare organisations. We also supported infrastructure upgrades for academic institutions, provided sewing equipment to help local women build new skills and income, and supported a new sewing machine training unit for a school in Pune dedicated to helping underprivileged and socially excluded children. Our employees also get involved, sharing their expertise.

We intend to build on these great examples of supporting our communities to create a more formal programme, and will share progress in future annual reports.

An evolving people agenda

Our people, their expertise and ideas, are at the core of our reputation for innovation, manufacturing and customer service. Unlocking their full potential requires more than social targets – it requires us to create an environment where individuals and teams can perform at their best. This means clear expectations, effective leadership, meaningful development opportunities and a culture where people feel valued, supported and able to contribute.

Listening and responding to employee feedback

In April 2026, we ran our third annual global employee survey and were pleased to see participation increase to 78% (FY2025: 74%). This level of participation provides a strong foundation for understanding employee experience and identifying where we need to improve. Employees continue to show pride in our products, services and values, say they experience high levels of trust and respect at work, and speak highly of our caring and ethical culture. However, our engagement score fell slightly to 71% (FY2025: 74%), with feedback reinforcing themes that are critical to our long-term success. Employees said they wanted greater clarity about career development, stronger collaboration across teams, simpler processes and a clearer understanding of how they improve their reward and pay. They also want leaders to communicate more openly about our business priorities and strategy.

We are committed to making sure that our people see visible, effective change as a result of the feedback. We communicated the results from the survey in all geographies by the end of June and are finalising action plans to address root cause issues. Managers have been given training and guidance on how to interpret their results and identify simple, actionable changes in their area that make a real difference to the experience of their people.

We continued to strengthen our approach to internal leadership communications to encourage stronger, more authentic connections between employees and leaders. For example, several senior leaders participated in conversational 'Channel R' videos during the year, sharing insights on issues that matter to our employees in plain language, such as our business strategy and celebrating key successes. Employees at all levels of the business can share progress on their work via our internal social media channels.

Our Board continues to engage with employees during site visits. For example, our Non-executive Director, Camille Deer, visited China with our Chief Executive Officer, Will Lee, and Group Human Resources Director, Clare Nicholls, in October 2025. Camille met senior leaders, joined sales colleagues on customer visits, and attended a team meeting where she shared insights into her Non-executive Director role. The visit provided opportunities to hear employee views, with key themes shared with the Board.

Developing capability for the future

Creating opportunities for people to grow and progress is essential to attracting, retaining and developing talent, and we know from employees that we still have work to do here. Over the past few years, we have established global reward, development and performance management tools and processes and so we have taken time this year to review what is working well, and where we have gaps.

We have continued to make progress during this review, including:

- embedding a regular cycle of performance management conversations to give employees more opportunities to discuss their aspirations, strengths and areas for improvement with their manager;
- conducting succession planning for key roles in our global businesses;
- expanding our leadership development programmes globally, starting with training for first-line leaders as they take on greater responsibility; and
- appointing a Head of Talent & People Development to lead the creation of an effective, global approach to capability development and career growth.

Our early careers programme remains an important source of future talent. During the year, we refined our approach to workforce planning and intake forecasting to ensure we are recruiting a sufficient and sustainable pipeline of early careers talent for the future needs of the business. We have continued to invest in support for our early careers cohorts, including dedicated coordinators who provide mentoring and pastoral support, helping participants successfully transition from education into employment and build long-term careers at Renishaw. Furthermore, we introduced a new work-readiness programme covering topics such as responsible AI use, resilience, financial wellbeing and communication skills. Starting before onboarding, this builds engagement and a sense of belonging before and during the early careers journey.

Our engineering apprenticeship programme was recently awarded the NextGen Makers Gold Kitemark, recognising excellence in apprenticeship delivery (incorporating positive feedback from colleagues across England and Wales).

Keeping people safe and healthy 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 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 environmental, health and safety policy. We also monitor incident and accident data to identify and address trends.

ESG review continued

This year our accident statistics indicate that the leading cause of injury was minor cuts and abrasions to hands, caused by contact with tools and equipment. So, in the coming year we will focus on designing and implementing a hand injury behavioural safety programme to deliver across our high-risk areas.

We recorded 239 accidents (FY2025: 197) against a year-end headcount of 5,254 (FY2025: 5,342), giving us an accident frequency rate of 27.32 per million hours worked (FY2025: 22.15). This remains very low compared to the average for the UK manufacturing sector of 241.20 per million hours worked. We had eight reportable accidents under the UK RIDDOR reporting requirements during the year. This equates to a rate of 0.09 per 100,000 workers. This is slightly higher than FY2025 and reflects the challenges our people have had to navigate this year. Nonetheless, it remains significantly lower than the UK manufacturing sector, which has an average rate of 490 per 100,000 workers.

Many of this year's incidents were minor near misses, with our people reporting 354 near misses (FY2025: 349). Proactive near-miss reporting is an essential part of a strong health and safety culture. However, on assessing this year's reports we found that almost all of them were the result of human factors rather than a lack of policy or process. So in the coming year, we plan to increase our focus on behavioural safety to help reduce this trend.

Priorities for the coming year

Meaningful change takes time and we are committed to continuously improving our people approach while delivering our social targets.

Our focus in FY2027 and beyond will be on delivering against employee engagement action plans while continuing to build the people capabilities needed for the long-term success of Renishaw.

Starting with our senior leaders, we will simplify, clarify and strengthen the connection between company performance, individual contribution and reward outcomes. As a proud 'talent builder', we will continue to invest in both our early careers and adult talent pipelines, identifying and removing barriers to progression and focusing on conversations and tools that help managers unlock the potential in their people.

We will continue to strengthen our internal culture and community by helping leaders at all levels to communicate well and connect teams as we continue to grow.

Protecting the health, safety and wellbeing of our people remains a fundamental priority and we will further our journey towards a zero harm workplace by strengthening a behavioural safety approach in our manufacturing areas.

Governance

Our governance ambition

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

Our governance targets are:

- Promote transparency and accountability in decision-making throughout the organisation.
- Embed developments to our risk and internal control framework during 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.
- Continue to embed a compliance culture of doing business responsibly.

Continuing to refine our governance approach

Strong governance is at the heart of our business strategy, including our approach to ESG, and is more important than ever as we continue navigating a complex and uncertain geopolitical landscape. As a global business with 96% of sales outside the UK, we need a clear, robust governance framework that supports agile decision-making, while protecting our values and purpose. The revisions we made to our strategic governance targets – alongside our wider ESG strategy review – are designed to support that aim (see above).

Strengthening our compliance culture

A strong governance framework is only truly effective if people understand the expectations it sets out, how to use it and what to do if they have a concern. While our global employee engagement survey provides a snapshot of employee understanding of key compliance topics, we wanted to better understand the day-to-day barriers and opportunities our people come across in relation to compliance.

In June 2026, we asked a significant cross-section of our global workforce to take part in an independent, anonymous survey to share their understanding of our compliance culture and ideas for how we can improve across all businesses and regions.

The survey has given us a deeper understanding of how we can empower our people to continue to strengthen our compliance culture and mitigate the challenges they face.

The results of the compliance culture survey indicated strong employee awareness of compliance policies. However, employees were less clear on how to navigate compliance processes in practice. The findings also highlighted a supportive, values-led culture, with little evidence of resistance to compliance requirements. Both the qualitative and quantitative feedback indicated a desire for more regular compliance training and practical examples tailored to employees' day-to-day roles.

Proposed actions include developing team-specific compliance guidance and process maps, incorporating more regular compliance updates into departmental communications, and simplifying policies where possible.

Managing our risks and controls

As we explain on pages 23 to 26, this year our approach to risk and control has continued to mature. Building on previous work to design our framework, this year we agreed a definition of material controls and our approach to testing them.

Reviewing their design is well underway, and will be followed by a pilot process for testing and documenting how well these controls are working in practice (their 'operating effectiveness').

Cyber security is a principal risk for Renishaw and remains a key area of focus as we continue to prepare for the introduction of the European Cyber Resilience Act (CRA). While the CRA represents a significant change in terms of legal requirements on products, it is a good illustration of how we are weaving compliance into our commercial strategy, ensuring we provide our customers with efficient, yet cyber-secure hardware and software. As well as retiring certain products, we have enhanced our cyber-security controls on others to prepare for CRA compliance.

The accelerating use of AI has led us to implement more robust digital security controls, including the maintenance of a Group-wide AI register. We have a strict governance process in place, blocking AI sites by default, maintaining an AI register and a robust approvals process for specific use cases. We continue to monitor this rapidly evolving area to ensure we comply with emerging laws and risks.

Other key areas of focus this year included our anti-fraud programme and export control framework. In the former, we have begun a new assessment to better understand our fraud risks and how they are evolving. In the latter, we refreshed our policy for 'high-risk' destinations to respond to ongoing geopolitical uncertainty and UK government advice, and enhanced our customer due diligence in these locations.

As well as helping us navigate an increasingly complex global supply chain, these steps help support our Know Your Customer procedures and our target of maintaining a zero-tolerance policy to bribery and corruption.



Download
our Code of
Conduct

ESG review continued

Revising our Code of Conduct

Our Code of Conduct (Code) sets out our expectations on anyone who works for and with Renishaw. Translated into 14 languages, it explains what we mean by 'doing business responsibly', and gives 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 have read and understood the Code as part of their onboarding process.

The results of our compliance culture survey indicate a values led culture supportive of doing business responsibly. While this is reassuring, we need to support our Code and the associated policies with practical process maps to ensure our colleagues identify and understand the requirement relevant for their roles.

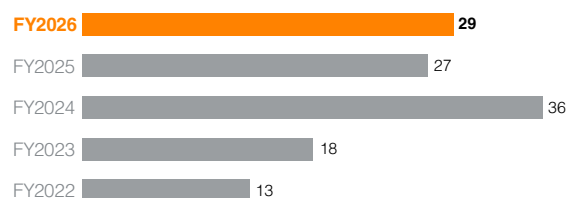
We are currently refreshing our Code to ensure our expectations remain clear and the guidance on how to do business responsibly is fit for purpose. We plan to publish the revised Code in early 2027.

Whistleblowing

Our Code is supported by our Speak Up Policy, which sets out our commitment to ensuring everyone feels able to raise a concern, and what to do if they witness or suspect unlawful or unethical behaviour, without fear of retaliation. The policy includes details of our independent, confidential whistleblowing portal and global hotline, Speak Up, and anyone working for or with Renishaw can raise a concern. This year, we logged 29 cases (FY2025: 27). No significant trends were identified from the cases reported, although a small cluster of conduct-related reports was noted in Mexico and China, with a majority of closed cases found to be unsubstantiated.

In FY2026, we also launched a new Supplier Code of Conduct for our UK suppliers. As part of our broader supplier engagement programme, the Supplier Code of Conduct sets out our expectations of our suppliers covering key compliance topics such as bribery and corruption. We have incorporated the Supplier Code of Conduct into our onboarding process for all new and reactivated suppliers and are now exploring options to share with existing key suppliers.

Number of Speak Up cases reported



Priorities for the coming year

As a responsible business, we will continue to strengthen our governance and compliance framework by progressing our work on material control design and effectiveness testing, launching our revised Code of Conduct, and responding to feedback from our compliance culture survey.

In particular, we will focus on enhancing our Know Your Customer procedures and improving decision-making processes to strengthen clarity and accountability.

We will also continue preparing for the introduction of the European CRA, and monitoring cyber security and the rapidly evolving AI landscape.

Climate-related Financial Disclosures statement

Renishaw recognises the climate emergency and understands that both physical changes to the climate and the transition to a lower-carbon economy pose risks and opportunities for our business. This statement provides information on how we identify, assess and manage those risks and opportunities. The disclosures below meet the expectations of our stakeholders and the requirements of UKLR 6.6.6R(8) and are broadly aligned with IFRS S2 Climate-related Disclosures.

Recommended disclosures table

The table below provides an index on where to find more information on key disclosure requirements throughout this Annual Report, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

TCFD recommendations and recommended disclosures		Progress*	Read more
Governance	a. Describe the Board's oversight of climate-related risks and opportunities	✓	pages 53, 59, and 68
	b. Describe management's role in assessing and managing climate-related risks and opportunities	✓	pages 53, 59, and 68
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	✓	pages 50 to 53
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	✓	pages 53 to 55
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	✓	pages 53 to 54
Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks	✓	page 50; see more on pages 23 to 32
	b. Describe the organisation's processes for managing climate-related risks	✓	page 50; see more on pages 23 to 32
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	✓	page 54
Metrics and targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	✓	page 55; see more on pages 30 to 42
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 emissions, and the related risks	✓	page 55, see more on page 42
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities against targets	✓	page 55

*Consistent with the TCFD recommendations

Climate-related Financial Disclosures statement continued

Updating our climate-related scenario analysis

As part of ongoing work to strengthen the way we identify, assess and manage our climate-related risks and opportunities we carried out a new deep-dive assessment this year. The basis for this assessment was a series of scenario analysis workshops with stakeholders from across the business, including representatives from our sales regions, product divisions, manufacturing and procurement, as well as corporate functions such as HR, Finance, Legal and Sustainability. During the sessions, we considered three scenarios, over three time horizons, to assess the climate-related physical and transitional risks and opportunities facing our business. As a result, we identified 68 climate-related risks and opportunities, which we consolidated into consistent themes. We scored each theme based on geography, likelihood of occurrence and potential impact, to create a shortlist of five risks and five opportunities. This shortlist was approved by our ESG Committee and then financially quantified, with support from our finance and strategy colleagues, to assess affected revenue projections based on a range of factors.

How we conducted our scenario analysis

The tables below set out the scenarios, time horizons and types of risks and opportunities that we considered.

Scenario	Description
1.5°C Paris-aligned scenario	— RCP1.9/SSP1-1.9, PRI IPR: 1.5°C Required Policy Scenario — Action is taken around the world to align with the aims set out in the 2015 Paris Agreement, limiting temperature increases to as close to 1.5°C compared to pre-industrial levels as possible. — There are some physical changes, however they are largely controlled, but achieving this goal has required substantial shifts in policy and behaviour. — Net zero is achieved by 2050.
2°C Paris upper limit scenario	— RCP3.4/SSP2-4.5, PRI IPR: Forecast Policy Scenario — Some of the ambitions set by the Paris Agreement are met, with slow, incremental improvements but no consistent action or commitment globally. — Physical impacts are clearer to see, and there is greater inconsistency in policy directions around the world, increasing burden on multinational companies. — Emissions start to fall around 2050.
3+°C Business as usual scenario	— RCP6.0/ SSP3-7.0 — Economies around the world continue to be powered by fossil fuels and promises made by global leaders and businesses have been largely ignored. — Global warming has accelerated and is well past key tipping points by 2035. Physical consequences are tangible, and increasingly catastrophic. — Emissions keep rising and have doubled by 2100.

Time horizon	Timeframe	Link to business-planning horizons
Short term	0 to 2 years (to 2028)	Aligned with Group risk management framework and analyst financial forecasts.
Medium term	2 to 10 years (to 2036)	Aligned with timeframes used for longer-term internal business planning purposes.
Long term	More than 10 years (Beyond 2037)	Aligned with planning horizons for long-lived infrastructure assets, and in line with our global target for reaching net zero.

Category	Description
Physical risks	Risks related to the physical impacts of climate change, both event-driven (acute) and longer-term (chronic) shifts in climate patterns, which may have financial implications for companies.
Transition risks	Growing external pressures to transition to a lower-carbon economy result in changes to the regulatory or market environment, in ways that could negatively affect company costs, revenue or market share.
Opportunities	A shifting business landscape in a changing world that opens new markets and investment opportunities or allows revenue growth.

Assessing our opportunities and risks

Below we give details on four of the climate-related opportunities and one risk that we assessed, including our approach and assumptions, as well as the likely impact and our response. The results are presented as a percentage of our current Group revenue as shown in the following key:

Negligible <1%
 Low 1 to 3%
 Medium 3 to 10%
 High >10%

Opportunity: Increased importance of Renishaw technology for manufacturing continuity and efficiency

Increasing need for automation and flexibility in manufacturing drives growth for Renishaw, as resource efficiency and greater disruptions to supply chains increase pressures on the manufacturing sector.

Scenario		1.5°C	2°C	3+°C
Timeframe	Short (0-2 yrs)			
	Medium (2-10 yrs)			
	Long (10+ yrs)			

How we assessed the opportunity

We projected revenue tied directly to manufacturing from Industrial Metrology (IM), and estimated the scale of the opportunity by considering the proportion of revenue assumed attributable to climate-related factors.

Key assumptions

The proportion of IM revenue influenced by the following customer considerations:

- increased scrutiny on waste;
- automation;
- flexibility across a global footprint;
- material competition; and
- decarbonisation.

Impact on Renishaw

Growing demand for more automation in manufacturing presents global growth opportunities for Renishaw.

Our response

We continue to invest in research and development for our IM technologies, and maintain our close ties to manufacturing customers and original equipment manufacturers to ensure we provide them with the products they need to adapt to a changing world.

Opportunity: Market shifts due to the adoption of green technologies

Increasing sales to customers from industries such as battery technology, carbon capture, clean energy production, electric vehicle manufacturing and other green industries offset potential losses in existing markets such as traditional internal combustion engine manufacturing and aeronautical industries.

Scenario		1.5°C	2°C	3+°C
Timeframe	Short (0-2 yrs)			
	Medium (2-10 yrs)			
	Long (10+ yrs)			

How we assessed the opportunity

We assessed revenue from customers in green technologies and those that serve them, including semiconductors, energy, precision manufacturing and automotive sectors, against accelerated adoption of green technology projections.

Key assumptions

The proportion of relevant revenue that is open to new bidding and the following growth factors:

- increased growth in green technologies as a result of a global shift to decarbonisation; and
- the proportion of sales driven by Renishaw's position as a trusted leader in these areas.

Impact on Renishaw

Growth in green technologies that Renishaw already supports offset any potential losses from existing industries that are harder to decarbonise and that may shrink under scenarios 1 and 2.

Our response

We continue to invest in research and development and maintain close relationships with customers driving the global transition to net zero.

Climate-related Financial Disclosures statement continued

Opportunity: Growth in additive manufacturing

Increased sales of our AM products, as global adoption increases, driven by a growing need for flexibility as customers navigate increasingly localised and frequently disrupted supply chains. Sales also driven by the unique advantages of AM to enable novel technologies and applications.

Scenario		1.5°C	2°C	3+°C
Timeframe	Short (0-2 yrs)			
	Medium (2-10 yrs)			
	Long (10+ yrs)			

How we assessed the opportunity	We assessed revenue projections from our AM product line against the proportion of sales driven by climate-related impacts.
Key assumptions	The proportion of relevant revenue affected by the need for: — novel solutions that are only possible through AM; and — increased flexibility due to supply chain disruptions, localisation of, and rising demand for faster, manufacturing.
Impact on Renishaw	We expect growth in AM to drive a large proportion of our future growth.
Our response	We continue to invest in research and development in our leading AM products, as well as expanding our own use of AM and engaging with industry peers through our membership of AMGTA.

Opportunity: Reshoring and relocation of global manufacturing

Increased sales in EMEA and Americas as well as emerging markets in APAC as manufacturing moves closer to the point of consumption, or towards the location of key commodities, due to greater disruption of logistics or customers' desire to improve supply chain resilience.

Scenario		1.5°C	2°C	3+°C
Timeframe	Short (0-2 yrs)			
	Medium (2-10 yrs)			
	Long (10+ yrs)			

How we assessed the opportunity	We compared revenue projections for manufacturing sales in IM, Position Measurement (PM) and AM against climate-related factors.
Key assumptions	The proportion of relevant revenue that is affected by: — the proportion of sales that are for new customers, and not tied to existing machine tool designs; and — the proportion of new sales driven by relocation of manufacturing away from centralised global hubs as a result of primary or secondary impacts of climate change: • For scenario 1, this is an increased drive to relocate for efficiency gains. • For scenarios 2 and 3 this is driven largely by a need to shore up supply chains and avoid global disruptions.
Impact on Renishaw	As manufacturing becomes more localised, the growth in manufacturing facilities creates more opportunities to sell our products, as customers look for flexible systems that can support production anywhere in the world.
Our response	We continue to invest in research and development for our manufacturing customers, and retain a global footprint to ensure we can work alongside customers wherever they are located.

Risk: Cost of ownership

Losing out to competitors who might offer more energy- or resource-efficient products that are cheaper, simpler or more sustainable to operate.

Scenario		1.5°C	2°C	3+°C
Timeframe	Short (0-2 yrs)			
	Medium (2-10 yrs)	■	■	
	Long (10+ yrs)	■	■	

How we assessed the opportunity	We combined revenue from product lines that are open to tender and identified as at risk from a competitor product that is outperforming ours in terms of resource or energy efficiency.
Key assumptions	The proportion of relevant revenue that is affected by: — the proportion of sales that are new, and not tied to existing designs; and — the proportion of potential sales volume considered at risk from a competitor potentially outperforming a Renishaw product on energy or resource efficiency.
Impact on Renishaw	We could lose market share and our position as an industry leader as a result of a more energy- or resource-efficient competitor product.
Our response	We continue to invest in research and development for new and existing products and are committed to designing and manufacturing products that help our customers increase their energy efficiency and reduce running costs and waste. We continue to embed sustainability into our product design and innovation processes, which include Design for Sustainability guidance and a product-level carbon calculator (see page 40).

Governance

We have a robust governance structure in place to ensure that we effectively assess and manage our climate-related risks and opportunities at the appropriate levels of the business, as shown on page 24.

Our Board is ultimately responsible for overseeing Renishaw's ESG strategy (see our ESG review on pages 37 to 48), which includes reviewing and approving our climate-related risks and opportunities. The Board delegates day-to-day oversight to our ESG Steering Committee. The Committee is chaired by our Chief Executive Officer, Will Lee, and includes our Independent Non-executive Director, Stephen Wilson, and representatives from across Renishaw with relevant skills and experience. The ESG Committee is also responsible for sharing information and expertise with our Audit Committee and Risk Committee to support them with our climate-related responsibilities.

Our Audit Committee reviews the effectiveness of our risk management and climate-related assurance across the Group (page 84). Our Risk Committee supports the Group in identifying and managing our climate-related risks and opportunities (pages 23 to 32). Our Remuneration Committee ensures that our remuneration policies are aligned with our strategic objectives, which include specific ESG objectives that form part of the incentive opportunity for Executive Directors and the Senior Leadership Team (pages 112 to 115).

Strategy

Renishaw has complied with the recommendations of the TCFD since FY2023, with year-on-year improvements in our disclosures ever since. This year we conducted a new deep-dive assessment of our climate-related risks and opportunities to prepare for changes to the UK listing rules that are expected to replace the now disbanded TCFD's recommendations with the UK Sustainability Reporting Requirements S2 (see page 50).

Impact of climate-related risks and opportunities on our business

As the climate-related opportunities facing our business outweigh the risks, we remain focused on ensuring we are well positioned to capitalise on them while remaining competitive. This is best demonstrated through our longstanding commitment to innovation and investment in research and development to create products that reduce manufacturing cycle times, scrap and waste to help customers reduce their impact on the planet.

We constantly monitor the legislative landscape to ensure we are prepared for any climate-related changes, and maintain close relationships with customers to ensure we understand the impact that market shifts have on their business. We are seeing increased growth in new markets, as wider technology shifts occur. For example, we're seeing increasing sales for encoders in areas like battery technology and electric vehicle production. We also continue to enjoy growth in our AM product line as more customers recognise the benefits of AM, including minimising material waste and localising production to cut shipping emissions.

Climate-related Financial Disclosures statement continued

While we are aware of planned and existing carbon taxation schemes, such as the UK Carbon Border Adjustment Mechanism (CBAM), our current financial calculations suggest they will not have a material financial impact on the business.

Despite Renishaw's global footprint, our exposure to physical risks is limited. This is because our major manufacturing sites are located in the UK, where we have mature plans in place to prepare for and mitigate the impact of any climate-related disruption to our operations. Our non-manufacturing sites located in the most exposed geographies are typically short leases, giving us flexibility to adapt to changes in the frequency or severity of climate-related events. Sites that are not on short leases are in areas where we have a strong regional footprint, so our customers would still have access to our sales and support teams in the event of disruption.

Our highest-risk manufacturing site is Pune, India, which could be affected by wildfires and heat stress. This, in turn, could affect our ability to produce the volume of cables and tool-setting arms we need. To mitigate this risk, we have implemented an inventory contingency plan, ramping up sourcing from other established supply chains and drawing on our experiences during the COVID-19 pandemic to quickly reinstate production at our other manufacturing locations.

We have continued to develop our climate transition plans, which describe our net zero targets and our strategy for successfully transitioning to a lower-carbon economy (www.renishaw.com/en/climate-related-risks-and-opportunities--48236).

Resilience of our business strategy

We are committed to developing products that help the world reach net zero and have aligned our business strategy and planning with a 1.5°C to 2°C scenario as set out under the Paris Agreement. This ensures we can adapt to changing government and market requirements as the global transition to net zero occurs, regardless of pace or shifts in public opinion. We continue to invest in new products and upgrading existing product lines to deliver the most efficient manufacturing possible for our customers globally.

While our physical risks increase under a 3+°C scenario, as well as over a longer time horizon, we believe we have the capacity to adjust our business strategy if these risks become more extreme and frequent. We have already taken steps to mitigate against potential impacts. For example, we have equipped our UK manufacturing sites with flood defences and early warning systems, as well as ensuring we have some duplication of manufacturing to ensure continuity in the event of climate-related disruption.

We believe our business 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 climate-related risks and opportunities.

Risk management

Our Risk Committee is responsible for overseeing the management of our climate-related risks. The Committee uses top-down and bottom-up reviews to score all risks, including climate-related risks. Since FY2025, we have included risk velocity in our management and identification process.

The Committee has reviewed our CFD assessment of climate-related risks and opportunities, and this year upgraded 'climate change risk' to emerging. Climate change is considered alongside a grouped sustainability risk category, which includes risks associated with legislation. This year, climate change has been upgraded to an emerging risk by the Risk Committee. More details on this risk can be found on page 26.

Our Director of Group Strategy, Marc Saunders, is the owner of the Sustainability risk category. We do not currently consider Sustainability a principal risk due to the time horizon we consider for core risk assessment. Our risk register details the risks we have identified at an organisational level; more information about organisational risks is available in our Risk report on pages 23 to 32.

Managing supply chain climate risk

We continue to integrate climate-related risks into our procurement strategy. We are implementing a supplier risk assessment programme to assess climate-related risk alongside other factors, such as financial health, political uncertainty or exclusive sourcing status. We will begin with our highest-value suppliers, meaning suppliers who provide materials for our high-revenue-generating products. We will use our supplier engagement programme (see page 36) to work with suppliers located in a country identified as high risk by the Notre Dame Global Adaptation Initiative's country rankings (<https://gain.nd.edu/our-work/country-index/rankings/>), to help them identify the risks they face and ensure they have appropriate mitigation plans in place. These plans could include dual sourcing, or a requirement to hold a certain level of inventory.

Assessing risk at our sites

Alongside assessing our supply chain risk, we are refining how we assess risk in our owned and leased sites, informed by previous chronic or acute events that have affected those sites, as well as their existing mitigations and disaster relief plans. Our aim is to equip site teams with the information they need, rather than maintaining a centralised database that doesn't inform site-level decision-making.

Metrics and targets

Having reassessed our climate-related risks and opportunities, we can now quantify and monitor the financial value associated with them. We will continue to update and review our quantifications, and use them to guide business strategy to ensure we maximise the opportunities presented to us, and minimise risk exposure.

We have set targets to reduce our greenhouse gas emissions across our full value chain, which have been validated by the Science Based Target initiative (SBTi). Our approved targets, which are aligned to a 1.5°C scenario, are summarised in the table below:

Near-term 50% reduction in absolute Scope 3 emissions by FY2030 from an FY2020 baseline

Net zero 90% reduction in absolute Scope 1 and 2 emissions by FY2028 from an FY2020 baseline

90% reduction in absolute Scope 3 emissions by FY2050 from an FY2020 baseline

We use the following cross-industry TCFD metrics to track and report on our climate-related risks and opportunities:

- Scope 1, 2 and 3 GHG emissions – pages 39 to 42;
- energy use – pages 39 to 42;
- climate-related executive management remuneration – pages 111 to 115;
- potential revenue associated with climate-related trends – pages 51 to 53;
- strategic objectives for the FY2026 annual incentive opportunity for our Executive Directors and Senior Leadership Team, including progress against the Executive Committee's target to reduce Scope 3 emissions, centred on our purchased metals (Cat. 1) – page 114.

Our climate-related risk metrics

Climate-related risk metrics	FY2026	FY2025	FY2020
Scope 1 emissions (CO ₂ e)	3,774	4,090	4,155
Scope 2 emissions (CO ₂ e) (market-based)	72	63	2,822
Scope 2 emissions (CO ₂ e) (location-based)	10,345	10,421	9,885
Scope 3 emissions (CO ₂ e)	128,687	121,364	94,512
Total statutory emissions (CO ₂ e)	3,846	4,153	6,977
Statutory GHG emissions (tCO ₂ e per £m revenue)	4.7	5.8	13.7

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 10 and our non-financial KPIs are disclosed on page 13.

Reporting requirement(s)	Further information	Policies	Related principal risk(s)
Climate-related financial disclosures	Climate-related Financial Disclosures statement (pages 49 to 55)	n/a	- Product innovation (page 30) - Low-price competition (page 28) - Non-compliance with laws and regulations (page 31) - Supply chain dependencies (page 30)
Environmental matters	- ESG review – Environment (pages 39 to 42) - How we engage with stakeholders (pages 34 to 36)	- Group Environmental Data Policy - Group Management of Waste Policy - Code of Conduct	- Product innovation (page 30) - Low-price competition (page 28) - Non-compliance with laws and regulations (page 31) - Supply chain dependencies (page 30)
Our employees	- How we engage with stakeholders (page 34) - ESG review – Social (pages 43 to 46) - Directors' Corporate Governance Report (pages 66 to 67) - Section 172 statement (pages 72 to 73) - Other statutory and regulatory disclosures (page 123)	- Equality, Diversity and Inclusion Policy - Speak Up Policy - Group Occupational Health and Safety Policy - Code of Conduct	People (page 32)
Social matters	- How we engage with stakeholders (pages 34 to 36) - ESG review – Social (pages 43 to 46) - Directors' Corporate Governance Report (pages 66 to 67) - Section 172 statement (pages 72 to 73) - Other statutory and regulatory disclosures (page 123)	- Equality, Diversity and Inclusion Policy - Speak Up Policy - Group Environmental Health and Safety Policy Manual - Code of Conduct	People (page 32)
Respect for human rights	- How we engage with stakeholders (pages 34 to 36) - ESG review – Social (page 44) - 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 32) - Non-compliance with laws and regulations (page 31)
Anti-corruption and anti-bribery	- ESG – Governance (pages 47 to 48) - 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 31) - Supply chain dependencies (page 30)

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 34 to 36.

The Strategic Report on pages 2 to 56 was approved by the Board on 22 September 2026 and signed on its behalf by:

Sir David Grant
Chair

Governance report

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Directors' Corporate Governance Report

The year in review

The Board had another busy and productive year in FY2026, supporting and challenging the Executive Committee and evolving our composition. In this Governance Report, we outline our key activities and outcomes, the work of our Committees, the Company's governance structures, and how we complied with regulatory requirements – including the UK Corporate Governance Code 2024 (Governance Code), which applies to the Company for the first time this year (except Provision 29, which will apply from FY2027).

Although Board attention this year was often on the changing and complex international geopolitical events that influence our customers and markets, we ensured that governance, leadership and resources remained effective. The Board addressed leadership succession, shareholder engagement, business productivity, risk management, material controls, ESG matters, people and culture, and the ongoing development of our resilient strategy to sustain long-term success.

As part of that long-term success, and as announced on 26 November 2025, the families of the Company's founders – the late Sir David McMurtry and current Non-executive Director John Deer – established a joint family holding company, Deltam Holdings Limited (Deltam), to hold 50.25% of the issued share capital of Renishaw. Establishing Deltam facilitates a generational transfer of the business within the families, reaffirming their commitment to Renishaw and their intention to be long-term shareholders of the Company, which I very much support. The discretionary trusts established for the benefit of Richard McMurtry, Ben McMurtry and Yvette Pridmore have a 72.12% interest in Deltam and the Deer parties 27.88% in aggregate. More information is set out on pages 123 to 124.

A summary of the Board's activities during the year and its principal decisions can be found on pages 70 to 73.

Changes to the Board

Appointing a Chief Financial Officer

Following a comprehensive search process, more details of which can be found in the Nomination Committee Report on page 83, John Shipsey joined the Company as Chief Financial Officer (CFO) and Executive Director with effect from 13 April 2026. John brings significant board and executive leadership experience, having held the role of CFO at various listed and private companies, including 12 years at Dyson Limited, five years at Smiths Group plc and two years at Featurespace Limited. John also held finance and strategy roles at Diageo plc earlier in his career and served as a non-executive director of Dechra Pharmaceuticals PLC.

John's deep understanding of the industrials sector and its associated performance drivers will be key to supporting the Board's increased focus on strategy and risk, as will his strong track record of leading high-performing finance functions. We look forward to him strengthening both the Board and Executive Leadership team.

Appointing a permanent Chair

I was honoured to accept the role of permanent Chair from 8 April 2026, for a period of up to two years, and so also retain my role as Chair of the Nomination Committee. I look forward to continuing to work with the rest of the Board through this important period of evolution for the Company and to helping provide stability, along with our new Senior Independent Director.

Appointing a Senior Independent Director

Following my appointment, the Board appointed Juliette Stacey as our new Senior Independent Director, from 8 April 2026. Juliette first joined Renishaw as an Independent Non-executive Director in January 2022. As well as Chair of the Audit Committee, she is also a member of the Nomination and the Remuneration Committees.

Appointing Camille Deer as a Non-executive Director

We also announced the appointment of Camille Deer as a Non-executive Director, with effect from 1 September 2025. Camille has been an excellent addition to the strength of our Board, enriching discussions this year. I am confident that her appointment will prove to be invaluable in helping to guide the strategic direction of the business, while – in addition to the joint family holding company, Deltam – also demonstrating the continued commitment of the founding families to the future of Renishaw.

Overseeing risk and controls

I was pleased with the progress made in developing the Group's risk and control maturity, moving from framework design to embedding. We achieved key milestones in progressing towards Provision 29 by defining what a material control is for the Group, setting the standard for effectiveness of these controls and how they'll be tested, and have focused the risk owners on whether the controls they are responsible for are designed effectively.

Embedding the desired culture

We continue to monitor and embed our desired culture, including doing business responsibly. We undertook work this year to refresh our Code of Conduct, with a target launch date of January 2027, and conducted our first Group compliance culture survey and third employee engagement survey – see more on pages 47 to 48, and 45 respectively. We also recruited a new Group Human Resources Director, Clare Nicholls, who is reassessing key priorities.

Refreshing the ESG strategy

ESG has become increasingly important across Renishaw in the past few years. This year our ESG strategy was refreshed to refine our goals, remove outdated elements and streamline our targets while retaining the ambition of our original strategy.

The Board approved the refreshed ESG strategy, and the ESG Steering Committee continues to oversee progress against it. More details on delivery against the refreshed strategy are given in the ESG Review on page 37.

Building relationships with stakeholders

Long-term success depends on strong relationships with all our stakeholders. In the UK, Board members attended our 2025 AGM at our headquarters in November 2025 and the Capital Markets Day in London in June 2026, giving us the chance to meet with shareholders and other market participants. The Board monitors the Company's increased interaction with the investment community, which we discuss on page 35.

Visits by Board members to China this financial year provided important industry context for strategic Board decisions in our largest market. We held a Board meeting at our site in Miskin, Wales, and our Directors took time to visit trade shows, including EMO Hannover – the largest machine tool and factory automation conference in the world – in September 2025. They also attended some of our product divisions' showcase events, where there was an opportunity to interact with our employees. These visits provided the Board with valuable insights into the experiences of our people, suppliers, customers and competitors, complementing management's insights.

Our engagement with stakeholders, including our people, provides the Board with enhanced context and background when making decisions. Pages 34 to 36 of our Strategic Report explain more about how we engage with stakeholders, while our Section 172 statement on pages 71 to 73 explains more about how we consider the views of our stakeholders in our decision-making process.

External Board performance review

This year we commissioned an externally facilitated Board performance review, conducted by Fidelio, in accordance with the Governance Code. The review confirmed that the Board and its Committees operate effectively, with Directors demonstrating strong commitment and constructive challenge. Actions identified will inform our next cycle of development and our improvement agenda. 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 pages 81 to 82.

Focusing on diversity and inclusion

We continued to focus on diversity and inclusion this year, through our Board-approved global Equality, Diversity and Inclusion (EDI) Policy. This includes the Board's responsibilities in relation to EDI and reflects the Financial Conduct Authority's (FCA) requirements for diversity at Board and Board Committee level.

Looking ahead

In FY2027, the Board will focus on:

- continuing to support the Group's growth plans by overseeing its key strategic focus areas for growth and supporting management with the development of our operating model;
- continuing the search for the Company's next Chair, with the aim of making an appointment by 2028;
- implementing the Board effectiveness action plan;
- continuing to increase engagement with investors;
- overseeing our talent pipeline at Executive Committee level and one level below;
- overseeing climate change and ESG matters, including improving our diversity across all levels of the business; and
- complying with Provision 29, and monitoring how culture supports the way of operating throughout the Group.

The progress we have made in the past couple of years provides us with a sound platform from which we look forward with confidence. The 2026 AGM will be held on 25 November 2026, and I look forward to meeting many of you then.

Sir David Grant

Chair

22 September 2026

Directors' Corporate Governance Report continued

Board of Directors



N*

Sir David Grant

Chair

Date appointed to the Board April 2012

(Independent Non-executive Director from April 2012 to October 2013; Senior Independent Director from October 2013 to June 2024; Interim Non-executive Chair from June 2024 to April 2026)

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 the 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 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



John Shipsey

Chief Financial Officer

Date appointed to the Board April 2026

Areas of expertise

Finance, IT, strategy, risk and controls

Contribution, skills and experience

- Extensive international financial leadership experience across global listed and private companies.
- Deep expertise in capital allocation, business transformation, governance and investor engagement.
- Strong track record of improving financial performance, strengthening controls and supporting complex strategic transactions, including acquisitions and divestments.

External appointments None



Juliette Stacey

Senior Independent Director

Date appointed to the Board January 2022 (Independent Non-executive Director from January 2022 to April 2026)

Areas of expertise

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

Contribution, skills and experience

- Qualified as a 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.



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, 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.
- Member of the Council of the University of Cambridge.



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.



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.

Directors' Corporate Governance Report continued

Board of Directors continued

**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

Director at Leviathan Engineering Limited and Moorend Limited.

**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

Senior IP Manager at VividQ Ltd.

**Kasim Hussain**

Group General Counsel & Company Secretary

Appointed July 2024**Areas of expertise**

Risk, compliance, corporate governance, 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

22 September 2026

Read more extensive Board biographies at www.renishaw.com/directors**Former officers during FY2026****Allen Roberts**

Group Finance Director

Appointed October 1980

Stepped down November 2025

Executive Committee



Dave Wallace

Group Operations Director

Appointed January 2008

Contribution, skills and experience

- Responsible for global manufacturing and supply, Group commercial development, quality and product compliance, engineering and intellectual property.
- Deep insight into Renishaw's products, markets and product development, as well as strong management skills.
- 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 industrial metrology products.



Marc Saunders

Group Strategy Director

Appointed April 2024

Contribution, skills and experience

- Responsible for Group strategy, M&A, investor relations, sustainability and external communications.
- Experienced leader of strategic planning processes for listed businesses.
- Worked in various technical, commercial and corporate functions at Renishaw, including leadership of additive manufacturing applications, UK Sales and Group Marketing.



Clare Nicholls

Group Human Resources Director

Appointed September 2025

Contribution, skills and experience

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



Louise Callanan

Director of Specialised Technologies

Appointed October 2025

Contribution, skills and experience

- Leads Renishaw's Specialised Technologies segment (additive manufacturing, spectroscopy and neurological).
- Brings extensive experience in driving the Group's strategic vision and long-term growth.
- Held a range of senior technical and commercial roles during a 30-year career at Renishaw, including Operations Manager to the CEO.
- Supports the Group in delivering world-class product design, applications and service that meet evolving global technology demands.

Directors' Corporate Governance Report continued

Executive Committee continued

**Steve Oakes**

Director of Position Measurement

Appointed October 2025

Contribution, skills and experience

- Leads the Position Measurement segment, driving innovation and strategic growth in optical, magnetic, inductive and laser encoder systems.
- Joined Renishaw in 1987 as an engineering student and has since held key operational, commercial and business management roles across the CMM, machine tools and encoder divisions.
- Serves as a Board Director at RLS d.o.o. Slovenia, a Renishaw associate company.
- Acts as the Senior Leadership Team's sponsor for EDI, championing inclusive practices across the organisation.

**Derek Marshall**

Director of Industrial Metrology

Appointed October 2025

Contribution, skills and experience

- Leads Renishaw's Industrial Metrology segment, with teams across our range of application and product development disciplines.
- More than 20 years' experience at Renishaw, spanning software and electronics development, business management and strategic operations.
- Serves as a Board Director of Metrology Software Products Limited, which contributes to the Group's software portfolio.

**Rob Macdonald**

Interim Group Finance Director

Appointed December 2025
(stepping down 30 September 2026)**Contribution, skills and experience**

- Joined Renishaw as UK Finance Manager in June 1999 and has since held a range of senior roles within the Finance team.
- Has led the finance function on most of Renishaw's acquisitions and divestments, working closely with subsidiaries worldwide.
- Is a qualified chartered accountant and a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Other members of the Executive Committee**Will Lee*** (Chair)

Chief Executive Officer

See page 60 for biography

John Shipsey*

Chief Financial Officer

See page 60 for biography

Kasim Hussain

Group General Counsel & Company Secretary

See page 62 for biography

*These members of the Executive Committee were also Board Directors during FY2026.

Former Executive Committee members during FY2026**Allen Roberts**

Group Finance Director

Stepped down November 2025

Diane Canadine

Group HR Director

Stepped down August 2025

Scope of disclosures

In this Directors' Corporate Governance Report, we have incorporated:

- the Audit Committee Report (page 84);
- the Nomination Committee Report (page 77); and
- the Directors' Remuneration Report (page 90).

This report is structured in accordance with the five sections of the Governance Code, and we describe how we have applied its principles. The 2024 Governance Code applied to the Company for the first time in FY2026, except for Provision 29, which will apply from FY2027. Accordingly, Provision 29 of the 2018 Governance Code continued to apply in respect of this financial year. 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 2 to 3), the Chief Executive Officer's review (pages 4 to 6) and other sections of the Strategic Report give a review of the Group's business and likely future developments. Results are also reported by 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 122 to 124, 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.

Directors' Corporate Governance Report

The Company's corporate governance practices are set out in the Directors' Corporate Governance Report (on pages 58 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 58 to 76), the Directors' Remuneration Report (pages 90 to 121), and Other statutory and regulatory disclosures (pages 122 to 124). 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)	IFC
Values (Principle B and Provision 2)	IFC, 33, 44, 45
Culture (Principle B and Provision 2)	IFC, 33, 44, 45, 47, 48
Workforce engagement (Principle D and Provision 5)	34, 45, 47, 66, 81
Other stakeholder engagement (Principle D and Provision 5)	35 to 36
Strategy and business model (Principle A and Provision 1)	7 to 10
Board decisions and outcomes (Principle C)	71 to 73
Sustainability (Principle A and Provision 1)	37 to 56
Capital allocation	22
Workforce policies and practices (Principle E and Provisions 2 and 6)	43 to 46, and 56
Risk management (Principle O and Provisions 28 and 29)	23 to 32

Directors' Corporate Governance Report continued

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. Throughout FY2026, the Board received updates on key issues related to the Code and monitored compliance, including via the Company's whistleblowing facility. Communications and activities continue around the Group to engage and educate employees on how to use the Code in day-to-day business conduct. See pages 47 and 48 for more information about the Code.

Employees are invited to share their feedback on compliance through our employee engagement survey. This year we also conducted our first Group compliance culture survey. Gathering feedback is an integral part of how we monitor, reassess and embed an appropriate culture, so this feedback is shared with senior leadership to help shape future communications and work programmes. Engagement with employees and management continues to help the Board understand Renishaw's culture. Some of the ways in which the Board has engaged with employees, and the outcomes of that engagement, are set out on page 34.

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, the Remuneration and the 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 2025 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 cannot attend the AGM. At the 2025 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 35. 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 year this included half- and full-year financial results roadshows attended by our Chief Executive Officer and Director of Group Strategy, as well as a Capital Markets Day in London attended by the Board. Feedback from investor discussions is shared with the Board. The Board continues to monitor progress with engagement mechanisms and regularly reviews our evolving approach to investor relations.

Wider stakeholders

The Board remains committed to engaging effectively with wider 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. Clare Nicholls, our Group Human Resources Director, and Catherine are working on strengthening the Board's employee engagement programme. The Board receives regular briefings 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 FY2026, members of the Board visited China and held a Board meeting at our facility in Miskin, Wales. Directors also visited trade shows, including EMO Hannover in September 2025, as well as some of our product divisions' showcase events, where there was an opportunity to interact with our employees.

More details on other stakeholder engagement activities can be found on pages 34 to 36. Details of how the Board 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 a straightforward process for employees to seek approval when needed.

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 outlines 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 29 cases, compared with 27 in FY2025, all of which were promptly followed up.

All cases are reviewed by our triage coordinators (currently the Interim Group Finance Director 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.

Directors' Corporate Governance Report continued

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 Chief Financial Officer and other members of senior management, as noted on pages 63 and 64. It considers the performance and strategic direction of our business segments, performance against objectives and other matters of general importance to the Group.

The following chart outlines the governance structure.

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. Oversees internal and external audits, and risk management and controls.

Read more in the Audit Committee Report from page 84.

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 90.

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, and key processes and controls, and promotes a risk-aware culture across the Group.

Read more in the Risk management section from page 23.

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 ambitions and targets, and for 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 37.

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 risk management and internal control framework;
- 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 at www.renishaw.com/corporategovernance.

These terms of reference are reviewed annually and updated where necessary.

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 FY2026.

Director	Board	Audit Committee	Nomination Committee	Remuneration Committee
Sir David Grant	11/11	N/A	7/7	N/A
John Deer	8/11 ¹	N/A	N/A	N/A
Will Lee	11/11	N/A	N/A	N/A
John Shipsey	3/3 ²	N/A	N/A	N/A
Juliette Stacey	10/11 ³	5/5	7/7	6/6
Catherine Glickman	11/11	5/5	6/7 ⁴	6/6
Stephen Wilson	10/11 ⁵	5/5	7/7	6/6
Professor Dame Karen Holford ⁶	9/11	4/5	7/7	6/6
Richard McMurtry	11/11	N/A	N/A	N/A
Camille Deer	10/10 ⁷	N/A	N/A	N/A
Allen Roberts	4/4 ⁸	N/A	N/A	N/A

1 John Deer was unable to attend certain Board meetings due to health issues.

2 John Shipsey was appointed with effect from 13 April 2026 and so was not eligible to attend any meetings held between 1 July 2025 and 12 April 2026.

3 Juliette Stacey was unable to attend an unscheduled Board meeting that was convened at short notice and for which her feedback was collated ahead of the meeting.

4 Catherine Glickman was unable to attend a Nomination Committee meeting due to an unavoidable commitment.

5 Stephen Wilson was unable to attend an unscheduled Board meeting that was convened at short notice and for which his feedback was collated ahead of the meeting.

6 Professor Dame Karen Holford was unable to attend two Board meetings (one being an unscheduled meeting that was convened at short notice and for which her feedback was collated ahead of the meeting) and one Audit Committee meeting due to unavoidable commitments.

7 Camille Deer was appointed with effect from 1 September 2025 and so was not eligible to attend any meetings held between 1 July 2025 and 31 August 2025.

8 Allen Roberts stepped down as a Director with effect from 26 November 2025.

The table below sets out the Board and Committee meetings that occurred in FY2026.

July 2025	August 2025	September 2025	October 2025	November 2025	December 2025
A N	B A N R	B A N R*	B N R	B R	
January 2026	February 2026	March 2026	April 2026	May 2026	June 2026
B N	B A	B N R	B* B*	B A	B N R

Key

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

Directors' Corporate Governance Report continued

The Board's key activities 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 FY2026, see our Section 172 statement on pages 71 to 73.

Strategy

- Guided the process for divesting the drug delivery business.
- Reviewed and approved our strategic objectives.
- Received updates from the Executive Committee on progress towards the FY2026 objectives.
- Reviewed the sales and competition strategy during the Board Strategy Day.
- Directors visited China and attended trade fairs/shows to better understand dynamic geographical markets and sectors.

Operational/commercial

- Received regular flagship project updates as well as key innovation pipeline updates.
- Received regular regional sales and Group manufacturing capacity updates because of strong demand.
- Received updates on the global ERP implementation programme.

Financial

- Approved our half- and full-year results, as well as our interim and final dividends, and a special dividend to be paid on 3 December 2026.
- Reviewed and approved our tax strategy.
- Reviewed and approved trading updates, including revenue and profit ranges.
- Reviewed and updated our five-year financial plan.
- Approved the revised hedging strategy.

Leadership and people

- Approved the appointment of a permanent Chair, CFO, new Senior Independent Director and new Group Human Resources Director.
- Reviewed plans for Board-level succession planning.
- Developed a new Remuneration Policy including a Long-Term Incentive Plan, both subject to shareholder approval at the 2026 AGM, following a key shareholder consultation exercise conducted in 2026.
- Reviewed and approved the employee pay increase and bonus proposal for FY2026.

Risk management and internal control

- Approved our 2026 principal risks and considered emerging risks.
- Considered reports on compliance with financial, regulatory, corporate responsibilities and sustainability commitments.
- Received regular updates on cases arising from the confidential whistleblowing hotline.
- Considered the results of our FY2026 global employee engagement survey and the introduction of the Group compliance culture survey.
- Reviewed global supply chain resilience.

Governance and stakeholders

- Oversaw the FY2026 externally facilitated Board performance review by Fidelio and approved the subsequent action plan.
- Considered the implications of the establishment of a joint family holding company, Deltam Holdings Limited, by the families of the Company's founders, the late Sir David McMurtry and current Non-executive Director John Deer.
- Received updates on key governance matters, including the EU Cyber Resilience Act, AI, revision of UK Listing Rules, the new Economic Crime and Corporate Transparency Act and Directors' duties.
- Reviewed an internal maturity assessment against the UK Cyber Governance Code of Practice.
- 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 corporate broker UBS 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 34 to 36. Details of how the Board operates, and matters considered by the Board, are set out in the Directors' Corporate Governance Report from page 58. 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 56 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 9.

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, together with pages 66 and 67, 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 FY2026

The following pages set out three examples of how the Board considered key stakeholders, Section 172 duties and other matters when making its principal decisions in FY2026.

Directors' Corporate Governance Report continued

Chief Financial Officer appointment

What was the principal decision?	Which stakeholders and matters were considered?
Appointing a new CFO.	Shareholders and investors, customers, suppliers, our companies, people and business partners, as well as the long-term sustainable success of the Company.

How were the above stakeholders and matters considered?

Strong talent and leadership are key to Renishaw's ongoing success and delivering our strategy. Ensuring succession of key leadership roles will position Renishaw to continue producing strong returns and growth for our shareholders and wider stakeholders, while implementing our strategy. The Board considered a range of factors during the process of finding and recruiting a CFO, including ongoing alignment with the Group's purpose, culture and strategy. The Board was mindful throughout its decision-making of the long-term impact that such a decision would have on the future success of the Company, including through investor and employee sentiment.

What was the outcome?

The Company was pleased to announce that, following a comprehensive search process, the Board had appointed John Shipsey as Chief Financial Officer and Executive Director, with effect from 13 April 2026.

For more information on the CFO's appointment, see page 83.

Long-Term Incentive Plan

What was the principal decision?	Which stakeholders and matters were considered?
Proposed changes to the Directors' Remuneration Policy including the introduction of a Long-Term Incentive Plan (LTIP).	Shareholders and other market participants, our companies, regulators, employees, customers, suppliers and the long-term sustainable success of the Company.

How were the above stakeholders and matters considered?

The Board reviewed the current Remuneration Policy including the alignment of reward design with the Company strategy. In considering changes it considered:

- feedback provided by shareholders and shareholder representative agencies via a consultation exercise;
- the views of Non-executive Directors;
- our business and talent strategy;
- prevailing market practice; and
- remuneration arrangements in place for the wider Renishaw workforce.

The Board discussed potential changes with the Company's advisers, including its remuneration advisers and joint brokers. It also listened to feedback provided in the 2026 employee engagement survey.

What was the outcome?

As part of the design of a new Directors' Remuneration Policy, the Board approved changes to introduce an LTIP – subject to shareholder approval at the 2026 AGM and effective from FY2027. The aim is to strengthen alignment of reward to the Company strategy and ensure ongoing market competitiveness, contingent on business performance delivery.

The changes to the Directors' Remuneration Policy (including the introduction of LTIP awards cascaded to senior leaders across the business) are intended to ensure we can continue to attract and retain high-calibre executives and align them to sustained performance delivery.

For more information on the LTIP, see pages 98 and 103.

ERP implementation

What was the principal decision?	Which stakeholders and matters were considered?
Commissioning an external review of our programme to implement a new enterprise resource planning (ERP) system.	Employees, shareholders, customers and the long-term sustainable success of the Company.
How were the above stakeholders and matters considered?	
With our current ERP system near the end of its supported life, it is critical that we successfully implement its successor. Renishaw UK Sales Limited went live on the new ERP system in October 2025, but encountered significant difficulties. Thanks to the dedication and professionalism of our employees there was no material impact on customers, but productivity gains have not been realised. Given the importance of the programme, the Board commissioned a third-party expert to conduct a review.	
What was the outcome?	
The recommendations of the third-party expert were approved by the Board, and are already being applied to the programme. We have reorganised our resources, including establishing global process owners and leads, and developed our project management framework. Project governance has been strengthened and a steering committee, which includes the CFO and Group Operations Director, will oversee the revised implementation framework.	
For more information on our IT transformation, see pages 26 and 29 of the Risk management section.	

Directors' Corporate Governance Report continued

2 Division of responsibilities continued

Composition and commitment of the Board

The Governance Code provides that at least half a board, excluding the chair, should be independent non-executive directors. At the date of this report, the Board comprises 10 Directors: the Chair, two Executive Directors, four Independent Non-executive Directors and three Non-executive Directors. Accordingly, four of the nine Directors excluding the Chair (44%) are considered to be independent. More details are set out in the Compliance statement on page 76.

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 was considered independent on appointment as Chair.

Sir David Grant's tenure

Sir David Grant was first appointed to the Board as an Independent Non-executive Director in April 2012. Following Sir David McMurtry's decision 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 the then Senior Independent Director, to remain on the Board as Interim Chair to provide continuity and facilitate succession planning. In April 2026, the Board decided to appoint Sir David as its permanent Chair, for a period of up to two years. The Board considered that Sir David had consistently demonstrated the competencies and leadership required of the Chair and that his permanent appointment is in the best interests of the Company and its shareholders at this time.

Before his appointment as permanent Chair, the Nomination Committee conducted a rigorous review of Sir David Grant's independence, effectiveness and commitment given his service on the Board for 14 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. Considering this assessment, Sir David Grant was considered to be independent on appointment as permanent Chair for the purposes of Provision 9 of the Governance Code.

The Board considers that the appointment of Sir David as permanent Chair for a period of up to two years while a new independent Chair is identified will provide continuity and stability during an important period of evolution for the Company. In addition to his deep understanding of the Company's business and his expertise in engineering, Sir David will be able to serve as a mentor to the newly appointed Directors.

This year's external Board performance review concluded that the Board remains effective. More details can be found on pages 81 and 82.

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 hold 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 60 to 62.

Senior Independent Director and Non-executive Directors

Juliette Stacey was appointed as the Company's Senior Independent Director on 8 April 2026 and is available to discuss material concerns with shareholders, or, where this channel has failed to resolve concerns or this contact is inappropriate, the Company Secretary may be contacted, who will direct enquiries to the appropriate Director. Juliette was originally appointed as an Independent Non-executive Director of the Company on 1 January 2022 and has been Chair of the Audit Committee and served as a member of the Nomination and the Remuneration Committees since her appointment.

During the year, the Non-executive Directors and 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 FY2026. 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 the key responsibilities of our Chief Executive Officer, Chair and Senior Independent Director 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, segments and sales regions – give regular presentations at Board meetings to update the Directors on their areas of responsibility, including updates regarding products, performance, legal compliance and business strategies. These also give the Directors the chance to discuss latest developments, and current and future initiatives.

As new Directors joining us this year, Camille Deer and John Shipsey were given tailored induction packs and bespoke induction programmes. These inductions included subsidiary and site visits, as well as briefings by both senior managers and external advisers. As part of our continuing development programme, we also offer opportunities to attend external trade shows and make visits to overseas subsidiaries.

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 122.

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 83.

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 84 to 89.

Financial and business reporting

The respective responsibilities of the Directors and auditor in connection with the financial statements are set out in Directors' responsibilities on page 125 and the Independent Auditor's Report on pages 128 to 138.

Risk management and internal control

The Board is responsible for risk management and internal control, and for reviewing the effectiveness of this framework. 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 23 to 26. Any framework 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 overseen 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, and information on how these are being managed or mitigated, as well as the procedures in place to identify and manage emerging risks, can be found on pages 27 to 32. 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 Corporate Governance Code Guidance (2024). The Board verifies that necessary action has been or is being taken to remedy any significant failings or weaknesses identified from its review.

The Board reviews the effectiveness of the Company's risk management and internal control framework via the Audit Committee. See pages 84 to 89 for more information on the Audit Committee's work.

Directors' Corporate Governance Report continued**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 31 December 2027 (the 'going concern period'). 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 more information, see pages 87 and 147.

Viability statement

The Board approved the Company's viability statement on page 33.

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 110.

Compliance statement

The Board considers that it has complied with the provisions of the Governance Code throughout FY2026, 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). As noted on page 74, Sir David Grant was first appointed to the Board as an Independent Non-executive Director in April 2012 and has now served on the Board for more than 14 years. He was appointed as Interim Non-executive Chair on 1 July 2024 and as permanent Chair on 8 April 2026 for a period of up to two years. 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 an important period of evolution for the Company. The Board considered that Sir David had consistently demonstrated the competencies and leadership required of the Chair. In addition to his deep understanding of the Company's business and his expertise in engineering, Sir David will be able to serve as a mentor to newly appointed Directors and support the recruitment of a new independent Chair. As noted on page 74, the Nomination Committee conducted a rigorous review of Sir David's independence, effectiveness and commitment before his appointment as permanent Chair, and concluded that he continued to be independent in character and judgement for the purposes of Provision 9 of the Governance Code.
- Provision 11 (that at least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent). As at the date of this report, four of the nine Directors excluding the Chair (44%) are Independent Non-executive Directors, down from 50% following Camille Deer's appointment as a Non-executive Director on 1 September 2025. The Board acknowledges this shortfall but considers that at all times there has been sufficient Independent Non-executive Director oversight on the Board.
- 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 and reported last year, as a result of Board changes that took place in 2024 and the Board's intention to appoint a new Senior Independent Director once a new Chair was appointed, there was no Senior Independent Director in post until 8 April 2026, when Juliette Stacey was appointed to the role, coinciding with Sir David Grant's appointment as permanent Chair.

Sir David Grant
Chair

22 September 2026

Nomination Committee Report

The year in review

FY2026 was an important year for Renishaw for Board and Executive Committee succession.

John Shipsey joined the Board as Chief Financial Officer and Executive Director; Juliette Stacey was appointed to the role of Senior Independent Director; Camille Deer, granddaughter of John Deer, joined the Board as a Non-executive Director; and I accepted the role of permanent Chair for a period of up to two years. More information on Board changes during the year is set out on page 58.

The Executive Committee was further strengthened during the year with the appointment of Clare Nicholls as our new Group Human Resources Director. Clare succeeds Diane Canadine who retired in August 2025. Our three segment directors, Louise Callanan (Specialised Technologies), Derek Marshall (Industrial Metrology) and Steve Oakes (Position Measurement) were also appointed as Executive Committee members.

Meeting Board diversity targets

We improved Board diversity during FY2026. Following the appointment of Camille Deer as a Non-executive Director on 1 September 2025, the proportion of female Directors increased from 33% to 40%. We also appointed Juliette Stacey as Senior Independent Director on 8 April 2026. As a result, the Board meets the UK Listing Rules targets of at least 40% female representation and one senior Board position held by a woman.

As part of our future Board recruitments, we will ensure candidates from broad and diverse backgrounds are included in the shortlist, while continuing to appoint on merit against objective criteria.

External Board performance review

During the year, we engaged Fidelio to conduct an independent review of the Board. I outline the process and results in detail on pages 81 to 82. I am pleased to report that the review confirmed that the Board and its Committees have operated effectively in a period of transition, with Directors demonstrating strong commitment, constructive challenge and an openness to further enhance effectiveness. It also confirmed that the Board has provided the right support to the founder families' representative Directors as they build their understanding of the Company.

The review provided recommendations on areas for improvement, too, including stronger emphasis on topics like strategy and risk. The recommendations are a good opportunity to challenge ourselves to go further, and I'm particularly keen to ensure that we continue to deepen our strategic discussions. By doing so, we can better support the Executive Committee through the shifts in Renishaw's competitive, geopolitical and digital landscape and provide the appropriate challenge to ensure the business is set up for long-term success.

Our priorities for FY2027

Over the coming year, our focus will be on:

- succession plans for senior management and strengthening the pipeline of future talent at Executive Committee level and below;
- monitoring the diversity initiatives and progress against Board and senior management diversity targets;
- continuing our search for a new Chair;
- continuing to monitor progress against the outcomes of the Board performance review in relation to the Committee; and
- reviewing the Board composition and skills, backgrounds and experience.

Sir David Grant

Chair of the Nomination Committee

22 September 2026

Nomination Committee Report continued

Role and responsibilities

The Committee operates under terms of reference, which are published 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, objectives, appointments and link to strategy;
- leading the process for new Board appointments and nominating candidates for appointment;
- reviewing the performance of Directors, and making recommendations to the Board on their re-election at the AGM; and
- overseeing the annual Board performance review process.

Members and attendance

The Committee is chaired by Sir David Grant. The other four members are the Independent Non-executive Directors. Only Committee members are entitled to attend meetings, although the Committee Chair regularly invites the CEO to attend, unless discussions are due to take place about his role. The Committee met on seven occasions during FY2026.

Attendance for each of the members at these meetings is set out in the table below:

Committee member	Attended
Sir David Grant (Chair)	7/7
Juliette Stacey	7/7
Catherine Glickman	6/7
Stephen Wilson	7/7
Professor Dame Karen Holford	7/7

Key activities

The Committee's key areas of focus during FY2026 included:

Skills assessment and succession planning

- Oversaw the selection process and recommended the appointment of John Shipsey as Chief Financial Officer, following Allen Roberts stepping down from his role as Group Finance Director in November 2025.
- Recommended the appointment of Sir David Grant as permanent Chair from 8 April 2026, following a process led by Catherine Glickman as the longest-serving Independent Non-executive Director. Sir David Grant did not participate in the Committee's decision relating to his appointment.
- Recommended the appointment of Juliette Stacey to the role of Senior Independent Director from 8 April 2026.
- Continued the search for a new independent Chair of the Board, under the leadership of Juliette Stacey following her appointment as Senior Independent Director.
- Recommended the appointment and oversaw the induction of Camille Deer as a Non-executive Director.
- Recommended the reappointment of John Deer.
- Reviewed the structure, size and composition of the Board and its Committees.
- Considered succession planning for the Board and Executive Committee.
- Considered the appointment of a new Group Human Resources Director, along with the appointment to the Executive Committee of the Director of Specialised Technologies, Director of Position Measurement and Director of Industrial Metrology.
- Reviewed and supported the creation of a new Group Sales and Marketing Director role on the Executive Committee.
- 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 Board support Directors standing for election or re-election at the 2025 AGM.
- Reviewed and approved the FY2025 Nomination Committee Report.

Board performance review

- Arranged the FY2026 external 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, together with the balance of skills, experience and diversity.

Additionally, the external Board performance review conducted during the year included an assessment of Board composition and the Board's skills. The review confirmed that the Board has strong finance, engineering and innovation expertise, and identified opportunities to further strengthen experience in manufacturing, customer industry and digital technology. The Committee will seek to address these areas through future Board recruitment. The Committee believes there is a healthy mix of tenure lengths that balance experience with fresh perspectives.

The Committee recognises the importance of independent Non-executive Directors in providing effective challenge and oversight. While less than half of the Board are currently independent, this will be taken into account as part of ongoing Board composition and succession planning.

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 September 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 Camille Deer and John Shipsey 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 monitored during the year.

Diversity

The Committee appreciates the benefits that all forms of diversity (including aspects beyond gender and ethnicity) can bring to Board discussions, through wide-ranging perspectives and experience. 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 Group's Equality, Diversity and Inclusion (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 are chosen on the basis that they will present a diverse list of candidates, including women and people from ethnic minority backgrounds.

Under the Group's EDI Policy, the Board is responsible for developing a diverse pipeline for succession to senior management and Board roles, which it does with the help of the Committee. The Board is also responsible for working towards greater diversity at Board level, having regard to the targets set out in the UK Listing Rules (UKLR), being:

- (i) at least 40% of the individuals on the Board are women;
- (ii) at least one of the positions of Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer is held by a woman; and
- (iii) at least one individual on the Board is from a minority ethnic background.

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 is set out on pages 43 to 44.

For the purposes of the UKLR, the gender identity and ethnic background of the Board and executive management (as at 30 June 2026) is reported in the tables on the following page. 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).

Nomination Committee Report continued

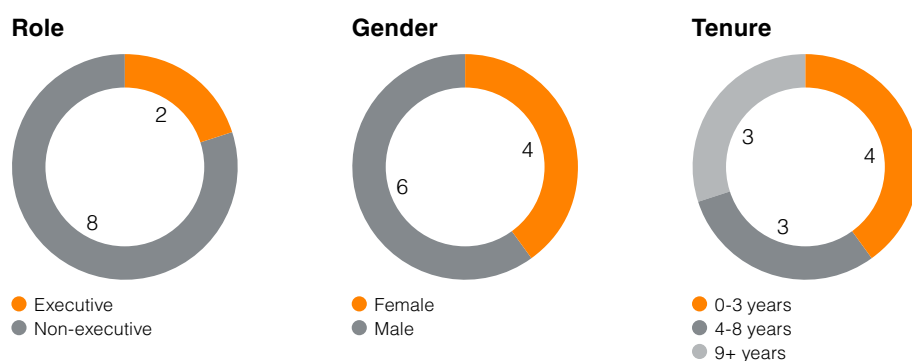
Board diversity

As shown in the table below, during FY2026 the proportion of women Directors increased from 33% to 40% following the appointment of Camille Deer as a Non-executive Director on 1 September 2025, while Juliette Stacey was appointed as Senior Independent Director on 8 April 2026. As a result, the Company met the UKLR targets of 40% women and having one of the senior Board positions (Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer) held by a woman. However, the Company has not yet met the UKLR target of having a director on the Board from a minority ethnic background.

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 while continuing to appoint on merit against objective criteria. By ensuring a diverse range of candidates are included on shortlists for Board appointments, the Committee is hopeful that the Board will align with the remaining UKLR target 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.

Information regarding Board members (as at 30 June 2026)



Gender representation of the Board and executive management as at 30 June 2026

Gender identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, CEO, SID, CFO)	Number in executive management	Percentage of executive management
Men	6	60	3	8	80
Women	4	40	1	2	20
Not specified/prefer not to say	–	–	–	–	–

Ethnic representation of the Board and executive management as at 30 June 2026

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, CEO, SID, CFO)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	10	100	4	9	90
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	1	10
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Senior management diversity

There were some changes in the Executive Committee during the year. Clare Nicholls joined as the Group Human Resources Director on 1 September 2025. In October 2025, Louise Callanan, Director of Specialised Technologies, Steve Oakes, Director of Position Measurement, and Derek Marshall, Director of Industrial Metrology were appointed to the Executive Committee. As a result, as shown in the table on page 80, as at 30 June 2026 the proportion of women on the Executive Committee increased to 20% (30 June 2025: 17%), while the ethnic diversity representation on the Executive Committee decreased to 10%.

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 49 men and 14 women (22%). UK-based senior management consisted of 57 people, of whom 1 (1.8%) self-identified as being from an ethnic minority.

Renishaw has set a target of 40% women in senior management across the Group, and an ethnic-minority target of 10% of UK-based senior management. However, we always knew our targets were ambitious. In FY2027 we will commission a specialist gender equity consultancy to recommend actions for achieving our targets. These targets are also part of our ESG strategy, which is monitored by the ESG Steering Committee. 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. See page 43 for more details.

Board performance review

The Board conducts an annual review of its performance and effectiveness to identify opportunities for improvement. The Board last conducted an external review in FY2023. Internal reviews were subsequently undertaken in FY2024 and FY2025. Accordingly, an external review was conducted in FY2026, in line with the Governance Code.

Progress on key findings from the FY2025 review

The 2025 Annual Report reported on the FY2025 internal Board performance review. Progress on the main outcomes is outlined in the table below.

FY2026 Board performance review

The Nomination Committee commissioned an external performance review of the Board and its Committees during FY2026, in line with the Governance Code. The Chair, supported by the Group General Counsel & Company Secretary, led the selection process for an independent board evaluator, meeting with a number of specialist providers. Following this process, the Board approved the appointment of Fidelio Partners LLP (Fidelio) to undertake the review. Fidelio has no other connection with the Company or its Directors and had not previously been engaged by Renishaw to conduct a Board performance review.

Key findings from the 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.
Progress made in FY2026	A full-day strategy session was held in March 2026. More actions have been incorporated into the broader strategy discussions underpinning the FY2026 Action Plan.	Clare Nicholls, Group Human Resources Director, and our designated employee engagement ambassador and Remuneration Committee Chair, Catherine Glickman, are working on strengthening the Board's employee engagement programme. Following conversations with employees during a visit to China in October 2025, our Non-executive Director Camille Deer shared common themes with the Board.	The Board has appointed John Shipsey as Chief Financial Officer, who brings a deep understanding of the industrials sector and its associated performance drivers.

Key findings and actions from the FY2026 Board performance review

	Strategy	Strengthen Board and Executive succession planning	Board's oversight of risk	Strengthen stakeholder engagement
Actions for FY2027	Continuing to evolve the process for development of corporate strategy between the Executive and Non-executive Directors.	Review and strengthen key capability areas within the Board and Executive skills matrix, to support future succession requirements.	Strengthen Board oversight of risk through scheduled deep-dive reviews of key principal risks, as well as through enhanced risk reporting to the Board.	Develop and review a map of our stakeholder groups, agree who is responsible for engaging with each group, and establish a consistent, effective approach to that engagement.

Nomination Committee Report continued

The review was conducted between January and May 2026 and was facilitated by Gillian Karran-Cumberlege, Head of Board Advisory, and Alistair Stranack, Partner at Fidelio. The scope and objectives of the review were agreed with Fidelio following consultation with the Chair and the Group General Counsel & Company Secretary. Fidelio was asked to conduct a comprehensive assessment of the effectiveness of the Board and its Committees due to a period of significant transition, driven primarily by internal leadership changes and evolving market dynamics.

The review methodology included a detailed questionnaire completed by each Director, followed by individual interviews guided by the responses. Fidelio also conducted interviews with the Group General Counsel & Company Secretary, Executive Committee members, Remuneration Committee adviser and joint corporate brokers, UBS and Peel Hunt. Fidelio observed the operation of the Board and its Committees by attending meetings, as well as a Board strategy session, as silent observers. In addition, it reviewed Board and Committee papers and key governance documentation. The Group General Counsel & Company Secretary ensured that Fidelio had full access to information and appropriate support throughout the process. Fidelio presented its findings and recommendations to the Board in May 2026.

A board effectiveness action plan (FY2026 Action Plan) was compiled and agreed by the Committee for recommendation to the Board based on the performance review's recommendations. A phased implementation plan was then developed, with progress to be reported periodically to the Board and a comprehensive review of delivery against the plan scheduled as part of the FY2027 internal Board effectiveness review.

The external review concluded that the Board operates effectively in discharging its responsibilities. In particular, it highlighted the Chair's steady and effective leadership during a period of transition at shareholder, Board and Executive Committee level. The review also identified a number of areas, as set out in the table on page 81, where further enhancements could be made to support continued Board effectiveness, as well as highlighting the importance of continued progress in areas identified in previous reviews, notably succession planning and employee engagement.

The Group General Counsel & Company Secretary is responsible for tracking the actions and reporting back to the Board periodically on progress made. Fidelio has reviewed the disclosures made in this Annual Report regarding the Company's Board performance review exercise.

Succession planning

Succession planning, both for the Board and senior management, has been a priority for the Committee this year, as described on page 77.

The Committee continues to prioritise the appointment of a new Chair. The appointment of an appropriate new Chair in due course will be critical in preserving the culture and values established by Sir David McMurtry and John Deer, while guiding the Board through the opportunities and challenges ahead.

During the year, the Executive Committee was strengthened through a number of new appointments, as detailed on page 77. The Committee is also supporting the recruitment of a Group Sales and Marketing Director.

Building on the diversity targets for senior management on page 43, 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 Chair in the period of transition before a new Chair joining the Group in due course. In addition to his deep understanding of the Company's business and his expertise in engineering, Sir David will be able to serve as a mentor to the newly appointed Directors. More details of the rationale for Sir David's appointment as permanent Chair are set out on page 74.

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 are discussed with recruitment consultants to ensure they are accounted for when preparing a longlist of candidates for discussion.

Appointing a Chief Financial Officer

Allen Roberts stepped down from his position as Group Finance Director at the end of the 2025 AGM. Overseen by the Committee, a search for a Chief Financial Officer was undertaken.

Having identified the desired skills and experience sought from the new Chief Financial Officer, the Committee engaged Russell Reynolds Associates as external search consultants. Russell Reynolds Associates does not have any other connection with the Company or the Directors, except where it has undertaken previous recruitment processes for other Board positions. It is a signatory of the Voluntary Code of Conduct for Executive Search Firms.

A shortlist of candidates was compiled and, following a comprehensive interview and referencing process, John Shipsey's appointment was recommended to the Board. The Board approved John's appointment as Chief Financial Officer and Executive Director with effect from 13 April 2026. John was given a tailored induction pack and bespoke induction programme, as described on page 75.

These established processes are being used to support future recruitment.

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

Information regarding the inductions for Camille and John 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

22 September 2026

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



Audit Committee Report

Introduction

In what was a strong and productive year for the business, the Audit Committee continued to oversee the preparation of our financial statements and developments to our risk and control environment.

We welcomed the implementation of the updated global finance strategy, including the consolidation of the global finance organisation. We were pleased to welcome our new CFO, John Shipsey, and anticipate further development of our approach to strategy and risk, and of our finance organisation, with his input.

The Committee continued to review and challenge management's approach to financial reporting. In particular, we focused on employee benefits and tax provisioning, and the impact of implementing an enterprise resource planning (ERP) system.

Building on last year's work to oversee the development of the Group's internal control framework, the Committee has this year monitored the shift from developing to embedding, and we achieved key milestones in our programme towards Provision 29 reporting in FY2027.

The Committee monitored the evolution of the Internal Audit strategy, as the scope of the Internal Audit function increased to cover more of the Group's risks, and as we seek to meet the Global Internal Audit Standards.

We led a competitive external audit tender process this year, which resulted in reappointing EY as Renishaw's external auditor. We continue to work closely with our lead audit engagement partner and are satisfied with the effectiveness of the external audit during the year.

We expect the continued progress made in risk and controls to position us well in FY2027, as we embed material control assessments and reporting.

Juliette Stacey

Chair of the Audit Committee

22 September 2026

The role of the Committee and how it works

The Audit Committee has an important role in providing assurance over 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 these activities.

More details of the Committee's work in these areas during the year is set out in this report, and its terms of reference can be found at www.renishaw.com/corporategovernance.

Committee membership and meetings

The Committee members are the Independent Non-executive Directors. The Board considers that, as a whole, the Committee has competencies appropriate to Renishaw's sector and to finance with which to fulfil its responsibilities, including relevant professional qualifications and experience in senior finance roles. The Independent Non-executive Directors' biographies can be found on page 61.

Committee member	Attended
Juliette Stacey (Chair)	5/5
Catherine Glickman	5/5
Stephen Wilson	5/5
Professor Dame Karen Holford	4/5

Committee effectiveness

The effectiveness of the Audit Committee formed part of the Board performance review described on pages 81 to 82. This found the Audit Committee to be thorough in its approach, with robust discussions regarding Provision 29 and the rollout of Microsoft Dynamics 365 in particular.

Key activities

External reporting, including the Annual Report	Risk management and internal control	Internal audit	External audit
— Reviewing the Annual Report and Interim Report before publication. — Discussing and challenging management's assessment of significant judgements, estimates and financial reporting topics. — 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. — Reviewing the effectiveness of internal controls. — Reviewing management's work in preparing for the reporting requirements of Provision 29, including approving the definition of 'material controls'. — Monitoring the introduction of a new global ERP system, Microsoft Dynamics 365.	— Monitoring and informing the continued evolution of the 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 FY2026 audit. — Discussing with EY its progress and findings throughout the audit. — Conducting a review of the effectiveness of EY and its audit process. — Reviewing any non-audit services and the corresponding policy. — Conducting a competitive external audit tender process.

The Committee also oversaw the implementation of the new finance strategy, approved in the previous financial year.

External reporting

Our Committee regularly reviews significant financial reporting matters and judgements made in preparing the financial statements. We also carefully consider the full Annual Report. In all instances, our Committee provides its opinion to the Board and makes recommendations for approval as appropriate, in line with its terms of reference.

Our work this year on these areas of external reporting is set out below.

Significant accounting judgements and estimates

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. We agreed with management's assessment that an impairment of £3.8m was needed in respect of an encoder project, following a reprioritisation of engineering resource to other encoder projects and products in high demand.

Inventories

Description	Our review and conclusions
The Group holds a significant amount of inventory (£181.7m at 30 June 2026). 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 2026, the inventory provision was £27.4m.	We reviewed the year-end provision in both absolute terms and as a proportion of gross inventory, and also compared this to previous periods. Overall, we concluded that the provision was appropriate.

Audit Committee Report continued**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. There can also be uncertainties arising from tax-related case law. There are instances where judgement needs to be applied as to 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 advisers were used to ensure that management had sought appropriate advice. We agreed with management's assessment that provisions for tax liabilities of £6.6m were required (FY2025: £9.2m), with related interest of £5.3m (FY2025: £4.9m).

Defined benefit 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 FY2025. We also confirmed with management that these assumptions had been determined in consultation with independent actuaries. We reviewed management's accounting treatment for matters that may affect past service costs, including discussing professional advice obtained by management. We also reviewed the findings of a detailed review of all schemes across our Group, given the complexity of this area, and concluded that these are being appropriately accounted for at 30 June 2026.

Adjusting items in Alternative Performance Measures

Description	Our review and conclusions
The Group's Alternative Performance Measures (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. The 'adjusting items' are shown on page 180.

We agreed with management's assessment that key estimates and judgements relating to cash flow hedges, goodwill and the recognition of redundancy costs reported in FY2025 no longer represent key judgements or estimates in FY2026. This is for three reasons, respectively:

- our hedging policy largely protects against ineffectiveness and we have not experienced hedge ineffectiveness for several years;
- goodwill is no longer considered to carry a significant risk of material adjustment to the carrying value in the financial year;
- our redundancy costs were fully recognised in FY2026.

Going concern and viability

Our 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 31 December 2027 and 31 December 2029 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.

We also considered the lack of significant external borrowing, the absence of covenants and the current trading performance of the Group. Overall, we 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

Our Committee reviewed significant accounting policies and challenged management's approach to employee benefits and tax provisioning. Following the restatement required in the previous year to recognise a defined benefit pension scheme, we have reviewed management's updated assessment on post-employment benefits in every country. We are satisfied that the FY2026 financial statements reflect these benefits appropriately.

We also reviewed management's approach to presentation and disclosures, including the appropriateness of the APMs.

Climate risk and Climate-related Financial Disclosures

We reviewed this year's Climate-related Financial Disclosures reporting. This included receiving an update from the ESG Steering 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 FY2026 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:

- 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;
- the use of corporate reporting specialists to support the drafting and review of the Strategic Report and Corporate Governance Report; 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 FY2026 Annual Report was fair, balanced and understandable, and the Board's statement is set out on page 125.

Risk 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.

Following the publication of the UK Corporate Governance Code 2024 and the development of our risk and control framework in recent years, preparations are well under way to ensure compliance with the requirements of Provision 29 for the year ending 30 June 2027. During the year, the Committee:

- approved management's definition of a material control;
- discussed and approved a preliminary list of material controls;
- reviewed the outputs of testing the design effectiveness for a sample of material controls;
- approved the methodology for determining material control effectiveness;
- approved the assurance strategy across each principal risk, with highest levels of assurance agreed for cyber security, IT transformation, compliance with laws and regulations, and financial reporting.

We also reviewed updates to key compliance policies, including an updated financial controls manual, a new tax governance framework and a draft anti-fraud policy, and reviewed management's progress with the implementation of the new ERP system.

Audit Committee Report continued

For internal controls over financial reporting (ICFR), the Committee oversees the effectiveness of the approach through a review of the now twice-yearly ICFR self-assessments, and a new testing programme carried out by the Internal Controls team.

For non-financial controls, we oversee the effectiveness of the approach through principal risk owners providing self-assessments to the Committee to say that they are not aware of any significant deficiencies in the key controls for their respective risks. This year we also reviewed the pilot testing for a sample of material controls under the new definition and methodology. Following this review, we challenged management to improve our Know Your Customer and IT programme controls.

A consolidated review of design and operational effectiveness of all material controls will be the basis of the Committee's oversight in FY2027 and beyond. This revised approach has been enabled by the progress made this year in embedding the risk and control framework, and by ensuring that management and the Risk Committee are focused on material controls and all working to a common definition and testing approach.

Whistleblowing

The Committee oversees 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 Internal Audit strategy was updated last year, which included a wider remit across business risks. Internal Audit's work was integrated into the Risk Committee during the year, with the work plan partly informed by that committee. The Audit Committee agreed the team's work plan at the start of the financial year, checking progress against or agreeing changes to this plan during Committee meetings.

This year, the Internal Audit team reviewed our product innovation principal risk, completed its review of production planning processes and reviewed certain legal compliance areas. Risk owners have considered the outcomes of these reviews and integrated them into work streams where appropriate.

The Committee has continued to monitor progress against the updated Global Internal Audit Standards, and acknowledge that more work is needed to reach these Standards.

At the end of each financial year, the Committee assesses the effectiveness of the Internal Audit function. In this review, the Committee considers whether the quality, experience and expertise of the function is appropriate for the business. It also considers the actions management has taken to implement Internal Audit's recommendations. This year's review concluded that while there was no material ineffectiveness of the function in the context of the Group's risk management and internal control framework as a whole, there were areas for improvement and the Committee will oversee progress on these matters in FY2027.

External audit**Appointment, reappointment and tendering**

As a 'public interest entity', we are required to put our external audit contract out to tender at least every 10 years. Having reviewed external requirements and guidance at the May 2025 Committee meeting, we approved a project plan at the July 2025 meeting. Management supported the Committee's work here, and the tender process is set out below.

- A desktop review of potential firms was conducted in September and October 2025, which included a review of the latest FRC Audit Quality Reports.
- From this review, four firms received a request for proposal (RFP) in November 2025, including the incumbent and one 'challenger' firm.
- The RFP outlined the selection criteria, audit scope, key milestones in the process, and more information such as meetings and access to a secure data room.
- Meetings were held between the participating firms and the Audit Committee Chair, and with members of the Finance Leadership Team, in November and December 2025, and each firm also toured our site in Miskin, Wales.
- Management received proposals in early January 2026 and prepared a comparison of these, which was sent to the Committee alongside the proposals themselves.
- Fee proposals, and management's scoring on the agreed assessment criteria, were provided separately so that the Committee could review the proposals in isolation. The assessment criteria covered audit approach, audit service, capability and competence, and behaviour and deliverables. Fees were considered from the perspective of whether they supported the proposed audit approach and scope, and whether they were transparent.
- Following review of the proposals, a shortlist of three firms was invited to in-person interviews with the selection panel of three Committee members. These interviews took place in London in February 2026 and were supported by the Interim Group Finance Director and Group Financial Controller.
- The selection panel carefully considered the proposals and the in-person interviews, and we kept the other Committee member informed of progress. After robust discussions, we agreed recommendations for the Board.
- At the March 2026 Board meeting, the Committee recommended two of the shortlisted firms, and the Board agreed to reappoint EY for the FY2027 audit. EY's proven audit quality was a key factor in this decision.

Independence and objectivity

Both the Group and EY act 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 £46,000. 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 UK Sales Limited.

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. As the Committee Chair, I meet 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 (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 FY2026 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 Annual Review of Audit Quality, published in July 2026.

The Committee also confirms that it met all the relevant requirements of the Standard in FY2026.

After considering these matters, our 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 25 November 2026.

Juliette Stacey

Chair of the Audit Committee

22 September 2026

Directors' Remuneration Report

Committee Chair's statement

I am pleased to present the report of the Remuneration Committee for the year ended 30 June 2026.

Introduction and context

Our Directors' Remuneration Policy was last approved by shareholders in November 2023 and is scheduled for renewal at the forthcoming AGM. As a Committee, we have spent significant time over the past year considering the current policy design and evaluating how effectively it aligns executives with driving business performance and sharing in success through their reward. Our conclusion is that changes to the Policy are required to drive sustained growth, to encourage long-term decision-making in pursuit of shareholder value creation, and to ensure our Policy is capable of securing and retaining the right calibre of talent for future success.

Full details of our activities to consider changes to our current Remuneration Policy are summarised in this letter and are explained in further detail on pages 94 to 98, followed by the proposed new Policy, which we will be asking shareholders to support at the AGM.

Our Remuneration Policy review

We identified three goals to underpin our Policy review process:

- 1 Strengthen the linkage of reward to our strategy.** Renishaw is a business founded on innovation, and our ability to accelerate innovation to drive future growth is key to future success.
- 2 Ensure market competitiveness.** We wanted to assess the competitiveness of our existing arrangements and understand any quantum and/or structural variations to prevailing market practice.
- 3 Drive alignment of executives with the shareholder experience.** We believe that executives should be materially aligned to the business they lead and wanted to understand the progress of our current approach in developing and maintaining appropriate levels of shareholding.

Our findings and reference points

Our existing Policy already acknowledges differences compared to prevailing market norms, in particular the absence of a long-term incentive plan within our reward structure. Market insight – provided by our remuneration consultants – confirmed that a structure solely reliant on an annual bonus was highly unusual, but also that the overall resultant target levels of reward were materially below market practice against each of the different comparator groups we considered. Full details of the market insight we reviewed are provided later in this report.

These findings were also borne out by our own experience of bringing external talent into the business.

Our current and previous Remuneration Policies reflected the fact that the founders of the business – John Deer and the late Sir David McMurtry – were Executive Directors prior to becoming Non-executive Directors in 2020 and 2024 respectively, with direct controlling shareholding of the business. The context for our current Executive Directors is different to our historic founder appointments: we wanted to ensure that our reward design encouraged leaders to take a long-term mindset to investing in research and development, bringing profitable new technologies to the market.

Finally, we reviewed the shareholding in Renishaw of our CEO, Will Lee. The current incentive approach – an annual bonus coupled with some mandatory share deferral – has enabled Will to align to the shareholder experience through Renishaw share ownership, but the level held was below our stated guideline level at the end of FY2025 (81% of salary vs a guideline of 200%). For an executive who has been in role for eight years, we would like a structure that generates a stronger alignment through shareholding, subject to associated performance delivery.

Proposed changes

These findings meant that we believed that changes were required to support us in achieving our stated goals. We developed a number of alternative approaches and evolved a straw-model for amendments to our Policy, most importantly to introduce a Long-Term Incentive Plan for our senior leaders. This was something already allowable under our Policy for new joiners, but not permissible for incumbent Executive Directors.

We discussed these proposals across our shareholder base; this report shows the range of feedback we received and how we have used it to evolve and shape our final proposed Policy. I would like to thank all shareholders and proxy voting agencies who contributed to our engagement process and who shared their views and perspectives on proposed changes.

In summary, our key proposed changes are:

- **Introduction of a Long-Term Incentive Plan (LTIP)** for senior leaders in the business. This will take the form of awards of Performance Shares with vesting based on Company performance against defined targets over a three-year period, with a holding period post-vesting for Executive Directors of two years. Maximum awards permissible would be 225% of salary. We do not intend to use this level for awards in FY2027, maintaining headroom within our Policy for the future, as needed. Our intention is to cap awards for FY2027 at 200% and 175% of salary for the CEO and CFO respectively.
- **Reduction in annual bonus opportunity** permissible under the Policy. This is currently 225% of salary and will reduce to 175%. Again, we do not intend to use this full opportunity for FY2027, with maximum awards for each Executive of 150% of salary. (This represents a reduction from 200% of salary for Will compared to FY2026, alongside the introduction of the LTIP).

Illustrations of the expected impact on target levels of remuneration are shown on the following pages. They increase our target reward position from below lower quartile against identified comparator groups to around market median, conditional on delivery against the performance targets we have set.

We have discussed with shareholders the absolute change in the level of target reward for the CEO under the new Policy, and the expected associated cash flow impact as a recipient under the Policy. We have looked to adopt a path to support change that is fair to the incumbent, combining a reduction in annual bonus quantum with reduction (but ongoing mandating) of bonus deferral into deferred shares, all alongside the introduction of an LTIP. Our approach rebalances the overall reward package towards sustained long-term delivery without an expected cash flow disadvantage to incumbents.

Our assessment is that the revised target remuneration levels are appropriate, and note that any value realised from LTIP awards is only realisable five years from the point of grant. We considered whether any additional actions were required through a transition, such as interim additional awards of shares or a staged approach to quantum change. Both approaches were discounted by the Committee having heard feedback from shareholders, and a belief that a five-year horizon was already a substantial timeframe for changes to be realised.

The new Policy consciously includes additional potential headroom within the incentive opportunity, which will not be used during FY2027. This allows us to further evolve quantum if needed to ensure ongoing market competitiveness over the life of the next Policy or to reflect significant increases in business scale and complexity.

We have also taken the opportunity to strengthen our shareholding guideline through the new Policy. It will remain at 200% of salary for each Executive Director for FY2027, and will be increased further to align with LTIP award levels if, at any stage over the life of the Policy, an award level of greater than 200% (up to the Policy limit of 225%) was awarded to an Executive.

We will also use the introduction of the LTIP to simplify some other aspects of our Policy; full descriptions of these changes are provided on page 94. Many changes reflect the previous absence of an LTIP, and were design variations to prevailing market practice that we no longer feel are needed, given the rebalancing of overall reward design.

Reward outcomes for FY2026 for Executive Directors and Senior Leadership Team members

FY2026 has been a strong year for the business. We experienced high demand from semiconductor and electronics manufacturing, and aerospace and defence, resulting in revenue growth over FY2025 of 14.4% and Adjusted profit before tax growth of 32.1%.

The annual incentive was weighted 80% towards Adjusted PBT and 20% against defined strategic metrics. Our final Adjusted PBT outcome of £168.0m exceeded the maximum profit target on the scale set at the start of the year, resulting in maximum awards under this metric (80% out of a possible 80%).

We are pleased that this superior profit delivery was also accompanied by robust performance against the strategic metrics we set (which are disclosed in detail later within the report). These covered key areas such as successful delivery of product launches during the year, operational excellence delivery and a range of ESG-linked metrics. Our final assessment for strategic metrics was an award of 15.5% out of the 20%, resulting in total awards of 95.5% of maximum, the highest seen for a number of years.

Will Lee was the only Executive Director who participated in the Annual Bonus during FY2026. Senior Leadership Team members are aligned in the same way to Company performance and experienced similar outcomes (as a percentage of maximum opportunity available).

We were satisfied that the formulaic outcomes under our annual incentive were a fair reflection of actual business performance and no discretion was used by the Committee to modify them. Additionally, we have comprehensive malus and clawback policies in place, as expected under the UK Corporate Governance Code. These were not used over the reporting period and would be subject to disclosure in the event they were used in the future.

As required under our existing Policy, 62.5% of the total award will be deferred into shares for three years for Will, with half subject to enhanced recovery provisions. This will be considered, as in prior years, through a subjective assessment by the Committee, considering business and personal performance over the three-year deferral period. We will make this determination looking to ensure that awards made following the end of FY2026 are a fair reflection of underlying performance of the business over the next three years.

Wider workforce reward and bonus awards

We reviewed the latest gender pay gap disclosure covering our UK employees and noted a further reduction in our pay gap year on year. Our mean pay gap currently stands at 16.1% having reduced from 25.6% in 2018. We see growing numbers of women in our upper pay quartiles, and while there is more progress to be made in Renishaw (and across our industry sector more broadly), these are positive steps in the right direction. Ensuring higher participation levels of women in middle and senior levels of the business is a key driver of further reductions in our pay gap.

The business continues to invest in reward and seeks to drive fairness in the way people are remunerated. During the year the Committee received updates on reward, highlighting current competitiveness of certain employee groups, and reviewing proposals for future changes.

The Committee reviewed proposals for investment in base pay with reviews effective for most employees from January 2026. The overall average investment was 3.8%, ahead of the increase made to our CEO of 3%.

Directors' Remuneration Report continued**Committee Chair's statement** continued

In line with our historic practice, the business sets aside an agreed share of our profits to award to eligible employees through our profit share arrangement, which was reviewed and discussed with the Committee. Given our superior profit delivery in FY2026 overall awards are materially higher than in FY2025, with a minimum award for UK colleagues of £1,000 (prorated), exceeding the minimum applied in the prior year of £900. We made the decision to increase the formulaic profit share calculation to recognise the contribution of staff to the impressive performance across the global business. Individual awards under the profit share are determined based on the seniority of individuals and their respective performance during FY2026.

Proposed implementation of Policy for FY2027 and beyond

Current salaries as at end of FY2026 for Will Lee and John Shipsey were £787,470 and £525,000, respectively. These will next be reviewed in December 2026, with any changes effective from 1 January 2027. Changes will be considered with reference to the wider level of pay investment across our UK employees.

We have used our Policy review to simplify the implementation of the Annual Bonus, and reflect changes informed by feedback we received through shareholder consultation.

Key changes include:

- adjusted profit delivery will continue to be our primary performance metric (60% of overall assessment);
- increased weighting linked to the cash conversion metric (from 2% to 20%);
- use of fewer strategic metrics, each with a larger minimum weighting than in prior years, covering ESG and product launches;
- adjustments to deferral levels to drive consistency and interaction with our shareholding guideline for Executive Directors; and
- reduction in opportunity level for our CEO (from 200% of salary to 150%).

Subject to shareholder approval at the November AGM, we will make the first awards of Performance Shares under our LTIP linked to the three-year performance period beginning 1 July 2026 and ending 30 June 2029 (FY2027–FY2029 inclusive). Targets have been set covering Adjusted earnings per share (EPS), Return on invested capital (ROIC) and Strategic metrics. Details of the choice of performance metrics, associated weightings and the targets are included in the Annual Report on Remuneration.

We are also seeking approval at this year's AGM for a new share plan to enable the granting of LTIP awards and future deferred bonus share awards to senior leaders in the business. This reflects the new Policy and typical practice. A summary of the principal terms of the new rules will be included in the Notice of Annual General Meeting.

Conclusion

The proposed Remuneration Policy has been considered in depth by the Committee and through shareholder discussions. We believe it strengthens the alignment of our executive leadership to our strategy and encourages them to make long-term decisions in the interest of shareholders, accelerating innovation into future returns. We have heard clear support for the proposed changes to our Policy. I would like to thank all shareholders for their constructive input to our process and for enabling us to evolve and finalise our Policy proposals, which I hope you will support at our forthcoming AGM.

Catherine Glickman

Chair of the Remuneration Committee

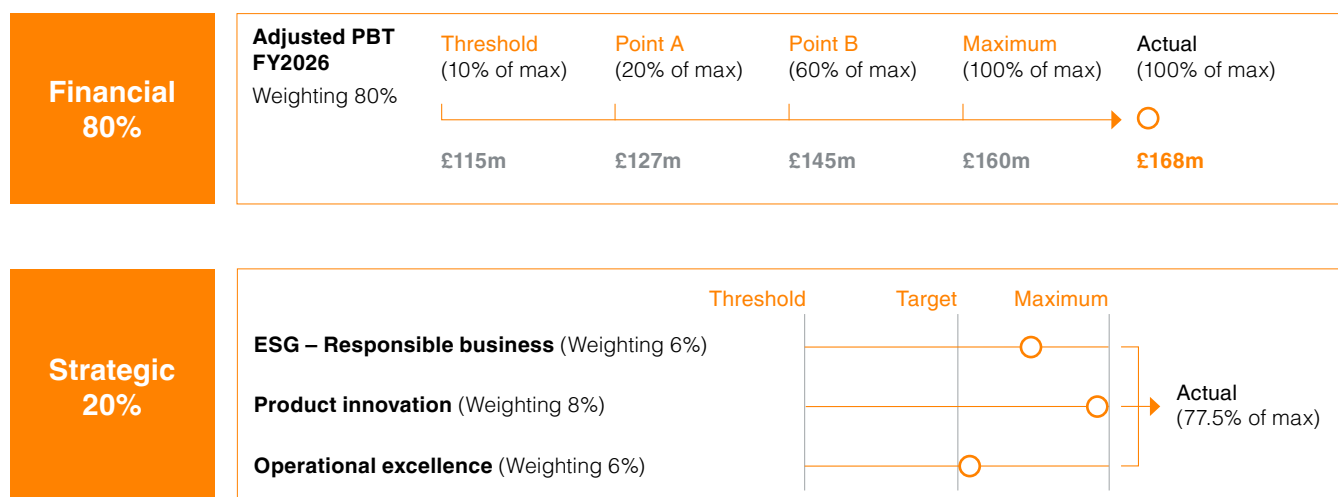
22 September 2026

Remuneration at a glance FY2026

Reward outcomes for FY2026 – alignment of pay and performance

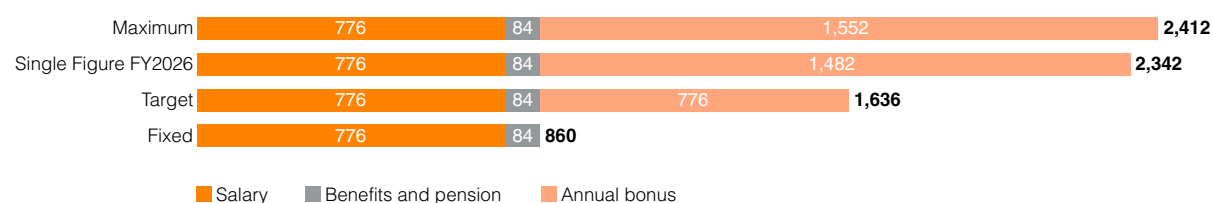
FY2026 annual bonus

Details show annual bonus outcomes for Will Lee, Chief Executive Officer. He was the only Executive Director participating in the Annual Bonus during FY2026.



- Overall award **95.5%** of maximum
- Overall Bonus outcome = **£1,482k**
- In line with current Policy, 62.5% of award deferred into shares for three years, with half subject to enhanced recovery provisions.

Outcomes vs Policy Scenarios (CEO) £k

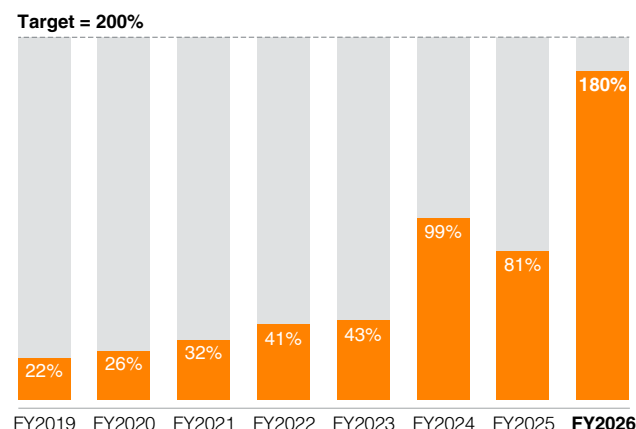


Single Figure history

Single Figure – CEO		
	FY2026	FY2025
Base Salary	£776k	£752k
Pension and benefits	£84k	£105k
Annual Bonus	£1,482k	£619k
Total	£2,342k	£1,478k

Reduction in benefit values reflect alignment of pension contribution to prevailing rate of UK workforce effective 1 January 2025.

Shareholding progression (CEO)



Directors' Remuneration Report continued

Remuneration at a glance FY2026 continued

Proposed remuneration design for FY2027

Policy implementation for FY2027 – Executive Directors

Details show planned implementation of our Remuneration Policy during FY2027. Introduction of Long-Term Incentive Plan awards are subject to approval by shareholders of revised Remuneration Policy at 2026 AGM.

Fixed remuneration

	CEO	CFO
Salary	CEO salary as at 1 July 2026 = £787,470	CFO salary as at 1 July 2026 = £525,000
	(Salaries will next be reviewed effective 1 January 2027.)	
Pension	9% of salary, aligned to the prevailing rate of the UK workforce.	
Benefits	Range of benefits including car allowance, private health care, permanent health insurance and life assurance. No changes to core benefits provided from FY2026.	

Variable remuneration

	CEO	CFO
Annual bonus	Maximum 150% of salary	
	Assessment: Financial metrics (80% weighting) and Strategic (20% weighting). Delivery: Mandatory deferral of part of awards into shares for three years: 50% deferral (reducing to 33% when shareholding requirement is met at point of award).	
Performance Share Plan (PSP) awards	Award of 200% of salary	Award of 175% of salary
	Assessment: Financial metrics (80% weighting) and Strategic metrics (20%). Delivery: Vesting after three years, with shares subject to further two-year holding period.	

Linkage of performance measures to strategy

Strategic theme		Performance measure	Annual bonus	PSP
Product innovation	Launch and commercialise new products to strengthen our market position.	Product launch delivery	■	
		Driving innovation		■
Operational excellence	Well-run business with efficient processes.	'One Renishaw'		■
ESG	Responsible business that takes care of our people and planet in line with our values.	CO ₂ e intensity reduction	■	
		Employee engagement	■	
Growth	Organic growth generates the profits for us to reinvest in our future.	Adjusted operating profit growth	■	
		Cash conversion	■	
		Return on invested capital (ROIC)		■
		Adjusted earnings per share growth		■

Remuneration Policy

Approaching our Policy review

The Committee acknowledges our existing Remuneration Policy differs in approach to prevailing market practice. The current policy reflects the history of Renishaw as a business led by its founders who were Executive Directors, became Non-executive Directors and were direct controlling shareholders. This changed with the sad passing of Sir David McMurtry in December 2024 and the establishment of Deltam Holdings Limited, a joint family holding company, in November 2025.

Whilst the existing Policy contains provisions to make changes for new appointments, we believe that it is important to consider the design and competitiveness of reward for all participants, including incumbent Executive Directors.

We agreed a set of guiding principles to support our discussions and considerations:

Guiding principles

Design	Evaluation	Implementation
- Align and motivate leaders towards collective goals and enable them to share in success generated. - Support investment in innovation for the future to drive growth. - Encourage a long-term performance mindset, built around creation of shareholder value.	- Understand market competitiveness of existing reward structure and current variations to market practice. - Have honest and open conversations around performance metrics, including our ability to set long-term targets with confidence. - Engage and listen to our shareholders carefully, understand their views and preferences, and be guided by what we ultimately believe is right for Renishaw. - Ensure future Policy motivates incumbents but could also attract the right calibre of talent when needed (whether from within or externally).	- Look for simplicity: to ensure understanding and build trust of leaders. - Ensure that future design motivates leaders both annually and over the longer term. - Manage any change for incumbent employees openly and sensitively.

Finally, we determined that any change should fulfil the following goals:

Appropriate link with strategy	Ensuring market competitiveness	Alignment with shareholders
Seek opportunities to strengthen the alignment of reward to our stated strategy, rewarding sustained business delivery.	Ensure our reward is appropriately placed against the market.	Continued belief that senior leaders should have significant alignment to the shareholder experience through material shareholding in the business.
Context for goal Existing use of Annual Bonus (only) has scope to incentivise short-term delivery and not prioritise investment in pursuit of future sustained growth.	Context for goal Absence of long-term incentive plan for incumbent Executive Directors (but with existing scope within current Policy for inclusion for a new hire). Current target reward package for CEO below lower quartile against identified comparator groups.	Context for goal Actual shareholding level for existing CEO is below the stated guideline of 200%.

Directors' Remuneration Report continued

Remuneration Policy continued

Defining comparator groups

We considered two comparator groups to understand the competitiveness of current Renishaw Executive Director reward against the market, both in terms of expected quantum and the underlying mix of elements of the reward package.

Existing CEO remuneration vs comparators

	Industrial peers group	FTSE 250 subset
Group characteristics	An original group reviewed contained 19 UK listed industrial companies, including some both far larger and smaller than Renishaw. We evolved this to look at a subset of 11 companies between one third and three times the scale of Renishaw (based on average market capitalisation over the prior 12 months). Renishaw was placed just below the median of this group based on market capitalisation. The companies were: — Renishaw, Chemring, Rotork, Vesuvius, Oxford Instruments, Spirax, Bodycote, Weir Group, IMI, Qinetiq, Spectris and Babcock.	Contained FTSE 250 companies with 12-month average market capitalisation between £1.5bn and £3bn, excluding financial services companies. Renishaw's 12-month market capitalisation average at point of analysis was £2.2bn, just above the median of the group (£2.1bn).¹
Renishaw CEO (target reward)	Target reward level of £1,645,000 (based on annual salary of £787,000, pension contribution level of 9% and target annual bonus of 100% of salary, with no LTIP).	
Resulting market insight (target reward) ²		
Structural observations (Renishaw vs comparator group)		
Overall insight	Target reward levels for CEO were below desired positioning, and with a heavy skew towards annual performance only, in contrast to prevailing market practice.	

1 We took a long-term approach to considering the market capitalisation of Renishaw against comparators, using 12-month averages through to December 2025. It is noted that the current market capitalisation of Renishaw is well in excess of these levels, and was £3.7bn at 30 June 2026.

2 This was defined as the value of annual salary and pension, plus the expected or target value of annual bonus awards and long-term incentives (where used).

Insight for CFO Role

Similar conclusions were found when reviewing reward arrangements of the previous CFO against market data, and were used to inform the design and implementation of the package for our current CFO (John Shipsey) when he joined the business in April 2026. Full details of his reward arrangements are covered within the Annual Report on Remuneration. We noted that, of the shortlisted external candidates for the CFO position, all had been participants in long-term incentive plans in previous companies, and this was an expected constituent of a potential reward package.

Our conclusions and goals of change

Our conclusion was that changes were required to enable us to address our desired goals. While we had some flexibility under our current Policy to support CFO recruitment (or that of another Executive Director), we were concerned around the overall target remuneration levels for our CEO vs market comparators, and the potential for subsequent package variation across our executive team. Our vision was for something that united people towards common business goals. We believe that we should make changes to the Policy to recognise the change in the Executive Director roles, and that of the Executive Leadership team more broadly. The new Policy will reinforce the vision and values of the founders, with the focus on long-term innovation of products that are valued by our customers, responsible investment and cash management, delivering organic growth and sustained profitability.

Shareholder engagement

We discussed our proposed changes with family members, including the Directors of Deltam Holdings Limited, and also approached our top 13 institutional shareholders. In total, this covered around 75% of our issued share capital. Additionally, we engaged with shareholder proxy agencies to discuss our proposals.

To support discussions, we shared an outline of proposed changes for discussion and input including:

- introduction of a performance-based LTIP, delivered in shares with vesting subject to performance against targets;
- rebalancing of CEO reward (lowering Annual Bonus opportunity alongside introduction of an LTIP);
- standardised deferral of 50% of Annual Bonus award earned for Executive Directors into Company shares (reducing to 33% where shareholding guidelines were met or exceeded).

What we heard through consultation

Themes through consultation	Key discussion topics	The way we have reflected shareholder discussions within our proposed Policy
LTIP introduction	— Change for incumbent CEO. — Transition to combination of Annual Bonus and LTIP.	Reduction in Annual Bonus opportunity for CEO for FY2027 to 150% of salary (from 200% in FY2026), with a reduced level of deferral into shares (from 62.5% to 50%, or 33% where shareholding requirement met). This is designed to preserve cash flow to Will through the change, subject to performance delivery. Overall target levels of reward increase to around market median levels. First PSP performance period is FY2027–FY2029 inclusive, with shares vesting subject to further two-year holding period.
Strategic assessment within Annual Bonus	— Use of strategic metrics (including ESG). — Removal of formal underpin requiring threshold profit attainment before any awards made under strategic elements.	Some investors sought confirmation that ESG metrics would remain within incentive assessment. We will include this within Annual Bonus assessment for FY2027. Another theme was a desire to have fewer metrics within the overall design, so that key deliverables were highlighted rather than a very detailed scorecard. We have reduced the number of metrics within the Annual Bonus for FY2027, with a minimum weighting of 5% of the total opportunity for any individual metric. We will continue to retain an overriding ability for the Committee to adjust award outcomes and override formulaic outcomes.
Long-term assessment metrics	— Choice of metrics. — Approach to strategic assessment. — Absence of Total Shareholder Return (TSR) as a proposed performance metric.	Shareholders were supportive of the range of metrics and the balance this created. We heard endorsement for the respective combination of EPS and ROIC performance and agreed an EPS weighting of 50% and a final ROIC weighting of 30% as part of our implementation for FY2027 (an increase from the 25% weighting we initially discussed). Several shareholders highlighted a desire for inclusion of a TSR metric, which would align with typical market practice. We have discussed this point in depth as a Committee and have decided not to include this within the proposed structure. We want metrics where delivery is based on achievement within the control of Renishaw participants, rather than by reference to relative performance against others. We believe this will be motivational for participants, and, through analysis, have found very few companies that would represent effective comparators to Renishaw for TSR assessment. We have decided to use two strategic elements to determine assessment for the FY2027 PSP awards: covering innovation and operational excellence. More details are provided later in the report, and we believe that these are aligned with our stated strategy and provide the right balance of motivation to senior leaders across the business.
Long-term assessment targets	— Performance through the economic cycle.	We discussed the way we set targets for EPS delivery with a desire to reward sustained earnings growth over the medium term in line with our stated growth aspirations. We will look to set targets in line with our external guidance, while recognising that volatility of EPS outcomes in particular years may make some three-year performance periods more stretching than others, reflecting the base-year performance. We will assess ROIC delivery based on the average performance over the respective three-year performance period, with actual targets set with reference to our externally stated guidance.

Directors' Remuneration Report continued

Remuneration Policy continued

What we heard through consultation continued

Themes through consultation	Key discussion topics	The way we have reflected shareholder discussions within our proposed Policy
Deferral into shares of Annual Bonus awards	— Extent of deferral of bonus awards into shares. — Interaction with minimum shareholding requirement. — Removal of 'enhanced recovery provisions' for share awards to CEO from FY2027.	Conversations covered evolving market practice around reductions and, in some cases, waiving of deferral requirements once minimum shareholder guidelines had been met. Many shareholders were keen that deferral remained in place, and we heard support for an approach whereby deferral levels were standardised with further reduction where shareholding guidelines were met. Shareholders indicated this felt a robust balance alongside the introduction of a new LTIP. Our proposals maintain and standardise deferral into shares at 50% of the bonus earned (with a reduction to 33% where shareholding guidelines are met or exceeded by the individual).
Post-cessation Policy	— Tapering of post-cessation holding requirement within existing Policy.	Removal of tapering of post-cessation requirements after 12 months. Therefore any future Executive Director leavers will be required to maintain their shareholding requirement for two years post-cessation of employment (or actual shareholding at exit if lower).

Key changes of our proposed new Policy

Proposed Policy change	Intended route to implement for FY2027
Introduction of an LTIP for all Executive Directors. Maximum permitted awards of 225% of salary. Vesting after three years with vested shares subject to further two-year holding period. Awards made as Performance Shares, with vesting linked to attainment against targets set at start of performance period. Malus and Clawback provisions attached to awards (as disclosed in more detail within notes to the Policy table).	— Subject to approval from shareholders at the November 2026 AGM, we will make first award with performance targets based on the three-year period beginning 1 July 2026 (FY2027–FY2029). — LTIP award levels for CEO of 200% of salary, and 175% of salary for CFO. — The long-term incentive award will be made following the November AGM. We will make this using prevailing salaries of participants at the time of award and use the same share price as was used to determine the deferred annual bonus award for Will in respect of his deferred Annual Bonus award from FY2026 (scheduled to be awarded in October 2026). — These awards will vest (to the extent of performance achieved) in October 2029 (aligned to the vesting date of the Annual Bonus award) and we then expect to align all grants and vestings to occur at the same point in future years. — Any awards vesting from the Long-Term Incentive Plan will be subject to further two-year holding period before scheduled release.
Reduction in maximum level of Annual Bonus permissible under Policy (from 225% to 175%).	— Maximum award level of 150% for FY2027 for both Executive Directors.
Deferral of Annual Bonus into shares standardised for Executive Directors at 50% of award (reducing to 33% where shareholding guideline met at point of award).	— 50% of Annual Bonus earned deferred into Company shares for three years (reduced to 33% if shareholding guideline met at point of award).
Removal of formal underpin whereby no awards could be made under strategic metrics if a threshold level of profit is not met.	— We will remove this underpin but continue to retain overriding ability for the Committee to adjust award outcomes and override formulaic outcomes.
Clarification of shareholding guideline.	— Requirement of 200% of salary (or level of PSP award in event this is higher during the life of the Policy). — Assessed based on average share price over last quarter of the respective financial year (rather than year-end share price).

There are a number of additional changes we have made to the way we will implement the Policy (not to the Policy itself) designed to drive simplicity, transparency and operational efficiency. These are described within the Annual Report on Remuneration.

How our proposals reposition target reward levels for our CEO

These changes mean that the reward structure more closely aligns with our strategy and wider market practice, with the majority of variable reward linked to three-year performance delivery. The reduction in Annual Bonus combined with the introduction of a long-term incentive plan means that overall target levels of reward are higher, with target reward levels moving to around median against the comparator groups we identified, as shown below.

Incentive design for CEO – FY2027

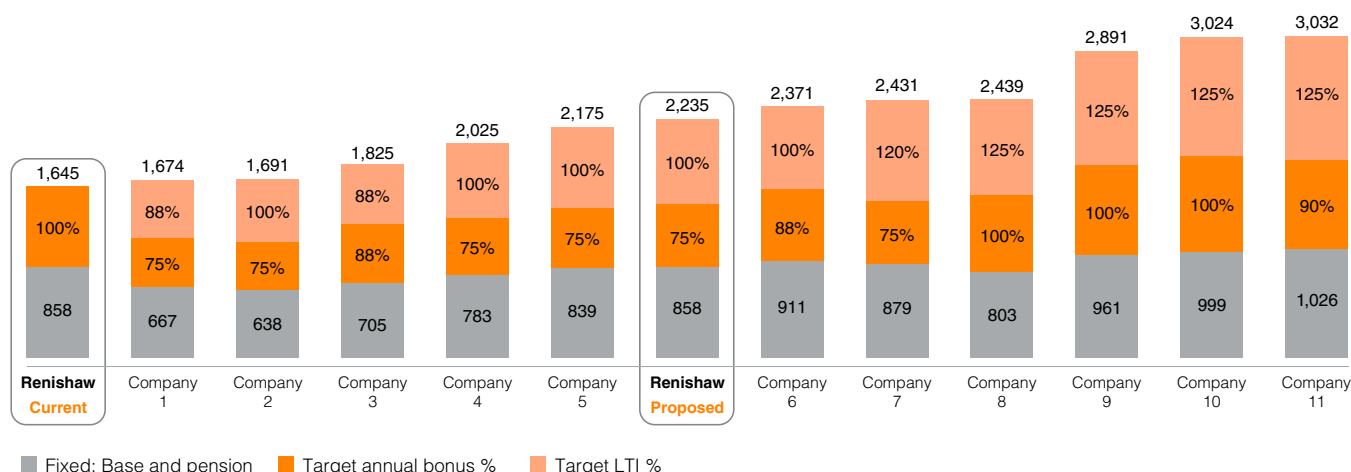
Introduction of long-term incentive from FY2027, coupled with reduction in annual bonus opportunity.

Current – FY2026 Annual Bonus only	FY2027 Implementation Balance of Annual Bonus + Performance Share Plan Award	
Annual Bonus: Maximum = 200% of salary Assessment weighted 80% to profit delivery, 20% to annual strategic metrics Compulsory deferral of 62.5% of award into shares	Annual bonus: Maximum = 150% of salary Weighting: 80% financial metrics, 20% strategic 50% of award deferred into Company shares for three years (reduced to 33% where shareholding requirement met)	Performance Shares (PSP): Grant = 200% of salary Weighting: 80% financial metrics, 20% strategic Shares vest after three years, followed by two-year holding period
Current target total Remuneration £1,645k	Future target total Remuneration £2,235k	

CEO Target Remuneration

Current and Proposed Vs Comparator Group £k.

Shows industrial group comparator companies 1/3rd to 3 x Renishaw market cap.



CEO Target Remuneration	Industrials group £k	FTSE 250 excluding Financial Service £k (market cap £1.5-3bn)
Lower quartile	1,792	1,751
Median	2,273	2,368
Upper quartile	2,552	3,001

Notes/assumptions

- Renishaw target reward assumes 50% of Annual Bonus opportunity and 50% vesting of PSP award
- Shows reduction of Annual Bonus opportunity for CEO from 200% to 150% from FY2027, alongside introduction of PSP award
- Renishaw current CEO target reward = £1,645k. Proposed target reward = £2,235k
- Market data was analysed in December 2025 and does not reflect any subsequent changes to reward within comparator organisations.

Directors' Remuneration Report continued

Remuneration Policy continued

Remuneration Policy**Introduction**

This section of the Directors' Remuneration Report sets out the proposed Directors' Remuneration Policy of the Company (see pages 100 to 109 inclusive), to be approved at the 2026 AGM. If approved by shareholders, this Policy will come into force after the 2026 AGM, for a period of up to three years. The 2026 Policy was determined by the Committee after reviewing market practice and the alignment of the existing Policy to Company strategy, and after an extensive consultation exercise with shareholders earlier in 2026.

To ensure conflicts of interest are managed, the Committee ensures no Director determines the Policy regarding their own remuneration. The specific way we propose to implement this Policy for FY2027, subject to Shareholder approval at our AGM in November 2026, is provided in our Annual Report on Remuneration, beginning on page 110.

Policy objectives

Our objectives are to ensure that our Remuneration Policy:

- can attract and retain Directors of the calibre needed to lead a complex and international business such as Renishaw;
- avoids unnecessary complexity, so that all stakeholders (including participants) are clear on any performance targets set and what they need to do to achieve them;
- encourages a long-term mindset and associated decision-making, designed to link reward outcomes to sustainable growth delivery and value creation for shareholders, consistent with the Company's purpose and values;
- considers and is commensurate with pay and reward across the Group; and
- has appropriate mechanisms to ensure that reward outcomes are determined and finalised in the context of wider business performance and the shareholder experience.

Proposed Remuneration Policy table for Executive Directors

Base salary	
Purpose and link to strategy	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.
Operation	Salaries are normally reviewed and set annually and effective from 1 January in line with the effective date for the wider workforce. Base salary is set in the context of pay for similar roles in industrial peers and in UK-listed companies of similar size and complexity.
Opportunity	Base salary increases will normally be capped at the level of salary increases for the broader workforce in the Executive Director's home market, unless the Committee in its absolute discretion determines that circumstances warrant a higher increase. Example circumstances include: — to reflect a significant change in a Director's role or responsibilities; — if (in shareholders' interests) a Director was intentionally appointed on a salary that is below what the Committee considers to be the appropriate level of market salary and their subsequent performance in the role warrants a higher salary increase; or — if a Director's salary is no longer market competitive due to significant market movements. The rationale for any such higher increase will be disclosed in the relevant annual report on remuneration.
Performance measures	Not applicable.

Proposed Remuneration Policy table for Executive Directors

Benefits	
Purpose and link to strategy	To provide market-competitive benefits that motivate and retain Executive Directors and enable them to give maximum attention to their role.
Operation	Benefits provided on an ongoing basis include: — a car or car allowance; — private medical insurance; — life assurance; and — long-term disability cover. If, on the appointment of a new Executive Director, relocation is required to the Director's place of work, reasonable and proportionate relocation support may be provided. Additional benefits may be provided in the future taking into account individual circumstances, including but not limited to payment of financial and adviser fees, expatriate allowances, housing allowances and tax equalisation. This may include a gross up to reflect any tax or social security due to reimbursed expenses. If the Company establishes an 'all employee' share plan, any Executive Director may participate on the same basis as any other qualifying employee.
Opportunity	The maximum level of benefits will be set at a level that the Committee considers appropriate, taking into account the nature and location of the role and the individual circumstances of the Executive Director. Benefits in respect of the year under review are disclosed in the Annual Report on Remuneration.
Performance measures	Not applicable.
Pension	
Purpose and link to strategy	To provide a pension contribution/allowance in line with the wider workforce of the local market of the Executive Director and to motivate and retain Executive Directors of the required quality to meet the Group's objectives.
Operation	Executive Directors receive pension contributions into the Company's defined contribution scheme, or all or part delivered as a cash allowance paid in lieu. Will Lee is a deferred member of the Company's defined benefit scheme, which closed for future accruals on 5 April 2007.
Opportunity	The maximum contribution to the defined contribution scheme or, where applicable, additional salary payment in lieu of contributions, is set at a level not exceeding that available to the majority of the wider UK workforce or the local market of the Executive Director (currently 9% of base salary in the UK). The Committee retains discretion to determine the approach and calculation of the wider workforce pension level, including, if relevant, the methodology for international directors.
Performance measures	Not applicable.

Directors' Remuneration Report continued

Remuneration Policy continued

Proposed Remuneration Policy table for Executive Directors

Annual bonus	
Purpose and link to strategy	To incentivise and reward achievement of the Group's financial goals and delivery of strategic aims. Deferral of part of any award into shares enhances alignment with shareholders.
Operation	Targets are normally reviewed annually, and any payout is determined by the Committee after the year end, taking into account performance achieved against the stated targets. To the extent that the performance criteria has been met, 50% of the bonus earned will be compulsorily deferred into Company shares for three years, reducing to 33% where the shareholding guideline is met at the end of the financial year to which the reward relates. Dividends may accrue on deferred shares over the deferral period and, if so, will be paid as additional shares on vesting. The number of additional shares may be calculated assuming reinvestment into shares on such basis as the Committee determines. The Committee sets Group performance targets. In the case of financial measures, for achieving an appropriately stretching level of threshold performance, up to 25% of the maximum opportunity is earned, increasing typically on a straight-line basis to a target at which 50% of the maximum opportunity would be earned, and to a cap at which the maximum opportunity could be earned. For strategic measures, payouts are determined by the Committee between 0% and 100% based on the Committee's assessment of the extent to which the relevant metric or objective has been met. Malus and Clawback provisions apply to both the cash and deferred portion of the Annual Bonus (as set out in the Notes to the Policy table from page 104).
Opportunity	Maximum of up to 175% of salary is permissible for Executive Directors under the Policy.
Performance measures	Based on Group performance. The Committee may introduce other metrics (financial and strategic) to reflect the Group's priorities or adjust or substitute performance measures applying to existing annual incentive opportunities to appropriately reflect underlying performance. Any strategic metrics shall not form more than 25% of the overall bonus opportunity.
Changes from existing Policy	Reduction in maximum opportunity permissible under the Policy to 175% of salary (currently 225%). This maximum applies to all Executive Directors. Deferral of awards into shares for three years standardised at 50% of bonus earned (currently 62.5% for CEO and 50% for other Executive Directors), with further reduction to 33% if the shareholding guideline is met at the end of the performance year to which awards relate. Removal of 'Enhanced recovery provisions' applying to part of Annual Bonus delivered in shares, with continued protection existing through malus and clawback provisions.

Proposed Remuneration Policy table for Executive Directors continued

Long-term incentive	
Purpose and link to strategy	To align the interests of senior leaders and shareholders in growing the value of the Group over the long term. Encourages sustained performance delivery over time.
Operation	Executive Directors are able to receive annual awards of Renishaw plc shares either in the form of conditional shares or nil-cost options. Awards granted will normally have a performance period of three years. Vesting will occur to the extent that performance has been achieved against the targets usually determined prior to grant. Targets are set to ensure that they are appropriately stretching and aligned to the Group's strategy. Dividends may accrue on deferred shares over the deferral period and, if so, will be awarded as additional shares on vesting. The number of additional shares may be calculated assuming reinvestment into shares on such basis as the Committee determines. Shares that vest are normally subject to a further two-year holding period for Executive Directors. The holding period may operate on the basis of (i) the LTIP award vesting following the assessment of performance but that, other than as regards sales of shares to cover tax and social security liabilities, the shares acquired must be retained until the end of the holding period; or (ii) release of the shares being deferred until the end of the holding period. Malus and Clawback provisions apply to the long-term incentive in certain circumstances (as set out in the Notes to the Policy table from page 104).
Opportunity	Maximum of up to 225% of salary for Executive Directors in respect of a financial year. Awards will typically be expressed against a stated performance range, describing performance required to deliver threshold, and maximum awards, and the way vesting outcomes are determined between these points. For financial measures, a maximum of up to 25% vesting will apply for achievement of threshold performance. For strategic measures, payouts are determined by the Committee between 0% and 100% based on the Committee's assessment of the extent to which the relevant metric or objective has been met.
Performance measures	Details of specific metrics used for each award and the performance scale adopted will be disclosed within the relevant annual report on remuneration.
Changes from existing Policy	Introduction of new reward element within Policy.
Shareholding guidelines	
Purpose and link to strategy	Supports the alignment of Executive Director and shareholder interests.
Operation	Each Executive Director is expected to build up and maintain a level of share ownership of at least 200% of base salary, or level of long-term incentive award (expressed as a percentage of salary) if higher. Executive Directors' shareholdings are reviewed annually by the Committee to ensure progress is being made towards achievement of the guideline level of shareholding. Until the prevailing minimum shareholding guideline is met, all released vested share awards (after sales to meet estimated tax liabilities) must be retained. Progress against the guideline is calculated annually as at 30 June, using shares held by the individual (or spouse). Additionally, deferred bonus shares and LTIP awards for which the performance assessment has been carried out (i.e. LTIP shares in a holding period and/or LTIP awards which are exercisable but that have not been exercised) count towards the guideline on a net of assumed tax basis. The calculation ordinarily uses the average of the Company share price over the three months prior to 30 June to allow for any short-term share price volatility. The Committee retains the discretion to modify the application of this guideline in appropriate circumstances.
Opportunity	Not applicable.
Performance measures	Not applicable.
Changes from existing Policy	Amendment such that shareholding guideline would be increased in the event that a PSP award in respect of a financial year in excess of 200% was made to the participant. Confirmation that calculation against guideline will be performed using an average share price of the last quarter of the financial year.

Directors' Remuneration Report continued

Remuneration Policy continued

Proposed Remuneration Policy table for Executive Directors continued

Post-employment shareholding Policy	
Purpose and link to strategy	Supports the principle of long-term share ownership that is promoted by the UK Corporate Governance Code.
Operation	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 two years following cessation of employment. The Committee retains the discretion to modify the post-employment shareholding requirement in appropriate circumstances – for example, on a change of control, or if a conflict of interest arises with an Executive Director's next appointment, or in compassionate circumstances.
Opportunity	Not applicable.
Performance measures	Not applicable.
Changes from existing Policy	Post-employment holding of prevailing shareholding requirement (or lower if actual holding is lower) for a period of two years post-cessation of employment, with removal of tapering after one year contained in existing Policy. To support ongoing administration, any unvested deferred bonus shares for good leavers would be vested on the second anniversary of cessation of employment (aligned to the post-employment Policy).

Notes to the Policy table

Malus and clawback

In line with the Governance Code, the Committee has agreed malus and clawback provisions for incentive awards, which are included within associated participant communication and associated documentation and Plan rules. These provisions apply to the Annual Bonus, deferred bonus shares and LTIP awards.

The Committee retains discretion to amend payouts should any formulaic outcome not reflect the Committee's assessment of overall business performance, or if the Committee considers the formulaic outturn is not appropriate in the context of circumstances that were unexpected, unforeseen, or inappropriate for any other reason.

Part or all of any awards made under the Annual Bonus or LTIP (whether paid in cash or deferred/awarded in shares) may be subject to these provisions in the event of any:

- material financial misstatement;
- error in calculation;
- gross misconduct on the part of the participant;
- corporate failure;
- material loss;
- reputational damage; and/or
- other exceptional circumstance as determined by the Remuneration Committee.

The timing of potential application of these provisions is shown below and is designed to reflect the timing of determination of awards under the respective Plans, and the underlying performance periods upon which awards were based.

These provisions are set to reflect a timeframe in which the Company's financial reporting, audit and risk procedures would typically identify one of the malus and clawback trigger events. The Committee retains the discretion to extend the clawback period in the event of an ongoing investigation.

	Malus	Clawback
Annual Bonus – cash award	Up to point of cash payment (usually in September following completion of performance year).	Aligned to annual bonus share deferral period.
Annual Bonus – deferred shares	Up to the end of the deferral period (three years after award of shares following completion of the respective performance period).	None post end of the deferral period.
Shares awarded under LTIP	During vesting period.	To the end of the holding period.

Use of discretion

The Committee has the ability to apply discretion to amend the Policy with regard to minor or administrative matters where it would, in the opinion of the Committee, be inappropriate to seek or await shareholder approval. Additionally, it has the ability to apply discretion to ensure that the actual implementation is consistent with the guiding aims set out in this report.

Examples include (but are not limited to):

- **Amendment to formulaic outcomes under incentive plans.** The Committee retains the right to adjust overall formulaic outcomes (up or down) to ensure resultant awards are a fair reflection of overall Company achievement and the stakeholder experience over the respective performance period.
- **Honouring of legacy commitments to individuals.** Example situations could include the ability for the Committee to make remuneration payments and payments for loss of office where the terms were agreed before this Policy came into effect or at a time when the individual was not a Director of the business, provided these terms were not agreed in anticipation of the individual becoming a Director of the business.
- **Minor changes to the Policy.** This could include minor changes such as in response to regulatory, exchange control, administrative or tax purposes to take account of a change in legislation, where making a change would be disproportionate to the level of discretion being exercised.

Any use of discretion would be fully disclosed to shareholders, usually within the next published Annual Report on Remuneration.

All discretions under any share plan established by the Company will be available to the Committee under this Policy, except where explicitly limited by this Policy. Share plan awards may be settled, in whole or in part, in cash, although the Committee would only settle an Executive Director's award in cash in appropriate circumstances, such as where there is a regulatory restriction on the delivery of shares or in respect of the tax liability arising in connection with an award.

Policy for the remuneration of employees more generally

The Group aims to provide a remuneration package that is competitive in an employee's country of employment, which is appropriate to promote the long-term success of the Group. The Company intends to apply this Policy fairly and consistently ensuring that it can compete successfully in the marketplace and sufficiently retain and motivate employees. In respect of the Executive Directors, a greater proportion of the remuneration package is 'at risk' and determined by reference to performance conditions.

The Committee does not consult directly with employees as part of the determination of the Policy for Executives but does receive regular oversight and updates on wider workforce reward policies and practices.

Approach to performance metric selection and target setting under variable reward plans

The Committee reviews the use of performance metrics at the start of each respective performance period. Metrics chosen typically align with the strategic KPIs of the Group (see pages 11 to 13). On occasion, we may complement these with other metrics designed to focus leadership on specific themes or objectives, aligned to the overall pursuit of our stated strategy.

Metrics and weightings between them may change over successive awards and this will be disclosed in the Annual Report on Remuneration along with an associated rationale for the change.

Our long-term metrics are intended to drive alignment between strategic execution and long-term value creation for our shareholders. We use multiple metrics, designed to reflect sustained delivery of financial and strategic performance.

Targets are set against a performance scale. The way these will be set may differ (depending on the specific metric) but will be informed by a combination of internal and external forecasts of the business itself, and on occasion with reference to performance ranges adopted for companies of similar size and/or complexity. We set targets designed to be achievable, but where maximum awards represent superior levels of performance. We retain the right to vary or adjust or substitute measures or targets in the event that material events happen during the performance period that were not foreseen when the targets or measures were set, with a goal of ensuring that revised targets or measures are no less difficult to satisfy than the original targets when set.

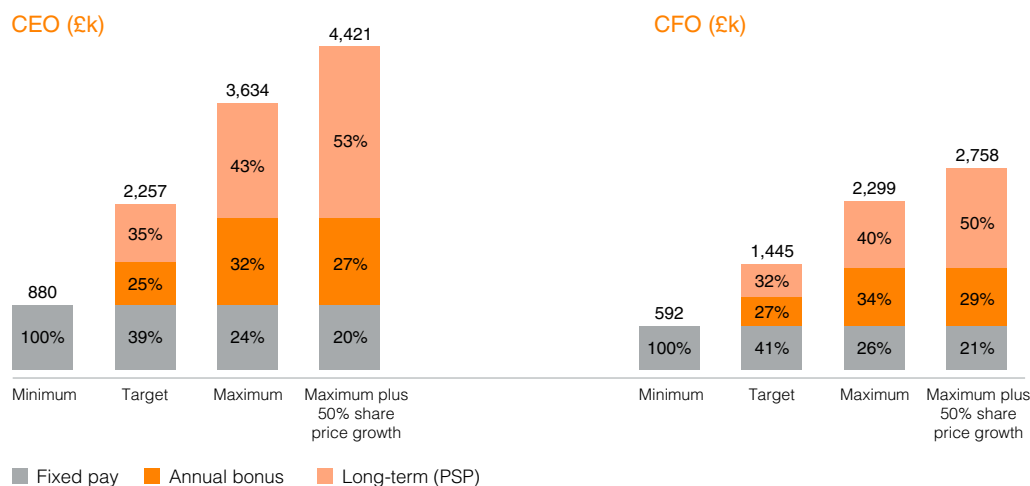
Directors' Remuneration Report continued

Remuneration Policy continued

Illustrations of application of Remuneration Policy

The bar charts below for each Executive Director show illustrative remuneration for the financial year ending 30 June 2027 under different performance scenarios, subject to approval of the revised Policy at the 2026 AGM.

Illustration of the application of Remuneration Policy



Assumptions

Fixed – Shows the value of fixed pay using a salary value of £787k for the CEO and £525k for the CFO, with expected benefit values based on our Policy. Pension contributions reflect wider workforce levels in the UK of 9% of salary. Assumes no awards under variable plans.

Target – Calculation as per fixed with awards of 50% of maximum under the Annual Bonus and PSP. Annual bonus opportunity for both CEO and CFO of 150%. PSP award for the CEO of 200% of salary with an award to the CFO of 175% of salary.

Maximum – Calculation as per fixed with full awards under Annual Bonus and PSP.

Maximum plus share price growth – As maximum, but assumes a 50% share price increase between award and vesting for the PSP award.

Approach to recruitment remuneration

When agreeing the remuneration package for a new Executive Director, the Committee will ordinarily apply the Policy for existing Executive Directors to ensure a consistent approach. The Committee retains discretion to award other elements of pay that it considers are appropriate. However, this discretion is capped and is subject to the limits referred to below. Circumstances in which these other elements may be awarded include:

- an interim appointment being made to fill an Executive Director role on a short-term basis;
- if exceptional circumstances require that the Chair or a Non-executive Director takes on an executive function on a short-term basis; and
- if an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out in the text to the right, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis.

The Committee may also alter the performance criteria and deferral period applicable to the annual incentive opportunity if the Committee considers that the circumstances of the recruitment merit such alteration. Any use of this discretion would be accompanied by a full rationale in the relevant annual report on remuneration.

The Committee will not offer non-performance-related incentive payments (for example a 'guaranteed sign-on bonus').

Salary, pension and benefits

For an external hire, base salary will be set in line with the factors set out in the Policy table, taking into account the individual's experience and the amount required to attract the individual to join the Company. Pension and benefits will be provided in line with the Policy table.

Where a new Executive Director is required to relocate from their home location to take up their role, the Committee may provide reasonable relocation assistance and other appropriate allowances if business needs require it.

Variable remuneration

Variable remuneration will ordinarily be provided in accordance with the Policy table and up to a maximum of 400% of salary. Any award in respect of forfeited remuneration as described below is excluded from the maximum permitted variable remuneration.

Forfeited remuneration

The Committee may make payments or awards to buyout remuneration forfeited by new hires in connection with leaving a previous employer. Any such buyout awards would ordinarily have a fair value no higher than that of the awards being replaced and would be structured as far as possible to replicate the remuneration being forfeited, in terms of any vesting horizons or performance linkage.

Existing obligations

When an internal appointment is made, any pre-existing obligations will be honoured, and payment will be permitted under the Policy.

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, or Non-executive Director's letter of appointment, that would require the Company to pay a specific amount of compensation for loss of office.

Directors' service contracts are available for inspection at the Company's registered office upon written request to the Company Secretary.

Exit Payments Policy

The Executive Directors' service contracts reflect the Company's 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 is required to be considered, such as on a settlement agreement, the Committee will consider all relevant commercial factors affecting the specific case.

Where a buyout or other one-off award is made, the leaver provisions would be determined at the time of the award. The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. A summary of the key elements of the approach for cessation of employment is set out below.

Provision	Policy
Notice period	12 months' notice by either party. No obligation to pay a specific amount in compensation for loss of office.
Pension	Pension will continue to apply until the termination date. Payment in lieu of notice will be considered up to a period of 12 months. Payments in lieu of notice include base salary, pension and benefits and may be paid in instalments and subject to mitigation. The Committee may determine that certain benefits should be continued instead of making a payment in lieu of them.
Benefits	Benefits will continue to apply until the termination date; payment in lieu of notice will be considered up to a period of 12 months. The Committee has discretion to determine that certain benefits should continue to be provided rather than making a payment in lieu of notice. If the Company establishes an 'all employee' share plan, the treatment of any awards under it on cessation of employment and on a change of control of the Company or other relevant event would be determined in accordance with the rules of the plan. In appropriate circumstances, the Committee may continue the provision of certain benefits (for example, private medical insurance) for a period following cessation.
Treatment of annual incentive plan awards	No annual incentive is payable for the financial year, unless the Committee determines otherwise in certain 'good leaver' circumstances. These include ill health, death, disability, retirement in agreement with the Committee, redundancy or any other reason as the Committee in its absolute discretion may determine. For 'good leavers', any payment would normally be prorated for time and reflect the Company's performance against the targets set at the start of the year. It would also take into account the circumstances of the individual's loss of office. The Committee retains discretion to pay any bonus earned for the year of cessation wholly in cash, but would do so only in circumstances it considers compassionate, such as in the event of death or ill health. Unvested deferred share awards normally lapse, unless the Committee determines otherwise for a 'good leaver'. In such cases, unvested awards would normally vest on the earlier of their scheduled vesting date or two years post leaving with no proration, although the Committee may elect to apply time-proration adjusting awards to reflect the time employed during the deferral period. The Committee has discretion to determine that deferred bonus share awards will vest at cessation of employment in appropriate circumstances. Unvested awards normally vest early on a change of control of the Company or other relevant event in accordance with the rules of the Plan.
Treatment of LTIP awards	Awards usually lapse on cessation of employment, unless the Committee determines otherwise for a 'good leaver'. In such cases the number of shares would normally be prorated to reflect the period employed within the three-year performance period, with vesting usually occurring on the scheduled vesting date and subject to the original performance conditions set by the Committee. Vested LTIP awards would be released at the end of the originally envisaged holding period or, at the discretion of the Committee, on the later of the end of the performance period and two years post cessation. The Committee has discretion to determine that LTIP awards will vest/are released at cessation and/or to amend time pro-rating in appropriate circumstances. On a change of control or other relevant event, LTIP awards will be treated in accordance with the Plan rules.
Other payments	In appropriate circumstances, payments may also be made to a departing Director in respect of accrued holiday pay, and outplacement and legal fees.

Directors' Remuneration Report continued

Remuneration Policy continued

Statement of consideration of employment conditions elsewhere in the Group

The Committee takes into account the pay and employment conditions of the Group in the country in which the Executive Director resides and is satisfied that the approach taken is fair and reasonable based on market conditions and practice, and the best interests of shareholders. When considering the annual salary review, the average base salary increases awarded to employees provide a guide when determining the salaries of the Executive Directors (located in the same country).

Statement of consideration of shareholder views

The Committee undertook an extensive shareholder engagement exercise with key stakeholders during 2026 and used feedback and insight from this engagement (including from meetings and written responses) to finalise the design of the proposed Policy as described on pages 97 to 98. The feedback indicated broad support for the proposals presented and gave an opportunity to discuss specific points within the Policy in more detail.

We remain committed to meaningful shareholder engagement on remuneration and are grateful to all who engaged with us and the feedback we received. We will continue to monitor trends and developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate for Renishaw and aligned to the objectives of our Remuneration Policy.

External appointments held by Executive Directors

Subject to approval from the Board, Executive Directors may hold non-executive director positions with other organisations and may retain fees paid for such a role. Details of any appointment and associated fees will be included within the Annual Report on Remuneration.

Legacy remuneration arrangements

The Committee reserves the right to make remuneration payments and payments for loss of office notwithstanding that they are not in line with the provisions set out on page 107 where the terms of payments were agreed:

- before the Policy came into effect (provided that, in the case of any payments agreed on or after 16 October 2014 they are in line with any applicable shareholder-approved Directors' Remuneration Policy in force at the time they were agreed or were otherwise approved by shareholders); or
- at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes, 'payments' includes the satisfaction of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than the time the award is granted.

Non-executive Directors' Policy table

The fees for any Non-executive Chair would be determined by the Committee and the fees for other Non-executive Directors are determined by the Chair and the Executive Directors. Set out below is a table summarising the approach to fees for the Non-executive Directors.

The Non-executive Directors are appointed for an initial three-year period subject to annual performance review and re-elections at subsequent AGMs, unless terminated earlier by either party on one month's written notice. Appointments will not normally continue beyond nine years in office, although there may be exceptions where a certain skillset is difficult to replace and/or to allow Renishaw to conduct a comprehensive recruitment exercise. In the event of the appointment of a Non-executive Chair, a longer notice period may be agreed of up to six months.

Non-executive Director fees

Purpose and link to strategy	To provide a competitive fee to attract and retain Non-executive Directors of the required calibre to meet the Group's objectives.
Operation	Fees are set taking into account the responsibilities of the role, the expected time commitment and prevailing market rates. Additional fees will be payable for chairing of Board Committees and assuming the role of Senior Independent Director. Additional fees may also be paid for other Board responsibilities, roles or time commitments, if this is considered appropriate. Non-executive Directors cannot participate in any of the Company's performance-based share plans or annual incentive schemes although their fees may be paid in cash or shares (which may include a non-performance based nil or nominal cost award over Company shares, which may incorporate a right to dividend equivalents over the award's vesting period). Fees are reviewed at appropriate intervals, usually on an annual basis, with reference to fees payable to non-executive directors of companies of a similar size and complexity. Non-executive Directors do not receive incentive pay or share awards and do not currently receive any benefits or pension arrangements. Travel and other reasonable expenses (including fees incurred in obtaining professional advice in the furtherance of their duties) incurred in the course of performing their duties are reimbursed to Non-executive Directors (including any associated tax liability).
Opportunity	Maximum: basic fees are subject to the aggregate limit set in accordance with the Company's Articles of Association, as amended by shareholder approval from time to time.
Performance measures	Not applicable.

Directors' Remuneration Report continued

Annual Report on Remuneration

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 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.	90-92
Reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps.	118-119
Whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary.	90-92
What engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes.	97-111
What engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy.	111
To what extent discretion has been applied to remuneration outcomes and the reasons why.	115

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 FY2026, and we set out in Key activities on this page a summary of the topics discussed in those meetings.

During FY2026, Kasim Hussain, Group General Counsel & Company Secretary, acted as secretary to the Committee. Executive Directors and other individuals including the Group Human Resources Director 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 £47,850.

Deloitte was appointed by the Committee in March 2021 following a competitive tender process and has provided other remuneration and tax advice during FY2026.

Key activities of Committee during FY2026

Governance

- Reviewed and approved the Directors' Remuneration Report.
- Reviewed external adviser relationship and contribution.
- Undertook effectiveness evaluation/process.
- Reviewed the Committee's terms of reference.

Remuneration Policy and its operation

- Discussed proposals for changes to the existing Remuneration Policy and approved changes to be discussed with shareholders through consultation.
- Considered shareholder feedback and finalised design of revised Policy to be tabled for approval at the 2026 AGM.
- Approved the Executive Directors' and Senior Leadership Team salaries.
- Finalised performance outcomes for FY2025, considering financial and strategic outcomes against targets.
- Determined targets and incentive structure for FY2026.
- Approved grants of deferred shares in respect of FY2025 Annual Bonus awards.
- Determined remuneration arrangements for appointment of CFO.
- Approved the structure of the Annual Bonus plan for FY2027 and ongoing approach to target setting.
- Approved intended application of LTIP within the business and the way this will be introduced and communicated.

People

- Received update on elements of remuneration available to the wider workforce.
- Approved people objectives for FY2026.
- Reviewed the gender pay gap statistics.
- Approved the wider employee pay review.
- Approved the employee bonus proposal for FY2026, including changes to Annual Bonus design for senior leaders for FY2027.

Committee meeting attendance record

Committee member	Attended
Catherine Glickman (Chair)	6/6
Juliette Stacey	6/6
Stephen Wilson	6/6
Professor Dame Karen Holford	6/6

Statement of consideration of employment conditions elsewhere in the Group

The Terms of Reference for the Committee mean that the Committee also directly determine reward for the Senior Leadership Team.

The Committee receives an annual update on reward across the business including wider remuneration policies in operation. Through reviewing these the Committee is able to ensure alignment between the wider workforce and the Executive Directors. This enables the Committee to satisfy itself that any approach taken or changes considered for Executive Director reward are fair and reasonable, reflect wider market conditions, are in the interest of shareholders and align with the culture and wider reward approach in operation. This was particularly important when considering proposed future changes to our Remuneration Policy described elsewhere within this disclosure.

We are comfortable that the broader reward framework continues to operate well, and that there is clear progression in reward where people progress into larger roles within the business.

The expected balance between fixed and variable reward changes at more senior roles, with a higher component linked to delivery of performance outcomes. Our Senior Leadership team participate in an annual bonus arrangement, using the same performance metrics as those used for Executive Directors, and including mandatory deferral of part of any award earned into company shares.

Most employees below our Senior Leadership Team participate in our Profit Share arrangement. The application of our standard formula would have led to material increases in award levels for participants over FY2025. We discussed and agreed further investment in respect of FY2026 to recognise the superior performance during the year, with a minimum award of £1,000 (prorated) for any participant. Final awards are a combination of seniority of the individual and their respective performance during the year.

During the year the Committee discussed the average base salary increases for employees in the UK, and this was used as a guide when determining pay increases for Will Lee and other Senior Leadership Team members. Contributions to a pension plan for Executive Directors have mirrored the prevailing rate for UK employees since 1 January 2025 (currently 9%).

We continue to monitor the impact of our current reward policies and practices, such as through our gender pay gap disclosure in the UK. The Company continues to focus on benchmark activity to assess competitiveness of reward against other companies and the way that transparent job-grading systems and frameworks can provide career pathways for colleagues.

Statement of consideration of shareholder views

The Committee continues to value insight from shareholders on remuneration. During FY2026 we have carried out an extensive consultation process to discuss proposed changes to our Remuneration Policy. We are proposing material changes to our Policy at the 2026 AGM to strengthen the alignment of our reward structure with our business strategy, and to ensure market competitiveness. Full details of our proposed changes, and the way we have consulted with shareholders, is included on pages 94 to 98.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Remuneration Policy: Implementation in FY2026

Ahead of the Annual Report on Remuneration, we have summarised below the key remuneration outcomes for FY2026. The current Policy (under which reward was implemented for FY2026) can be found at www.renishaw.com/en/financial-reports--22583. To ensure conflicts of interest are managed, the Committee ensures no Director determines the Policy regarding their own remuneration.

Summary for Executive Directors

Purpose and link to strategy	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.	The salary level for Will Lee was reviewed in November 2025, and increases were effective from 1 January 2026. Will Lee received an increase of 3% (to £787,466). This was slightly lower than the average increase effective January 2026 for the wider workforce of 3.8%. The joining salary for John Shipsey was £525,000.
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 114.
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 January 2025 Executive Directors are entitled to receive contributions or cash equivalents available to the majority of the UK wider workforce (currently 9% of salary).
Annual incentive	
To incentivise and reward execution of the Group's objectives, reward outperformance and encourage Executive Director share ownership.	Assessment is based 80% against Adjusted PBT and 20% against strategic objectives, which this year were focused on product innovation; environmental, social and governance, including targets on carbon intensity reduction; 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. Neither Allen Roberts (former Group Finance Director) nor John Shipsey (incoming CFO who joined the business in April 2026) participated in the annual incentive arrangements for FY2026. Maximum opportunity for Will Lee was 200% of salary, with 62.5% deferred into Company shares for three years. FY2026 Adjusted PBT was £168.0m: this was above the threshold, paying out at 80% of the 80% maximum. Strategic performance was strong, with a formulaic outturn of 15.5% of a possible 20%. Given the high weighting towards profit delivery, the overall outcome was an annual bonus award of 95.5% of maximum. See page 93 for full details of the targets and awards.
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. Neither Executive Director currently meets the minimum shareholding guideline.
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.

Summary for Non-executive Directors

Purpose and link to strategy

Implementation in FY2026

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 December 2025 and increased by 3% to £84,360 with effect from 1 January 2026. There was no increase to the Chair's fee of £325,000.

Additionally, in line with the provisions of the existing Policy, the Board agreed that an additional fee would be payable with effect from 7 April 2026 for those performing the role of Chair of the Remuneration Committee, Chair of the Audit Committee or Senior Independent Director. This fee will be £8,000 per annum, and the prorated value for the FY2026 year is shown within the data tables below for the respective Directors. The Board further agreed that the basic fees for Non-executive Directors would remain unchanged until 1 January 2029.

None of the Non-executive Directors received any additional fees or bonuses.

Remuneration of the Directors in FY2026

This section of the report sets out the remuneration of the Directors in FY2026. Details of how the Committee intends to implement the revised Remuneration Policy for FY2027 are set out on pages 94 to 95. During FY2026, the Policy operated as intended in terms of performance and quantum. The information on pages 113 to 121 has been audited where required under the regulations and is indicated as audited where applicable.

This Directors' 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		Annual Bonus ¹		Total remuneration	
	FY2026 £'000	FY2025 £'000	FY2026 £'000	FY2025 £'000	FY2026 £'000	FY2025 ² £'000	FY2026 £'000	FY2025 £'000	FY2026 £'000	FY2025 £'000
Will Lee	776	752	22	22	62	83	1,482	619	2,342	1,476
Allen Roberts ³	241	476	10	20	17	52	–	294	268	842
John Shipsey ⁴	115	–	5	–	10	–	–	–	130	–
Total	1,132	1,228	37	42	89	135	1,482	913	2,740	2,318

1 The value of the bonus includes both the value of the annual cash bonus and the face value of deferred shares to be awarded 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 121.

2 Due to an error in the administration of the pension arrangements, pension contributions were overpaid in the FY2025 year. Accordingly, pension contributions were adjusted during FY2026 to ensure that the total pension allowance payable reflects alignment with the contributions made to the majority of the UK workforce at 9% from 1 January 2025.

3 Allen Roberts stepped down from his position as Group Finance Director on 26 November 2025 and was employed until 31 December 2025 to enable an effective transition of responsibilities. Payments in the above table show salary and benefits through to 31 December 2025. He received further payments linked to cessation of employment that are disclosed on page 121.

4 John Shipsey commenced employment on 13 April 2026. The values in the single figure table show his salary and benefits for the period of joining through to 30 June 2026.

Single total figure table (audited) – Non-executive Directors

	Fees		Expenses		Total remuneration ¹	
	FY2026 £'000	FY2025 £'000	FY2026 £'000	FY2025 £'000	FY2026 £'000	FY2025 £'000
John Deer	83	80	1	1	84	81
Catherine Glickman	85	80	0	0	85	80
Sir David Grant	325	325	3	1	328	326
Juliette Stacey	87	80	1	1	88	81
Stephen Wilson	83	80	5	1	88	81
Professor Dame Karen Holford	83	80	1	0	84	80
Richard McMurtry	83	80	0	0	83	80
Camille Deer ²	69	–	0	–	69	–
Total	899	807	11	4	910	811

1 The Non-executive Directors are not eligible for any variable remuneration and only receive fixed remuneration.

2 Camille Deer was appointed to the Board effective 1 September 2025.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Benefits (audited)

	Car allowance £'000	Other £'000
Will Lee	20	2
Allen Roberts	10	0
John Shipsey	4	0

Total pension entitlements (audited)

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 2026	Value of defined benefit pension entitlement £'000 per year	Pension contributions in respect of FY2026* £'000 per year
Will Lee	12	62 (paid in cash)

*As disclosed in the single figure table.

Annual incentive outcomes for FY2026

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, while the strategic objectives comprised 20%.

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 FY2026
Adjusted PBT	£115m	£127m	£145m	£160m	£168m
% of bonus payable for Adjusted PBT performance	10% (12.5% of maximum)	20% (25% of maximum)	60% (75% of maximum)	80% (100% of maximum)	80% (100% of maximum)

Bonus awards calculated on a straight-line basis between the points in the above table.

Strategic objectives

Strategic metrics were worth up to 20% of the total annual bonus opportunity. Performance against the targets set is shown in the table below with associated outcomes as determined by the Committee, resulting in 15.5% awarded out of a possible 20%.

Strategic objective	Performance outcome against targets	% of bonus payable	Outcome (% of bonus paid out)
Product innovation			
— Product launches	— Three major product launches during year (Modus IM for Equator, Strada and RMP400S) – at top of range set by the Committee.	8%	8%
— Emerging product line profitability	— Profitability of the emerging CMM and gauging systems product line improved substantially during the year, exceeding the stretch target for this metric.		
Environmental, social and governance (ESG)			
— CO ₂ e reduction from purchased metals	— CO ₂ e reduction was at the top of set performance range (20% actual reduction against target of 15%).	6%	4%
— Employee engagement	— Engagement score reduction during year (below threshold level set by Committee) with no award for this metric.		
— Significant non-conformances	— No significant non-conformances during year, achieving maximum award for this metric.		
Operational excellence			
— Delivery performance	— Delivery performance was below the target range, with no award for this metric.	6%	3.5%
— Cash conversion	— Outcome of 79% was at the target level with the range set by the Committee, resulting in a partial award for this metric.		
— Cost of product quality (CoPQ)	— Quality costs fell throughout the year and represents superior performance to the range set by the Committee, leading to a maximum award.		

Final Annual Bonus outcome

The maximum opportunity for FY2026 was 200% of salary for Will Lee with 62.5% of any bonus earned 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. Neither Allen Roberts nor John Shipsey participated in the Annual Bonus for FY2026.

Performance for FY2026 has resulted in the following awards:

Executive Director	Cash bonus £'000	Deferred into shares £'000	Total £'000
Will Lee	556	926	1,482

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.

Proposed Implementation of Policy for FY2027: Executive Directors

Base salary – Salaries for both Will Lee and John Shipsey will next be reviewed during FY2027 with any changes effective from 1 January 2027. This timing aligns to pay review activity across the wider business.

Benefits – No changes are proposed to the range of benefits provided.

Pension – Both Executive Directors receive pension contributions of 9% in line with the contributions available to the majority of the wider UK workforce.

Annual Bonus

Maximum award opportunity for each Executive Director is 150% of salary. Calculations will be determined using annual salary as at 1 April 2027. Targets have been set for each of the metrics below, and these and the associated performance achieved against them will be disclosed in the following Annual Report on Remuneration.

Metric	Link to strategy	Weighting
Adjusted operating profit at constant currency	Growth	60%
Cash conversion	Growth	20%
Product launch delivery	Product Innovation	10%
CO ₂ e intensity reduction	ESG	5%
Employee engagement	ESG	5%

Approach to Annual Bonus for FY2027

We have made some changes to the way we will implement our Annual Bonus for FY2027, alongside the introduction of our proposed new Remuneration Policy.

- Reduction in opportunity level for CEO (from 200% in FY2026 to 150% for FY2027). This opportunity level will apply to both Executive Directors.
- Reduced number of metrics, with minimum weighting for any metric of 5%. This has been done to simplify the design and focus participants on key deliverables.
- Increase in weighting of a cash metric (cash conversion) to represent 20% of the total bonus opportunity.
- Use of an amended metric to assess profit delivery: Adjusted operating profit at constant currency. This is an existing Alternative Performance Measure and aligns to our desire to measure annual performance at constant rates, and excludes bank interest, aligning participants to core trading performance.
- Removal of rigid underpin requiring achievement of threshold profit performance before any awards under the annual bonus are payable. (Malus and clawback provisions will remain unchanged, along with Committee ability to overwrite or amend formulaic outcomes.)
- A deferral level into shares of 50% of the bonus earned (previously 62.5% for CEO), with a reduction in deferral to 33% where Executive Directors meet or exceed the minimum shareholding requirement.
- Dividend equivalent shares will be added at the point of vesting.
- Bonuses calculated with reference to annualised salary as at 1 April 2027.

The overall balance between financial and strategic metrics will remain unchanged at 80% financial and 20% strategic.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Long-Term Incentive Plan

This element will be awarded subject to approval from shareholders for our revised Remuneration Policy at the 2026 AGM. The value of awards that will be made in FY2027 will be 200% of salary for the CEO and 175% of salary for the CFO. Awards will be made over Company shares with vesting linked to Company performance over the three-year period ending 30 June 2029 (FY2027–FY2029 inclusive). Awards will be made based on prevailing annual salary at the point of award.

Subject to shareholder approval, awards will be made following the AGM. These awards will vest in October 2029 following the assessment of the performance conditions and a two-year holding period will apply. We will use the same share price as used for the deferred Annual Bonus award to determine the number of shares awarded to participants under the LTIP following the 2026 AGM.

In future years we expect to make all share awards (both deferred Annual Bonus awards and LTIP grants) at the same time. Dividend-equivalent shares will be added on vesting (to the extent performance targets are achieved).

Performance targets for FY2027 grants

Targets for the FY2027 grant are shown in the table below. In line with our proposed Policy, the Committee will retain overall discretion to adjust the level of vesting generated by performance against the targets up or down to ensure alignment with business performance over the period.

Metric	Weighting	Choice of metric, target determination and commentary
Adjusted Earnings per share (EPS)	50%	Why EPS? Measures our ability to grow earnings in a sustained way over time and align with the shareholder experience.
Return on Invested Capital (ROIC)	30%	Why ROIC? Assessing our efficiency in allocating capital to profitable investments.
Product Innovation	10%	Why Innovation? Progression of defined products categorised as emerging in maturity over the three-year period covering all major parts of the business. The outcome will be a subjective assessment by the Committee at the end of three years against performance metrics and an assessment scale set in advance. (The specific targets will not be disclosed in advance for commercial sensitivity reasons.) See page 94 for more details of how this will be assessed.
Operational Excellence	10%	Why Operational Excellence? Encouraging and aligning the business to improve efficiency in the way it operates, manage the cost base and deliver key change initiatives. As with Product Innovation, defined targets were set at the start of the three-year period, being to achieve key milestones in the One Renishaw programme. Overall outcomes will be determined by the Committee against set criteria, and full details will be provided in the Annual Report on Remuneration following determination of outcomes. This will describe the targets set, actual performance realised and factors used by the Committee to make their award determination.

Spotlight on product innovation within PSP assessment

Why is innovation so important for us as a business?

Since its inception, Renishaw has been an innovator in measuring and manufacturing systems, developing world-leading products of high accuracy and precision. Accelerating the rate of innovation is a fundamental driver of future shareholder value creation. Our recent focus has been on profitability within our emerging product lines, and we want this to be a strategic lever within our incentive design to unite leaders.

What criteria will the Committee use to assess performance over the three years?

The Committee will make an assessment based on the progression of a defined group of key products of emerging maturity categorisation over a three-year period across all major parts of the business. Progress will consider key performance indicators including:

- aggregate product-line profitability of defined group achieved vs plan over the three years;
- status of identified group of products at end of year three (including reaching number one or two in market share, or profitability $\geq 20\%$)

Nil award	Threshold (2–4%)	Target (5–7%)	Stretch (8–10%)
— Progress behind target in each product. — Limited market share improvement.	— Improved aggregate profitability but below forecast plan. — Strong market share progression across individual products, with slower progression elsewhere.	— Overall profitability of basket in line with plan. — Solid gains in profitability. — Growth in key accounts.	— Profitability ahead of agreed plan. — Strong market share growth. — Superior individual product performance within overall identified group of products.

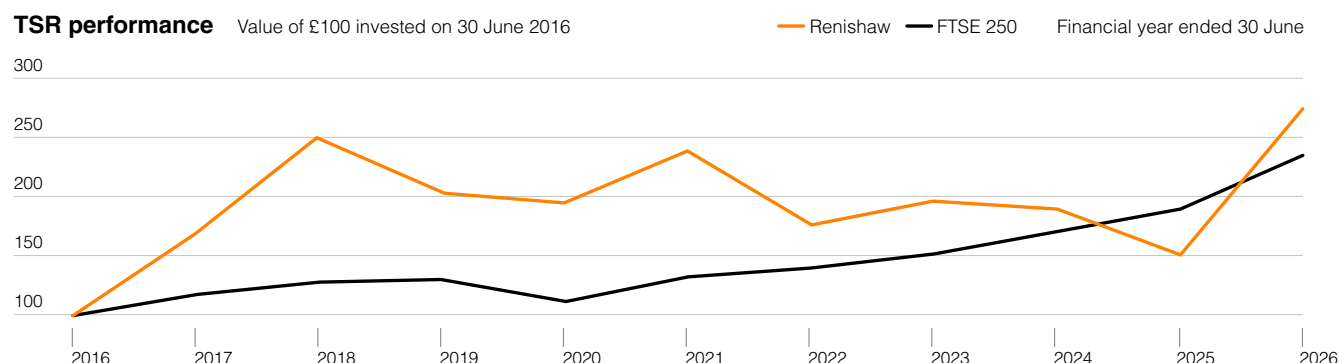
A similar methodology will be adopted to assess operational excellence against predefined targets that will not be disclosed in advance due to commercial sensitivity.

Proposed implementation of Policy for FY2027 – Non-executive Directors

Basic fees for Non-executive Directors will remain unchanged until 1 January 2029. We will continue to pay an additional fee of £8,000 a year for those Directors who chair a Board Committee or who assume the role of Senior Independent Director.

TSR 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 2016.



Directors' Remuneration Report continued

Annual Report on Remuneration continued

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	FY 2026
Will Lee (from 1 February 2018)											
Single figure of total remuneration (£'000)			594	653	601	1,488	1,770	802	821	1,476	2,342
Annual incentive award (includes annual cash bonus and deferred equity incentive) % of maximum			95	0	0	100	100	0	0	41	95.5
Long-term incentive vesting % of maximum			n/a	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 tables below and on the next page set out the Chief Executive Officer pay ratios as at 30 June in the financial years 2020 to 2026. 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.

We believe that the ratio values are consistent with the Company's approach to pay and reward. Values have been calculated on the same basis as for the CEO's single figure table, with no adjustments made. Overall remuneration for the employees ranked at P25, P50 and P75 has increased, recognising continued investment in base pay and higher outcomes under the Company profit share scheme. The increase in the CEO ratio value from the prior year reflects the higher weighting towards variable pay within the reward package compared to the identified comparator employees, and the corresponding strong performance outcomes for the year ending 30 June 2026 resulting in a higher overall single figure value. The Committee will continue to monitor the ratios on an annual basis.

Total remuneration

Financial year	Method	Employee remuneration			Pay ratio		
		P25	P50	P75	P25	P50	P75
FY2026	Method A ¹	£35,734	£46,567	£61,441	65.5	50.3	38.1
FY2025	Method B	£33,140	£45,735	£58,070	44.5	32.3	25.4
FY2024 ¹	Method B	£30,551	£42,363	£56,783	26.9	19.4	14.5
FY2023	Method B	£27,484	£45,554	£55,940	29.2	17.6	14.3
FY2022	Method B	£31,099	£42,246	£48,457	56.9	41.9	36.5
FY2021	Method B	£28,438	£37,720	£45,170	52.3	39.4	32.9
FY2020	Method B	£27,476	£35,619	£51,563	21.9	16.9	11.6

1 We have elected to move to Method A to determine this calculation from FY2026. This is a more statistically robust approach and provides consistency between the reporting basis for Executive Directors and employees, calculating total remuneration for all UK employees on the same single figure basis as the Executive Directors.

Base salary

Financial year	Employee remuneration			Pay ratio		
	P25	P50	P75	P25	P50	P75
FY2026	£31,740	£41,178	£52,450	24.4	18.8	14.8
FY2025	£29,918	£40,675	£52,145	25.1	18.5	14.4
FY2024	£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.

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 2026 are set out below. There have been no changes to those interests between 30 June 2026 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 (% salary)	Minimum shareholding guideline met
Will Lee	22,163	10,544	2x salary	180.4%	Below
Allen Roberts ²	15,732	4,010	2x salary	n/a	n/a
John Shipsey	–	–	2x salary	0%	Below
John Deer	1,878,161 ³	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	4,988	n/a	n/a	n/a	n/a
Camille Deer	–	n/a	n/a	n/a	n/a
Total	1,923,219	14,554			

¹ Current shareholdings for comparison with the shareholding requirements for Executive Directors are calculated based on annualised salary as at 30 June 2026 and by reference to the closing share price on 30 June 2026 (5,120p), and, in line with the Policy, include the net-of-assumed-tax shares subject to DAEIP awards.

² Allen Roberts ceased employment on 31 December 2025, and his shareholding is shown at this point. He continues to have alignment to Renishaw share performance through deferred awards under the DAEIP and post-cessation shareholding obligations as disclosed within this report.

³ These interests were non-beneficially held by John Deer but in respect of which he has voting rights.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

DAEIP awards granted during the year

Will Lee and Allen Roberts were eligible to receive share awards under the DAEIP in respect of deferred awards under the Annual Bonus from FY2025 as summarised in the table below.

Director	Date of grant	Number awarded	Award price ¹	Award value £'000	% of FY2025 Annual Bonus award	Vesting date
Will Lee	22 October 2025	10,544	£36.71	387	62.5%	23 October 2028
Allen Roberts	22 October 2025	4,010	£36.71	147	50%	23 October 2028 ²

¹ Award price based on average closing middle market price over the five business days preceding the award date.

² Awards for Allen Roberts will vest in line with the ordinary vesting date in 2028, consistent with his disclosed leaving arrangements.

Summary of scheme interests

At the end of FY2026 the Executive Directors had the following beneficial interests in share awards:

Will Lee

Grant date	Award	Vesting period	Share price at grant	Number at 30 June 2025	Granted in year	Lapsed in year	Dividend equivalents added in year	Exercised in year	Number at 30 June 2026
26 October 2022	DAIEP	26 October 2022 to 27 October 2025	£35.08	14,324	–	–	881	(15,205) ²	Nil
22 October 2025	DAIEP	22 October 2025 to 23 October 2028	£36.71	–	10,544	–	–	–	10,544
Total				14,324	10,544		881	(15,205)	10,544

¹ Dividend equivalents were added at 24 October 2025 in shares ahead of scheduled vesting on 27 October 2027.

² On vesting, 7,172 shares were sold to cover an estimate of tax and national insurance liabilities, with the remaining shares retained by the individual.

John Shipsey (commenced employment 13 April 2026)

John recently joined the business and does not hold any shares in Renishaw as at 30 June 2026.

Allen Roberts (ceased employment 31 December 2025)

Grant date	Award	Vesting period	Share price at grant	Number at 30 June 2025	Granted in year	Lapsed in year	Dividend equivalents added in year	Exercised in year	Number at 30 June 2026
26 October 2022	DAIEP	26 October 2022 to 27 October 2025	£35.08	9,115	–	–	560	(9,675) ¹	Nil
22 October 2025	DAIEP	22 October 2025 to 23 October 2028	£36.71	–	4,010	–	–	–	4,010
Total				9,115	4,010		560	(9,675)	4,010

¹ On vesting, 4,370 shares were sold to cover an estimate of tax liabilities, with the remaining shares retained by the individual.

Executive Directors serving as non-executive directors of other companies

During the year, none of the Executive Directors were 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 FY2026 and FY2025 on remuneration to all Group employees and on dividends to shareholders:

	FY2026 £'000	FY2025 £'000	Change %
Employee remuneration	326,614	306,853	6%
Shareholder dividends paid*	56,842	55,424	3%

*Excludes 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, which affect the understanding of the relative importance of spend on pay.

Payments to past Directors and loss-of-office payments (audited)

Allen Roberts stood down from his position as Group Finance Director on 26 November 2025 after 46 years of service, and ceased employment on 31 December 2025. Details of the determination of his leaving terms were disclosed in our 2025 Annual Report and there have been no subsequent changes to these arrangements. The respective treatment and associated payments, where applicable, are disclosed within this Annual Report and summarised below.

	Value	Disclosure
Salary and benefits to date of cessation of employment during FY2026	Breakdown: Salary = £241.k, Benefits = £10.8k, Pension = £16.9k. Total = £268.7k.	Included within single figure table.
Annual bonus for FY2025 (cash element)	£147,000	Paid through payroll in October 2025, disclosed in 2025 Annual Report on Remuneration.
Pay in lieu of salary and contractual benefits for 12 months	£546,197	Paid through payroll in January 2026.
Annual bonus award linked to FY2025 performance deferred into shares	Face value of shares of £147,000 on award (50% of total FY2027 annual bonus value).	Award of 4,010 shares ¹ granted on 22 October 2025, with vesting on 23 October 2028.
FY2026 Annual Incentive	Allen was not eligible to participate in the Annual Bonus for FY2026.	n/a
Additional compensation for loss of office	Allen received 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.	Paid through payroll in January 2026.
Accrued holiday/legal fees/private medical insurance	Accrued holiday = £22,456 Legal fees = £9,000 Ongoing private medical cover will be provided to 31 December 2029.	Accrued holiday and legal fees paid through payroll in January 2026.

¹ The post-employment shareholding requirement will continue to apply to shares acquired pursuant to deferred annual equity awards granted after 30 September 2020. 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).

No other payments to past Directors or other loss-of-office payments were made during the year.

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 26 November 2025, 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	61,452,801	95.57	2,849,504	4.43	64,302,305	118,644

This report was approved by the Board and has been signed on its behalf by:

Catherine Glickman

Chair of the Remuneration Committee

22 September 2026

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 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 14 to 20 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 at 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 £47.5m or 65.2p per share, which, together with the interim dividend of £12.2m or 16.8p per share, gives a total dividend for the year of £59.7m or 82.0p per share. Last year, the Board agreed a total dividend for the year of £56.9m or 78.1p.

In addition, a special dividend of 70.0p per share has been approved by the Directors as an interim dividend. Shareholder approval for this special dividend is not required.

As of 30 June 2026, 31,085 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 60 to 62. 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, 25 November 2026. Details of these Directors are shown on pages 60 to 62 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 119. There has been no change in the holdings shown on page 119 in the period 1 July 2026 to 22 September 2026.

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 John Deer) have been granted an indemnity in respect of loss and liability incurred because of their office. Neither the Company's indemnity nor insurance provides cover if 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 125.

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 FY2026. 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 FCA's DTR 5 as at 30 June 2026. 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	Number of shares
Deltam Holdings Limited	50.25%	36,575,098

There have been no changes notified to the Company in the holdings shown above in the period 1 July 2026 to 22 September 2026.

Employees

The retention of our highly skilled people is essential to our future. The Directors place great emphasis on continuing the Company's 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, socioeconomic 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 34, 45, 47, 66 and 81. 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 111.

There are no agreements with employees providing for compensation for any loss of employment that may occur because of a takeover bid.

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 are set out on pages 71 to 73. The effect of that consideration on the Directors' principal decisions during FY2026 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 2026), see Note 26 on page 177 (relating to the approval of a special dividend).

Financial risk management, objectives and policies

Descriptions of the following can be found in Note 25 to the Consolidated financial statements on pages 171 to 176:

- 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.

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

The Company has been informed that the families have entered into arrangements to govern the operation of Deltam, which include provisions relating to the exercise of voting rights attached to the Renishaw shares held by Deltam. Under those arrangements, the Deer family representatives on the Deltam board can require all such shares to be voted against any special resolution of the Company, and the McMurtry family representatives can require all such shares to be voted in favour of any ordinary resolution of the Company. In other circumstances, if the Deltam board of directors cannot agree on how to vote the Renishaw shares held by Deltam, then the Deltam board shall cast the votes as it sees fit. This may include casting some votes in favour and some votes against the relevant resolution.

Other statutory and regulatory disclosures continued

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 42.

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	Directors' Remuneration Report, starting on page 90
(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	Not applicable
(11)	Shareholder waivers of dividends	Other statutory and regulatory disclosures, starting on page 122
(12)	Shareholder waivers of future dividends	Other statutory and regulatory disclosures, starting on page 122
(13)	Statement in relation to controlling shareholders	Other statutory and regulatory disclosures, starting on page 122

Signed on behalf of the Board.

Kasim Hussain

Group General Counsel & Company Secretary

22 September 2026

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 60 to 62, 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.

John Shipsey
Chief Financial Officer

22 September 2026

Financial statements

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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 2026 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 2026 which comprise:

Group	Parent company
Consolidated income statement for the year then ended	Balance sheet as at 30 June 2026
Consolidated statement of comprehensive income and expense for the year then ended	Statement of changes in equity for the year then ended
Consolidated balance sheet as at 30 June 2026	Related notes C31 to C52 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 ('FRC ES') as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group nor the Parent company, with the following inconsequential exceptions and we remain independent of the Group and the Parent company in conducting the audit. These exceptions related to the provision of XML formatting services of the local audited statutory financial statements for the year ending 30 June 2021 and translation of the German GAAP financial statements, including the audit opinion, for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 to a subsidiary in Germany.

For audit periods covering 30 June 2021 to 30 June 2025, we note this is a breach under FRC ES 2019 as the service is not permitted under paragraph 5.40. For the audit period ending 30 June 2026, we note this is a breach under FRC ES 2024 paragraph 5.40.

The services were performed by EY Germany with a total fee across all the six years of service delivery of less than £5k. We considered that the provision of the service did not create a self-review threat as the prohibited service could only be delivered once the audit has been completed and there was therefore no risk of self-review. Appropriate mitigation also existed as the individuals who performed the prohibited services were not part of the audit engagement team. We informed the Audit Committee of the inadvertent breach in September 2026. We considered this to be a minor breach of the FRC ES and we consider that an objective, reasonable and informed third party would not conclude that our independence was impaired, and we remain independent of Renishaw plc 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 31 December 2027. 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 31 December 2027;
- Evaluating the key assumptions underpinning the Group's cash flow forecasts. 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 £291.0m and had borrowings of £2.0m at 30 June 2026 which are not subject to financial covenants. 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 have 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 31 December 2027.

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.

Independent Auditor's Report to the members of Renishaw plc continued

Overview of our audit approach

Audit scope	— We performed an audit of the complete financial information of five components and audit procedures on specific balances for a further four components and specified procedures on three other components. — The components where we performed full, specific or specified audit procedures accounted for 93% of Adjusted profit before tax, 88% of Revenue and 86% of Total assets. — We performed centralised procedures on the following accounts and/or transactions: goodwill, elimination of intercompany balances and intercompany transactions during 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, borrowings, right of use assets and lease liabilities, finance lease receivables, investment properties, derivatives, reimbursement right, pension asset and liabilities, current tax assets and 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 £8.4m which represents 5% of Adjusted profit before tax.

An overview of the scope of the Parent company and Group audits

Tailoring the scope

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 procedures needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered 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 during 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 risks 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 four components of the Group as individually relevant due to materiality or financial size of the component relative to the Group.

For all nine of these individually relevant components, we identified the significant accounts where audit procedures 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 three 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 four 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 three 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 primary 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, Hong Kong, Japan, India and Ireland. 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 primary 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 its operations will be from extreme weather events, increasing competitive pressures for more energy and resource efficient products, and the growing adoption of additive manufacturing and other technologies supporting decarbonisation and electrification. These are explained on pages 49 to 55 in the required Climate-related Financial Disclosures statement and on page 26 in the Risk management section, including principal risks and uncertainties. The Group has also explained its climate commitments on pages 37 to 42. 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 2026 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 37 to 42. 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.

Independent Auditor's Report to the members of Renishaw plc continued

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 (2026: £815.8 million, 2025: £713.0 million)

Refer to the Accounting policies (page 148); and Note 2 of the Consolidated Financial Statements (page 148)

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:

- For components which together contributed 80% of total Group revenue, we used data analytics on all in scope components to analyse all of the revenue transactions recorded in the year at those components. We also tested the correlation between revenue, trade receivables and cash and performing tests of detail over non-correlated transactions.
- For one in-scope component contributing approximately 8% of Group revenue, where we did not use data analytics, we performed substantive testing by selecting samples of revenue transactions recorded throughout the year and agreeing them to supporting documentation and cash receipts, thereby assessing whether the relevant revenue recognition criteria had been met.
- 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.
- 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.
- 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 88% 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 (2026: £166.0 million, 2025: £151.3 million)

Refer to the Audit Committee Report (page 86); Accounting policy (page 166); and Note 23 of the Consolidated Financial Statements (page 166)

There is an increased risk of material misstatement relating to the valuation of the Group's UK, Ireland and Germany defined benefit pension obligations due to the size and nature of the schemes, 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.

At the time of the buy-in transaction for the UK scheme, a drafting error was identified in the 2015 trust deed relating to the Defined Contribution (DC) underpin, which requires further evaluation to determine whether it affects the valuation of defined benefit liabilities in the current or prior years.

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.
- 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, Ireland and Germany scheme liabilities from 30 June 2025 to 30 June 2026 and independently reconcile the output to the amounts calculated by management's external actuarial specialist.
- 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.
- We evaluated the completeness of the Group's defined benefit pension liabilities through a review of employee benefit arrangements across the Group, challenging management's assessment of scheme classifications and assessing whether any additional obligations required recognition under IAS 19.
- Evaluating whether the disclosures in the Group financial statements are in accordance with those required by IAS 19.

We performed centralised procedures, which covered 93% 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

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 to the Group financial statements are in accordance with those required by IAS 19, Employee Benefits.

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 86); Accounting policy (page 152); and Note 7 of the Consolidated Financial Statements (page 152)

The group has recognised an uncertain tax position provision of £7.1m (FY2025: £9.2m) and associated interest of £5.8m (FY2025: £4.9m) 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".

The risk level is consistent with prior year.

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 'adjusting 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 2026 are appropriate.

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 £8.4 million (2025: £6.4 million), which is 5% (2025: 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.

Starting basis	— Statutory profit before tax – £150.0m
Adjustments	— Adjust for non-recurring items – £18.0m, comprising: • Cost reduction programme – £14.9m • Loss of office – £2.0m • Closure of drug delivery business – £0.7m • Interest payable on historical tax matters – £0.4m
Materiality	— Totals £168.0m adjusted profit before tax — Materiality of £8.4m (5% of materiality basis)

We determined materiality for the Parent company to be £9.1 million (2025: £8.4 million), which is 1% (2025: 1%) of Equity.

During the course of our audit, we reassessed initial materiality to reflect actual results being higher than 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% (2025: 75%) of our planning materiality, namely £6.3 million (2025: £4.7 million). We have set performance materiality at this percentage due to our expectation of misstatements being low.

Audit procedures were 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 £0.4m to £3.9m (2025: £0.3 million to £3.2 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 £0.4 million (2025: £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.

Independent Auditor's Report to the members of Renishaw plc continued

Other information

The other information comprises the information included in the Annual Report, including the Strategic report set out on pages 2 to 56, the Governance report set out on pages 57 to 125 and Shareholders' information set out on pages 198 to 200, 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 76;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities 76;
- Directors' statement on fair, balanced and understandable set out on page 125;
- 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 103, 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, UK Economic Crime and Corporate Transparency Act including the Failure to Prevent Fraud Legislation, 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 Chief Financial Officer, Interim Group Finance Director, Group Financial Controller, Group Internal Audit Manager, Group Head of Internal Controls, Regional Presidents, Group Company Secretary & 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, internal controls 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 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.

Independent Auditor's Report to the members of Renishaw plc continued**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 ten years, covering the years ending 30 June 2017 to 30 June 2026.

- 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

22 September 2026

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 125.

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.

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Consolidated income statement

for the year ended 30 June 2026

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

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

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

Consolidated statement of comprehensive income and expense

for the year ended 30 June 2026

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

Consolidated balance sheet

at 30 June 2026

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

These financial statements were approved by the Board of Directors on 22 September 2026 and were signed on its behalf by:

Will Lee
Chief Executive Officer

John Shipsey
Chief Financial Officer

Consolidated statement of changes in equity

for the year ended 30 June 2026

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

Consolidated statement of cash flow

for the year ended 30 June 2026

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

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

Notes (forming part of the consolidated financial statements)

1. Accounting policies

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

Basis of preparation

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

The 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 147 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 include goodwill identified on acquisition, net of any accumulated impairment losses.

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

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

Foreign currencies

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

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

Notes continued

1. Accounting policies continued**New, revised or changes to existing accounting standards**

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

- amendments to IAS 21, Lack of exchangeability.

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

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

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

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

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

Alternative performance measures

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

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

Business combinations

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

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

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

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

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

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

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

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

Item	Key judgements (J) and estimates (E)	Page
Taxation	J – Whether uncertain tax positions need to be recognised	152
Research and development costs	J – Whether a project meets the criteria for capitalisation	158
Capitalised development costs	E – Estimates of future cash flows for impairment testing	158
Inventories	E – Determination of net realisable value	163
Defined benefit pension schemes	E – Valuation of defined benefit pension schemes' liabilities	166
Defined benefit pension schemes	J – Whether past service costs need to be recognised	166
Adjusted performance measures	J – Whether items are appropriate to exclude from adjusted measures	180

Climate change

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

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

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

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

Going concern

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

- the Group's strategy and business model, disclosed on pages 7 to 10;
- the Group's financial resources and strategies, disclosed on pages 21 to 22;
- the Group's risk management processes and principal risks, disclosed on pages 23 to 32; and
- the process undertaken to review the Group's viability, including scenario testing, disclosed on page 33.

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

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

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

Notes continued

2. Revenue disaggregation and segmental analysis

As previously announced, and disclosed on Page 14, the Group has reorganised into three new segments, which have replaced the Manufacturing technologies and Analytical instruments and medical devices segments. The new segments group together product lines with similar end-user markets, which more closely align reporting segment performance with external market data and demand drivers. Our new reporting segments are Industrial Metrology, Position Measurement and Specialised Technologies. We also manage our business by geographical region. The results of these segments and regions are regularly reviewed by the Board to assess performance and allocate resources, and are presented in this note.

Accounting policy

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

a) Sale of goods, capital equipment and services

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

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

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

b) Sale of software

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

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

c) Extended warranties

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

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

d) Contract balances

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

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

e) Disaggregation of revenue

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

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

2. Revenue disaggregation and segmental analysis continued

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

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

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

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

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

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

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

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

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

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

Notes continued

2. Revenue disaggregation and segmental analysis continued

The analysis of revenue by geographical market was:

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

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

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

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

3. Employee costs

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

The aggregate employee costs for the year were:

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

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

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

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

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

The total remuneration of the Directors and the SLT was:

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

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

The share-based payment charge relates to share awards granted in previous years, not yet vested. Shares equivalent to £2.3m (2025: £0.9m) are to be awarded in respect of FY2026. See the Directors' Remuneration Report for further details.

4. Cost of sales

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

Accounting policy

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

Included in cost of sales are the following amounts:

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

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

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

5. Financial income and expenses

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

Included in financial income and expenses are the following amounts:

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

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

Notes continued

6. Profit before tax

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

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

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

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

Costs within Administrative expenses relating to auditor fees are:

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

7. Taxation

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

Accounting policy

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

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

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries, to the extent that they will probably not reverse in the foreseeable future.

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

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

Key judgement – Whether uncertain tax positions need to be recognised

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

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

7. Taxation continued

The following table shows an analysis of the tax charge:

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

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

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

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

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

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

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

Notes continued

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 £14.1m liability (2025: £16.4m liability) is presented as a £22.9m deferred tax asset (2025: £22.4m asset) and a £37.0m deferred tax liability (2025: £38.8m liability) in the Consolidated balance sheet.

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

Deferred tax balances at the end of the year were:

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

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

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

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

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

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

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

8. Earnings per share

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

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

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

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

9. Property, plant and equipment

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

Accounting policy

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

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

Loss on disposals of Property, plant and equipment amounted to £0.1m (2025: £1.1m profit).

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

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

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

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

Notes continued

9. Property, plant and equipment continued

Year ended 30 June 2025	Freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost					
At 1 July 2024	255,536	278,189	6,099	56,593	596,417
Additions	6,374	23,258	1,220	15,421	46,273
Transfers	19,032	18,443	–	(37,475)	–
Transfers to Investment properties	(2,795)	(597)	–	–	(3,392)
Disposals	(725)	(7,819)	(1,206)	–	(9,750)
Currency adjustment	(2,794)	(2,420)	(151)	–	(5,365)
At 30 June 2025	274,628	309,054	5,962	34,539	624,183
Depreciation					
At 1 July 2024	49,460	216,838	5,079	–	271,377
Charge for the year	5,275	17,497	470	–	23,242
Impairment	989	–	–	–	989
Transfers to Investment properties	(1,179)	(439)	–	–	(1,618)
Disposals	(270)	(4,619)	(1,057)	–	(5,946)
Currency adjustment	(485)	(1,562)	(101)	–	(2,148)
At 30 June 2025	53,790	227,715	4,391	–	285,896
Net book value					
At 30 June 2025	220,838	81,339	1,571	34,539	338,287
At 30 June 2024	206,076	61,351	1,020	56,593	325,040

10. Right-of-use assets

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

Accounting policy

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

Year ended 30 June 2026	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Net book value				
At 1 July 2025	8,653	74	3,491	12,218
Additions	564	7	2,870	3,441
Depreciation	(2,316)	(39)	(2,642)	(4,997)
Currency adjustment	256	1	47	304
At 30 June 2026	7,157	43	3,766	10,966
Year ended 30 June 2025	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Net book value				
At 1 July 2024	9,899	66	4,781	14,746
Additions	1,746	49	841	2,636
Reductions	–	–	(12)	(12)
Depreciation	(2,541)	(43)	(2,049)	(4,633)
Currency adjustment	(451)	2	(70)	(519)
At 30 June 2025	8,653	74	3,491	12,218

11. Investment properties

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

Accounting policy

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

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

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

	2026 £'000	2025 £'000
Cost		
Balance at the beginning of the year	15,211	12,103
Transfers from Property, plant and equipment	14,543	3,392
Acquisition of a subsidiary	350	–
Currency adjustment	(109)	(284)
Balance at the end of the year	29,995	15,211
Depreciation		
Balance at the beginning of the year	3,645	1,818
Charge for the year	247	193
Transfers from Property, plant and equipment	3,014	1,618
Impairment	3,503	–
Currency adjustment	3	16
Balance at the end of the year	10,412	3,645
Net book value	19,583	11,566

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

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

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

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

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

Notes continued

12. Intangible assets

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

Accounting policy

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

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

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

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

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

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

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

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

Key judgement – Whether a project meets the criteria for capitalisation

Product development costs are capitalised once a project has reached a certain stage of development, being the point at which the product has passed testing to demonstrate it meets the technical specifications of the project and it satisfies all applicable regulations. Judgement is required to assess whether the new product development has reached the appropriate point for capitalisation of costs to begin. These costs are subsequently amortised over their useful economic life once ready for use. If a product becomes 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 capitalised development costs are impaired requires an estimation of the value-in-use of the project. To calculate the value-in-use we need to estimate the future cash flows of the project and select the appropriate discount rate for each project.

12. Intangible assets continued

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

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

Notes continued

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.

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

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

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

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

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

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

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

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

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

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

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

Internally generated development costs

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

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

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

13. Investments in joint ventures

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

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

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

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

Movements during the year were:

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

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

Summarised financial information for joint ventures:

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

For the nature of the activities, see Other statutory and regulatory disclosures.

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.

Notes continued

14. Leases (as lessor)

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

Accounting policy

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

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

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

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

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

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

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

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

15. Cash and cash equivalents and bank deposits

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

Accounting policy

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

Cash and cash equivalents

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

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

Bank deposits

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

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

16. Inventories

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

Accounting policy

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

Key estimate – Determination of net realisable inventory value

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

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

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

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

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

17. Provisions

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

Accounting policy

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

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

Warranty provision and other provision movements during the year were:

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

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

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

Notes continued

18. Contract liabilities

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

Balances at the end of the year were:

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

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

19. Other payables

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

Balances at the end of the year were:

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

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

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

20. Borrowings

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

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

Movements during the year were:

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

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

21. Leases (as lessee)

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

Accounting policy

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

Undiscounted future lease liabilities are analysed as below:

	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
2026				
Due in less than one year	2,431	18	2,259	4,708
Due between one and two years	1,913	13	1,218	3,144
Due between two and three years	1,220	11	495	1,726
Due between three and four years	219	4	159	382
Due between four and five years	104	–	6	110
Due in more than five years	4,275	–	–	4,275
Total future minimum lease payments payable	10,162	46	4,137	14,345
Effect of discounting	(2,611)	(2)	(214)	(2,827)
Lease liabilities	7,551	44	3,923	11,518
2025	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Due in less than one year	2,490	34	1,985	4,509
Due between one and two years	2,110	18	1,303	3,431
Due between two and three years	1,667	12	501	2,180
Due between three and four years	1,135	11	80	1,226
Due between four and five years	182	4	2	188
Due in more than five years	4,358	–	–	4,358
Total future minimum lease payments payable	11,942	79	3,871	15,892
Effect of discounting	(2,916)	(4)	(211)	(3,131)
Lease liabilities	9,026	75	3,660	12,761

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

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

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

Notes continued

22. Changes in liabilities arising from financing activities

£'000	1 July 2025	Cash flows	Other	Currency	30 June 2026
Lease liabilities	12,761	(4,960)	3,388	329	11,518
Borrowings	2,884	(731)	35	(202)	1,986
Amounts payable to joint venture	14,530	1,022	282	114	15,948
	30,175	(4,669)	3,705	241	29,452

£'000	1 July 2024	Cash flows	Other	Currency	30 June 2025
Lease liabilities	15,022	(4,284)	2,564	(541)	12,761
Borrowings	3,522	(794)	49	107	2,884
Amounts payable to joint venture	8,475	5,612	371	72	14,530
	27,019	534	2,984	(362)	30,175

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

23. Employee benefits

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

Accounting policy

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

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

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

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

Key estimate – Valuation of defined benefit pension schemes' liabilities

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

Key judgement – Whether past service costs need to be recognised

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

Defined contribution schemes

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

The Renishaw pension fund

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

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

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

23. Employee benefits continued

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

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

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

The Renishaw (Ireland) Limited pension fund

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

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

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

The Renishaw GmbH pension fund

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

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

Other plans

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

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

Assumptions

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

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

1 Pre-2030 2 Post-2030

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

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

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

Notes continued

23. Employee benefits continued**Assets and liabilities recognised in the Consolidated balance sheet**

The assets and liabilities in the defined benefit pension schemes were:

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

Note C.46 gives the analysis of the UK scheme.

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

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

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

Movements in the schemes' assets, liabilities and reimbursement right

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

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

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

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

23. Employee benefits continued

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

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

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

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

Sensitivity analysis for key assumptions

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

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

Reimbursement right

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

Contingent liabilities

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

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

Notes continued

24. Share-based payments

During FY2026, the Group provided share-based payment arrangements to certain employees in accordance with the Renishaw plc deferred annual equity incentive plan. As set out in the Remuneration Committee's Chair statement on page 90, we will be seeking shareholder approval for a new share plan at the 2026 AGM to enable the Group to grant Long-term incentive plan awards and deferred bonus share awards to senior leaders in the business.

Accounting policy

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

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

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

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

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

Shares equivalent to £2.3m (2025: £0.9m) are to be awarded in respect of FY2026. See the Directors' Remuneration Report for further details.

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

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

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

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

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

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

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

Fair value

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

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

Notes continued

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 on one customer or one geographical area. The Group establishes an allowance for impairment in respect of trade receivables where recoverability is considered doubtful.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other receivables at the year end comprised:

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

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

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

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

Notes continued

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 2026 totalling £291.0m, and £110.5m cash flows generated from operating activities in the year, the Group remains in a strong liquidity position.

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

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

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

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

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. The Group enters into US Dollar, Euro and Japanese Yen derivative financial instruments to manage its exposure to foreign currency risk, including:

- 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
- one-month forward foreign currency exchange contracts to offset the gains/losses from exchange rate movements arising from foreign currency-denominated intragroup balances of the Company held in US Dollar, Euro, Japanese Yen and Canadian Dollar.

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

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

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

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

Hedging

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

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

No contracts became ineffective during the year. A decrease of 10% in the highly probable forecasts would result in no ineffective contracts.

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

Notes continued

25. Financial instruments continued

For both the Group and the Company, the following table details the fair value of forward foreign currency derivatives according to the categorisation of instruments noted on page 175:

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

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

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

26. Share capital and reserves

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

Share capital

	2026 £'000	2025 £'000
72,788,543 allotted, called-up and fully paid ordinary 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:

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

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

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

Own shares held

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

Movements during the year were:

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

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

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

Other reserve

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

Movements during the year were:

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

Notes continued

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:

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

Cash flow hedging reserve

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

Movements during the year were:

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

Non-controlling interest

Movements during the year were:

	2026 £'000	2025 £'000
Balance at the beginning of the year	(577)	(577)
Balance at the end of the year	(577)	(577)

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

27. Capital commitments

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

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

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

28. Related parties

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

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

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

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

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

As announced on 26 November 2025 the families of the Company's founders – the late Sir David McMurtry and current Non-executive Director John Deer – established a joint family holding company, Deltam Holdings Limited (Deltam), to hold 50.25% of the issued share capital of Renishaw. Deltam is therefore a controlling shareholder for the purposes of the UKLRs. See page 123 of the Governance Report for further details in relation to this.

Notes continued

29. Alternative performance measures

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

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

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

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

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

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

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

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

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

- costs relating to the cost reduction programme (a);
 - costs relating to the loss of office payable to an Executive Director (b);
 - costs relating to the closure of the drug delivery business (c);
 - Other interest payable related to liabilities recognised for historical and non-recurring tax matters (d); and
 - Taxation prior year adjustment related to historical and non-recurring tax matters (d).
- a) Restructuring costs, where applicable during the year, are excluded from adjusted measures on the basis that they do not frequently recur. In FY2025, the Group initiated a cost reduction programme to achieve labour cost savings. The cost of the voluntary and compulsory redundancies has been recognised in FY2026 based on relevant accounting standards. The Group has recognised redundancy payments of £14.9m. The amounts have been recognised in Cost of sales, Distribution expenditure and Administrative expenditure within the Consolidated income statement.
- b) There may be other items which do not frequently recur, and which it may be appropriate to exclude from adjusted measures. The Group Finance Director stepped down from the position on the 31 December 2025. The Group recognised costs related to the loss of office of £2.0m in the period, as detailed on page 121 of the Directors' Remuneration Report. As the loss of office does not relate to current year trading performance, the amounts have been excluded from adjusted measures. The amounts have been recognised in Administrative expenses within the Consolidated income statement.
- c) Restructuring costs, where applicable during the year, are excluded from adjusted measures on the basis that they do not frequently recur. In FY2025, the Group made the decision to close the drug delivery business. In FY2026, the Group incurred further costs, following the decision to sell the drug delivery business. The Group has recognised income of £0.3m related to the sale, and a loss on disposal of intangible assets of £0.9m. The amounts have been recognised in Cost of sales within the Consolidated income statement.
- d) There may be other items which do not frequently recur, and which it may be appropriate to exclude from adjusted measures. During FY2026, the Group recognised net interest charge of £0.4m and a Taxation release of £2.6m relating to historical and non-recurring tax matters. The tax matters relate to specific legacy arrangements which we would not expect to recur. Applicable accounting standards require a provision for tax and the associated interest, however we continue to seek resolution to these matters which would reduce these amounts. As the historical and non-recurring tax matters do not relate to current year trading performance, the amounts have been excluded from adjusted measures. The amounts have been recognised in Financial income and expenses and Income tax expense within the Consolidated income statement.

29. Alternative performance measures continued

	2026 £'000	2025 £'000
Adjusted profit before tax:		
Statutory profit before tax	149,964	118,000
Cost reduction programme	14,925	–
– reported in production costs	2,859	–
– reported in engineering costs	6,110	–
– reported in distribution costs	3,350	–
– reported in administrative expenses	2,606	–
Loss of office payable to Executive Director	1,980	–
– reported in administrative expenses	1,980	–
Closure of drug delivery business	666	2,059
– reported in production costs	(250)	–
– reported in engineering costs	916	2,059
Closure of the Edinburgh research facility	–	2,320
– reported in engineering costs	–	2,320
Other interest payable on historical and non-recurring tax matters	419	4,852
– reported in financial income	(2,450)	–
– reported in financial expenses	2,869	4,852
Adjusted profit before tax	167,954	127,231
Adjusted profit after tax:		
Statutory profit after tax	118,960	83,757
Cost reduction programme (net of tax)	11,301	–
Loss of office payable to Executive Director (net of tax)	1,485	–
Closure of drug delivery business (net of tax)	500	1,544
Closure of Edinburgh research facility (net of tax)	–	1,740
Other interest payable on historical and non-recurring tax matters (net of tax)	1,031	4,026
Prior year adjustment taxation charge on historical and non-recurring tax matters	(2,584)	9,154
Adjusted profit after tax	130,693	100,221
Adjusted earnings per share:		
Statutory earnings per share	163.5	115.2
Cost reduction programme (net of tax)	15.5	–
Loss of office payable to Executive Director (net of tax)	2.0	–
Closure of drug delivery business (net of tax)	0.7	2.1
Closure of the Edinburgh research facility (net of tax)	–	2.4
Other interest payable on historical and non-recurring tax matters (net of tax)	1.4	5.5
Taxation prior year adjustments	(3.6)	12.6
Adjusted earnings per share	179.5	137.8
Adjusted operating profit:		
Statutory operating profit	135,325	107,885
Cost reduction programme	14,925	–
Loss of office payable to Executive Director	1,980	–
Closure of drug delivery business	666	2,059
Closure of the Edinburgh research facility	–	2,320
Other interest payable on historical and non-recurring tax matters	–	–
Adjusted operating profit	152,896	112,264

Notes continued

29. Alternative performance measures continued

Adjustments to segmental operating profit:

	2026 £'000	2025 £'000
Industrial Metrology		
Operating profit	66,357	74,130
Cost reduction programme	9,098	–
Loss of office payable to Executive Director	1,244	–
Closure of Edinburgh research facility	–	1,378
Adjusted Industrial Metrology operating profit	76,699	75,508
Position Measurement		
Operating profit	67,230	46,010
Cost reduction programme	3,833	–
Loss of office payable to Executive Director	416	–
Closure of Edinburgh research facility	–	618
Adjusted Position Measurement operating profit	71,479	46,628
Specialised Technologies		
Operating profit	1,738	(12,255)
Cost reduction programme	1,994	–
Loss of office payable to Executive Director	320	–
Closure of drug delivery business	666	2,059
Closure of Edinburgh research facility	–	324
Adjusted Specialised Technologies operating profit	4,718	(9,872)

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

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

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

29. Alternative performance measures continued

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

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

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

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

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

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

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

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

Notes continued

30. Business combinations

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

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

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

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

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

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

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

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

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

Company balance sheet

at 30 June 2026

	notes	2026 £'000	2025 £'000
Assets			
Property, plant and equipment	C.32	227,348	227,712
Right-of-use assets	C.33	2,574	2,788
Investment properties	C.34	10,549	6,658
Long-term loans to Group undertakings	C.35	16,838	5,937
Intangible assets	C.36	40,525	39,278
Investments in subsidiaries	C.37	302,614	299,028
Investments in joint ventures	C.38	–	1,453
Employee benefits	C.46	6,626	7,596
Derivatives	25	1,652	7,878
Total non-current assets		608,726	598,328
Current assets			
Inventories	C.40	116,410	100,610
Trade receivables	C.41	65,810	43,669
Current tax		13,513	4,939
Other receivables	C.42	26,243	27,172
Derivatives	25	7,031	13,777
Bank deposits	15	135,000	145,000
Cash and cash equivalents		63,942	15,621
Total current assets		427,949	350,788
Current liabilities			
Trade payables		27,858	17,480
Provisions	C.43	3,089	1,859
Lease liabilities	C.44	521	452
Derivatives	25	689	37
Other payables	C.45	55,239	47,660
Total current liabilities		87,396	67,488
Net current assets		340,553	283,300
Non-current liabilities			
Deferred tax liabilities	C.39	39,442	40,616
Lease liabilities	C.44	2,191	2,475
Long-term loans from Group undertakings		30	80
Derivatives	25	40	1,096
Total non-current liabilities		41,703	44,267
Total assets less total liabilities		907,576	837,361
Equity			
Share capital	C.47	14,558	14,558
Share premium		42	42
Own shares held	26	(1,094)	(2,140)
Cash flow hedging reserve	26	6,108	15,264
Retained earnings		887,843	807,984
Other reserve		119	1,653
Total equity		907,576	837,361

The Company reported a profit for the financial year ended 30 June 2026 of £136,922,000 (2025: £74,402,000).

These financial statements were approved by the Board of Directors on 22 September 2026 and were signed on its behalf by:

Will Lee
Chief Executive Officer

John Shipsey
Chief Financial Officer

Company statement of changes in equity

for the year ended 30 June 2026

Year ended 30 June 2025	Share capital £'000	Share premium £'000	Own shares held £'000	Cash flow hedging reserve £'000	Retained earnings £'000	Other reserve £'000	Total £'000
Balance at 1 July 2024	14,558	42	(2,963)	10,911	789,315	1,840	813,703
Profit for the year	–	–	–	–	74,402	–	74,402
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)	–	4,044
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
Year ended 30 June 2026							
Profit for the year	–	–	–	–	136,922	–	136,922
Other comprehensive income and expense (net of tax)							
Remeasurement of defined benefit pension scheme assets/liabilities	–	–	–	–	(221)	–	(221)
Changes in fair value of cash flow hedges	–	–	–	(9,156)	–	–	(9,156)
Total other comprehensive income and expense	–	–	–	(9,156)	(221)	–	(9,377)
Total comprehensive income and expense	–	–	–	(9,156)	136,701	–	127,545
Share-based payments charge	–	–	–	–	–	491	491
Distribution of own shares	–	–	2,025	–	–	(2,025)	–
Purchase of own shares	–	–	(979)	–	–	–	(979)
Dividends paid	–	–	–	–	(56,842)	–	(56,842)
Balance at 30 June 2026	14,558	42	(1,094)	6,108	887,843	119	907,576

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 have been 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 147), 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 147.

Having considered the impact on the Company of the same factors set out on page 147, 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 31 December 2027, being the going concern period. 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.

Notes to the Company financial statements continued

C.31. Accounting policies continued

Investment properties

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

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

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.

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.

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.

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.

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.

C.31. Accounting policies continued

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.

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 calculated on the basis of historical returns and internal quality reports and is included in the Company financial statements.

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 2026	Freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost					
At 1 July 2025	171,503	243,865	2,135	28,609	446,112
Additions	1,625	14,117	269	7,559	23,570
Transfers	20,129	6,994	–	(27,123)	–
Transfers to investment properties	(6,953)	(316)	–	–	(7,269)
Disposals	(1,694)	(26,600)	(625)	–	(28,919)
At 30 June 2026	184,610	238,060	1,779	9,045	433,494
Depreciation					
At 1 July 2025	32,456	183,811	2,133	–	218,400
Charge for the year	3,451	11,960	61	–	15,472
Impairment	–	1,500	–	–	1,500
Transfers to investment properties	(2,310)	(210)	–	–	(2,520)
Disposals	(171)	(25,910)	(625)	–	(26,706)
At 30 June 2026	33,426	171,151	1,569	–	206,146
Net book value					
At 30 June 2026	151,184	66,909	210	9,045	227,348
At 30 June 2025	139,047	60,054	2	28,609	227,712

At 30 June 2026, properties with a net book value of £nil (2025: £48.7m) were subject to a fixed charge to secure the UK defined benefit pension scheme (UK Scheme) liabilities. The charges were released on 5 January 2026, following completion of the latest full actuarial valuation of the UK Scheme at 30 September 2024 (see Note 23).

Notes to the Company financial statements continued

C.32. Property, plant and equipment continued

Additions to assets in the course of construction comprise:

	2026 £'000	2025 £'000
Freehold land and buildings	5,487	8,065
Plant and equipment	2,072	4,130
	7,559	12,195

C.33. Right-of-use assets

	Leasehold property £'000	Motor vehicles £'000	Total £'000
Year ended 30 June 2026			
Net book value			
At 1 July 2025	1,821	967	2,788
Additions	–	400	400
Depreciation	(20)	(594)	(614)
At 30 June 2026	1,801	773	2,574
Year ended 30 June 2025			
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

C.34. Investment properties

	2026 £'000	2025 £'000
Cost		
Balance at the beginning of the year	8,933	7,012
Transfers from Property, plant and equipment	7,269	1,921
Balance at the end of the year	16,202	8,933
Depreciation		
Balance at the beginning of the year	2,275	1,148
Charge for the year	148	123
Transfers from Property, plant and equipment	2,520	1,004
Impairment	710	–
Balance at the end of the year	5,653	2,275
Net book value	10,549	6,658

The Company has recognised impairments of £0.7m (2025: £nil) following a market value assessment of a property.

Amounts recognised in the income statement relating to investment properties:

	2026 £'000	2025 £'000
Rental income	743	562
Direct operating expenses (including repairs and maintenance)	(173)	(145)
Profit for the year	570	417

The fair value of the Company's investment properties totalled £14.6m at 30 June 2026 (2025: £10.0m). Fair values of each investment property have been determined within the last three years by independent valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of each investment property being valued. These valuations have been assessed to be materially appropriate at 30 June 2026.

C.35. Long-term loans to Group undertakings

Amounts owed by Group undertakings at 30 June 2026 amounted to £16.8m (2025: £5.9m). This included expected credit loss provisions of £24.5m (2025: £32.4m).

These amounts are unsecured and accrue variable interest.

C.36. Intangible assets

Year ended 30 June 2026	Internally generated development costs £'000	Software licences, intellectual property and other intangible assets £'000	Total £'000
Cost			
At 1 July 2025	183,744	16,539	200,283
Additions	9,897	43	9,940
Disposals	(13,482)	(3,638)	(17,120)
At 30 June 2026	180,159	12,944	193,103
Amortisation			
At 1 July 2025	147,494	13,511	161,005
Charge for the year	4,455	332	4,787
Impairment	3,804	–	3,804
Disposals	(13,482)	(3,536)	(17,018)
At 30 June 2026	142,271	10,307	152,578
Net book value			
At 30 June 2026	37,888	2,637	40,525
At 30 June 2025	36,250	3,028	39,278

There were impairments of internally generated development costs in the year of £3.8m (2025: £1.0m).

C.37. Investments in subsidiaries

Movements during the year were:

	2026 £'000	2025 £'000
Balance at the beginning of the year	299,028	298,174
Additions	2,240	854
Transfers from investments in joint ventures	1,453	–
Disposals	(107)	–
Balance at the end of the year	302,614	299,028

During the year, the Company acquired the remaining 30% interest in Metrology Software Products Limited (MSP) for £2.2m, increasing its ownership to 100%. The investment in joint ventures has been transferred to investments in subsidiaries (see Note C.38). Details of the Company's subsidiaries are given in Note C.50.

C.38. Investments in joint ventures

Investments in joint ventures at 30 June 2026 were £nil (2025: £1,453,000), following the transfer to Investment in subsidiaries (see Note C.37). Details of the Company's joint ventures are given in Note C.51.

Notes to the Company financial statements continued

C.39. Deferred tax

Balances at the end of the year were:

	2026			2025		
	Assets £'000	Liabilities £'000	Net £'000	Assets £'000	Liabilities £'000	Net £'000
Property, plant and equipment	–	(31,924)	(31,924)	–	(30,528)	(30,528)
Intangible assets	–	(5,072)	(5,072)	–	(4,475)	(4,475)
Defined benefit pension scheme	–	(1,657)	(1,657)	–	(1,899)	(1,899)
Derivatives	–	(2,036)	(2,036)	–	(5,088)	(5,088)
Other	1,247	–	1,247	1,374	–	1,374
Balance at the end of the year	1,247	(40,689)	(39,442)	1,374	(41,990)	(40,616)

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 £39.4m liability (2025: £40.6m 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.

Movements during the year were:

	2026 £'000	2025 £'000
Balance at the beginning of the year	(40,616)	(35,596)
Movements during the year	1,174	(5,020)
Balance at the end of the year	(39,442)	(40,616)

C.40. Inventories

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

	2026 £'000	2025 £'000
Raw materials	46,820	42,912
Work in progress	37,375	30,748
Finished goods	32,215	26,950
Balance at the end of the year	116,410	100,610

At the end of the year, the gross cost of inventories which has provisions held against them totalled £17.1m (2025: £18.1m).

C.41. Trade receivables

An analysis of trade receivables at the end of the year was:

	2026 £'000	2025 £'000
Trade receivables	22	13
Amounts owed by Group undertakings	65,788	43,656
Balance at the end of the year	65,810	43,669

C.42. Other receivables

An analysis of other receivables at the end of the year was:

	2026 £'000	2025 £'000
Software maintenance	8,627	10,138
Indirect tax receivable	8,006	6,279
Other prepayments	9,610	10,755
Balance at the end of the year	26,243	27,172

C.43. Provisions

Warranty provision movements during the year were:

	2026 £'000	2025 £'000
Balance at the beginning of the year	1,859	2,266
Created in the year	3,165	2,100
Used in the year	(1,935)	(2,507)
	1,230	(407)
Balance at the end of the year	3,089	1,859

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.44. Leases (as lessee)

Lease liabilities are analysed as below:

	Leasehold property £'000	Motor vehicles £'000	Total £'000
Year ended 30 June 2026			
Total future minimum lease payments payable	3,715	870	4,585
Effect of discounting	(1,831)	(42)	(1,873)
Lease liability	1,884	828	2,712
	Leasehold property £'000	Motor vehicles £'000	Total £'000
Year ended 30 June 2025			
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

C.45. Other payables

An analysis of other payables due within one year at the end of the year was:

	2026 £'000	2025 £'000
Amounts owed to Group undertakings	20,162	21,328
Other taxes and social security	4,047	4,023
Other creditors and accruals	31,030	22,309
Balance at the end of the year	55,239	47,660

Other creditors and accruals include £11.3m (2025: £6.9m) relating to performance bonus accruals.

C.46. 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 £22.4m (2025: £21.7m), of which £0.1m (2025: £0.1m) related to Directors. The latest full actuarial valuation of the scheme was carried out at 30 September 2024 and updated to 30 June 2026 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 2026 £'000	% of total assets	30 June 2025 £'000	% of total assets
Market value of assets:				
Insurance contract	127,679	94	118,158	93
Credit and fixed income funds	7,148	5	7,924	6
Cash and other	682	1	776	1
	135,509	100	126,858	100
Actuarial value of liabilities	(128,883)	–	(119,262)	–
Surplus in the scheme	6,626	–	7,596	–
Deferred tax thereon	(1,657)	–	(1,899)	–

Notes to the Company financial statements continued

C.46. Employee benefits continued

The movements in the scheme were:

Year ended 30 June 2026	Assets £'000	Liabilities £'000	Total £'000
Surplus in scheme at the beginning of the year	126,858	(119,262)	7,596
Interest on pension scheme	6,851	(6,457)	394
Remeasurement gain/(loss) under IAS 19	9,016	(9,309)	(293)
Scheme administration expenses	(1,071)	–	(1,071)
Benefits paid	(6,145)	6,145	–
Surplus in scheme at the end of the year	135,509	(128,883)	6,626
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

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

	2026 £'000	2025 £'000
Actuarial gain/(loss) arising from:		
Changes in demographic assumptions	(2,765)	–
Changes in financial assumptions	6,193	11,759
Experience adjustment	(12,737)	306
Return on plan assets excluding interest income	9,016	(12,477)
Total recognised in Other comprehensive income and expense	(293)	(412)

C.47. Share capital

	2026 £'000	2025 £'000
72,788,543 allotted, called-up and fully paid 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.48. 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:

	2026 £'000	2025 £'000
Purchased goods and services from the Company during the year	636	23
Sold goods and services to the Company during the year	2,673	2,526
Amounts owed by the Company at the year end	–	237
Amounts owed to the Company at the year end	93	9

As announced on 26 November 2025 the families of the Company's founders – the late Sir David McMurtry and current Non-executive Director John Deer – established a joint family holding company, Deltam Holdings Limited (Deltam), to hold 50.25% of the issued share capital of Renishaw (see Note 28).

C.49. Capital commitments

Capital commitments at the end of the year, for which no provision has been made in the financial statements, were £15.0m (2025: £9.1m).

C.50. Subsidiary undertakings

The following are the subsidiary undertakings of Renishaw plc as at 30 June 2026, 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 † Travel agency ‡ Ordinary-C shares

Company	Registered Office
Owned by Renishaw plc	
MTT Investments Limited ^D	
Renishaw Advanced Materials Limited ^D	
Renishaw International Limited ^F	
Renishaw Medical Limited ^D	
Renishaw PT Limited ^D	New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR United Kingdom
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
Renishaw Diagnostics Limited ^{††}	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
Metrology Software Products Limited	New Mills, Wotton-under-Edge, Gloucestershire, GL12 8JR 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

Notes to the Company financial statements continued

C.50. Subsidiary undertakings continued

Company	Registered Office
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, Raison 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
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

C.50. Subsidiary undertakings continued

Company	Registered Office
Owned by Renishaw Medical Limited	
Renishaw Medical AM Solutions Limited ^p	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

Subsidiary audit exemption

Renishaw plc has issued a guarantee over the liabilities of Metrology Software Products Limited (04468819) as at 30 June 2026 under Section 479C of the Companies Act 2006 (the Act), which qualifies Metrology Software Products Limited to take the statutory audit exemption as set out within Section 479A of the Act for the period ended 30 June 2026.

C.51. Joint venture

The following is a joint venture of Renishaw plc at 30 June 2026. The country in which the entity has its registered/principal office is its domicile and country of incorporation. The accounting year end of the joint venture is 30 June unless otherwise stated. The shareholding shown is in the ordinary share capital of the undertaking unless otherwise stated. The principal activity of the joint venture is consistent with that of the Company, as described in the Other statutory and regulatory disclosures.

Company	Registered Office
Owned by Renishaw International Limited	
RLS Merilna tehnika d.o.o. (50%)	Poslovna cona Žeje pri Komendi, Pod vrbami 2, Komenda, 1218 Slovenia

C.52. Ultimate parent company

The Company is a subsidiary undertaking of Deltam Holdings Limited which is the immediate and ultimate parent company incorporated in Great Britain and registered in England and Wales.

At the date of approving these Consolidated financial statements, the consolidated financial statements of Deltam Holdings Limited are not yet complete. Once completed they will be available to the public and may be obtained from Deltam Holdings Limited, Carpenter Court, 1 Maple Road, Bramhall, Stockport, Cheshire, United Kingdom, SK7 2DH or from Companies House.

10-year financial record

Results	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Overseas revenue	785,793	679,027	653,345	649,674	639,540	538,636	482,784	539,915	580,940	509,212
UK and Ireland revenue	29,986	34,017	37,956	38,899	31,536	26,923	27,431	34,044	30,567	27,595
Total revenue	815,779	713,044	691,301	688,573	671,076	565,559	510,215	573,959	611,507	536,807
Adjusted operating profit	152,896	112,264	108,667	130,407	161,406	118,568	51,700	93,711	143,045	108,733
Adjusted profit before tax	167,954	127,231	122,594	140,983	163,742	119,666	48,614	103,862	145,081	109,079
Taxation (excluding adjusted items)	37,261	27,010	25,705	28,126	28,685	23,611	11,547	16,557	20,942	12,819
Profit for the year (excluding adjusted items and tax on adjusted items)	130,693	100,221	96,889	112,857	135,057	96,055	37,067	87,305	124,139	96,260

Capital employed	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'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	969,532	911,264	881,665	875,564	800,570	688,730	532,264	568,677	533,994	429,214
Total equity	984,132	925,864	896,265	890,164	815,170	703,330	546,864	583,277	548,594	443,814

Statistics	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Overseas revenue as a percentage of total revenue	96.3%	95.2%	94.5%	94.4%	95.3%	95.2%	94.6%	94.1%	95.0%	94.9%
Adjusted earnings per share	179.5p	137.3p	133.2p	155.1p	185.5p	132.0p	51.0p	119.9p	170.5p	132.4p
Proposed dividend (the total of the final and interim dividend)	82.0p	78.1p	76.2p	76.2p	72.6p	66.0p	0.0p	60.0p	60.0p	52.0p

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:

- 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;
- 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;
- 2024 (£nil);
- 2025 (£2.3m pre-tax loss) closure of Edinburgh research facility, (£2.1m pre-tax loss) closure of drug delivery business, (£4.9m pre-tax loss) other interest payable on historical and non-recurring tax matters, (£9.2m loss) on prior year adjustment taxation charge on historical and non-recurring tax matters and (£1.9m gain) taxation on adjusting items;
- 2026 (£14.9m pre-tax loss) cost reduction programme, (£2.0m pre-tax loss) loss of office payable to Executive Director, (£0.7m pre-tax loss) closure of drug delivery business, (£0.8m pre-tax gain) other interest payable on historical and non-recurring tax matters, (£5.4m gain) prior year adjustment taxation charge on historical and non-recurring tax matters, and (£3.7m gain) taxation on adjusting items.

The proposed dividend for FY2026 excludes the special dividend of 70.0p per share.

Glossary

AGM	Annual General Meeting	ISO/IEC 270001	International standard for information security management
AI	artificial intelligence	JPY	Japanese Yen
AM	additive manufacturing (3D printing)	kW	kilowatt – an amount of power equal to 1,000 watts
APAC	Asia Pacific	kWh	kilowatt hour – an amount of energy equivalent to delivering 1kW of power for an hour
APM(s)	alternative performance measure(s)	LTIP	Long-Term Incentive Plan
CO ₂ e	carbon dioxide equivalent	M&A	mergers and acquisitions
Company	Renishaw plc	NCI	non-controlling interest
CMM	co-ordinate measuring machine	OCI	other comprehensive income
CNC	computer numerically controlled	OEM	original equipment manufacturer
CPI	consumer price index	P&L	profit and loss account
DESNZ	Department for Energy Security and Net Zero	PBT	profit before tax
DTR	the FCA's Disclosure Guidance and Transparency Rules	PSP	Performance Share Plan
EBT	Employee Benefit Trust	RDEC	research and development tax credit
EMEA	Europe, Middle East and Africa	RIS	Regulatory Information Service
EPS	earnings per share	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013
ERP	enterprise resource planning	SBTi	Science Based Targets initiative
ESG	environmental, social and governance	Scope 1	direct GHG emissions occur from sources that are owned or controlled by the Group. For example, emissions from combustion in owned or controlled boilers, generators, vehicles, etc.
EUR	Euro	Scope 2	GHG emissions from the generation of purchased electricity consumed by the Group
EV	electric vehicle	Scope 3	indirect GHG emissions are a consequence of the activities of the Group, but that occur from sources not owned or controlled by the Group
EY	Ernst & Young LLP	tCO ₂ e	Tonnes of carbon dioxide equivalent
FCA	Financial Conduct Authority	TCFD	Task Force on Climate-related Financial Disclosures
FRC	Financial Reporting Council	TSR	Total shareholder return, calculated as change in share price, assuming dividends are immediately reinvested
FSP	formal sale process	ULEV	ultra-low emission vehicle
FX	foreign exchange	UKLR	The FCA's UK Listing Rules
GBP	Great British Pound or Pound Sterling	UN SDG	United Nations Sustainable Development Goal
GHG	greenhouse gas	USD	United States Dollar
GMP	Guaranteed minimum pension		
Group	Renishaw plc and its subsidiaries		
GWP	global warming potential		
HKD	Hong Kong Dollar		
ICE	internal combustion engine		
IFRIC	International Financial Reporting Interpretations Committee		
IFRS	International Financial Reporting Standards		
IP	intellectual property		
IPCC	International Panel on Climate Change		

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™	MODUS™
MODUS™ IM	Strada®	RenAM®	TEMPUS™		

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
Highdown House
Worthing
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 2026 AGM will be held on Wednesday, 25 November 2026 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

25 November 2026

Half year

31 December 2026

Half-year results

February 2027

Trading update

May 2027

Final dividend and special dividend

Ex-div date 29 October 2026

Record date 30 October 2026

Payment date 3 December 2026

Interim dividend (provisional)

Ex-div date 4 March 2027

Record date 5 March 2027

Payment date 6 April 2027

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

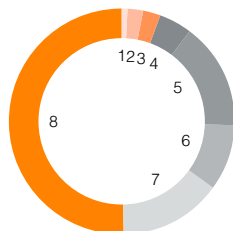
Corporate brokers

UBS
Peel Hunt

Principal bankers

Lloyds Bank
BNP Paribas
HSBC
Citibank

Shareholder profile



Shareholdings		%
1	1 – 5,000	1.00
2	5,001 – 25,000	2.23
3	25,001 – 50,000	2.57
4	50,001 – 100,000	4.67
5	100,001 – 500,000	15.16
6	500,001 – 1,000,000	9.43
7	1,000,001 – 3,000,000	14.69
8	more than 3,000,000	50.25

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 Report Fraud on 0300 123 2040 (overseas callers dial +44 300 123 2040) or their online fraud reporting tool at www.reportfraud.police.uk/guide-to-reporting. If you live in Scotland, you should report to Police Scotland by calling 101, or contact Advice Direct Scotland on 0808 164 6000.

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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Renishaw plc

New Mills, Wotton-under-Edge,
Gloucestershire GL12 8JR
United Kingdom
T: +44 (0)1453 524524
E: uk@renishaw.com

For more information visit:
www.renishaw.com