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Carclo plc
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29 August 2025

Carclo plc

Full Year audited results for the year ended 31 March 2025

Carclo plc ("Carclo" or the "Group") today announces its audited results for the financial year ended 31
March 2025 ("FY25").

**Strategic successes drive improved operational and financial performance with a solid platform
for growth**

	2025	2024 (restated) ²	Change
Revenue	£121.2m	£132.7m	-8.6%
Underlying operating profit ¹	£9.8m	£6.6m	+48.5%
Underlying EBITDA ¹	£16.4m	£14.6m	+12.3%
Underlying basic earnings per share ¹	4.3p	1.0p	+430%
Cash generated from operations ³	£19.1m	£18.6m	+2.7%
Net Debt	£19.2m	£29.5m	-34.9%
Statutory operating profit	£7.6m	£1.7m	+447%
Statutory profit/(loss) for the year	£0.9m	(£3.4m)	n/a
Statutory diluted earnings per share	1.2p	(4.6)p	n/a

1. Underlying operating profit and underlying diluted earnings per share are the equivalent statutory measures adjusted to eliminate the significant one-off items not linked to the underlying performance of the business. Underlying Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) is reported on the same basis.

2. Prior year comparatives have been restated to show a £0.9m dilapidations provision in the balance sheet and annualised depreciation of £0.1m thereon

3. Cash generated from operations has been restated to exclude defined benefit pension contributions paid net of Company settled administration costs

Financial highlights:

- Strong improvements in both Return on Sales at 8.1% (FY24: 4.9%) and Return on Capital Employed of 24.4% (FY24: 13.1%) progressing further toward strategic targets of 10% and 25%, respectively
- Revenue down by 8.6% to £121.2m (FY24: £132.7m), largely driven by strategic exit from short-run product lines in the US and Design & Engineering revenue reduction to focus on margin enhancing portfolio optimisation, partially offset by Manufacturing Solutions revenue like for like growth
- Increase in underlying operating profit to £9.8m (FY24: £6.6m) driven by manufacturing process optimisation, increased asset utilisation and efficiency, with improved customer pricing
- Strong cash generation from operations of £19.1m (FY24: £18.6m) with continued focus on selective capital investment and tight control of working capital
- Significant reduction in net debt to £19.2m (FY24: £29.5m) strengthening the balance sheet and further building a strong foundation for the future
- Post year-end, in April 2025, the Group secured an expanded three year £36m financing arrangement with BZ Commercial Finance DAC and agreed the UK defined benefit pension scheme deficit recovery plan, providing certainty of funding and pension scheme cash contributions

Strategic highlights:

- Significant improvement in safety culture and performance with the Incident Frequency Ratio falling by more than 70% to 0.6 (FY24: 2.2). Incident Frequency Rate is a measure of the number of safety incidents per 100,000 hours worked
- Strategic restructuring of US operations completed, culminating in the successful closure of the Tucson facility and the integration of manufacturing capabilities into Pennsylvania operations
- The integration of Aerospace and Light & Motion into a consolidated Speciality Division including the strategic refocus of the product portfolio toward higher-value precision solutions delivered excellent results
- Deployment of standardised manufacturing platforms across the Group's global operations providing significant strategic resilience against ongoing geopolitical uncertainties
- Sustainability progress with a reduction in tCO₂e per £million revenue from 96.4 (FY24) to 87.3 (FY25). 98% of electricity used in the United Kingdom now comes from renewable resources and our waste and energy reduction initiatives expanded to cover all sites.
- Significant contract renewal announced in July 2025 with a major customer reflecting customer trust and providing enhanced certainty over medium term revenues

Outlook

The success of the strategic actions taken in recent years to turn the business around are bearing fruit and their success is evident in the improved operational and financial performance reported for FY25.

The Board expects the Group to continue this positive trajectory through FY26 with continued margin expansion and positive cash generation, notwithstanding an increasingly complex global backdrop. The ongoing operational excellence programme and maintenance of the disciplined approach to cash management and the ongoing operational excellence programme are expected to drive sustained financial resilience and strategic flexibility.

Growth in the medium-term will focus on accelerating expansion in the Life Sciences sector, where demand for high-precision solutions continues to grow and continued momentum in our Speciality Division, particularly in the aerospace sector. Strong cash flow performance, an improving net debt position and the new borrowing facility with BZ provide a solid financial platform for this growth.

We have long term strategic partnerships with our key clients and the markets for our products are growing. The strategic changes that have been made have built a strong foundation for sustained performance improvement and we remain on track to achieve our long-term strategic goals. We are confident in delivering sustainable profitable growth and enduring value for all our stakeholders.

Frank Doorenbosch, Chief Executive Officer commented:-

"I'm pleased to report the meaningful progress the business has made in delivering strong results with improved performance. We have prioritised health and safety, enhanced our financial position, and fortified our position for lasting and stable growth.

With a clear vision, a robust strategy, and our commitment to our customers and employees, we are confident in our ability to navigate the challenges ahead as a stronger, more resilient organisation. The strength of our customer relationships and the confidence they have in our business is demonstrated in the recently announced contract renewal with one of our major customers.

We have a clear plan in place and remain focused on the delivery of our strategy and taking advantage of the significant opportunities we have that will drive profitable growth. With a substantial market opportunity and the progress made, we remain well positioned to realise our exciting potential."

About Carclo plc

Carclo plc is a public company whose shares are quoted on the Main Market of the London Stock Exchange. The Carclo Group is a global leader in high-precision components with comprehensive, end-to-end manufacturing capabilities. With expertise spanning mould design, automation, production, assembly, and printing, Carclo supports critical growth sectors, particularly life sciences, aerospace, and optics, with tailored, precision solutions.

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Forward-looking statements

Certain statements made in this annual report and accounts are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause outcomes to differ materially from those expected.

Alternative performance measures

A reconciliation to statutory numbers is included within the Finance Review. The term "underlying" is not defined under IFRS and may not be comparable with similarly titled measures used by other companies.

CHIEF EXECUTIVE OFFICER'S BUSINESS REVIEW

Advancing the future through solutions and innovation

Despite continued external volatility, we stayed disciplined, focused and fast-moving. The measures we took were bold by design and they are working. Our stronger second-half performance is not coincidence but consequence. It reflects sharper execution, better decisions, and the early impact of our transformation agenda now gaining momentum across the Group.

Dear shareholders, employees and partners

FY25 has been a year of remarkable transformation for Carclo, where strategic clarity has translated into measurable financial results.

Through decisive action and disciplined execution, we have successfully reset the business with both greater stability and increased agility amidst geopolitical uncertainty and shifting global market demands. Across regions and divisions, our targeted strategies have delivered tangible impact:

- Volume growth in APAC, particularly India
- Operational gains and site specialisation in CTP's EMEA region
- Strong volume growth in Speciality, following strategic portfolio refocus
- Strong margin expansion in the CTP US business, driven by restructuring and a focus on operational excellence

The seamless integration of Tucson into our Pennsylvania operations under unified leadership exemplifies the scale and pace of our transformation.

These initiatives are already delivering results. Our ROS increased from 4.9% to 8.1%, and ROCE surged from 13.1% to 24.4%. The platform we have built is resilient, scalable and aligned with long-term value creation.

For those who share our vision - investors, customers, employees, and partners alike - Carclo now presents a compelling opportunity.

Health and safety: Safety champions shaping our culture

At Carclo, we are safety champions who place the wellbeing of every colleague at the heart of our identity. Our culture is one where safety is not just a priority - it's who we are. Through rigorous training programmes, proactive hazard identification, and an environment where everyone has "stop work" authority, we have transformed into an organisation with a 73.9% reduction in overall incident rates. Our IFR decreased from 2.3 to 0.6, reflecting our evolution into a company where safety excellence is embedded in our DNA.

Our third annual Safety Week saw unprecedented participation across all regions, reinforcing our identity as a company that values human potential above all else. This safety-first mindset does not just protect our people; it defines us as operational excellence leaders who create long-term value through reduced disruptions and enhanced productivity.

Resetting and reshaping our organisation

We have reshaped Carclo around two distinct yet complementary engines of growth: the CTP Division and the Speciality Division. This dual structure positions us uniquely, combining project-driven innovation with process-driven efficiency to meet diverse customer needs and scale with confidence.

In FY25, we completed the planned closure of our Tucson site on time and within budget, successfully consolidating all our US operations into our Pennsylvania facilities. This was not just an exercise in efficiency, it was a strategic transformation. The result: improved asset utilisation, reduced complexity and greater responsiveness. Our new 3,000 sq ft welding and assembly facility in Greensburg, equipped with 16 state-of-the-art machines, stands as proof.

We also concluded our factory specialisation programme within CTP, establishing a globally scalable model built for margin resilience and market responsiveness. This evolution strengthens our identity as a performance-led business focused on long-term value creation, capable of thriving in today's volatile world.

Financial and operational resilience

We are focused on robust financial stewardship and ensuring we have a solid platform for long-term growth. Our financial discipline, even taking into account £2.3m in non-underlying costs, has delivered solid performance, demonstrating the effectiveness of our strategic reset. We've driven ROS to 8.1% and ROCE to 24.4%, reflecting our identity as a company committed to disciplined execution and enhanced margins. With these results, we are well en route to reach our strategic targets of 10% ROS and 25% ROCE. While we are confident in our trajectory, we remain prudently committed to sustainable profitable growth rather than short-term high-risk gains.

Our relentless focus on cash generation and working capital management has stabilised our position and built resilience with a significant reduction in net debt during the year.

On 24 April 2025, we secured new financing arrangements with BZ Commercial Finance DAC and reached an agreement with our Pension Trustees to address our actuarial pension deficit. The new facilities include a term loan of £27.0m and a revolving credit facility of up to £9.0m. In parallel, we paid £5.1m into the pension Scheme on completion of the triennial pension scheme valuation, and agreed a gross annual contribution of £3.5m over the next five years. The triennial valuation as of 31 March 2024 was at a technical provisions deficit of £64.5m, down from £82.8m in 2021.

This refinancing is not merely a technical transaction; it is the embodiment of Carclo as a company reborn. It confirms that we aren't just survivors who weathered past challenges, but we have laid the groundwork to accelerate our growth trajectory with confidence.

Strategic expansion

Our geographical expansion strategy is one of our key levers for future growth. We are investing in complex precision injection moulding and fully automated assembly for in vitro diagnostic solutions within our CTP business, while scaling regional capabilities to meet rising demand in India and South Asia. Our strategy goes beyond replication; we are aligning each new facility to specialised local requirements, targeting opportunities in aerospace, optics, and medical diagnostics.

Advancing sustainability

We are environmental custodians who translate our commitment to sustainability into tangible actions. UK operations are now 98% CO₂ neutral on electricity due to new energy contracts, and as efficiency champions, we've achieved a 9.4% reduction in CO₂e emissions per £1m of revenue and reductions in total energy consumption across the Group. Our APAC facilities are progressing towards CO₂ neutrality, with the US market next on our roadmap.

Our goal to reduce waste by 50% in our self-help Zelda project, and the enhanced yield is well on track, supporting both our environmental commitments and operational efficiency objectives.

These initiatives don't just reduce our environmental impact - they cement our position as cost-efficiency leaders and responsive partners in a marketplace increasingly defined by sustainable manufacturing values.

Positioned for value creation

The strategic reset we have implemented over the past year has fundamentally strengthened Carclo's market position and growth potential. Our improved financial metrics - from enhanced margins to stronger returns - provide a solid foundation for future investment. The dual-engine structure of our business enables us to capitalise on both high-value, project-driven innovation and scalable, process-driven efficiency.

Our technological leadership, particularly through the establishment of our LifeTech Solutions incubator and digital transformation initiatives, is developing proprietary capabilities that will drive our next wave of breakthrough solutions and long-term value enhancement. Meanwhile, our investments in automation, process optimisation, and regional manufacturing have enhanced our competitive advantage in high-value secular growth markets.

Long-term partnerships with key customers and our expanding presence in high-growth regions position us well to capture emerging market opportunities. Our commitment to environmental responsibility and operational efficiency further enhances our appeal to customers and partners who increasingly value sustainable business practices.

Carclo has transitioned from a company of promises without delivery to one that delivers results. This fundamental shift in our approach to business execution creates meaningful value for all our stakeholders.

Conclusion and outlook

The strategic actions taken in recent years to turn the business around are bearing fruit and their success is evident in the improved operational and financial performance reported for FY25. The Group is well positioned to build upon this positive trajectory, notwithstanding an increasingly complex global backdrop. The ongoing operational excellence programme and maintenance of the disciplined approach to cash management and the ongoing operational excellence programme are expected to drive sustained financial resilience and strategic flexibility.

Growth in the medium term will focus on accelerating expansion in the Life Sciences sector, where demand for high-precision solutions continues to grow and continued momentum in our Speciality Division, particularly in the aerospace sector. Strong cash flow performance, an improving net debt position and the new borrowing facility with BZ provide a solid financial platform for this growth.

We have long-term strategic partnerships with our key clients and the markets for our products are growing. The strategic changes that have been made have built a strong foundation for sustained performance improvement and we remain on track to achieve our long-term strategic goals. We are confident in delivering sustainable profitable growth and enduring value for all our stakeholders. The best of Carclo lies ahead, and I invite you to stay with us on this shared journey delivering precision, creating value, and advancing the future together.

Yours faithfully,

Frank Doorenbosch
Chief Executive Officer

28 August 2025

CHIEF FINANCIAL OFFICER'S REVIEW

We are delighted to have a new lending partner in BZ Commercial Finance. This is an important step for the Group enabling it to continue to invest in the business and deliver on its strategy.

Dear shareholder

I am delighted to have been appointed as Chief Financial Officer and have great pleasure in providing this Financial Review for the year ended 31 March 2025. Firstly, I would like to pass on my thanks to Eric Hutchinson who, as Chief Financial Officer in the period up to his retirement on 31 March 2025 played a key role in delivering financial stability and improved performance across the Group.

We use a range of KPIs to manage performance of the business and to measure progress against our strategic goals, these are highlighted and discussed throughout this report.

Financial performance

Revenue

Revenue in the year of £121.2m was £11.5m lower than the prior year revenues (FY24: £132.7m) or 7.4% lower on a constant currency basis.

The reduction in revenue is attributable to the CTP Division which reported revenue of £107.0m (FY24: £120.8m) following restructuring of the US CTP business that was completed in the prior year, resulting in the planned exit from small series, non-scalable business and the closure of the sites at Derry, New Hampshire and Tucson, Arizona.

The Speciality Division reported full year revenue of £14.2m (FY24: £11.9m) reflecting increased demand in the Aerospace business and growth of the precision machining business line.

Underlying operating profit

Despite the reduction in revenue, full year underlying operating profit increased substantially to £9.8m (FY24: £6.6m). Our key measure of Return on Sales was 8.1% showing a significant increase from 4.9% in FY24. The Return on Sales during the second half of the year of 10.7% was also up on the 5.6% from the first half.

The increase in both absolute profitability and the percentage Return on Sales is directly related to the actions taken over the past two years to restructure our businesses, focussing on advanced process optimisation, increased asset utilisation and efficiency, improved pricing, better purchasing and a drive to reduce waste whilst demonstrating robust cost management.

Statutory operating profit and non-underlying items

The statutory operating profit for the year of £7.6m was significantly better than the prior year (FY24: £1.7m) as a result of the increased underlying operating profit and reduced non-underlying charges.

Non-underlying items for the year were a net charge of £2.3m with a cash cost of £3.3m comprising net restructuring costs of £0.1m, and £2.2m of costs associated with the refinancing of the Group's borrowing facilities.

The cash cost was greater than the net non-underlying expense as the net expense includes the release of £1.0m of balance sheet provisions. Prior year non-underlying items of £4.9m comprise rationalisation costs of £3.4m for site closures and related asset impairments, as well as other

employee-related costs of £1.0m, refinancing costs of £0.4m, other costs of £0.4m and a £0.3m credit from the release of a legacy health-related provision that was settled in the prior year.

Net finance expense

Net finance expense of £4.9m (FY24: £5.6m), including the imputed net interest on the defined benefit pension liability of £1.7m (FY24: £1.8m), reduced by £0.7m, as a result of the lower average net debt in the year. The average UK base rate in FY25 remained virtually unchanged at 4.9% compared to 5.0% in FY24. Pension interest, which is largely non-cash, reduced by £0.1m in the year.

Taxation, profit after tax and earnings per share

The corporation tax charge for the year was £1.8m (FY24: £0.5m credit), representing an effective tax rate of 67.1% (FY24: 12.8%). The effective tax rate varies depending upon the geographical source of profits, corporation tax rates in the countries where profits are generated as well as the availability of local allowances including the carry forward of prior year losses. The Group's effective tax rate in FY25 is higher than the UK corporation tax rate of 25% due to unprovided deferred tax assets and withholding tax incurred on the repatriation of funds to the UK from certain overseas jurisdictions.

Statutory profit after tax was £0.9m (FY24: loss £3.4m) on continuing operations, giving a statutory earnings per share on all operations of 1.2 pence (FY24: loss 4.6 pence). Underlying profit after tax was £3.1m (FY24: £0.7m), giving an underlying earnings per share of 4.3 pence (FY24: 1.0 pence).

Cash flow

Cash generated from operations was £19.1m (FY24: £18.6m) reflecting the continued focus on cash generation via operational improvements, capital expenditure management and robust working capital control. The full year cash conversion rate was 135.0% (FY24: 191.2%).

Cash flow benefited from a reduction in working capital of £5.8m (FY24: £4.4m) with improvements in the year end position across receivables, inventory and payables. We expect working capital to return to a level of 5-7% of revenue during FY26. Net cash outflow from investing activities during the year was £0.4m (FY24: £2.4m). We have continued to carefully control capital expenditure, focusing on those investments that deliver a rapid payback and support both asset performance and asset utilisation. Additions to tangible fixed assets in the year were £2.4m (FY24: £7.5m) of which £1.4m (FY24: £4.6m) was through right-of-use leased assets.

Substantial capital expenditure in previous years and more efficient use of assets, driven by operational improvements, has reduced the level of investment in FY25. This is reflected in the year-on-year reduction in the value of tangible fixed assets and increased asset utilisation rate of 3.4x (FY24: 3.3x).

Net cash outflow from financing activities during the year was £7.0m (FY24: £12.1m), comprising £4.2m repayment of lease liabilities (FY24: £3.7m) and net repayment of other borrowings of £2.6m (FY24: £8.4m). There was an overall £4.0m increase in cash and cash equivalents during the year (FY24: decrease of £4.4m).

Cash generated by the Group was principally utilised to make capital investment and lease repayments, pension deficit repair contributions, scheduled and unscheduled bank loan repayments and interest payments.

Financial position

Net debt

Net debt at 31 March 2025 was £19.2m, a reduction of £10.3m compared to the prior year (FY24: £29.5m) reflecting the continued strategic focus on operational improvements, cash generation and prudent management of borrowings.

Net debt comprised gross debt, from borrowings and leases, of £29.9m (2024: £39.9m) less cash and cash equivalents of £10.7m (2024: £10.5m). The £10.0m reduction in gross borrowings was a result of lease capital repayments of £4.2m, the repayment of borrowings of £2.6m and the repayment of the overdraft £3.7m offset by the amortisation of capitalised borrowing costs, foreign exchange and other movements.

Borrowing facilities

At 31 March 2025 the Group had in place with HSBC a multi-currency borrowing facility agreement of £27.5m, comprising a term loan of £24.0m and a revolving credit facility of £3.5m with both elements due to expire on 31 December 2025.

At the end of the financial year there were amounts outstanding of £21.4m (2024: £24.0m) under the term loan and £nil (2024: £0.3m) under the revolving credit facility. With the borrowing facilities due to expire within nine months of the balance sheet date, all amounts drawn at 31 March 2025 have been classified within current liabilities.

On 24 April 2025, the Group completed refinancing of its primary external borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ Commercial Finance DAC ("BZ") comprising a term loan of £27.0m and a revolving credit facility of up to £9.0m.

At that date £29.9m was drawn under the BZ facility of which £26.8m was drawn under the term loan and £3.1m was drawn under the revolving credit facility to discharge all amounts due under the previous borrowing arrangement with HSBC, make a £5.1m one-off payments to the Group's defined benefit pension scheme and provide funding to support operations.

The BZ facility includes an asset-based lending arrangement with drawings permitted against the value of various classes of assets held by the UK and US businesses. Of the £27.0m term loan element £8.0m is designated against the value of owned land and buildings, £5.0m is designated against the value of owned plant and machinery and the balance of £14.0m is designated a cash flow loan that is non-asset specific. Of the £9.0m revolving credit facility, up to £7.0m is designated against the value of trade receivables and up to £2.0m against the value of inventory.

The facility permits borrowings in GBP, EUR and USD. There are three named Group companies that are currently permitted to borrow under the facility, namely Carclo plc, Carclo Technical Plastics Limited and Bruntons Aero Products Limited. Group companies that are subject to cross guarantees under the BZ facility are the named borrowing companies and material subsidiaries as defined in the agreement that underpins the BZ facilities.

Securing the BZ facility is an important step for the Group enabling it to continue to invest in the business and allow the Group to deliver on its strategy.

Defined benefit pension scheme

The triennial actuarial valuation of the Group's UK defined benefit pension scheme at 31 March 2024 was completed during April 2025. The valuation, prepared by the Scheme Trustees on a technical provisions basis, reported a deficit of £64.5m, a significant reduction from the £82.8m liability reported as part of the previous triennial valuation of 31 March 2021.

On a technical provisions basis, the estimated net liability has fallen steadily each year from 2021 as a result of the Company settled cash contributions and the gross liabilities falling by more than the change in pension scheme asset values. The technical provisions net liability at 31 March 2022 and 2023 has been calculated as £79.7m and £71.4m respectively. The 31 March 2024 valuation reflected higher government bond yield rates, driving up the discount rate and reducing scheme liabilities, partially offset by an increase in assumed member life expectancy, which increased Scheme liabilities.

A deficit recovery plan was agreed with the Trustees in parallel with the refinancing arrangements finalised in April 2025. This includes a lump sum one off payment into the Scheme of £5.1m made at the time of finalisation of refinancing in April 2025 and annual contributions of £3.5m for five years to 31 March 2029 and indexed annual contributions of £5.8m until 31 March 2037, being 2 years shorter than the deficit recovery plan from the 31 March 2021 valuation. During FY25, contributions paid into the Scheme were £3.2m (FY24: £3.5m).

Since the completion of the 2024 triennial valuation, the estimated technical provisions deficit has fallen further to £61.2m at 31 March 2025 and £55.0m at 31 May 2025, including the £5.1m lump sum contribution.

The IAS 19 valuation of the Scheme liabilities at 31 March 2025 resulted in a net liability of £51.7m, a £14.5m increase from the net liability at 31 March 2024 (FY24: £37.2m). The principal driver of the increase in the IAS 19 net liability was a change in assumption of member life expectancy resulting in an increase in Scheme liabilities of £11.1m. This change brought the IAS 19 assumption closer in line with the technical provisions basis adopted by the Scheme Trustees. Further changes in assumptions resulted in an experience loss of £5.8m arising from assumptions on member retirements, deaths and take up of Scheme options. Had the IAS 19 valuation at 31 March 2024 included these assumptions, the net liability would have been £54.0m, an increase of £16.8m on the £37.2m liability reported at that time, giving a net reduction in the IAS 19 net liability between FY24 and FY25, more in keeping with movements in the Trustees' technical provisions deficit.

The IAS 19 valuations are adopted for statutory reporting purposes and do not form part of the ongoing management of the pension schemes. IAS 19 actuarial calculations can be volatile from year-to-year because the liabilities are measured by reference to corporate bond yields, whereas the majority of the pension scheme's assets are invested across a variety of asset classes that may not move in the same way. Loss on scheme assets in excess of interest income during FY25 totalled £8.7m and was mostly driven by the decrease in the value of the Scheme's liability-driven investment funds ("LDI").

These LDI funds are designed to hedge movements in liabilities due to changes in interest rates and inflation expectations. As interest rates have increased across the accounting period, the value of the LDI funds have decreased accordingly. The liability calculated under technical provisions includes more prudent assumptions, but at any time, provides a more accurate reflection of the longer term cash commitment required to settle the member liabilities. The actuarial gains and losses arising from variances against previous actuarial assumptions are recognised in the statement of financial position with corresponding movements in reserves.

The Company and the Scheme Trustees are committed to working collaboratively towards reducing the Scheme deficit.

Segmental overview

CTP Division

CTP revenue of £107.0m was down by £13.8m compared to prior year (FY24: £120.8m), a reduction of 10.1% on a constant currency basis with reduced revenue from Design and Engineering ("D&E") sales and, following restructuring activity in our US business, reduced Manufacturing Solutions ("MS") revenues. Excluding the impact of the US restructuring, there was underlying MS revenue growth across all regions within CTP.

The restructuring of our US business, driven by the strategic exit from short-run, low-margin business, resulted in the closure of facilities in Derry, New Hampshire and Tucson, Arizona. All US manufacturing activity is now consolidated into our sites in Pennsylvania. The year-on-year reduction in US MS revenues from the rationalisation of both the customer base and product lines was £8.4m, with ongoing MS revenues in the US growing by £2.6m or 4.5% on a constant currency basis.

MS revenues grew in the APAC region by £1.9m or 18.7% on a constant currency basis with strong volume growth in India, driven by increased demand from a key customer following a period of subdued levels during FY24. In the EMEA region, MS revenues also grew, by £1.2m or 4.0% on a constant currency basis as a result of a small increase in demand in the Life Sciences sector.

D&E remains at the heart of the CTP business, transforming customer requirements into industry leading engineering solutions. D&E revenues are derived from customer led projects and, as such, D&E revenue is more volatile than MS revenue. We work with our customers on both new products and projects to improve automation and expand capabilities, on our journey towards lights out manufacturing.

CTP D&E revenue was down by £8.0m to £13.6m (FY24: £21.6m), a reduction of 36.3% on a constant currency basis as the prior year benefited from a large number of asset revitalisation and back end automation projects that were not repeated during FY25. The nature of D&E revenue is such that fluctuations in the level of annual revenues are not unusual.

Despite the lower divisional revenues, underlying operating profit for the CTP Division increased by £3.4m to £12.3m, an increase of 40.6% on a constant currency basis. Return on Sales also increased, to 11.5% up 4.1pps (FY24: 7.4%).

The improved divisional profitability, both in absolute value and as a Return on Sales, is testament to the success of the strategic actions taken in recent years to drive a higher margin business. The improved US profitability was driven by the focus on higher margin business and increased operational efficiency including the consolidation of US manufacturing in our Pennsylvania sites, aligned with EMEA standards.

Within the EMEA region, medium-run production has been relocated from the UK to the Czech Republic, enabling the UK to focus on highly automated solutions for long-run production.

The Division continues to pursue efficiency improvements in raw materials, energy, and labour usage, with further benefits expected.

Speciality Division

Revenue from the Speciality Division, combining our Aerospace and Light & Motion businesses, increased by £2.3m to £14.2m, an increase of 20.6% on a constant currency basis.

Continued growth in Aerospace revenues, driven by increased demand as well as expanded precision machining capabilities, delivered a second consecutive year of record Aerospace sales. Demand in our traditional Optics market of eye care and after-market car-lighting significantly reduced, reflecting the constraints that consumers have seen from cost of living increases. However, the products maintain a high contribution margin on the lowered activity level.

Underlying operating profit for the Speciality Division increased by £0.7m to £2.8m, an increase of 34.1% on a constant currency basis, with a Return on Sales of 19.7% (FY24: 17.8%).

Our Speciality businesses will seek to capitalise on the growth of precision machined components and expansion of our geographical footprint to capture emerging opportunities.

Treasury

The Group faces currency exposure on its overseas subsidiaries and on its foreign currency transactions. In addition, as set out in the principal risks and uncertainties section of the annual report and accounts, the Group is reliant on regular funding flows from the overseas subsidiaries to meet banking, pension and administrative commitments.

To manage this complexity, we have a centralised Treasury function that manages the Group's cash, debt and foreign exchange risks.

The Group reports trading results of overseas subsidiaries based on average rates of exchange compared with sterling over the year. This income statement translation exposure is not hedged as this is an accounting rather than cash exposure and, as a result, the income statement is exposed to movements in the US dollar, euro, renminbi, Czech koruna and Indian rupee. In terms of sensitivity, based on the FY25 results, a 10% increase in the value of sterling against these currencies would have decreased reported profit before tax by £0.4m.

Dividend

Under the terms of the previous HSBC borrowing facility agreement, in place up to the BZ refinancing completed in April 2025, the Company was not permitted to make a dividend payment to shareholders up to the period ending 31 December 2025. Under the BZ borrowing facility agreement, dividend payments are permitted, but they require prior approval of the lender.

The current focus is on cash flow generation to support strategic growth and with the Company currently having insufficient distributable reserves, no dividend is permitted in respect of the year ended 31 March 2025. The Board will continue to review the Group financial performance, capital allocation and reserves regularly to determine the appropriate time for dividend payments.

Alternative performance measures

In the analysis of the Group's financial performance, position, operating results and cash flows, alternative performance measures are presented to provide readers with additional information. The principal measures presented are underlying measures of earnings including underlying operating profit, underlying profit before tax, underlying profit after tax, underlying EBITDA and underlying earnings per share.

This results statement includes both statutory and adjusted non-GAAP financial measures, the latter of which the Directors believe better reflect the underlying performance of the business and provides a more meaningful comparison of how the business is managed and measured on a day-to-day basis. The Group's alternative performance measures and KPIs are aligned to the Group's strategy and together are used to measure the performance of the business and form the basis of the performance measures for remuneration. Underlying results exclude certain items because, if included, these items could distort the understanding of the performance for the year and the comparability between the periods.

Comparatives are provided alongside all current year figures. The term "underlying" is not defined under IFRS and, as such, the underlying measures reported may not be comparable with similarly titled measures used by other companies.

All profit and earnings per share figures relate to underlying business performance, as defined above, unless otherwise stated. A reconciliation of underlying measures to statutory measures for FY25 is provided below:

£000	Underlying	Non-underlying items	S
Continuing operations			
CTP operating profit	12,328	45	
Speciality operating profit	2,801	-	
Central costs	(5,291)	(2,303)	
Group operating profit	9,838	(2,258)	

Net finance expense	(4,928)	-
Group profit/(loss) before taxation	4,910	(2,258)
Taxation expense	(1,770)	(10)
Group profit/(loss) for the year	3,140	(2,268)
Basic profit/(loss) per share (pence)	4.3p	(3.1)p

The non-underlying items reported in the Group profit/(loss) before taxation comprise:

£000

Refinancing costs
Rationalisation costs
Settlement of legacy health claims

Total non-underlying items

1. There were no non-underlying items in respect to discontinued operations in the year to 31 March 2025.

Post balance sheet events and going concern

Post balance sheet events

As noted above, on 24 April 2025, the Group completed refinancing of its primary external borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ and the repayment of all amounts owing under the previous HSBC borrowing facility, which was scheduled to expire at 31 December 2025.

At the same time, the triennial actuarial valuation of the Group's UK defined benefit pension scheme at 31 March 2024 was completed, confirming net liabilities on a technical provisions basis of £64.5m. The associated deficit recovery plan included a lump sum one off payment made into the Scheme of £5.1m during April 2025, annual contributions of £3.5m for five years to 31 March 2029 and indexed annual contributions of £5.8m until 31 March 2037.

Going concern

The financial statements are prepared on the going concern basis.

The £36.0m borrowing facility with BZ that was announced on 24 April 2025 provides available borrowings for a three-year term out to April 2028. The facility includes an element of asset based lending and the level of borrowings are contingent upon the value of certain classes of non-current and current assets held by the Group's UK and US trading subsidiaries.

There are three primary financial covenants required to be tested under the BZ facility agreement, as follows:

Covenant	Definition	Threshold
Minimum EBITDA of budget	Underlying Group EBITDA calculated on a last six months basis	No less than 75%
Fixed Charge Cover Ratio (FCCR)	Underlying Group EBITDA divided by the sum of fixed charges comprising debt service costs, debt repayments, pension scheme contributions, tax payments, capital expenditure and dividends or other capital distributions calculated on a last twelve months basis	Until 31 March 2025: less than 1:1 After 31 March 2025: less than 1.05:1
CAPEX	Cash paid on tangible and intangible fixed assets measured annually for the twelve months to 31 March	No more than 1% of the annual budget

The Minimum EBITDA and FCCR covenants are required to be tested monthly from May 2025. If after twelve months of the start of the facility agreement, testing has been compliant with covenants in the

two previous quarters then covenant testing will only be required on a quarterly basis. The CAPEX covenant is required to be tested annually from 31 March 2026. The Group has complied with the minimum EBITDA and FCCR financial covenants for the testing periods up to the date of signing the financial statements, being May, June and July 2025.

The deficit recovery plan agreed with the Trustees of the UK defined benefit pension scheme as part of the triennial valuation to 31 March 2024 includes an annual schedule of contributions of £3.5m through to 31 March 2029 and thereafter annual contributions of £5.8m indexed at 3.5% through to 31 March 2037. Contributions are funded from cash generated by operations and have been reflected in the cash flow and covenant forecasts reviewed by the Directors.

The Group is subject to a number of key risks and uncertainties, as detailed in the principal risks and uncertainties section in the annual report and accounts. Mitigation actions to address the risks are also set out in that section of the report. These risks and uncertainties have been considered in the base case and downside sensitivities and have been modelled accordingly. The specific climate-related matters set out in the TCFD section in the annual report and accounts have been considered and they are not expected to have a significant impact on the Group's going concern assessment.

The Group has prepared a forecast of financial projections for the three-year period to 31 March 2028. The forecast underpins the going concern assessment, which has been made for the period through to December 2026, being 21 months after the year end, consistent with the previous going concern assessment and 16 months from when the financial statements are authorised for issue. The Directors have reviewed cash flow and covenant forecasts over this period considering the Group's available borrowing facilities and the terms of the arrangements with the Group's lender and the UK defined benefit pension scheme.

The base case reflects the forecast of financial projections prepared by the Group for the three-year period to 31 March 2028 and includes assumptions around revenue growth, modest improvement in margins, consistent working capital trends and stable interest rates. The forecast shows adequate headroom and supports the position that the Group can operate within its available borrowing facilities and covenants throughout this period.

Sensitivity analysis has considered the risks facing the Group and has modelled the impact of each in turn, as well as considering the impact of aggregating certain risk types, and shows that the Group is able to operate within its available facilities and meet its agreed covenants as they arise. Furthermore, the Directors have reviewed sensitivity testing, modelling a range of severe but plausible downside scenarios.

These sensitivities incorporate identified risks set out in the principal risks and uncertainties section of this report.

Plausible downside sensitivities include a range of scenarios modelling the financial effects of a reduction in forecast revenue of 3% with a consistent percentage decline in variable costs, a reduction in gross margin of 1% and a 1% increase in interest rates. At the point at which the underlying operating target is not achieved, management bonuses are not payable. The downside scenario modelling factors this in but did not allow for the benefit of any other action that could be taken by management to mitigate the impact of the downside scenarios. Under the three plausible downside scenarios modelled, the Group continues to meet minimum covenant requirements in the next 16 months, although with reduced headroom.

The Directors also assessed, as part of its reverse stress testing, what level of downside impact the Group could sustain on these three scenarios, before it breaches its financial covenants. A reduction in forecast revenue of 7% with a consistent percentage decline in variable costs or a reduction in gross margin of 3%, again without any mitigations beyond the non-payment of management bonuses, would

lead to covenant breaches. Two additional severe but plausible downside scenarios have also been modelled, reflecting a reduction in forecast revenue of 10% with a consistent percentage decline in variable costs and a reduction in gross margin of 5%. These scenarios result in breaches of both the FCCR and Minimum EBITDA covenants. In such circumstances, mitigating actions available to the Group are the deferral or cancellation of capital expenditure and the reduction in non-variable costs. A combination of these actions, at levels that the Directors believe is attainable, offset the impact of the severe but plausible downside scenarios to bring both covenants back within threshold. The increase in interest rates required to breach the FCCR covenant is so significant that it is not considered plausible.

The Group is not exposed to high-risk sectors or countries but is dependent on certain key customers, which create risks and uncertainties. These risks and uncertainties are documented, and the mitigating actions being taken are covered in detail in the principal risks and uncertainties section in the annual report and accounts.

It should be noted that the Group is operating in a period of material geopolitical and macroeconomic uncertainty. The Directors continue to monitor these risks and their impact, however, their potential severity is dependent upon many external factors and is difficult to predict. Accordingly, the actual financial impact of these risks may materially differ from the Directors' current view of their impact.

At 31 March 2025, the Group reports net liabilities of £11.8m (31 March 2024: net assets £3.1m). The decrease is largely attributable to the £14.6m increase in the IAS 19 valuation of the UK defined benefit pension liability. The Group also reports a net current liability position of £10.0m at that date (31 March 2024: net current assets £9.3m).

At 31 March 2025, the Company reports net liabilities of £130.0m (FY24: £105.8m (restated)) and net current liabilities of £92.4m (FY24: £63.0m (restated)). At 31 March 2025 creditors falling due within one year include the full HSBC loan referred to below and £109.3m due to Group undertakings. Creditors falling due in more than one year include the IAS 19 pension liability of £51.7m and £9.9m of inter-company creditors.

The presentation of current and non-current liabilities is affected by the requirement to show at 31 March 2025 the full £21.2m HSBC term loan owing at that time within current liabilities as, at that date, the facility had an expiry date of 31 December 2025.

On the basis that the HSBC facility was fully extinguished in April 2025 by drawings made on the BZ facility and that future pension contribution payments to the UK defined benefit pension scheme are defined by the 2024 deficit recovery plan, established at the time of the triennial Scheme valuation, at amounts that are considered manageable by the Directors, rather than by the IAS 19 valuation, and the fact that the Company can control the timing of payment of the amounts owed to Group undertakings and will not make payments until it has sufficient funds to do so, the balance sheet presentation of net liabilities and net current liabilities at 31 March 2025 does not affect the Group or Company's ability to meet their third party liabilities over the going concern period.

On the basis of the base case forecast and the severe but plausible downside sensitivity testing, the Directors have determined that it is reasonable to assume that the Group and the Company will continue to operate within available borrowing facilities and adhere to the covenant tests to which it is subject throughout at least the 16 month period from the date of signing the financial statements through to December 2026.

Accordingly, these financial statements are prepared on a going concern basis.

Ian Tichias
Chief Financial Officer

28 August 2025

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2025

	Notes	2025 £000
Continuing operations:		
Revenue		121,219
Underlying operating profit	3	9,838
Non-underlying items	4	(2,258)
Operating profit	3	7,580
Finance revenue	5	571
Finance expense	5	(5,499)
Profit/(loss) before tax		2,652
Income tax (expense)/credit	6	(1,780)
Profit/(loss) for the year		872
Attributable to:		
Equity holders of the Company		872
Earnings/(loss) per ordinary share	7	
Basic		1.2p
Diluted		1.2p

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

	Notes	2025 £000
Profit/(loss) for the year		872
Other comprehensive (expense)/income		
Items that will not be reclassified to the income statement		
Remeasurement losses on defined benefit pension scheme	12	(15,253)
Deferred tax arising		-
Total items that will not be reclassified to the income statement		(15,253)
Items that may in the future be reclassified to the income statement		
Foreign exchange translation differences		(955)
Net investment hedge		371
Deferred tax arising		13
Total items that may in the future be reclassified to the income statement		(571)
Other comprehensive expense, net of tax		(15,824)
Total comprehensive expense for the year		(14,952)
Attributable to:		
Equity holders of the Company		(14,952)

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	Notes	2025 £000
Non-current assets		
Intangible assets	9	21,801
Property, plant and equipment	10	35,842
Deferred tax assets		641
Contract assets		170
Trade and other receivables		594
Total non-current assets		59,048
Current assets		
Inventories		9,928
Contract assets		1,551
Trade and other receivables		15,659
Cash and cash deposits		10,745
Current tax assets		104
Total current assets		37,987
Total assets		97,035
Current liabilities		
Loans and borrowings	11	24,844
Trade payables		9,697
All other payables		11,094
Current tax liabilities		752
Contract liabilities		1,624
Provisions		-
Total current liabilities		48,011
Non-current liabilities		
Loans and borrowings	11	5,105
Deferred tax liabilities		3,041
Provisions		975
Retirement benefit obligations	12	51,743
Total non-current liabilities		60,864
Total liabilities		108,875
Net (liabilities)/assets		(11,840)
Equity		
Ordinary share capital issued	13	3,671
Share premium		7,359
Translation reserve		6,650
Retained earnings		(29,494)
Total equity attributable to equity holders of the Company		(11,814)
Non-controlling interests		(26)
Total equity		(11,840)

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Approved by the Board of Directors on 28 August 2025 and signed on its behalf by:

Frank Doorenbosch
Chief Executive Officer
Registered Number 00196249

Ian Tichias
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2025

	Notes	Attributable to equity holders of the Company				Non-controlling interests
		Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total £000
Balance at 1 April 2023		3,671	7,359	9,243	(8,641)	11,632
Prior year restatement ¹		-	-	-	(480)	(480)
Balance at 1 April 2023 restated		3,671	7,359	9,243	(9,121)	11,152
Loss for the year¹		-	-	-	(3,389)	(3,389)
Other comprehensive (expense)/income:						
Foreign exchange translation differences		-	-	(2,387)	-	(2,387)
Net investment hedge	11	-	-	332	-	332
Remeasurement losses on defined benefit pension scheme	12	-	-	-	(2,668)	(2,668)
Taxation on items above		-	-	33	-	33
Total comprehensive expense for the year¹		-	-	(2,022)	(6,057)	(8,079)
Transactions with owners recorded directly in equity:						
Share-based payments	13	-	-	-	43	43
Balance at 31 March¹ and 1 April 2024		3,671	7,359	7,221	(15,135)	3,116
Profit for the year		-	-	-	872	872
Other comprehensive (expense)/income:						
Foreign exchange translation differences		-	-	(955)	-	(955)
Net investment hedge	11	-	-	371	-	371
Remeasurement losses on defined benefit pension scheme	12	-	-	-	(15,253)	(15,253)
Taxation on items above		-	-	13	-	13
Total comprehensive expense for the year		-	-	(571)	(14,381)	(14,952)
Transactions with owners recorded directly in equity:						
Share-based payments	13	-	-	-	22	22
Balance at 31 March 2025		3,671	7,359	6,650	(29,494)	(11,814)

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2025

	Notes	2025 £000
Cash generated from operations	14	19,066
Interest paid		(3,694)
Tax paid		(1,259)
Defined benefit pension scheme contributions net of Company settled administration costs		(2,633)
Net cash from operating activities		11,480
Cash flows from/(used in) investing activities		
Proceeds from sale of property, plant and equipment		85
Interest received		571
Purchase of property, plant and equipment		(1,054)
Purchase of intangible assets		(49)
Net cash used in investing activities		(447)
Cash flows used in financing activities	11	
Refinancing costs associated with the existing facility		(150)
Repayment of borrowings excluding lease liabilities		(2,525)
Repayment of other loan facilities		(95)
Repayment of lease liabilities		(4,228)
Net cash used in financing activities		(6,998)
Net increase/(decrease) in cash and cash equivalents		4,035
Cash and cash equivalents at beginning of year		5,974
Effect of exchange rate fluctuations on cash and cash equivalents		(29)
Cash and cash equivalents at end of year		9,980
Cash and cash equivalents comprise:		
Cash and cash deposits		10,745
Bank overdrafts	11	(765)
		9,980

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2025

1 Basis of preparation

The accounting policies have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

i) Compliance with IFRS

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards. The Company has elected to prepare its parent company financial statements in accordance with FRS 101. The financial statements are presented in

GBP which is Carclo plc's functional and presentational currency. All amounts disclosed in the financial statements and notes have been rounded to the nearest thousand pounds unless otherwise stated.

ii) Prior year restatement

In this annual report there have been two corrections made to the prior year comparatives for the year ended 31 March 2024:

- a. During the year ended 31 March 2025, the FRC conducted a Corporate Reporting Review of the Carclo plc annual report and accounts for the year ended 31 March 2024. At the time, the UK Group companies were part of a multi-party, multi-currency net overdraft facility with a £nil net limit and a £12.5m gross limit. The annual report and accounts for the year ended 31 March 2024 recognised Carclo plc's overdraft of £4.5m within cash and cash deposits when consolidated due to a right of set-off within the net overdraft facility. Having considered the points raised by the FRC, we have re-presented the prior year comparatives for the year ended 31 March 2024 for cash and overdrafts on a gross basis, as on reflection, we agree that this more appropriately meets the off-setting requirements of IAS 32.

The impact of the restatement on the prior year comparatives is to reclassify the £4.5m overdraft from cash and cash deposits to loans and borrowings due within one year. Total current assets, total assets, total current liabilities and total liabilities are therefore all £4.5m greater than previously presented. There is no change to total net assets or to the loss for the period.

The amount of the correction at the beginning of the earliest period presented, 1 April 2023, is an adjustment of £6.5m to gross up cash and cash deposits with a corresponding adjustment to loans and borrowings due within one year. Total current assets, total assets, total current liabilities and total liabilities are therefore all £6.5m greater at 1 April 2023 than previously presented. There is no change to total net assets or to the loss for the period to 31 March 2023. Given that there is £nil impact to net assets or the income statement from this restatement, nor is there any impact on the Group's compliance with the covenants associated with the banking facilities, we have not presented a third statement of financial position at 1 April 2023 as we believe that the impact of the restatement does not materially change a user's understanding of the accounts.

- b. Secondly, a prior year adjustment to correct an accounting error has been recorded which recognises a £0.9m provision for dilapidation at our CTP UK facility, Mitcham, that should have been recorded on the consolidated statement of financial position for the year ended 31 March 2018. The impact of the restatement on the prior year comparatives is to recognise a brought forward £0.9m provision for dilapidation as a non-current liability, recognise an increase in property, plant and equipment right-of-use assets of £0.3m which is the original cost of £0.9m less accumulated depreciation to 31 March 2024 of £0.6m and an increase in retained losses of £0.6m. The consolidated income statement for the year ended 31 March 2024 has been restated for an additional £0.1m depreciation charge. Basic and diluted loss per share for the year ended 31 March 2024 have been restated to (4.6)p from that previously presented of (4.5)p.

The amount of the correction at the beginning of the earliest period presented, 1 April 2023, is an increase to property, plant and equipment right-of-use assets, total non-current assets and total assets of £0.4m, an increase to non-current provisions, total non-current liabilities and total liabilities of £0.9m which, in total, results in a net decrease to net assets and an increase to brought forward retained losses at 1 April 2023 of £0.5m.

A third statement of financial position has not been presented at 1 April 2023 as the Directors do not believe that the impact of the restatement materially changes a user's understanding of the accounts.

Going concern

The financial statements are prepared on the going concern basis.

The £36.0m borrowing facility with BZ that was announced on 24 April 2025 provides available borrowings for a three-year term out to April 2028. The facility includes an element of asset based lending and the level of borrowings are contingent upon the value of certain classes of non-current and current assets held by the Group's UK and US trading subsidiaries.

There are three primary financial covenants required to be tested under the BZ facility agreement, as follows:

Covenant	Definition	Threshold
Minimum EBITDA of budget	Underlying Group EBITDA calculated on a last six months basis	No less than 75%
Fixed Charge Cover Ratio (FCCR)	Underlying Group EBITDA divided by the sum of fixed charges comprising debt service costs, debt repayments, pension scheme contributions, tax payments, capital expenditure and dividends or other capital distributions calculated on a last twelve months basis	Until 31 March 2025: less than 1:1 After 31 March 2025: less than 1.05:1
CAPEX	Cash paid on tangible and intangible fixed assets measured annually for the twelve months to 31 March	No more than 10% of the annual budget

The Minimum EBITDA and FCCR covenants are required to be tested monthly from May 2025. If after twelve months of the start of the facility agreement, testing has been compliant with covenants in the two previous quarters then covenant testing will only be required on a quarterly basis. The CAPEX covenant is required to be tested annually from 31 March 2026. The Group has complied with the minimum EBITDA and FCCR financial covenants for the testing periods up to the date of signing the financial statements, being May, June and July 2025.

The deficit recovery plan agreed with the Trustees of the UK defined benefit pension scheme as part of the triennial valuation to 31 March 2024 includes an annual schedule of contributions of £3.5m through to 31 March 2029 and thereafter annual contributions of £5.8m indexed at 3.5% through to 31 March 2037. Contributions are funded from cash generated by operations and have been reflected in the cash flow and covenant forecasts reviewed by the Directors.

The Group is subject to a number of key risks and uncertainties, as detailed in the principal risks and uncertainties section in the annual report and accounts. Mitigation actions to address the risks are also set out in that section of the report. These risks and uncertainties have been considered in the base case and downside sensitivities and have been modelled accordingly. The specific climate-related matters set out in the TCFD section in the annual report and accounts have been considered and they are not expected to have a significant impact on the Group's going concern assessment.

The Group has prepared a forecast of financial projections for the three-year period to 31 March 2028. The forecast underpins the going concern assessment, which has been made for the period through to December 2026, being 21 months after the year end, consistent with the previous going concern assessment and 16 months from when the financial statements are authorised for issue. The Directors have reviewed cash flow and covenant forecasts over this period considering the Group's available borrowing facilities and the terms of the arrangements with the Group's lender and the UK defined benefit pension scheme.

The base case reflects the forecast of financial projections prepared by the Group for the three-year period to 31 March 2028 and includes assumptions around revenue growth, modest improvement in margins, consistent working capital trends and stable interest rates. The forecast shows adequate headroom and supports the position that the Group can operate within its available borrowing facilities and covenants throughout this period.

Sensitivity analysis has considered the risks facing the Group and has modelled the impact of each in turn, as well as considering the impact of aggregating certain risk types, and shows that the Group is able to operate within its available facilities and meet its agreed covenants as they arise. Furthermore, the Directors have reviewed sensitivity testing, modelling a range of severe but plausible downside scenarios.

These sensitivities attempt to incorporate identified risks set out in the principal risks and uncertainties section of this report.

Plausible downside sensitivities include a range of scenarios modelling the financial effects of a reduction in forecast revenue of 3% with a consistent percentage decline in variable costs, a reduction in gross margin of 1% and a 1% increase in interest rates. At the point at which the underlying operating target is not achieved, management bonuses are not payable.

The downside scenario modelling factors this in but did not allow for the benefit of any other action that could be taken by management to mitigate the impact of the downside scenarios. Under the three plausible downside scenarios modelled, the Group continues to meet minimum covenant requirements in the next 16 months, although with reduced headroom.

The Directors also assessed, as part of its reverse stress testing, what level of downside impact the Group could sustain on these three scenarios, before it breaches its financial covenants. A reduction in forecast revenue of 7% with a consistent percentage decline in variable costs, or a reduction in gross margin of 3%, again without any mitigations beyond the non-payment of management bonuses, would lead to covenant breaches. Two additional severe but plausible downside scenarios have also been modelled, reflecting a reduction in forecast revenue of 10% with a consistent percentage decline in variable costs and a reduction in gross margin of 5%. These scenarios result in breaches of both the FCCR and Minimum EBITDA covenants. In such circumstances, mitigating actions available to the Group are the deferral or cancellation of capital expenditure and the reduction in non-variable costs. A combination of these actions, at levels that the Directors believe is attainable, offset the impact of the severe but plausible downside scenarios to bring both covenants back within threshold. The increase in interest rates required to breach the FCCR covenant is so significant that it is not considered plausible.

The Group is not exposed to high-risk sectors or countries but is dependent on certain key customers, which create risks and uncertainties. These risks and uncertainties are documented, and the mitigating actions being taken are covered in detail in the principal risks and uncertainties section in the annual report and accounts.

It should be noted that the Group is operating in a period of material geopolitical and macroeconomic uncertainty. The Directors continue to monitor these risks and their plausible impact, however, their potential severity is dependent upon many external factors and is difficult to predict. Accordingly, the actual financial impact of these risks may materially differ from the Directors' current view of their impact.

At 31 March 2025, the Group reports net liabilities of £11.8m (31 March 2024: net assets £3.1m). The decrease is largely attributable to the £14.6m increase in the IAS 19 valuation of the UK defined benefit pension liability. The Group also reports a net current liability position of £10.0m at that date (31 March 2024: net current assets £9.3m). The presentation of current and non-current liabilities is affected by the requirement to show at 31 March 2025 the full £21.2m HSBC term loan owing at that time within current liabilities as, at that date, the facility had an expiry date of 31 December 2025.

On the basis that the HSBC facility was fully extinguished in April 2025 by drawings made on the BZ facility and that future pension contribution payments to the UK defined benefit pension scheme are defined by the 2024 deficit recovery plan, established at the time of the triennial Scheme valuation at amounts that are considered manageable by the Directors rather than by the IAS 19 valuation, the balance sheet presentation of net liabilities and net current liabilities at 31 March 2025 does not affect the Group's ability to meet its third party liabilities over the going concern period.

On the basis of the base case forecast and the severe but plausible downside sensitivity testing, the Directors have determined that it is reasonable to assume that the Group will continue to operate within

available borrowing facilities and adhere to the covenant tests to which it is subject throughout at least the 16 month period from the date of signing the financial statements through to December 2026.

Accordingly, these financial statements are prepared on a going concern basis.

2 Accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The following are the critical judgements and key sources of estimation uncertainty that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Management has discussed these with the Audit & Risk Committee. These should be read in conjunction with the significant accounting policies provided in the notes to the financial statements.

Going concern

Note 1 contains information about the preparation of these financial statements on a going concern basis.

Key judgements

Management has exercised judgement over the likelihood of the Group being able to continue to operate within its available borrowing facilities and in accordance with related lender covenants for at least 16 months from the date of signing these financial statements. Judgement has been applied over forecast profit, debt levels and interest rates, particularly base rates. This determines whether the Group should operate the going concern basis of preparation for these financial statements.

Impairment of assets

Note 9 contains information about management's estimates of the recoverable amount of cash generating units and their risk factors.

Key judgements

Management has applied judgement in determining that the net carrying value of goodwill at 31 March 2025 of £21.7m (31 March 2024: £22.0m) is allocated to the CTP cash generating unit. The CTP segment is deemed to be the smallest cash generating unit with an identifiable group of assets which generate cash inflows largely independent of the cash inflows from other assets or groups of assets. The basis of this conclusion is that there are a number of senior global CTP roles with executive powers over the segment rather than there being site-level management teams operating autonomously; also, customer contracts are often held globally and served from multiple sites.

Key sources of estimation uncertainty

The Group tests whether goodwill has suffered any impairment and considers whether there is any indication of impairment either of this or other assets on at least an annual basis. As set out in more

detail in note 9, the recoverable amounts may be based on either value in use calculations or fair value less costs of disposal considerations. The former requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the future cash flows, the latter method requires the estimation of fair value.

Details of the sensitivity of assumptions are included in note 9.

Defined benefit pension assumptions

Note 12 contains information about management's estimate of the net liability for defined benefit obligations and their risk factors. The UK defined benefit pension liability at 31 March 2025 amounts to £51.7m (31 March 2024: £37.2m).

Key sources of estimation uncertainty

The value of the defined benefit pension plan obligation is determined by long-term actuarial assumptions. These assumptions include discount rates, inflation rates and mortality rates. Differences arising from actual experience or future changes in assumptions will be reflected in the Group's consolidated statement of comprehensive income. The Group exercises judgement in determining the assumptions to be adopted after discussion with a qualified actuary.

Details of the key actuarial assumptions used and of the sensitivity of these assumptions are included within note 12.

In the year to 31 March 2022 and the year to 31 March 2021, the Scheme introduced a right for members to Pension Increase Exchange ("PIE") and a Bridging Pension Option respectively. Having taken actuarial advice, management exercised judgement that, for each, 40% of members would take the options at retirement. There is no change to either assumption in the current year. Any change in estimate would be recognised as remeasurement gains/(losses) through the consolidated statement of comprehensive income.

Leases

There are imputed interest rates in lease liability calculations and certain leases contain break options.

Key judgements

Lease liabilities are measured initially at the present value of the lease payments discounted using the rate implicit in the lease, or where not readily determinable as is generally the case, using the incremental borrowing rate. This requires management to apply judgement.

Management has applied judgement when determining the expected certainty that a break option within a lease will be exercised. Lease liabilities reflect adjustments based on management's assessment, regarding the likelihood of exercising break options. This includes reductions where management is reasonably certain that break options will be exercised and excludes potential decreases where break options are available but are not expected to be exercised.

Revenue recognition

As revenue from Design & Engineering contracts is recognised over time, the amount of revenue recognised in a reporting period depends on the extent to which the performance obligations have been satisfied.

Key judgements

Revenue recognised on contracts in the CTP segment requires management to use judgement to apportion contract revenue to the Design & Engineering obligations; a cost plus basis is usually applied.

Key sources of estimation uncertainty

Revenue recognised on Design & Engineering contracts requires management to estimate the remaining costs to complete the performance obligations in order to determine the percentage of completion and revenue in respect of those obligations. Costs to complete are reviewed throughout the life of each contract and determined through consultation with the contract engineers. Changes to this estimate will therefore impact the amount of revenue and profit recognised.

If costs to complete were 5% higher or lower than estimated at 31 March 2025, the impact to the Group operating profit would be £0.3m lower or higher respectively.

Recognition of deferred tax assets

Key judgements

Management has exercised judgement over the level of future taxable profits in the UK and the US against which to relieve deferred tax assets. The Group has concluded that deferred tax assets of £0.6m, net of off-setting deferred tax liabilities, which mostly relate the Group's US subsidiaries, will be recovered in the future. See below for the key sources of estimation uncertainty considered when reaching this conclusion. In the UK, with the exception of a £0.3m deferred tax asset which is available to offset against a deferred tax liability for the same amount arising on historic property valuations (31 March 2024: £0.3m), management has applied judgement to determine that no UK deferred tax assets will be recognised at either year end.

Key sources of estimation uncertainty

As the majority of the Group's deferred tax assets are in its US subsidiaries, management has prepared an estimate of the future taxable income of its subsidiary trading company, CTP Carrera Inc. This estimate is based upon the Board-approved budget and three-year business plan. All other things equal, forecast EBIT could decrease by approximately 59% over the three years, before the deferred tax asset is at risk of not being recovered within that three-year period. A similar working has been prepared for the UK trading subsidiaries, including the plc company; however, as there is minimal headroom to cover any reduction in EBIT of the trading entities, management does not believe that a UK deferred tax asset can be supported currently.

Classification of non-underlying items

Note 4 contains information about items classified as non-underlying.

Key judgements

Management has exercised judgement over whether items are non-underlying as set out in the Group's accounting policy 1w.

Dilapidation provisions

The Group has recognised provisions for dilapidation obligations relating to certain leased properties, which involves both management judgement and estimation uncertainty.

Key judgements

Management applies judgement when determining whether a present obligation exists under lease agreements for the restoration of leased premises to their original condition. This includes evaluating lease terms and conditions to assess whether a dilapidation obligation is legally or constructively enforceable. Having completed this evaluation, management have concluded that there is a present obligation for dilapidations under existing lease agreements at 31 March 2025 and, as such, provision has been made.

Key sources of estimation uncertainty

The measurement of dilapidation provision requires estimation of the future costs to be incurred at the end of lease terms, which may be several years in the future. These estimates are based upon management's assessment of likely work required, historical experience, current market rate, and,

where necessary, independent third-party reports. The amount and timing of the resulting cash outflows are inherently uncertain and subject to change as leases near expiry or conditions change.

A 10% increase or decrease in estimated costs would equate to approximately £0.1m corresponding change in the year-end provision.

3 Segment reporting

The Group is organised into two, separately managed, business segments - CTP and Speciality. These are the segments for which summarised management information is presented to the Group's chief operating decision maker (comprising the Main Board and Executive Committee). Since 31 March 2024, the Group's Aerospace segment has been combined with the Specialised Optics business to form the Speciality segment. This move leverages Aerospace's established expertise and leadership to strengthen Optics' focus on short-series, value-added solutions in niche markets and will maximise synergies for both businesses. Previously, the Specialised Optics business was operated as part of the CTP UK business and was hence part of the CTP segment. The prior year comparatives for 31 March 2024 have been restated to reflect this change. There is no change to the total Group in that year.

The CTP segment supplies value-adding engineered solutions from mould design, automation and production to assembly and printing, for the life science and precision component industries. This business operates internationally in a fast-growing and dynamic market underpinned by rapid technological development.

The Speciality segment delivers precise and durable components for the safety and performance of aircraft manufacturing, aerospace and optical industries.

Central costs relate to the cost of running the Group, plc and non-trading companies.

Analysis by business segment

The segment results for the year ended 31 March 2025 were as follows:

	CTP £000	Speciality £000	Central £000
Consolidated income statement			
Continuing operations:			
External revenue	106,998	14,221	-
External expenses	(94,670)	(11,420)	(5,291)
Underlying operating profit/(loss)	12,328	2,801	(5,291)
Non-underlying operating items	45	-	(2,303)
Operating profit/(loss)	12,373	2,801	(7,594)
Net finance expense			
Income tax expense			
Profit for the year			
Consolidated statement of financial position			
Segment assets	83,295	9,691	4,049
Segment liabilities	(27,393)	(3,311)	(78,171)
Net assets/(liabilities)	55,902	6,380	(74,122)
Other segmental information			
Capital expenditure on property, plant and equipment	1,899	547	2
Capital expenditure on computer software	-	-	49
Depreciation	5,961	411	84
Reversal of impairment of property, plant and equipment	(209)	-	-
Amortisation of intangible assets	8	12	67

The segment results for the year ended 31 March 2024 were as follows:

	Restated ¹ CTP £000	Restated ¹ Speciality £000	Central £000
Consolidated income statement			
Continuing operations:			
Revenue	120,792	11,880	-
Expenses ²	(111,875)	(9,771)	(4,469)
Underlying operating profit/(loss) ²	8,917	2,109	(4,469)
Non-underlying operating items	(3,014)	(295)	(1,548)
Operating profit/(loss)²	5,903	1,814	(6,017)
Net finance expense			
Income tax credit			
Loss for the year³			
Consolidated statement of financial position²			
Segment assets	96,533	7,408	1,808
Segment liabilities	(32,617)	(1,750)	(68,292)
Net assets/(liabilities)	63,916	5,658	(66,484)
Other segmental information			
Capital expenditure on property, plant and equipment	6,701	620	166
Capital expenditure on computer software	-	-	95
Depreciation ²	7,344	423	92
Net impairment of property, plant and equipment	1,892	-	-
Amortisation of intangible assets	93	-	70

- Since 31 March 2024, the Group's Aerospace segment has been combined with the Specialised Optics business to form the Speciality segment. Previously, the UK Specialised Optics business was part of the CTP segment. Prior year comparatives have been restated to reflect this change. The impact of the restatement has been to increase the Speciality segment revenue, expenses, underlying operating profit, non-underlying operating items and operating profit by £4.2m, £3.8m, £0.4m, £0.2m and £0.2m respectively, with decreases to the CTP segment of the same amounts. The Speciality segment assets and liabilities have increased by £2.4m and £0.7m respectively, resulting in an increase to net assets of £1.7m with an equal but opposite adjustment to the CTP segment assets and liabilities.
- See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior period restatement.

Analysis by geographical segment

The business operates across the following geographical regions - the United Kingdom, North America, France and in lower-cost regions including the Czech Republic, China and India.

The geographical analysis was as follows:

	External revenue		Net segment (liabilities)/assets		Expenditure on tang and intangible fixed a
	Restated ²		Restated ^{1,2}		R
	2025	2024	2025	2024	2025
	£000	£000	£000	£000	£000
United Kingdom	10,012	10,084	(51,342)	(39,576)	763
Rest of Europe	30,486	26,198	11,607	12,362	87
North America	44,230	68,474	20,840	21,846	266
Rest of world	36,491	27,916	7,055	8,458	1,381
	121,219	132,672	(11,840)	3,090	2,497

- See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.
- The prior year comparatives have been restated to present Rest of Europe from Rest of world in order to provide a more granular analysis.

The analysis of segment revenue represents revenue from external customers based upon the location of the customer.

The analysis of segment assets and capital expenditure is based upon the location of the assets.

The material components of the Central assets and liabilities are retirement benefit obligation net liability of £51.7m (31 March 2024: £37.2m), and net borrowings of £20.6m (31 March 2024: £24.3m).

One customer accounted for 36.1% (31 March 2024: 41.1%), another for 16.3% (31 March 2024: 13.3%) and a third for 14.4% (31 March 2024: 9.2%) of Group revenues and similar proportions of trade receivables.

No other customer accounted for more than 10% of Group revenues in the year.

Deferred tax assets by geographical location are as follows: United Kingdom £nil (31 March 2024: £nil), Rest of Europe £nil (31 March 2024: £nil), North America £0.5m (31 March 2024: £0.8m), Rest of world £0.1m (31 March 2024: £0.1m).

Total non-current assets by geographical location are as follows: United Kingdom £19.5m (31 March 2024: £20.6m), Rest of Europe £10.7m (31 March 2024: £10.8m), North America £23.5m (31 March 2024: £26.3m), Rest of World £5.3m (31 March 2024: £5.4m).

4 Non-underlying items

	2025 £000
Continuing operations	
Refinancing costs	(2,137)
Rationalisation costs	(122)
Settlement of legacy claims	1
Past service cost in respect of retirement benefits	-
Net costs arising from cancellation of future supply agreement	-
Doubtful debt and related inventory provision	-
	(2,258)

The cash element of non-underlying items is a net outflow of £3.3m (2024: £0.6m). This is greater than the net non-underlying expense of £2.3m as the net expense includes the release of a £1.0m balance sheet provision.

Refinancing costs of £2.1m are legal and professional costs incurred by the Group, until 14 February 2025, on which date the Carclo plc Board of Directors agreed BZ Commercial Finance DAC ("BZ") as the preferred lender with whom the Group subsequently completed its refinancing on 24 April 2025, see note 15. Costs incurred after 14 February 2025 on the refinancing arrangement are deemed by the Group as directly attributable to the refinancing with BZ and £0.9m has been recognised within prepayments at 31 March 2025. In the accounts for the year ending 31 March 2026, the prepaid amounts will be reclassified to capitalise against the BZ loan balance and will be amortised over the term of the lending facility.

Rationalisation costs of £0.1m incurred during the year to 31 March 2025 relate to the restructuring of the Group. This is largely costs and credits arising from the US facility closures as part of the turnaround plan and includes the following: £0.7m employee related costs for severance and retention bonuses, £0.4m other closure related costs including costs to relocate plant and equipment, less £1.0m of balance sheet credits being £0.7m provisions and property lease liabilities released following surrender of the leased properties at the Tucson, Arizona facility and £0.3m for the reversal of asset

provisions booked at 31 March 2024 no longer required (£0.2m plant and equipment, see note 10 and £0.1m inventory provision as the inventory was sold at cost during the year). Prior year costs were similar in nature, including a combination of employee redundancy costs, site closure provisions and asset impairments.

Credits in the current and prior periods on settlement of legacy claims are the release of provisions booked for specific claims that have not been fully utilised following final settlement.

During the prior year, the Trustees of the Carclo Group Pension Scheme identified that a group of members required an adjustment to their benefits in respect of the requirement to provide equal benefits to males and females following the Barber judgement in 1990. In summary, the adjustment consisted of decreasing the normal retirement age from 65 to 60 for some members' benefits for some elements of service after 17 May 1990. This resulted in additional liabilities in the Scheme which were accounted for as a £1.0m past service cost in the income statement (approximately 0.8% of liabilities).

Prior period net costs arising from cancellation of future supply agreement relate to a customer who gave notice in December 2022. There have been no further costs in the current year.

In the financial year to March 2024, a customer of the CTP Division provided notice that it would cease to operate. Provision was made at the time for assets not expected to be recovered through credit insurance with a final provision being recognised in the prior year of £0.1m. The provision has been fully utilised and there have been no further costs in the current year.

5 Finance revenue and expense

	2025 £000
Continuing operations	
Finance revenue comprises:	
Interest receivable on cash and cash deposits	535
Other interest	36
Finance revenue	571
Finance expense comprises:	
Interest payable on bank loans and overdrafts	(3,075)
Lease interest	(679)
Interest on the net defined benefit pension liability	(1,745)
Other interest	-
Finance expense	(5,499)
Net finance expense	(4,928)

6 Income tax (expense)/credit

The income tax (expense)/credit recognised in the consolidated income statement comprises:

	2025 £000
United Kingdom corporation tax:	
Current tax	-
Adjustments for prior years	(13)
Overseas taxation:	
Current tax	(1,379)
Adjustments for prior years	(1)
Total current tax net expense	(1,393)

Deferred tax (expense)/credit	
Deferred tax	(409)
Adjustments for prior years	13
Rate change	9
Total deferred tax (charge)/credit	(387)
Total income tax (expense)/credit recognised in the consolidated income statement	(1,780)

Reconciliation of tax (expense)/credit for the year

The Group has reported an effective tax rate for the period of 67.1% (2024: 12.8%) which is above the standard rate of UK corporation tax of 25% (2024: 25%).

The differences are explained as follows:

	2025		Restated ¹ 2024
	£000	%	£000
Profit/(loss) before tax	2,652		(3,887)
Income tax using standard rate of UK corporation tax of 25% (2024: 25%)	(663)	(25.0)	972
Expenses not deductible for tax purposes	(221)	(8.3)	(189)
Income not taxable	66	2.5	114
Adjustments in respect of overseas tax rates	127	4.8	157
Unprovided deferred tax movement	(654)	(24.7)	(732)
Adjustment to current tax			
in respect of prior periods			
(UK and overseas)	(14)	(0.5)	(232)
Adjustments to deferred tax			
in respect of prior periods			
(UK and overseas)	13	0.5	193
Foreign taxes expensed in the UK	(434)	(16.4)	54
Rate change on deferred tax	9	0.3	61
Foreign exchange currency loss	(9)	(0.3)	100
Total income tax (expense)/credit	(1,780)	(67.1)	498

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Tax on items credited outside of the consolidated income statement

	2025 £000
Recognised in other comprehensive income:	
Foreign exchange movements	13
Total income tax credited to other comprehensive income	13

7 Earnings/(loss) per share

The calculation of basic earnings per share is based on the profit/(loss) attributable to equity holders of the parent company divided by the weighted average number of ordinary shares outstanding during the year.

The calculation of diluted earnings per share is based on the profit/(loss) attributable to equity holders of the parent company divided by the weighted average number of ordinary shares outstanding during the year adjusted for dilutive options.

The result and average number of shares used in calculating the basic and diluted earnings per share are shown below:

	2025 £000
Profit/(loss) after tax	872
Profit/(loss) attributable to non-controlling interests	-
Profit/(loss) attributable to equity holders of the parent	872

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

	2025 Shares	
Weighted average number of ordinary shares in the year	73,419,193	73,
Effect of dilutive share options in issue ¹	546,306	
Weighted average number of ordinary shares (diluted) in the year for loss per share calculation	73,965,499	73,
Effect of dilutive share options in issue ²	-	
Weighted average number of ordinary shares (diluted) in the year for underlying earnings per share calculation	73,965,499	74,

- There are 15,974 vested shares outstanding that are not yet issued. 530,332 share options granted on 21 September 2023 are included in the calculation of the weighted average number of dilutive shares for earnings per share in the current year. The prior year excludes 817,049 share options granted on 21 September 2023 as they are anti-dilutive, however they have been included in the calculation of underlying earnings per share.
- In the year ended 31 March 2024, 817,049 share options granted on 21 September 2023 are included in the calculation of underlying earnings per share.

In addition to the above, the Company also calculates an earnings per share based on underlying profit as the Board believes this provides a more useful comparison of business trends and performance.

The following table reconciles the Group's profit/(loss) to underlying profit after tax¹ used in calculating underlying earnings per share:

	2025 £000
Profit/(loss) attributable to equity holders of the parent	872
Continuing operations:	
Non-underlying - Refinancing costs net of tax	2,096
Non-underlying - Rationalisation and restructuring costs net of tax	173
Non-underlying - Settlement in respect to legacy claims net of tax	(1)
Non-underlying - Past service cost in respect to retirement benefits net of tax	-
Non-underlying - Net costs arising from cancellation of future supply agreement net of tax	-
Non-underlying - Doubtful debt and related inventory provision net of tax	-
Underlying profit after tax attributable to equity holders of the parent	3,140

The following table reconciles the Group's underlying operating profit to underlying profit after tax attributable to equity holders of the parent:

	2025 £000
Underlying operating profit	9,838
Finance revenue	571
Finance expense	(5,499)
Income tax expense	(1,770)
Underlying profit after tax attributable to equity holders of the parent	3,140

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

The UK tax group is in a loss making position and deferred tax is not being recognised on those losses, therefore the UK effective tax rate is 0.0%. The total value of non-underlying items arising within entities which are outside of the UK tax group (US) is £0.05m. The difference between gross non-underlying items and non-underlying items net of tax is just £0.01m as there is no tax on the UK non-underlying items, the majority of which are within the Company.

The following table summarises the earnings per share figures based on the above data:

	2025 Pence
Basic earnings per share	1.2
Diluted earnings per share	1.2
Basic underlying earnings per share	4.3
Diluted underlying earnings per share	4.2

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

8 Dividends paid and proposed

Under the terms of the previous HSBC borrowing facility agreement, in place up to the BZ refinancing completed in April 2025, the Company was not permitted to make a dividend payment to shareholders up to the period ending 31 December 2025. Under the BZ borrowing facility agreement, dividend payments are permitted, but they require prior approval of the lender.

The current focus is on cash flow generation to support strategic growth and with the Company currently having insufficient distributable reserves, no dividend is permitted in respect of the year ended 31 March 2025. The Board will continue to review the Group financial performance, capital allocation and reserves regularly to determine the appropriate time for dividend payments.

9 Intangible assets

	Goodwill £000	Patents and development costs £000	Customer- related intangibles £000	Computer software £000
Cost				
Balance at 1 April 2023	24,099	16,802	588	1,952
Additions	-	-	-	95
Disposals	-	-	-	(356)
Effect of movements in foreign exchange	(968)	-	-	(10)
Balance at 31 March and 1 April 2024	23,131	16,802	588	1,681
Additions	-	-	-	49
Disposals	-	-	-	(307)
Effect of movements in foreign exchange	(339)	-	-	(7)
Balance at 31 March 2025	22,792	16,802	588	1,416
Amortisation				
Balance at 1 April 2023	1,089	16,740	588	1,561
Amortisation for the year	-	62	-	101
Impairment	-	-	-	-
Disposals	-	-	-	(144)
Effect of movements in foreign exchange	15	-	-	(7)
Balance at 31 March and 1 April 2024	1,104	16,802	588	1,511

Amortisation for the year	-	-	-	87
Disposals	-	-	-	(307)
Effect of movements in foreign exchange	18	-	-	(6)
Balance at 31 March 2025	1,122	16,802	588	1,285
Carrying amounts				
At 1 April 2023	23,010	62	-	391
At 31 March 2024	22,027	-	-	170
At 31 March 2025	21,670	-	-	131

During the year the Group incurred research and development costs of £0.2m (2024: £0.2m) which did not meet the criteria to be capitalised and have been included within operating expenses in the consolidated income statement.

Impairment tests for cash generating units containing goodwill

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill is allocated to the Group's principal CGUs, being the operating segments described in the operating segment descriptions in note 3.

The carrying value of goodwill at 31 March 2025 and 31 March 2024 is allocated wholly to the CTP cash generating unit as follows:

	2025
	£000
CTP	21,670

At 31 March 2025, the recoverable amount of the CTP cash generating unit was determined on a calculation of value in use, being the higher of that and fair value less costs of disposal ("FVLCD"). The recoverable amount calculated exceeds the carrying amount of the CTP CGU by £33.3m, confirming that there is no impairment of goodwill.

The value in use calculations use cash flow projections based upon financial budgets approved by the Board covering a three-year period. Cash flows beyond the three-year period are extrapolated using estimated growth rates of between 0.6% and 4.5% (31 March 2024: 1.5% and 4.3%) depending upon the market served.

The cash flows were discounted at a weighted average pre-tax discount rate of 17.1% (31 March 2024: 16.9%). The discount rate is calculated and reviewed annually and is based on the Group's weighted average cost of capital. Changes in income and expenditure are based on expectations of future changes in the market. Sensitivity testing of the recoverable amount to reasonably possible changes in key assumptions has been performed, including changes in the discount rate and changes in forecast cash flows.

All other assumptions unchanged, a 7.1% (31 March 2024: 1.6%) increase in the discount rate to 24.2% (31 March 2024: 18.5%), or a 31.5% (31 March 2024: 8.1%) decrease in underlying EBIT would reduce the headroom on the CTP CGU to £nil. Should the discount rate increase further than this or the profitability decrease further, then an impairment of the goodwill would be likely.

10 Property, plant and equipment

Restated¹
Land and Plant and

	buildings £000	equipment £000
Cost		
Balance at 1 April 2023	46,141	76,632
Prior year adjustment	900	-
Balance at 1 April 2023 restated	47,041	76,632
Additions	3,623	3,864
Disposals	(2,047)	(2,413)
Effect of movements in foreign exchange	(1,382)	(1,528)
Balance at 31 March and 1 April 2024	47,235	76,555
Additions	1,504	944
Disposals	(4,580)	(4,501)
Effect of movements in foreign exchange	(787)	(931)
Balance at 31 March 2025	43,372	72,067
Depreciation and impairment losses		
Balance at 1 April 2023	20,674	56,778
Prior year restatement	480	-
Balance at 1 April 2023 restated	21,154	56,778
Depreciation charge for the year	3,982	3,877
Disposals	(2,282)	(1,472)
Reassessment of lease term	1,310	-
Impairment	116	1,850
Reversal of impairment	-	(74)
Effect of movements in foreign exchange	(701)	(1,149)
Balance at 31 March and 1 April 2024	23,579	59,810
Depreciation charge for the year	3,357	3,099
Disposals	(4,514)	(4,414)
Reversal of impairment	-	(209)
Effect of movements in foreign exchange	(407)	(704)
Balance at 31 March 2025	22,015	57,582
Carrying amounts		
At 1 April 2023	25,467	19,854
At 1 April 2023 restated ¹	25,887	19,854
At 31 March 2024	23,656	16,745
At 31 March 2025	21,357	14,485

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

At 31 March 2025, properties with a carrying amount of £2.0m were subject to a registered charge in favour of the Group pension scheme (31 March 2024: £2.8m) capped at £5.1m.

Property, plant and equipment includes right-of-use assets.

In the prior year, the Group announced the intended closure of the Tucson, Arizona, US facility which led to impairment of certain individual assets at that site at 31 March 2024. This site has now been closed and the plant and equipment either sold, scrapped or transferred to the site at Latrobe, Pennsylvania, US for continued use in the business. £0.2m of the impairment recognised in the year ended 31 March 2024 on individual assets that were identified to be scrapped but which on closure of the facility were subsequently transferred to Latrobe for continuing use in the business, has been reversed. Those assets transferred to Latrobe will continue to be depreciated as normal. This has been recognised as a credit within non-underlying rationalisation costs in the income statement.

11 Loans and borrowings

2025
£000

Current	
Bank overdrafts	765
Bank loans:	
Term loan	21,233
Lease liabilities:	
Land and buildings	1,642
Plant and equipment	1,116
Other loans:	
Other	88
	24,844
Non-current	
Bank loans repayable between one and two years:	
Term loan	-
Revolving credit facility	-
Lease liabilities:	
Land and buildings	2,981
Plant and equipment	2,027
Other loans:	
Other loans repayable between one and two years	66
Other loans repayable between two and five years	31
	5,105
Total loans and borrowings	29,949

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Until 26 March 2025 the Group had a net UK multi-party, multi-currency overdraft facility with a £nil net limit and a £12.5m gross limit per party. Since that date, the Group does not have an overdraft facility available. At 31 March 2025, Carclo plc was briefly overdrawn due to timing of cash flows, however, the balance was immediately repaid on 1 April 2025, with no adverse consequences. At prior year end, Carclo plc, a company party to the multi-currency facility at the time, had an overdraft of £4.5m which is also presented within loans and borrowings. The overdraft was used for cash management purposes and bore interest at between 2.0% and 4.5% above prevailing UK bank base rates.

On 5 July 2024 the debt facilities available to the Group at 31 March 2025 were successfully extended to 31 December 2025. At the balance sheet date, the facilities comprised a term loan of £21.4m (31 March 2024: £24.0m) and a £3.5m (31 March 2024: £3.5m) revolving credit facility. The facilities have subsequently been repaid in full on 24 April 2025 when the Group completed its refinancing arrangements with its new lending partner, BZ Commercial Finance DAC ("BZ"). See note 15 for further information.

At 31 March 2025, the term loans were denominated as follows: sterling 7.0m, US dollar 13.3m and euro 4.9m; the revolving credit facility was denominated in sterling. £nil was drawn on the revolving credit facility at 31 March 2025 (31 March 2024: £0.3m), this facility was also surrendered on 24 April 2025.

An arrangement fee of £0.2m became payable on 5 July 2024 following the extension of the Group's committed facilities with its lending bank, this has been paid in full in the year and has been deducted from the carrying value of the term loan. This along with other arrangement fees capitalised, are being amortised over the period to termination date. In total, £0.3m was amortised in the year ended 31 March 2025.

Bank loans incur interest at between 2.5% and 4.5% above prevailing bank reference rates.

Bank facilities at 31 March 2025 were subject to four quarterly covenant tests as follows:

1. underlying interest cover;
2. net debt to underlying EBITDA;
3. core subsidiary underlying EBITA; and

4. core subsidiary revenue.

Core subsidiaries were defined as Carclo Technical Plastics Ltd, Bruntons Aero Products Ltd, Carclo Technical Plastics (Brno) s.r.o, CTP Carrera Inc and Jacottet Industrie SAS, with CTP Taicang Co., Ltd and Carclo Technical Plastics Pvt Co Ltd being treated as non-core for the purposes of these covenants.

The Group complied with the financial covenants of its borrowing facilities during the financial reporting period.

Under the terms of the first amendment and restatement agreement, the Group is not permitted to make a dividend payment to the shareholders of Carclo plc up to the period ending 31 December 2025.

Bank loans included £21.4m (31 March 2024: £24.3m) secured on the assets of the Group. The bank loan facilities were secured by guarantees from certain Group companies and by fixed and floating charges over certain of the assets of a number of the Group's companies.

Security is granted by certain Group companies to the bank such that at 31 March 2025 the gross value of the assets secured, which included applicable intra-group balances, goodwill and investments in subsidiaries at net book value in the relevant component companies' accounts, but which eliminate in the Group upon consolidation, amounted to £117.7m (31 March 2024: £202.5m). Excluding the assets which eliminate in the Group upon consolidation, the value of the security was £25.3m (31 March 2024: £24.6m).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Restated ¹ bank overdraft £000	Term loan £000	Revolving credit facility £000	Lease liabilities £000	Other loans £000	R
Balance at 1 April 2023	6,534	28,950	3,500	11,870	394	
Changes from financing cash flows						
Drawing on new facilities	-	-	-	-	53	
Transaction costs associated with the issue of debt	-	(100)	-	-	-	
Repayment of borrowings	-	(5,050)	(3,200)	(4,701)	(132)	
Changes in bank overdraft	(2,255)	-	-	-	-	
Interest paid	200	-	-	-	-	
	(2,055)	(5,150)	(3,200)	(4,701)	(79)	
Effect of changes in foreign exchange rates	-	(332)	-	(229)	(33)	
Liability-related other changes						
Drawings on new facilities	-	-	-	4,583	-	
Reassessment of lease liability	-	-	-	(1,349)	-	
Termination of facilities	-	-	-	(49)	-	
Interest expense	-	214	-	1,042	-	
	-	214	-	4,227	-	
Balance at 31 March 2024	4,479	23,682	300	11,167	282	

	Bank overdraft £000	Term loan £000	Revolving credit facility £000	Lease liabilities £000	Other loans £000	
Balance at 1 April 2024¹	4,479	23,682	300	11,167	282	
Changes from financing cash flows						
Transaction costs associated with the issue of debt	-	(150)	-	-	-	

Repayment of borrowings	-	(2,225)	(300)	(4,907)	(95)
Changes in bank overdraft	(4,184)	-	-	-	-
Interest paid	470	-	-	-	-
	(3,714)	(2,375)	(300)	(4,907)	(95)
Effect of changes in foreign exchange rates	-	(371)	-	(161)	(2)
Liability-related other changes					
Drawings on new facilities	-	-	-	1,327	-
Termination of facilities	-	-	-	(339)	-
Interest expense	-	297	-	679	-
	-	297	-	1,667	-
Balance at 31 March 2025	765	21,233	-	7,766	185

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

12 Retirement benefit obligations

The Group operates a UK defined benefit pension scheme which provides pensions based on service and final pay. Outside of the UK, retirement benefits are determined according to local practice and funded accordingly.

In the UK, Carclo plc sponsors the Carclo Group Pension Scheme (the "Scheme"), a funded defined benefit pension scheme which provides defined benefits for some of its members. This is a legally separate, trustee-administered fund holding the Scheme's assets to meet long-term pension liabilities for some 2,360 current and past employees as at 31 March 2025.

The Trustees of the Scheme are required to act in the best interest of the Scheme's beneficiaries. The appointment of the Trustees is determined by the Scheme's trust documentation. It is policy that one-third of all Trustees should be nominated by the members. The Trustees currently comprise two Company-nominated Trustees (of which one is an independent professional Trustee and one is the independent professional Chairperson) as well as one member-nominated Trustee. The Trustees are also responsible for the investment of the Scheme's assets.

The Scheme provides pensions and lump sums to members on retirement and to their dependants on death. The level of retirement benefit is principally based on final pensionable salary prior to leaving active service and is linked to changes in inflation up to retirement. The defined benefit section is closed to new entrants who instead have the option of entering into the defined contribution section of the Scheme, and the Group has elected to cease future accrual for existing members of the defined benefit section such that members who have not yet retired are entitled to a deferred pension.

The Company currently pays contributions to the Scheme as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the Scheme whereas the accounting assumptions that support the IAS 19 calculation must be best estimates.

The Scheme is subject to the funding legislation, which came into force on 30 December 2005, outlined in the Pensions Act 2004. This, together with documents issued by the Pensions Regulator and Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK.

A full actuarial valuation was carried out on a technical provisions basis as at 31 March 2024 in accordance with the scheme funding requirements of the Pensions Act 2004. The funding of the Scheme is agreed between the Group and the Trustees in line with those requirements. These, in particular, require the surplus or deficit to be calculated using prudent, as opposed to best estimate, actuarial assumptions. The 31 March 2024 actuarial valuation showed a deficit of £64.5m (31 March 2021 actuarial valuation deficit: £82.8m). Under the recovery plan agreed with the Trustees following the 2024 valuation, the Group agreed that it would aim to eliminate the deficit over a period of 13 years and seven months commencing 1 April 2024 and continuing until 31 October 2037, by the payment of

annual contributions combined with the assumed asset returns in excess of gilt yields. The Trustees and the Group have agreed that contributions will be paid to the Scheme as follows: £3.5m per annum payable monthly for a period of five years from 1 April 2024 to 31 March 2029 and £5.75m per annum payable monthly for a period of eight years and seven months from 1 April 2029 to 31 October 2037, plus £5.1m as a one-off lump sum payment on 24 April 2025. These contributions include an allowance of £0.6m in respect of the expenses of running the Scheme and the Pension Protection Fund ("PPF") levy in years ending 31 March 2026 onwards.

At each triennial valuation, the schedule of contributions is reviewed and reconsidered between the employer and the Trustees; the next review being no later than by 30 June 2028 after the results of the 31 March 2027 triennial valuation are known.

On 14 August 2020, security was granted by certain Group companies to the Scheme Trustees. As at 31 March 2025 the gross value of the assets secured, which includes applicable intra-group balances, goodwill and investments in subsidiaries at net book value in the relevant component companies' accounts, but which eliminate in the Group upon consolidation, amounted to £122.8m (31 March 2024: £207.6m). Excluding the assets which eliminate in the Group upon consolidation, the value of the security was £30.5m (31 March 2024: £29.7m).

For the purposes of IAS 19, the results of the actuarial valuation as at 31 March 2024, which was carried out by a qualified independent actuary, have been updated on an approximate basis to 31 March 2025. There have been no changes in the valuation methodology adopted for this year's disclosures compared to the previous year's disclosures.

The Scheme exposes the Group to actuarial risks and the key risks are set out in the table presented below. In each instance these risks would detrimentally impact the Group's statement of financial position and may give rise to increased interest costs in the Group income statement. The Trustees could require higher cash contributions or additional security from the Group.

The Trustees manage governance and operational risks through a number of internal controls policies, including a risk register and integrated risk management.

Risk	Description	Mitigation
Investment risk	Weaker than expected investment returns result in a worsening in the Scheme's funding position.	The Trustees continually monitor investment risk and performance and dedicate specific time at each meeting for such duties. In addition, specific investment focused meetings which include a Group representative, take place to consider investment strategy. The Trustees are advised by professional investment advisors. As well as investing in specific asset classes, an investment manager operates tactical investment management over the plan assets. The Scheme currently invests approximately 64% of its asset value in liability-driven investments, 32% in a portfolio of diversified growth funds and 4% in cash and liquid funds. The objective of the growth portfolio is that in combination, the matching credit liability-driven investments and cash components generate sufficient return to meet the overall portfolio return objective.
Interest rate risk	A decrease in corporate bond yields increases the present value of the IAS 19 defined benefit obligations. A decrease in gilt yields results in a worsening in the Scheme's funding position.	The Trustees' investment strategy includes investing in liability-driven investments and bonds whose values increase with decreases in interest rates. At the end of the Group's accounting period, approximately 60% of the Scheme's liabilities were hedged on the Scheme's Technical Provisions basis against interest rates using liability-driven investments. This percentage is set to increase to c.75% after the accounting year end. It should be noted that the Scheme hedges interest rate risk on a statutory and long-term funding basis (gilts) whereas AA corporate bonds are implicit in the IAS 19 discounting of liabilities.

		and so there is some mismatching risk to the Group should yields on gilts and corporate bonds diverge.
Inflation risk	An increase in inflation results in higher benefit increases for members which in turn increases the Scheme's liabilities.	The Trustees' investment strategy at the end of the Group's accounting period includes investing in liability-driven investments which will move with inflation expectations with approximately 60% of the Scheme's inflation-linked liabilities being hedged on the Scheme's Technical Provisions basis. Again, this percentage is set to increase to 70% after the accounting year end.
Mortality risk	An increase in life expectancy leads to benefits being payable for a longer period which results in an increase in the Scheme's liabilities.	The growth assets held are expected to provide protection over inflation in the long term. The Trustees' actuary provides regular updates on mortality, based on scheme experience, and the assumption continues to be reviewed.

The amounts recognised in the statement of financial position in respect of the defined benefit scheme were as follows:

	2025 £000	
Present value of funded obligations	(133,155)	(133,155)
Fair value of Scheme assets	81,412	81,412
Recognised liability for defined benefit obligations	(51,743)	(51,743)

The present value of Scheme liabilities is measured by discounting the best estimate of future cash flows to be paid out of the Scheme using the projected unit credit method. The value calculated in this way is reflected in the net liability in the statement of financial position as shown above.

The projected unit credit method is an accrued benefits valuation method in which allowance is made for projected earnings increases. The accumulated benefit obligation is an alternative actuarial measure of the Scheme's liabilities whose calculation differs from that under the projected unit credit method in that it includes no assumption for future earnings increases. In this case, as the Scheme is closed to future accrual, the accumulated benefit obligation is equal to the valuation using the projected unit credit method.

All actuarial remeasurement gains and losses will be recognised in the year in which they occur in other comprehensive income.

The cumulative remeasurement net loss reported in the statement of comprehensive income since 1 April 2004 is £69.4m.

IFRIC 14 has no effect on the figures disclosed because the Company has an unconditional right to a refund under the resulting trust principle.

Movements in the net liability for defined benefit obligations recognised in the consolidated statement of financial position

	2025 £000
Net liability for defined benefit obligations at the start of the year	(37,186)
Contributions paid	3,208
Net expense recognised in the consolidated income statement (see below)	(2,512)
Remeasurement losses recognised in other comprehensive income	(15,253)

Movements in the present value of defined benefit obligations

	2025 £000
Defined benefit obligation at the start of the year	130,420
Interest expense	6,089
Actuarial loss due to scheme experience	5,809
Actuarial loss/(gain) due to changes in demographic assumptions	11,051
Actuarial (gain)/loss due to changes in financial assumptions	(10,332)
Benefits paid	(9,882)
Past service cost (see note 4)	-
Defined benefit obligation at the end of the year	133,155

There have been no plan amendments, curtailments or settlements during the year.

The English High Court ruling in *Lloyds Banking Group Pension Trustees Limited v Lloyds Bank plc and others* was published on 26 October 2018, and held that UK pension schemes with Guaranteed Minimum Pensions ("GMPs") accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The case also gave some guidance on related matters, including the methods for equalisation.

The Trustees of the plan will need to obtain legal advice covering the impact of the ruling on the plan, before deciding with the employer on the method to adopt. The legal advice will need to consider (amongst other things) the appropriate GMP equalisation solution, whether there should be a time limit on the obligation to make back-payments to members (the "look-back" period) and the treatment of former members (members who have died without a spouse and members who have transferred out for example).

In the year to 31 March 2020, the Trustees commissioned scheme-specific calculations to determine the likely impact of the ruling on the Scheme. An allowance for the impact of GMP equalisation was included within the accounting figures for that year, increasing liabilities by 1.68%, and a resulting past service cost of £3.6m was recognised in the income statement at that time. The Scheme has not yet implemented GMP equalisation and therefore the allowance made in 2019 has been maintained for accounting disclosures.

On 20 November 2020, the High Court issued a supplementary ruling in the *Lloyds Bank GMP equalisation* case with respect to members that have transferred out of their scheme prior to the ruling. The results mean that Trustees are obliged to make top-up payments that reflect equalisation benefits and to make top-up payments where this was not the case in the past. Also, a defined benefit scheme that received a transfer is concurrently obliged to provide equalised benefits in respect to the transfer payments and, finally, there were no exclusions on the grounds of discharge forms, CETV legislation, forfeiture provisions or the Limitation Act 1980.

The impact of this ruling was estimated to cost £0.2m (approximately 0.1% of liabilities). This additional service cost was recognised through the income statement as a past service cost in the year ended 31 March 2021 and was presented within non-underlying items and therefore the impact of the ruling is allowed for in the figures presented at 31 March 2025.

During the year to 31 March 2024, the Trustees of the Scheme identified that a group of members required an adjustment to their benefits in respect of the requirement to provide equal benefits to males and females following the Barber judgement in 1990. In summary, the adjustment consisted of decreasing the normal retirement age from 65 to 60 for some members' benefits, for some elements of

service after 17 May 1990. This resulted in additional liabilities in the Scheme which were accounted for as a £1.0m past service cost in the income statement, recognised as a non-underlying cost (approximately 0.8% of liabilities) in the prior year.

In June 2023, the judgement in the Virgin Media v NTL Pension Trustees Limited case was handed down. The case decided that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision. The decision has a wide range of implications, affecting other schemes that were contracted out on a salary related basis, and made amendments between April 1997 and April 2016. Historic scheme amendments without the appropriate certification might now be considered invalid, leading to additional unforeseen liabilities.

The Carclo Group Scheme was contracted out and amendments were made during the relevant period. As such, the ruling could have implications for the Company. Carclo has been supporting the Trustees of the Scheme to begin the process of investigating any potential impact for the Scheme. This has included compiling a list of all the relevant deeds and amendments made over the relevant period and determining which of these could have a material impact on member benefits and identifying areas where further investigation is required.

As the detailed investigation is currently ongoing, the amount of any potential impact on the defined benefit obligation cannot be confirmed and/or measured with sufficient certainty at 31 March 2025. As such, it is identified as a potential contingent liability at the year end. The situation will be reviewed again at the next reporting date when there may be further clarity. Until then, the Company and the Trustees will continue to seek legal advice on the matter and will act accordingly.

The Scheme liabilities are split between active, deferred and pensioner members at 31 March as follows:

	2025 %
Active	-
Deferred	27
Pensioners	73
	100

Movements in the fair value of Scheme assets

	2025 £000
Fair value of Scheme assets at the start of the year	93,234
Interest income	4,344
Loss on Scheme assets excluding interest income	(8,725)
Contributions by employer	3,208
Benefits paid	(9,882)
Expenses paid	(767)
Fair value of Scheme assets at the end of the year	81,412
Actual (loss)/gain on Scheme assets	(4,381)

The fair value of Scheme asset investments was as follows:

	2025 £000
Diversified growth funds	26,160
Bonds and liability-driven investment funds	52,011
Cash and liquidity funds	3,241
Total assets	81,412

None of the fair values of the assets shown on the previous page include any of the Group's own financial instruments or any property occupied, or other assets used by the Group.

All of the Scheme assets have a quoted market price in an active market with the exception of the Trustees' bank account balance.

Diversified growth funds are pooled funds invested across a diversified range of assets with the aim of giving long-term investment growth with lower short-term volatility than equities.

It is the policy of the Trustees and the Group to review the investment strategy at the time of each funding valuation. The Trustees' investment objectives and the processes undertaken to measure and manage the risks inherent in the Scheme are set out in the Statement of Investment Principles.

A proportion of the Scheme's assets is invested in the BMO LDI Nominal Dynamic LDI Fund and in the BMO LDI Real Dynamic LDI Fund which provides a degree of asset liability matching.

The net expense recognised in the consolidated income statement was as follows:

	2025 £000
Past service cost	-
Net interest on the net defined benefit liability	1,745
Scheme administration expenses	767
	2,512

The net expense recognised in the following line items in the consolidated income statement was as follows:

	2025 £000
Charged to operating profit	482
Charged to non-underlying items	285
Finance expense - interest on the net defined benefit pension liability	1,745
	2,512

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were:

	2025 %
Discount rate at 31 March	5.65
Future salary increases	N/A
Inflation (RPI) (non-pensioner)	3.2
Inflation (CPI) (non-pensioner)	2.7

Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.3
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.8
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.0
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.1
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 3% p.a.	3.75
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 4% p.a.	4.30

The mortality assumptions adopted at 31 March 2025 are 127% of each of the standard tables

S3PMA/S3PFA (31 March 2024: 165% of S3PMA/S3PFA respectively), year of birth, no age rating for males and females, projected using CMI_2023 (31 March 2024: CMI_2022) converging to 1.0% p.a. (31 March 2024: 1.0%) with a smoothing parameter 7.0% (31 March 2024: 7.0%).

It is recognised that the Core CMI_2023 model is likely to represent an overly cautious view of experience in the near term. As a result, management has applied judgement and has adopted w2022 and w2023 parameters of 100% (compared with 15% under the Core model). This is consistent with management's view of future mortality improvements last year, but with different parameters to reflect the different convention set by the CMI in the 2023 model. This will be kept under review in the future. These assumptions imply the following life expectancies:

	2025	
Life expectancy for a male (current pensioner) aged 65	19.3 years	17
Life expectancy for a female (current pensioner) aged 65	21.3 years	20
Life expectancy at 65 for a male aged 45	20.2 years	18
Life expectancy at 65 for a female aged 45	22.5 years	21

It is assumed that 80% of the post A-Day maximum for active and deferred members will be commuted for cash (31 March 2024: 75%).

Pension Increase Exchange take-up was estimated to be 40% on implementation in the year ended 31 March 2022; there has been no change made to this assumption nor to the 2021 bridging pension option take-up of 40%.

The pension scheme liabilities are derived using actuarial assumptions for inflation, future salary increases, discount rates, mortality rates and commutation. Due to the relative size of the Scheme's liabilities, small changes to these assumptions can give rise to a significant impact on the pension scheme deficit reported in the Group statement of financial position.

The sensitivity to the principal actuarial assumptions of the present value of the defined benefit obligation is shown in the following table:

	2025 %	2025 £000	2024 %
Discount rate¹			
Increase of 0.25% per annum	(2.19%)	(2,913)	(2.52%)
Decrease of 0.25% per annum	2.27%	3,028	2.63%
Decrease of 1.0% per annum	9.66%	12,869	11.25%
Inflation²			
Increase of 0.25% per annum	0.46%	610	0.83%
Increase of 1.0% per annum	2.22%	2,951	3.18%
Decrease of 1.0% per annum	(2.25%)	(2,994)	(2.94%)
Life expectancy			
Increase of 1 year	4.03%	5,361	4.37%

1. At 31 March 2025, the assumed discount rate is 5.65% (31 March 2024: 4.85%).

2. At 31 March 2025, the assumed rate of RPI inflation is 3.2% and CPI inflation 2.7% (31 March 2024: RPI 3.3% and CPI 2.8%).

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation and pension increases.

The weighted average duration of the defined benefit pension obligation at 31 March 2025 is ten years (31 March 2024: ten years).

The life expectancy assumption at 31 March 2025 is based upon increasing the age rating assumption by one year (31 March 2024: one year).

Other than those specifically mentioned above, there were no changes in the methods and assumptions used in preparing the sensitivity analysis from the prior year.

The history of the Scheme's deficits and experience gains and losses is shown in the following table:

	2025 £000	
Present value of funded obligation	(133,155)	(1)
Fair value of Scheme asset investments	81,412	
Recognised liability for defined benefit obligations	(51,743)	
Actual (loss)/gain on Scheme assets	(4,381)	
Actuarial (loss)/gains due to changes in demographic assumptions	(11,051)	
Actuarial gains/(losses) due to changes in financial assumptions	10,332	

13 Ordinary share capital

Ordinary shares of 5 pence each

	Number of shares
Issued and fully paid at 31 March 2024 and 2025	73,419,193

There are 15,974 vested shares outstanding in respect of a buyout award granted to a former Director of the Company. These are yet to be issued.

There are 3,113,862 potential share options outstanding under the performance share plan at 31 March 2025 (31 March 2024: 4,606,957). No options vested during the year to 31 March 2025 (31 March 2024: nil).

Outstanding awards under the performance share plan are as follows:

	Date granted	Number of shares	Price	date of
Performance share plan	3 August 2022	558,862	nil	3 August 2023
Performance share plan	21 September 2023	2,555,000	nil	21 September 2023

Conditional share awards have been granted to Executive Directors and senior managers within the Group under the Carclo plc 2017 Performance Share Plan (the "PSP"). In addition, a number of

managers have been granted conditional cash awards linked to the future value of Carclo plc shares, which also fall within the scope of IFRS 2 Share-based Payment.

The vesting conditions for the outstanding cash and equity awards are linked to continued employment and satisfaction of market-based and non-market-based performance conditions.

As required under IFRS 2, a charge is recognised for the conditional share awards and conditional cash awards granted under the PSP, and awards are valued using a Monte Carlo model and a Black Scholes-model. Additional awards granted to Executive Directors are subject to a two-year post-vesting holding period applicable to the post-tax number of shares acquired on vest. For these awards, a discount for lack of marketability ("DLOM") has been calculated using a Finnerty model.

There were no awards granted under the performance share plan in the year ended 31 March 2025. Awards granted in the year ended 31 March 2024 and 31 March 2023 are presented below:

Performance share plan - date granted 21 September 2023	2024					Restricted equity award	R equi
	Cash award TSR	Cash award EPS	Equity award TSR	Equity award EPS	TSR		
Number of shares per tranche	100,000	100,000	557,500	557,500	1,000,000		1,
Fair value at grant date	1.6p	12.7p	1.6p	12.7p	1.4p		
Share price at grant date	12.73p	12.73p	12.73p	12.73p	12.73p		
Exercise price	0.0p	0.0p	0.0p	0.0p	0.0p		
Risk-free rate	4.35%	4.35%	4.35%	0	4.35%		
Expected volatility	73.20%	73.20%	73.20%	73.20%	73.20%		
Expected dividend yield	0%	0%	0%	0%	0%		

Performance share plan - date granted 3 August 2022	2023					Restricted equity award	R equi
	Cash award TSR	Cash award EPS	Equity award TSR	Equity award EPS	TSR		
Number of shares per tranche	414,658	414,658	260,550	260,550	100,079		
Fair value at grant date	3.8p	12.8p	10.9p	20.2p	8.3p		
Share price at grant date	20.2p	20.2p	20.2p	20.2p	20.2p		
Exercise price	0.0p	0.0p	0.0p	0.0p	0.0p		
Risk-free rate	1.79%	1.79%	1.79%	1.79%	1.79%		
Expected volatility	106.11%	106.11%	106.11%	106.11%	106.11%		
Expected dividend yield	0%	0%	0%	0%	0%		

Restricted equity awards are subject to a two-year post-vesting holding period.

The equity and restricted equity awards issued under the performance share plan on 21 September 2023 and 3 August 2022 have a split performance condition whereby half of the awards would vest after three years based on performance compared to total shareholder return ("TSR") and the remaining half would vest based on earnings per share ("EPS") performance. For those granted on 21 September 2023, 100% of the awards subject to the TSR performance condition will vest where the Company's average share price during the 60 days prior to vest (the "measurement period") is at least 100 pence and 0% vest if the average is lower than 40 pence, with options vesting in a straight-line apportionment between 40 pence and 100 pence.

For those granted on 3 August 2022, 100% of the awards subject to the TSR performance condition will vest where the Company's average share price during the 30 days prior to vest (the "measurement period") is at least 90 pence and 0% vest if the average is lower than 70 pence, and 5% will vest for

each whole penny that the share price during the measurement period exceeds 70 pence. Cash awards are subject to a cap on the quantum of cash which can be paid which is equal to the number of shares underpinning the award multiplied by 100 pence and 90 pence respectively.

100% of awards granted on 21 September 2023, subject to the EPS condition, will vest in full if Carclo plc's EPS for the financial year ending 31 March 2026 (31 March 2025 for the awards granted 3 August 2022) is at least 10.0 pence and 0% will vest if less than 6.0 pence (2022 grants: 100% if more than 8.0 pence and 0% if less than 6.0 pence). Between 10.0 pence and 6.0 pence, awards will vest on a straight-line apportionment (2022 grants: 5% of the shares subject to the EPS part of the award would vest for every 0.1 pence above 6.0 pence).

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

The amounts recognised in the income statement arising from equity-settled share-based payments was a charge of £0.03m (2024: charge of £0.05m).

The number and weighted average exercise price of the outstanding awards under the PSP are set out in the following table:

	2025		2024	
	Weighted average exercise price pence	Number of shares	Weighted average exercise price pence	
Outstanding at 1 April	-	4,622,931	-	2,915,000
Lapsed during the year	-	(1,493,095)	-	(1,500,000)
Exercised during the year	-	-	-	-
Granted during the year	-	-	-	3,000,000
Outstanding at the end of the year	-	3,129,836	-	4,415,000
Exercisable at 31 March		15,974		
Weighted average remaining contractual life at 31 March		1.27 years		2.0 years

14 Cash generated from operations

	2025 £000	2024 £000
Profit/(loss) for the year	872	1,041
Adjustments for:		
Pension scheme costs settled by the Scheme	192	192
Depreciation charge	6,456	6,456
Amortisation charge	87	87
Non-underlying rationalisation costs	(1,041)	(1,041)
Non-underlying settlement of legacy claims	(1)	(1)
Non-underlying past service cost in respect of retirement benefits	-	-
Non-underlying refinancing costs	-	-
Non-underlying net costs arising from cancellation of future supply agreement	-	-
Non-underlying doubtful debt and related inventory provision	-	-
Loss/(profit) on disposal of other plant and equipment	2	2
Share-based payment charge	32	32

Financial income	(571)
Financial expense	5,499
Taxation expense	1,780
Operating cash flow before changes in working capital	13,307
Changes in working capital	
Decrease in inventories	1,310
(Increase)/decrease in contract assets	(93)
Decrease in trade and other receivables	2,269
Increase/(decrease) in trade and other payables	3,862
Decrease in contract liabilities	(1,317)
Decrease in provisions	(272)
Cash generated from operations	19,066

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

15 Post balance sheet events

On 24 April 2025, the Group completed the refinancing of its primary external borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ Commercial Finance DAC ("BZ") comprising a term loan of £27.0m and a revolving credit facility of up to £9.0m. At commencement, £29.9m was borrowed under the BZ facility, of which £26.8m was drawn under the term loan and £3.1m was drawn under the revolving credit facility. £21.3m was paid to discharge all amounts owing under the previous borrowing arrangement with HSBC at that date, including accrued interest, and £5.1m additional contributions were paid to the Group's defined benefit pension scheme allowing securitised assets marked in favour of the Group pension scheme to be reassigned to the new lender.

The BZ facility includes an asset-based lending arrangement with drawings permitted against the value of various classes of assets held by the UK and US businesses. Of the £27.0m term loan element, £8.0m is designated against the value of owned land and buildings, £5.0m is designated against the value of owned plant and machinery and the balance of £14.0m is designated a cash flow loan that is non-asset specific. Of the £9.0m revolving credit facility, up to £7.0m is designated against the value of trade receivables and up to £2.0m against the value of inventory.

The facility permits borrowings in GBP, EUR and USD. There are three named Group companies that are currently permitted to borrow under the facility, namely Carclo plc, Carclo Technical Plastics Limited and Bruntons Aero Products Limited. Group companies that are subject to cross-guarantees under the BZ facility are the named borrowing companies and material subsidiaries as defined in the agreement that underpins the BZ facility.

At the same time, the triennial actuarial valuation of the Group's UK defined benefit pension scheme at 31 March 2024 was completed, confirming net liabilities on a technical provisions basis of £64.5m. The associated deficit recovery plan included a lump sum one off payment made into the Scheme of £5.1m during April 2025, annual contributions of £3.5m for five years to 31 March 2029 and indexed annual contributions of £5.8m until 31 March 2037.

INFORMATION FOR SHAREHOLDERS

Reconciliation of non-GAAP financial measures

Reconciliation of non-GAAP financial measures are presented in the table below.

a) Income statement measures

Continuing operations	Notes	2025 £000
Revenue		121,219
Profit/(loss) after tax		872
Add back/(less): Income tax expense/(credit)	6	1,780
Profit/(loss) before tax		2,652
Add back: Net financing charge	5	4,928
Operating profit		7,580
Add back: Non-underlying items	4	2,258
Underlying operating profit		9,838
Return on sales		8.1%
Add back: Depreciation and amortisation	9, 10	6,543
Underlying earnings before interest, tax, depreciation and amortisation ("EBITDA")		16,381
Profit/(loss) before tax		2,652
Add back non-underlying items	4	2,258
Underlying profit before tax		4,910
Income tax expense/(credit)	6	1,780
(Less)/add back: non-underlying tax (expense)/credit		(10)
Group underlying tax expense	7	1,770
Group statutory effective tax rate		67.1%
Group underlying effective tax rate		36.0%

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

b) Net debt

Continuing operations	Notes	2025 £000
Cash at bank and cash deposits		10,745
Loans and borrowings - current	11	(24,844)
Loans and borrowings - non-current	11	(5,105)
Net debt		(19,204)
Underlying earnings before interest, tax, depreciation and amortisation ("EBITDA")		16,381
Net debt to underlying EBITDA		1.17

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

c) Return on capital employed

Continuing operations	Notes	2025 £000
Underlying operating profit		9,838
Inventory		9,928
Contract assets		1,721
Trade and other receivables		16,253
Trade payables		(9,697)
All other payables		(11,094)
Contract liabilities		(1,624)
Provisions		(975)
Working capital		4,512
Property, plant and equipment	10	35,842
Capital employed		40,354
Return on capital employed ("ROCE")		24.4%

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

d) Cash conversion rate

	Notes	2025 £000
Continuing operations		
Cash generated from operations	14	19,066
Earnings before interest, tax, depreciation and amortisation ("EBITDA")		14,123
Cash conversion rate		135.0%

1. Cash generated from operations prior year comparative has been restated to exclude defined benefit pension scheme contributions net of Company settled administration costs which are instead presented on the face of the cash flow statement as part of net cash flows from operating activities.

e) Fixed asset utilisation ratio

	Notes	2025 £000
Revenue		121,219
Property, plant and equipment	10	35,842
Fixed asset utilisation ratio		3.4

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

f) Constant currency

Revenue by segment

	2025		2024		Change
	Statutory £000	Statutory £000	Impact of exchange movements £000	Constant currency £000	Statutory change %
CTP segment					
Manufacturing Solutions	93,443	99,222	(1,422)	97,800	(5.8)%
Design & Engineering	13,555	21,570	(291)	21,279	(37.2)%
	106,998	120,792	(1,713)	119,079	(11.4)%
Speciality segment					
	14,221	11,880	(92)	11,788	19.7%
	121,219	132,672	(1,805)	130,867	(8.6)%

Underlying operating profit by segment

	2025		2024		Change
	Statutory £000	Statutory £000	Impact of exchange movements £000	Constant currency £000	Statutory change %
CTP segment	12,328	8,917	145	8,772	38.3%
Speciality segment	2,801	2,109	20	2,089	32.8%
Central	(5,291)	(4,469)	(31)	(4,438)	(18.4)%
	9,838	6,557	134	6,423	50.0%

Share price history and information

Share price history and information can be found on the internet at www.carclo-plc.com.

Further information on Carclo plc

Further information on Carclo plc can be found on the internet at www.carclo-plc.com.

GLOSSARY

Capital employed

Working capital and property, plant and equipment.

Cash conversion rate

Cash generated from operations divided by EBITDA.

Constant currency

Prior year income statement items translated at the average exchange rate of the current year.

EBIT and operating profit

Earnings, whether profit or loss, before interest and tax.

EBITDA

Earnings, whether profit or loss, before interest, tax, depreciation and amortisation.

Effective tax rate

Income tax (expense)/credit divided by the profit/(loss) before tax.

Fixed asset utilisation ratio

Trailing twelve month revenue divided by tangible fixed assets at the period end.

Group capital expenditure

Additions to intangible assets and property, plant and equipment.

Net debt

Cash and cash deposits less loans and borrowings.

Net debt to underlying EBITDA ratio

Net debt divided by underlying EBITDA.

Non-underlying

Transactions which fall within the ordinary activities of the Group that, by virtue of their size or incidence, are considered to be non-underlying in nature.

ROCE

Return on capital employed being trailing twelve month underlying operating profit as a percentage of capital employed at the period end.

ROS

Return on sales being underlying operating profit as a percentage of revenue.

Trailing twelve months

The sum of income statement items over the preceding twelve month period.

Underlying

Financial performance adjusted to exclude all non-underlying items. Underlying profit after tax is profit after tax adjusted to exclude all non-underlying items and attributable tax on such items.

Working capital

Current and non-current inventory, contract assets and trade and other receivables less current and non-current trade payables, other payables and provisions.

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