

The Weir Group PLC interim results for the six months ended 30 June 2024

AM strength continuing and project outlook improving FY operating profit and cash conversion guidance reiterated

Resilient demand for aftermarket spares and expendables

- High levels of activity in hard rock mining driving group AM orders¹ +2%
- Strength of copper and gold markets more than offsetting mine specific headwinds
- £31m AM order split between Q2 and Q4 on retention of multi-year contract; all booked in Q2 in PY

Strong execution and delivery of Performance Excellence benefits

- Group adjusted operating margin^{1,3} 17.8%, +180bps
- Cumulative Performance Excellence savings of £13m to date, on track to deliver full year benefit
- Free operating cash conversion 68%, +17pp

FY outlook: Growing H2 order pipeline with operating profit and cash guidance reiterated

- £53m greenfield contract awarded in July for an HPGR-led project
- Revenue toward the lower end of the current range of analysts' expectations*
- Operating margin³ expected to be c.18%, ahead of prior guidance
- Free operating cash conversion of 90% to 100%

	H1 2024	H1 2023	As reported +/-	Constant currency ¹ +/-
Continuing Operations²				
Orders ¹	£1,253m	£1,275m	n/a	-2%
Revenue	£1,207m	£1,300m	-7%	-3%
Adjusted operating profit ³	£215m	£212m	+2%	+8%
Adjusted operating margin ³	17.8%	16.3%	+150bps	+180bps
Adjusted profit before tax ³	£193m	£188m	+3%	n/a
Statutory profit before tax	£165m	£170m	-3%	n/a
Adjusted earnings per share ³	53.6p	53.4p	0%	n/a
Return on capital employed	17.9%	16.3%	+160bps	n/a
Total Group				
Statutory profit after tax	£117m	£126m	-7%	n/a
Statutory earnings per share	45.3p	48.8p	-7%	n/a
Free operating cash conversion	68%	51%	+17pp	n/a
Dividend per share	17.9p	17.8p	+1%	n/a
Net debt ⁵	£738m	£690m**	£48m	n/a

*Company compiled consensus from 12 July 2024, Group revenue range of £2,596m to £2,758m.

**As of 31 December 2023. For all other footnotes see page 4.

Jon Stanton, Chief Executive Officer said:

"Our performance in the first half of the year is another proof point along the journey to deliver market leading through-cycle growth at sustainably higher margins. The resilience of our aftermarket biased business model and strong delivery of Performance Excellence benefits demonstrate the significant upside potential in our equity case.

Looking toward the full year, industry acceptance of our Redefined Mill Circuit is building momentum, and our pipeline of greenfield expansion projects is encouraging. Taken together with continued execution of our Performance Excellence programme, we remain on track to deliver our full year guidance for operating profit and cash conversion."

A webcast of the management presentation will begin at 08:00 (BST) on 30 July 2024 at www.investors.weir. A recording of the webcast will also be available at www.investors.weir

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

Our performance in the first half of the year was resilient in the context of current macro-economic uncertainty and geopolitical tension. We delivered strong short-term progress while investing in longer-term strategic growth opportunities, and once again met or exceeded our commitments to stakeholders as a high quality mining focused group.

Overall we saw high levels of activity across the global mining sector, with our resilient aftermarket biased business model delivering well against elevated levels of mine specific challenges. More recent developments in the conversion of our greenfield expansion pipeline illustrates the technology shift now underway in mining. We executed strongly on our Performance Excellence programme, delivering significant year-on-year growth in profit margin, cash conversion and return on capital employed. We have line of sight and remain on track to deliver our target of £60m of absolute savings in 2026.

We made progress against our strategic people initiatives. In an assessment of the UK's 100 largest companies, CCLA Investment Management named Weir as the 'top improver' in its corporate mental health benchmark, and in July we received accreditation as a Global Living Wage Employer from the Fair Wage Network.

On technology, ESCO launched the next generation mining GET solution, Nexsys™, providing a step change in productivity for our customers. We will be showcasing Nexsys™ alongside our other market leading equipment at MINExpo later this year. Minerals continues to make excellent progress with the Redefined Mill Circuit solution and its digital offerings. Both Synertrex® and Motion Metrics™ saw an encouraging level of new installations in the period.

Overall, our performance across all metrics reflects the hard work and dedication of Weir colleagues across the globe, and I'd like to thank them for their commitment and contribution to our success.

Looking ahead, the opportunity to deliver compounding growth and margin expansion is compelling. We anticipate our aftermarket focused business model and strategic growth initiatives will drive revenue growth, while the Performance Excellence transformation programme will establish a leaner, more efficient operating model to drive value creation and returns. Together, these factors give me great confidence that we will continue to deliver on our ambition to outgrow our markets, expand our operating margins, convert our earnings cleanly to cash, while remaining resilient and doing the right thing for our people and the planet.

OE growth: Increased conversion potential of larger projects in our pipeline

Through the first half, the majority of our customers remained focused on maximising production from existing assets. This included running equipment harder, developing more complex and lower grade ore bodies and debottlenecking and driving efficiency in existing processes.

As a result, Minerals activity in the first half of the year continued to be dominated by small brownfield debottlenecking and sustainability related projects, with only 3 orders received over £5m, and a large number of smaller orders in line with our expected run rate.

The ESCO pipeline of capital attachments remains encouraging and we are continuing to see strong demand for our technology-led solutions, although customer approvals are slightly lagging last year at this stage.

As a result, OE constant currency orders declined by 13% year-on-year.

More encouragingly we see an improvement in the conversion potential of larger greenfield projects in our pipeline, principally in Asia and Africa. We have been awarded a £53m greenfield contract already in July for a high pressure grinding rolls (HPGR) led project, while others are close to approval and expected to be booked in the second half of this year. Notably, the Enduron® large format HPGR is prominent in many of these greenfield projects reflecting the growing reputation from its performance at recently commissioned reference sites.

AM growth: Good levels of activity despite site specific challenges

Overall we saw good levels of activity across the global mining sector. Gold and copper producers were very active, iron and oil sands stable, while nickel and lithium producers remain under pressure from lower commodity prices.

Geographically, demand in most regions was ahead of the prior year with the exception of Central and West Africa where activity levels were weak. Both Minerals and ESCO saw an elevated level of mine specific headwinds, such as the shutdowns in nickel and lithium operators in Australia, and in Panama and Türkiye.

In infrastructure, demand was stable overall with solid activity in North America and strong growth in dredge orders offsetting continued subdued demand in Europe.

Against this backdrop, our aftermarket biased business model once again demonstrated its highly resilient nature with orders up 2% in constant currency terms as customer challenges in certain markets were more than offset by strong growth elsewhere.

As previously indicated, the large annual recurring order usually received in Minerals during the second quarter has been split this year between the second and fourth quarter due to the timing of the contract renewal - the net effect being c.£14m of aftermarket orders have shifted to the second half. In 2025, the full annual order of around £31m is expected to be received in the second quarter once again.

Revenue and margins: Strong execution across the business

Despite strong execution in the second quarter, revenue in the first half declined 3% on a constant currency basis due to phasing of OE shipments, the normalisation of demand from the Canadian oil sands market and the absence of revenue from Russia following our exit. The Group's book-to-bill increased to 1.04.

Input costs through the first half were stable, with only minor headwinds from raw material prices and freight availability. Wage inflation continues, however at lower levels than our prior year comparator. Our market leading positions and brands enabled us to capture annualised increases in price to maintain or expand gross margins, though we expect the benefit of these to normalise in the second half.

We made good progress in our Performance Excellence programme. Our Weir Business Services are now deployed across the majority of our regions and we completed a number of capacity optimisation projects, including the official opening of our new ESCO foundry in Xuzhou and relocation of our rubber process streams within the APAC region. Further to our plans to optimise our APAC supply chain, we recently announced our intent to relocate our rubber spool manufacturing from Australia to our existing operations in India.

On a constant currency basis adjusted operating profit grew by 8% and adjusted operating margins were 17.8%, up 180bps on a constant currency basis. This improvement reflects strong operational efficiency, a movement in Minerals revenue mix towards AM, and incremental Performance Excellence benefits.

Returns: Continued growth in return on capital employed

Free operating cash conversion increased to 68% as a result of a strong performance in working capital and a decrease in capital expenditures. Our performance represents a significant 17 percentage point improvement on the prior year. We remain firmly on track to deliver our full year guidance of 90% to 100% free operating cash conversion.

As a result, we expect to further de-lever the balance sheet, leaving net debt to EBITDA in the lower half of our guidance range of 0.5 to 1.5 times EBITDA by the end of the year.

Return on capital employed (ROCE) for the 12 months to the end of June was 17.9%, an increase of 160bps relative to the same measurement point in the prior year.

The Board has approved an interim dividend of 17.9 pence per share (2023: 17.8p). This is in line with our policy of distributing one third of adjusted EPS and represents a 1% increase on the prior year. The interim dividend will be paid on 1 November 2024 to Shareholders on the register on 4 October 2024.

Safety and sustainability: Focus on zero harm

On safety, while lost time injuries reduced by close to 50% overall, I am very sad to report that one of our colleagues suffered a fatal incident earlier this year. Our north star is, and will always be, the pursuit of zero harm - returning every Weir employee home safely at the end of the working day is our paramount focus. This accident was a stark reminder of the need to maintain a relentless concentration on this objective. Overall the Group's total incident rate⁴ (TIR) increased slightly year-on-year to 0.35.

For the second year running, we achieved a place on the global environmental non-profit Carbon Disclosure Project's (CDP) prestigious 'A List' for leadership in corporate transparency and performance on climate change. Retaining our 'A' rating reflects our commitment to making mining smart, efficient and sustainable and our continued progress in executing our sustainability strategy. We are continuing our work to build our avoided emissions reporting beyond the Redefined Mill Circuit and are on track to exceed our 2023 baseline.

Outlook: Full year operating profit and cash conversion guidance on track

Activity levels in our mining markets are positive. Customers are focused on maximising ore production and on improving the efficiency and sustainability of existing operations, which will continue to drive demand for our AM spares and expendables and brownfield OE solutions.

In aftermarket we are expecting to see a step up in growth rates for orders in the second half driven by the commissioning of new installed base, the re-phasing of the Q2 multi-period order, and normalised comparatives for oil sands.

We now see OE demand being supplemented by conversions in greenfield expansion projects in the second half with a £53m contract award already received in July and others potentially to follow. These orders will convert to revenue in 2025 and beyond and underpin our through-cycle growth ambitions.

Overall we are reiterating our full year guidance for constant currency growth in operating profit. Revenue is now expected to be at the lower end of the range of current analyst estimates. Operating margins are expected to be c.18%, ahead of our previous guidance and supported by further progress on Performance Excellence, with some of the mix and pricing benefits seen in the first half expected to moderate.

We expect free operating cash conversion of between 90% and 100%, in line with previous guidance with capex moving more in line with depreciation and further improvements in working capital.

Further out, the fundamentals for our business are highly attractive. The world is looking to our customers to provide the natural resources needed to support the transition to a net zero economy. This in turn presents us an opportunity to deliver innovative mining technology solutions necessary to meet this challenge, underpinning our ambition to deliver through-cycle mid to high single digit percentage revenue growth. Our commitment to continuous improvement, embodied by the Performance Excellence programme, is well on track to deliver compounding benefits and support margin expansion to 20% in 2026 and beyond. Our strong cash generation and balance sheet give us future optionality to allocate capital to prioritise growth in total shareholder returns.

Notes:

The Group financial highlights and Divisional financial reviews include a mixture of GAAP measures and those which have been derived from our reported results in order to provide a useful basis for measuring our operational performance. Adjusted results are for continuing operations before adjusting items as presented in the Consolidated Income Statement. Details of other alternative performance measures are provided in note 2 of the Interim Financial Statements contained in this press release.

1. 2023 restated at 2024 average exchange rates.
2. Continuing operations excludes the Oil & Gas Division which was sold to Caterpillar Inc. in February 2021 and the Saudi Arabian joint venture which was sold to Olayan Financing Company in June 2021.
3. Profit figures before adjusting items. Continuing operations statutory operating profit was £188m (2023: £194m). Total operations operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Total operations net cash generated from operating activities was £123m (2023: £109m).
4. As measured by Total Incident Rate (TIR) which represents the rate of any incident that causes an employee, visitor, contractor, or anyone working on behalf of Weir to require off-site medical treatment per 200,000 hours worked.
5. Refer to note 2 of the Interim Financial Statements contained in this press release for further details of alternative performance measures.

DIVISIONAL REVIEW - MINERALS

Minerals is a global leader in products and integrated solutions for smart, efficient and sustainable processing in mining markets.

2024 First half summary

- AM orders¹ +1%; ore production trends and installed base growth, offset by split of large Q2 order
- AM revenue¹ stable; growth in underlying demand against strong prior year comparator
- Operating profit margin^{1,2} +160 bps; mix, efficiency and Performance Excellence benefits
- Book-to-bill of 1.04

2024 First half strategic review

Minerals made strong strategic progress in the first half, further growing its leadership position in the mill circuit, booking further orders for its Redefined Mill Circuit technologies and making progress on key Performance Excellence workstreams. Progress across all 4 pillars of the 'We are Weir' strategic framework is outlined below.

People

Tragically one of our colleagues suffered a fatal incident earlier this year, which was shocking to the team, and we are working harder than ever to achieve zero harm and learn lessons to prevent this ever happening again. Minerals TIR for the period was 0.24 (2023: 0.21).

Inclusion, diversity and equity remain a key focus, with improved gender diversity across the Division.

Customer

The Division executed well on key strategic growth initiatives and during the first half gained market share in our core mill circuit product categories. We converted 100% of our competitive field trials for large mill circuit pumps against a range of competitor solutions.

We also opened our new state-of-the-art service centre in Port Hedland, located in the Pilbara region of Western Australia. The facility services Enduron[®] HPGR, and our broader suite of products and services, along with critical parts storage for our customers in the region. Its location is strategically positioned to support customers and their operations across this important iron ore region. Further activity in Australia included a first order for our large format HPGR technology in a gold application, which will also be supported from Port Hedland.

We saw strong levels of demand from mining customers across our product range, including for our GEHO[®] positive displacement pumps where we received a large order from a North American copper miner during the first half of the year.

Technology

We are seeing very encouraging interest from customers for our Redefined Mill Circuit, including Coarse Particle Flotation and Vertical Stirred Mill technologies, which we access through our partnerships with Eriez and STM respectively.

We developed our digital penetration by growing the number of sites digitally enabled with our Synertrex[®] 2.0 platform, now being installed in c.80 sites and made good progress in our integration of the Sentian AI platform, with live trials now underway.

Research and development activity across our technology offerings included new materials and polymers to support our core technology offerings, as well as other advancements such as real-time stud wear detection for our HPGR technology.

Performance

The Division's Performance Excellence work streams continue to progress at pace, with key milestones being the roll out of our lean manufacturing programme, Weir Integrating Network System (WINS), at a site level with this driving improved manufacturing quality, as well as making further progress on our capacity optimisation programme with site consolidations and relocations.

2024 First half financial review

Constant currency £m	H1 2024	H1 2023 ¹	Growth ¹	H2 2023 ¹
Orders OE	225	255	-12%	244
Orders AM	682	674	1%	652
Orders Total	907	929	-2%	896
Revenue OE	218	251	-13%	283
Revenue AM	651	650	0%	685
Revenue Total	869	901	-4%	968
Adjusted operating profit²	170	162	5%	195
Adjusted operating margin ²	19.6%	18.0%	+160 bps	20.2%
Operating cash flow ²	151	131	15%	287
Book-to-bill	1.04	1.03		0.93

1. 2023 restated at 2024 average exchange rates except for operating cash flow.

2. Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Refer to note 2 of the Interim Financial Statements contained in this press release further details of alternative performance measures.

Orders decreased by 2% on a constant currency basis to £907m (2023: £929m), with book-to-bill of 1.04. OE orders decreased 12%, reflecting order phasing with miners continuing to maximise production from existing assets with orders for small brownfield expansions and debottlenecking projects. AM orders grew 1% reflecting volume growth in hard rock mining and a minor contribution from pricing, partially offset, as expected, by the timing of multi-period orders historically received in Q2. In the first half, AM orders represented 75% of total orders (2023: 73%). In total, mining end markets accounted for 73% of total orders (2023: 76%).

Revenue was 4% lower on a constant currency basis at £869m (2023: £901m) due to phasing of the OE order book, a reduction in revenue from customers in the Canadian oil sands and the absence of revenue from Russia, partially offset by strong underlying mining markets and the annualised benefit of price increases. Revenue growth was particularly strong in Australasia reflecting the benefits of installed base growth. Product mix moved towards AM, which represented 75% of revenue, up from 72% in the prior period.

Adjusted operating profit² increased 5% on a constant currency basis to £170m (2023: £162m) as the Division grew its gross margins, with benefit from incremental Performance Excellence savings and operational efficiencies.

Adjusted operating margin² on a constant currency basis was 19.6% (2023: 18.0%). The year-on-year improvement of 160bps reflects Performance Excellence savings, the benefit of movement in revenue mix towards AM and strong underlying efficiency gains.

Operating cash flow² increased by 15% to £151m (2023: £131m) reflecting growth in operating profit, partially offset by a modest decrease in working capital outflow to £55m (2023: £75m). Working capital movements reflect an increase in inventory and debtors being offset by an increase in payables.

DIVISIONAL REVIEW - ESCO

ESCO is a global leader in Ground Engaging Tools (GET), attachments, and artificial intelligence and machine vision technologies that optimise productivity for customers in global mining and infrastructure markets.

2024 First half summary

- Orders¹ stable; robust demand from mining customers driving 2% AM growth
- Revenue¹ stable; strong execution driving 14% operating profit^{1,2} growth
- Operating profit margin^{1,2} +260bps; pricing, mix, and strong operational efficiencies
- Book-to-bill of 1.02

2024 First half strategic review

ESCO made good strategic progress in the first half, achieving key technology milestones and gaining market share in mining GET. Progress across all 4 pillars of the 'We are Weir' strategic framework is outlined below.

People

On safety, ESCO's TIR for the period was 0.82 (2023: 0.65). The division continues to focus on safety and remains on a positive long-term trajectory towards its ambition of zero harm.

We continued to make significant strides with respect to diversity, with improvement in gender diversity at senior levels in the Division.

Customer

During the period ESCO made further progress across its strategic growth initiatives. The number of mines using Motion Metrics™ AI-enabled vision technology increased and the Division made excellent progress in growing market share in core mining GET winning net 28 competitive major digger conversions, highlighting the strength of ESCO's core GET products.

ESCO grew orders year-on-year in both Africa and the Middle East reflecting demand for dredging products and our continued focus and momentum in these regions.

Technology

The next generation of core GET, Nexsys™, was launched after several thousand trial hours providing improved overall productivity for our customers, allowing for longer bucket campaign cycles and improved GET wear life.

We saw further progress with our proprietary ore characterisation technology, with the latest phase of trials undertaken in the first half of the year. Other technology investments include ongoing development of new series of mining and construction attachments, supported by our latest materials and composite developments.

Performance

The Division's new foundry in Xuzhou, China, opened in March with phased ramp-up in production on plan with full production on site expected before the end of the year.

The Division made good progress on its North American foundry optimisation programme with strong performance across all sites driving manufacturing efficiencies.

2024 First half financial review

Constant currency £m	H1 2024	H1 2023 ¹	Growth ¹	H2 2023 ¹
Orders OE	28	34	-20%	26
Orders AM	318	312	2%	305
Orders Total	346	346	0%	331
Revenue OE	26	27	-4%	30
Revenue AM	312	314	-1%	316
Revenue Total	338	341	-1%	346
Adjusted operating profit²	65	57	14%	63
Adjusted operating margin ²	19.3%	16.7%	+260bps	18.2%
Operating cash flow ²	70	53	32%	84
Book-to-bill	1.02	1.02		0.96

1. 2023 restated at 2024 average exchange rates except for operating cash flow.

2. Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Refer to note 2 of the Interim Financial Statements contained in this press release for further details of alternative performance measures.

Orders were stable on a constant currency basis at £346m (2023: £346m). This was driven by robust underlying demand from customers in mining driving aftermarket growth, with infrastructure demand remaining at stable levels. At 92%, AM continues to account for the vast majority of the Division's orders (2023: 90%). The Division's book-to-bill remained at 1.02. In total, mining end markets accounted for 60% of total orders (2023: 61%).

Revenue was stable on a constant currency basis at £338m (2023: £341m). This reflects strong execution and further price realisation with stable infrastructure revenue.

Adjusted operating profit² increased by 14% on a constant currency basis to £65m (2023: £57m) as the Division expanded its gross margins, benefiting from annualised price realisation and further operating leverage.

Adjusted operating margin² on a constant currency basis was 19.3%, +260 bps (2023: 16.7%), with the year-on-year improvement reflecting pricing benefits, favourable product mix and strong operational efficiencies.

Operating cash flow² increased by 32% to £70m (2023: £53m), reflecting growth in operating profit and a reduction in working capital outflow to £6m (2023: £15m). Working capital movements reflect a modest increase in inventory and modest reduction in receivables and payables.

GROUP FINANCIAL REVIEW

Continuing Operations £m	Constant currency ¹			As reported	
	H1 2024	H1 2023 ¹	Growth	H1 2023	Growth
Orders OE	253	289	-13%	n/a	n/a
Orders AM	1,000	986	2%	n/a	n/a
Orders Total	1,253	1,275	-2%	n/a	n/a
Revenue OE	244	278	-12%	290	-15%
Revenue AM	963	964	0%	1,010	-5%
Revenue Total	1,207	1,242	-3%	1,300	-7%
Adjusted operating profit²	215	199	8%	212	2%
Adjusted operating margin ²	17.8%	16.0%	+180bps	16.3%	+150bps
Book-to-bill	1.04	1.03	n/a	n/a	n/a
Total Group £m					
Operating cash flow ²	198	n/a	n/a	173	14%
Free operating cash conversion	68%	n/a	n/a	51%	+17pp
Net debt	738	n/a	n/a	690 ³	£48m

1. 2023 restated at 2024 average exchange rates.

2. Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Refer to note 2 of the Interim Financial Statements contained in this press release for further details of alternative performance measures.

3. Net Debt at 31 December 2023.

Continuing operations order input at £1,253m decreased 2% on a constant currency basis. Minerals orders were down 2%, with AM growth up 1% reflecting growth in demand from customers in hard rock mining and a minor contribution from pricing partially offset by the timing of multi-period orders historically received in Q2. OE orders decreased, reflecting order phasing with miners continuing to maximise production from existing assets. ESCO orders were stable, with robust underlying demand in mining driving aftermarket growth and increased demand for dredging products. 80% of orders from continuing operations related to aftermarket compared to 77% in the prior year.

Continuing operations revenue of £1,207m decreased 3% on a constant currency basis, with a strong prior year comparator which was boosted by higher OE deliveries, the last revenue from Russia and a strong oil sands performance. In Minerals revenue was 4% lower on a constant currency basis at £869m (2023: £901m). ESCO revenue was stable on a constant currency basis at £338m (2023: £341m). Aftermarket accounted for 80% of revenues from continuing operations, up from 78% in the prior year. Reported revenues decreased 7%, largely driven by a foreign exchange translation headwind of £58m. Overall book-to-bill at 1.04 reflects the continued strength in orders as we executed on our strong opening order book.

Continuing operations adjusted operating profit increased by £3m, 2%, to £215m on a reported basis (2023: £212m). Excluding a £13m foreign currency translation headwind, the constant currency increase was £16m, 8%.

As explained further in the Divisional reviews, Minerals adjusted operating profit increased by 5% on a constant currency basis to £170m (2023: £162m) and ESCO's adjusted operating profit increased by 14% on a constant currency basis to £65m (2023: £57m). Corporate costs of £20m (2023: £20m) are in line with prior year.

Continuing operations adjusted operating margin of 17.8% is up 180bps versus last year on a constant currency basis and up 150bps as reported. This increase is driven by further Performance Excellence savings, strong operating efficiencies as well as product mix moving slightly towards AM (78% to 80%) for continuing operations. R&D as a percentage of sales was 2.1%, up from 1.8% at June 2023, meeting our target of 2% of revenue as we continue to invest in our technology strategy.

Continuing operations statutory operating profit for the period of £188m was £6m adverse to the prior year, driven by the increase in adjusting items of £10m, a result of progress towards our Performance Excellence initiatives.

Continuing operations net finance costs were £22m (2023: £24m) with the decrease mainly due to the non-repeat of term loan costs, and lower RCF usage and facility.

Continuing operations adjusted profit before tax was £193m (2023: £188m), after a translational foreign exchange headwind of £13m. The statutory profit before tax from continuing operations of £165m compares to £170m in 2023, the decrease being due to higher adjusting items.

Continuing operations adjusted tax charge for the year of £54m (2023: £50m) on profit before tax from continuing operations (before adjusting items) of £193m (2023: £188m) represents an adjusted effective tax rate (ETR) of 28.2% (2023: 26.3%). The increase in ETR mainly reflects the geographic mix of profits.

A tax credit of £7m has been recognised in relation to continuing operations adjusting items (2023: £6m).

Continuing operations adjusting items increased to £28m (2023: £18m). Intangibles amortisation decreased by £1m to £12m (2023: £13m). Exceptional items totalled £15m (2023: £1m), with costs relating to our Performance Excellence programme of £14m and the remainder being legacy legal claims and integration costs partially offset by a small credit for the reversal of provisions in respect of the wind down of operations in Russia as working capital recoveries continue. Other adjusting items which relate solely to the Group's legacy asbestos-related provisions in the period were £1m (2023: £4m), with the reduction primarily due to the change in discount rates year on year.

Statutory profit for the period after tax from total operations of £117m (2023: £126m) reflects a £9m decrease in profit from continuing operations.

Adjusted earnings per share from continuing operations increased to 53.6p (2023: 53.4p). Statutory reported earnings per share from total operations is 45.3p (2023: 48.8p).

Cash flow and net debt

Cash generated from operations increased by £25m to £198m (2023: £173m) in the period due to a combination of higher operating profits and a reduced outflow from working capital in the period of £71m (2023: £88m). Working capital as a percentage of sales at 24% was in line with the prior year, slightly up on the December 2023 result of 21%. Continuing operations utilised non-recourse invoice discounting facilities of £27m (2023: £40m) compared to £33m at December 2023. This is largely utilising facilities provided by our customers to receive payment on reasonable terms in certain geographies where custom dictates extended payment terms. Suppliers chose to utilise supply chain financing facilities of £39m (2023: £41m) versus £32m at December 2023.

Net capital expenditure reduced by £6m to £30m (2023: £36m), with the decrease due to the completion of our new ESCO foundry in China, which opened in March 2024. Lease payments reduced to £15m (2023: £16m), while the purchase of shares for employee share plans decreased by £8m to £7m (2023: £15m) with the H2 amount expected to be in line with the prior year.

Free operating cash conversion (refer to note 2 of the Interim Financial Statements) was 68% (2023: 51%) as a result of the increased cash generated from operations and a reduced working capital outflow, including the impact of timing of share purchases for employee awards which is split between H1 and H2 in 2024.

Free cash flow (refer to note 2 of the Interim Financial Statements) from total operations was an inflow of £53m (2023: £24m).

Net debt increased by £48m to £738m (December 2023: £690m) and includes £133m (December 2023: £117m) in respect of IFRS 16 'Leases'. Drivers of the increase in net debt include payment of the final 2023 dividend of £54m, lease movement of £16m, exceptional items of £16m which include Performance Excellence costs, plus adverse translational foreign exchange and non-cash movements of £12m. These are partially offset by the free cash inflow of £53m. Net debt to EBITDA on a lender covenant basis was 1.2x (December 2023: 1.1x) compared to a covenant level of 3.5x.

As a result of strong cash generation in 2023, the Group reduced its multi-currency revolving credit facility (RCF) by US\$200m to US\$600m in February 2024. In March 2024, the Group exercised the option to extend its RCF by one year which will now mature in April 2029. The RCF includes a link to the Group's sustainability goals and the covenant terms are unchanged. Overall these actions extended the average tenor of the Group's debt financing and there remains in place more than £750m of immediately available liquidity.

Pensions

The IAS 19 funding position across the Group's legacy UK and North American schemes increased from a net surplus of £2m at 31 December 2023 to a net surplus of £10m at 30 June 2024. This is primarily due to a c.£4m increase in the surplus in the UK Main plan where gains driven by higher UK discount rates and changes in demographic assumptions were partly offset by net losses in UK assets and experience losses resulting from UK inflation, coupled with a reduction in the deficit on our main US schemes of c. £3m mainly from higher US discount rates. In total, a credit of £7m (2023: charge of £17m) has been recognised in the Consolidated Statement of Comprehensive Income.

The strength of the funding position of the UK main scheme has resulted in additional pension cash contributions reducing to £nil in 2024 (2023: £6m). Additional pension contributions of c.£3m are expected in relation to other schemes during H2.

Principal Risks and Uncertainties

The Board considers the Principal Risks and Uncertainties affecting the business activities of the Group are:

Principal Risk	Risk Trend from 2023 Annual Report
1. Political and Social	No change
2. Technology	No change
3. Value Chain Excellence	No change
4. Safety, Health and Wellbeing	No change
5. People	No change
6. Climate	Increased
7. Market	No change
8. Digital	No change
9. Ethics and Governance	No change
10. Information Security and Cyber	No change
11. Competition	No change

Further details of the Group's policies on Principal Risks and Uncertainties are contained within the Group's 2023 Annual Report, a copy of which is available at www.annualreport.weir.

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Appendix 1 – 2023/2024 continuing operations¹ quarterly order trends

Reported organic growth

Division	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Original Equipment	20%	-12%	-10%	-15%	-9%	-15%
Aftermarket	5%	5%	1%	2%	4%	-1%
Minerals	9%	0%	-2%	-3%	0%	-5%
Original Equipment	39%	40%	21%	69%	-16%	-23%
Aftermarket	-9%	-4%	-5%	-2%	5%	-1%
ESCO	-6%	0%	-3%	2%	3%	-4%
Original Equipment	22%	-8%	-8%	-10%	-9%	-16%
Aftermarket	0%	2%	-1%	1%	4%	-1%
Continuing Ops	4%	0%	-2%	-2%	1%	-4%
Book-to-bill	1.04	1.01	0.94	0.94	1.11	0.97

Quarterly orders² £m

Division	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Original Equipment	129	126	125	119	118	107
Aftermarket	317	357	322	330	329	353
Minerals	446	483	447	449	447	460
Original Equipment	14	20	13	13	12	16
Aftermarket	159	153	151	154	167	151
ESCO	173	173	164	167	179	167
Original Equipment	143	146	138	132	130	123
Aftermarket	476	510	473	484	496	504
Continuing Ops	619	656	611	616	626	627

Appendix 2 - 2024 continuing operations¹ order bridges (as reported)

Group orders (£m)	Q1			Q2			H1		
	OE	AM	Total	OE	AM	Total	OE	AM	Total
2023 - as reported	151	506	657	150	529	679	301	1,035	1,336
Organic	-9%	4%	1%	-16%	-1%	-4%	-13%	2%	-2%
Structure	0%	0%	0%	0%	0%	0%	0%	0%	0%
Currency	-5%	-6%	-6%	-2%	-3%	-3%	-3%	-5%	-4%
Total	-14%	-2%	-5%	-18%	-4%	-7%	-16%	-3%	-6%
2024 - as reported	130	495	625	123	505	628	253	1,000	1,253

Minerals orders (£m)	Q1			Q2			H1		
	OE	AM	Total	OE	AM	Total	OE	AM	Total
2023 - as reported	137	340	477	129	374	503	266	714	980
Organic	-9%	4%	0%	-15%	-1%	-5%	-12%	1%	-2%
Structure	0%	0%	0%	0%	0%	0%	0%	0%	0%
Currency	-5%	-8%	-7%	-2%	-4%	-3%	-3%	-5%	-5%
Total	-14%	-4%	-7%	-17%	-5%	-8%	-15%	-4%	-7%
2024 - as reported	118	328	446	107	354	461	225	682	907

ESCO orders (£m)	Q1			Q2			H1		
	OE	AM	Total	OE	AM	Total	OE	AM	Total
2023 - as reported	14	166	180	21	155	176	35	321	356
Organic	-16%	5%	3%	-23%	-1%	-4%	-20%	2%	0%
Structure	0%	0%	0%	0%	0%	0%	0%	0%	0%
Currency	-3%	-4%	-4%	-1%	-1%	-1%	-2%	-3%	-3%
Total	-19%	1%	-1%	-24%	-2%	-5%	-22%	-1%	-3%
2024 - as reported	12	167	179	16	151	167	28	318	346

1. Continuing operations excludes the Oil & Gas Division which was sold to Caterpillar Inc. in February 2021 and the Saudi Arabian joint venture which was sold to Olayan Financing Company in June 2021.

2. Restated at June 2024 average exchange rates.

**CONSOLIDATED INCOME STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2024**

Year ended 31 December 2023		6 months ended 30 June 2024			6 months ended 30 June 2023		
		Statutory results £m	Adjusted results £m	Adjusting items (note 5) £m	Statutory results £m	Adjusted results £m	Adjusting items (note 5) £m
	Notes						
Continuing operations							
2,636.0		3	1,207.2	—	1,207.2		1,299.8
365.9			214.0	(27.7)	186.3		210.3
							(17.6)
2.5			1.4	—	1.4		1.3
							—
368.4			215.4	(27.7)	187.7		211.6
							(17.6)
(66.4)			(33.7)	—	(33.7)		(31.1)
							—
18.7			11.4	—	11.4		7.4
							—
320.7			193.1	(27.7)	165.4		187.9
							(17.6)
(90.8)		6	(54.4)	7.1	(47.3)		(49.5)
							5.9
229.9			138.7	(20.6)	118.1		138.4
							(11.7)
(1.3)		7	—	(0.9)	(0.9)		—
							(0.4)
228.6			138.7	(21.5)	117.2		138.4
							(12.1)
Attributable to:							
227.9			138.4	(21.5)	116.9		138.1
							(12.1)
0.7			0.3	—	0.3		0.3
							—
228.6			138.7	(21.5)	117.2		138.4
							(12.1)
Earnings per share							
		8					
88.2p					45.3p		48.8p
88.7p			53.6p		45.7p		53.4p
87.7p					45.1p		48.4p
88.2p			53.4p		45.4p		53.1p

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 JUNE 2024**

Year ended 31 December 2023	6 months ended 30 June 2024	6 months ended 30 June 2023
£m	£m	£m
228.6 Profit for the period	117.2	126.3
Other comprehensive income (expense)		
(0.4) Losses taken to equity on cash flow hedges	(0.3)	(0.1)
(0.8) Cost of hedging taken to equity on fair value hedges	—	—
(159.1) Exchange losses on translation of foreign operations	(18.1)	(151.5)
27.6 Exchange (losses) gains on net investment hedges	(6.0)	25.3
0.5 Reclassification adjustments on cash flow hedges	(0.2)	0.4
0.1 Reclassification adjustments on fair value hedges	0.2	—
0.1 Tax credit relating to above items	0.1	—
(132.0) Items that are or may be reclassified to profit or loss in subsequent periods	(24.3)	(125.9)
Other comprehensive income (expense) not to be reclassified to profit or loss in subsequent periods:		
(28.2) Remeasurements on defined benefit plans	6.6	(17.0)
7.1 Tax (charge) credit relating to above item	(1.6)	4.3
(21.1) Items that will not be reclassified to profit or loss in subsequent periods	5.0	(12.7)
(153.1) Net other comprehensive expense	(19.3)	(138.6)
75.5 Total net comprehensive income (expense) for the period	97.9	(12.3)
Attributable to:		
76.1 Equity holders of the Company	97.5	(11.6)
(0.6) Non-controlling interests	0.4	(0.7)
75.5	97.9	(12.3)
Total net comprehensive income (expense) for the year attributable to equity holders of the Company		
77.4 Continuing operations	98.4	(11.2)
(1.3) Discontinued operations	(0.9)	(0.4)
76.1	97.5	(11.6)

**CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2024**

31 December 2023		Notes	30 June 2024	30 June 2023
£m			£m	£m
ASSETS				
Non-current assets				
490.5	Property, plant & equipment		504.4	461.0
1,316.0	Intangible assets		1,304.5	1,324.0
12.2	Investments in joint ventures		12.9	14.8
111.3	Deferred tax assets		91.9	74.7
53.8	Other receivables		48.7	69.2
30.1	Retirement benefit plan assets	14	33.9	38.7
—	Derivative financial instruments	15	—	0.1
2,013.9	Total non-current assets		1,996.3	1,982.5
Current assets				
608.1	Inventories		616.3	684.7
526.2	Trade & other receivables		548.2	518.8
7.9	Derivative financial instruments	15	3.8	5.9
29.4	Income tax receivable		45.8	43.7
707.2	Cash & short-term deposits		651.9	626.9
1,878.8	Total current assets		1,866.0	1,880.0
3,892.7	Total assets		3,862.3	3,862.5
LIABILITIES				
Current liabilities				
286.2	Interest-bearing loans & borrowings	13	302.1	259.3
581.3	Trade & other payables		543.1	557.4
6.4	Derivative financial instruments	15	5.6	7.1
1.9	Income tax payable		5.8	2.1
47.6	Provisions	12	45.4	42.0
923.4	Total current liabilities		902.0	867.9
Non-current liabilities				
1,111.1	Interest-bearing loans & borrowings	13	1,087.5	1,209.7
0.6	Other payables		—	—
2.3	Derivative financial instruments	15	—	—
80.7	Provisions	12	77.3	56.4
46.9	Deferred tax liabilities		30.9	35.7
28.0	Retirement benefit plan deficits	14	24.3	29.6
1,269.6	Total non-current liabilities		1,220.0	1,331.4
2,193.0	Total liabilities		2,122.0	2,199.3
1,699.7	NET ASSETS		1,740.3	1,663.2
CAPITAL & RESERVES				
32.5	Share capital		32.5	32.5
582.3	Share premium		582.3	582.3
332.6	Merger reserve		332.6	332.6
(29.0)	Treasury shares		(31.1)	(20.1)
0.5	Capital redemption reserve		0.5	0.5
(238.7)	Foreign currency translation reserve		(262.9)	(233.7)
1.4	Hedge accounting reserve		1.2	2.2
1,008.2	Retained earnings		1,075.5	956.9
1,689.8	Shareholders' equity		1,730.6	1,653.2
9.9	Non-controlling interests		9.7	10.0
1,699.7	TOTAL EQUITY		1,740.3	1,663.2

The financial statements were approved by the Board of Directors and authorised for issue on 30 July 2024.

JON STANTON
Director

BRIAN PUFFER
Director

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2024**

Year ended 31 December 2023		6 months ended 30 June 2024	6 months ended 30 June 2023
£m	Notes	£m	£m
Total operations			
Cash flows from operating activities			
	16		
525.5	Cash generated from operations	197.8	172.9
(9.3)	Additional pension contributions paid	—	(7.7)
(18.0)	Exceptional and other adjusting cash items	(16.1)	(5.2)
(103.9)	Income tax paid	(59.1)	(51.1)
394.3	Net cash generated from operating activities	122.6	108.9
Cash flows from investing activities			
(6.9)	Acquisitions of subsidiaries, net of cash acquired	(1.0)	(1.0)
(79.1)	Purchases of property, plant & equipment, net of grants received	(26.4)	(33.8)
(7.6)	Purchases of intangible assets	(4.0)	(3.5)
4.2	Other proceeds from sale of property, plant & equipment and intangible assets	0.8	1.0
(0.4)	Disposals of discontinued operations, net of cash disposed and disposal costs	(1.8)	(0.4)
15.1	Interest received	9.9	6.3
4.1	Dividends received from joint ventures	—	1.7
(70.6)	Net cash used in investing activities	(22.5)	(29.7)
Cash flows from financing activities			
512.6	Proceeds from borrowings	40.0	510.6
(627.6)	Repayments of borrowings	(90.3)	(529.6)
(31.0)	Lease payments	(15.4)	(15.7)
(0.2)	Settlement of external debt of subsidiary on acquisition	—	—
(0.5)	Settlement of derivative financial instruments	(0.7)	(0.2)
(55.0)	Interest paid	(42.2)	(30.6)
(95.9)	Dividends paid to equity holders of the Company	(53.7)	(49.9)
(0.9)	Dividends paid to non-controlling interests	(0.6)	(0.7)
(24.0)	Purchase of shares for employee share plans	(7.0)	(15.0)
(322.5)	Net cash used in financing activities	(169.9)	(131.1)
1.2	Net (decrease) increase in cash & cash equivalents	(69.8)	(51.9)
477.5	Cash & cash equivalents at the beginning of the year	447.4	477.5
(31.3)	Foreign currency translation differences	(6.0)	(32.1)
447.4	Cash & cash equivalents at the end of the period	371.6	393.5

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2024**

	Share capital	Share premium	Merger reserve	Treasury shares	Capital redemption reserve	Foreign currency translation reserve	Hedge accounting reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 31 December 2022	32.5	582.3	332.6	(14.3)	0.5	(108.5)	1.9	899.5	1,726.5	11.4	1,737.9
Profit for the period	—	—	—	—	—	—	—	126.0	126.0	0.3	126.3
Losses taken to equity on cash flow hedges	—	—	—	—	—	—	(0.1)	—	(0.1)	—	(0.1)
Exchange losses on translation of foreign operations	—	—	—	—	—	(150.5)	—	—	(150.5)	(1.0)	(151.5)
Exchange gains on net investment hedges	—	—	—	—	—	25.3	—	—	25.3	—	25.3
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	0.4	—	0.4	—	0.4
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	(17.0)	(17.0)	—	(17.0)
Tax credit relating to above items	—	—	—	—	—	—	—	4.3	4.3	—	4.3
Total net comprehensive (expense) income for the period	—	—	—	—	—	(125.2)	0.3	113.3	(11.6)	(0.7)	(12.3)
Cost of share-based payments inclusive of tax charge	—	—	—	—	—	—	—	3.2	3.2	—	3.2
Dividends	—	—	—	—	—	—	—	(49.9)	(49.9)	—	(49.9)
Purchase of shares for employee share plans	—	—	—	(15.0)	—	—	—	—	(15.0)	—	(15.0)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.7)	(0.7)
Exercise of share-based payments	—	—	—	9.2	—	—	—	(9.2)	—	—	—
At 30 June 2023	32.5	582.3	332.6	(20.1)	0.5	(233.7)	2.2	956.9	1,653.2	10.0	1,663.2

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE 6 MONTHS ENDED 30 JUNE 2024**

	Share capital	Share premium	Merger reserve	Treasury shares	Capital redemption reserve	Foreign currency translation reserve	Hedge accounting reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 31 December 2023	32.5	582.3	332.6	(29.0)	0.5	(238.7)	1.4	1,008.2	1,689.8	9.9	1,699.7
Profit for the period	—	—	—	—	—	—	—	116.9	116.9	0.3	117.2
Losses taken to equity on cash flow hedges	—	—	—	—	—	—	(0.3)	—	(0.3)	—	(0.3)
Exchange (losses) gains on translation of foreign operations	—	—	—	—	—	(18.2)	—	—	(18.2)	0.1	(18.1)
Exchange losses on net investment hedges	—	—	—	—	—	(6.0)	—	—	(6.0)	—	(6.0)
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	(0.2)	—	(0.2)	—	(0.2)
Reclassification adjustments on fair value hedges	—	—	—	—	—	—	0.2	—	0.2	—	0.2
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	6.6	6.6	—	6.6
Tax credit (charge) relating to above items	—	—	—	—	—	—	0.1	(1.6)	(1.5)	—	(1.5)
Total net comprehensive (expense) income for the period	—	—	—	—	—	(24.2)	(0.2)	121.9	97.5	0.4	97.9
Cost of share-based payments inclusive of tax charge	—	—	—	—	—	—	—	4.0	4.0	—	4.0
Dividends	—	—	—	—	—	—	—	(53.7)	(53.7)	—	(53.7)
Purchase of shares for employee share plans	—	—	—	(7.0)	—	—	—	—	(7.0)	—	(7.0)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.6)	(0.6)
Exercise of share-based payments	—	—	—	4.9	—	—	—	(4.9)	—	—	—
At 30 June 2024	32.5	582.3	332.6	(31.1)	0.5	(262.9)	1.2	1,075.5	1,730.6	9.7	1,740.3

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE 6 MONTHS ENDED 30 JUNE 2024**

	Share capital £m	Share premium £m	Merger reserve £m	Treasury shares £m	Capital redemption reserve £m	Foreign currency translation reserve £m	Hedge accounting reserve £m	Retained earnings £m	Attributable to equity holders of the Company £m	Non-controlling interests £m	Total equity £m
At 31 December 2022	32.5	582.3	332.6	(14.3)	0.5	(108.5)	1.9	899.5	1,726.5	11.4	1,737.9
Profit for the year	—	—	—	—	—	—	—	227.9	227.9	0.7	228.6
Losses taken to equity on cash flow hedges	—	—	—	—	—	—	(0.4)	—	(0.4)	—	(0.4)
Cost of hedging taken to equity on fair value hedges	—	—	—	—	—	—	(0.8)	—	(0.8)	—	(0.8)
Exchange losses on translation of foreign operations	—	—	—	—	—	(157.8)	—	—	(157.8)	(1.3)	(159.1)
Exchange gains on net investment hedges	—	—	—	—	—	27.6	—	—	27.6	—	27.6
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	0.5	—	0.5	—	0.5
Reclassification adjustments on fair value hedges	—	—	—	—	—	—	0.1	—	0.1	—	0.1
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	(28.2)	(28.2)	—	(28.2)
Tax credit relating to above items	—	—	—	—	—	—	0.1	7.1	7.2	—	7.2
Total net comprehensive (expense) income for the year	—	—	—	—	—	(130.2)	(0.5)	206.8	76.1	(0.6)	75.5
Cost of share-based payments inclusive of tax credit	—	—	—	—	—	—	—	7.1	7.1	—	7.1
Dividends	—	—	—	—	—	—	—	(95.9)	(95.9)	—	(95.9)
Purchase of shares for employee share plans	—	—	—	(24.0)	—	—	—	—	(24.0)	—	(24.0)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.9)	(0.9)
Exercise of share-based payments	—	—	—	9.3	—	—	—	(9.3)	—	—	—
At 31 December 2023	32.5	582.3	332.6	(29.0)	0.5	(238.7)	1.4	1,008.2	1,689.8	9.9	1,699.7

1. Accounting policies

Basis of preparation

These interim financial statements are for the 6 month period ended 30 June 2024 and have been prepared on the basis of the accounting policies set out in the Group's 2023 Annual Report and in accordance with UK-adopted IAS 34 'Interim financial reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

These interim financial statements are unaudited but have been reviewed by the auditors and their report to the Company is set out on page 49. The information shown for the year ended 31 December 2023 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group's 2023 Annual Report which has been filed with the Registrar of Companies. The report of the auditors on the financial statements contained within the Group's 2023 Annual Report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006. These interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Significant changes in the financial position and performance of the Group during the reporting period have been discussed in the Chief Executive Officer's Review and the Group Financial Review. The principal activities of the Group are described in note 3.

The Weir Group PLC is a limited company, limited by shares, incorporated in Scotland, United Kingdom and is listed on the London Stock Exchange.

These interim financial statements are presented in Sterling. All values are rounded to the nearest 0.1 million pounds (£m) except where otherwise indicated.

These interim financial statements were approved by the Board of Directors on 30 July 2024.

Going concern

These interim financial statements have been prepared on the going concern basis.

As discussed more fully in the Chief Executive Officer's Review, the Group continued to make excellent progress against our 2026 ambitions announced during our capital markets event last year. We executed strongly on our Performance Excellence program, delivering significant year on year growth in profit, cash conversion, and return on capital employed, while also expanding operating margins.

As discussed in the Group Financial Review, as a result of strong cash generation in 2023, the Group reduced its multi-currency revolving credit facility (RCF) by US\$200m to US\$600m in February 2024. In March 2024, the Group exercised the option to extend its RCF by one year which will now mature in April 2029. Following these actions the Group retains substantial levels of liquidity over the medium-term.

While mining markets continue to show strength, there remains macroeconomic and geopolitical uncertainty. Recognising these uncertainties, the Group performed financial modelling of future cash flows, which cover a period of 12 months from the approval of the 2024 interim financial statements. The financial modelling included reverse stress testing which focused on the level of downside risk which would be required for the Group to breach its current lending facilities and related financial covenants. The review indicated that the Group continues to have sufficient headroom on both lending facilities and related financial covenants. The circumstances which would lead to a breach are not considered plausible.

The Directors, having considered all available relevant information, have a reasonable expectation that the Group has adequate resources to continue to operate as a going concern.

1. Accounting policies (continued)

Climate change

As well as considering the impact of climate change across our business model, the Directors have considered the impact on the interim financial statements in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. These considerations focused on similar areas to those disclosed in the 2023 Annual Report. There has not been a material impact on the financial reporting judgements and estimates arising from our considerations, consistent with our assessment that climate change is not expected to have a detrimental impact on the viability of the Group in the medium-term.

New accounting standards, amendments and interpretations

A number of new or amended accounting standards became applicable for the current reporting period as listed below:

- i. Amendments to IAS 1 'Presentation of financial statements' on classification of liabilities;
- ii. Amendments to IAS 1 'Presentation of financial statements' on non-current liabilities with covenants;
- iii. Amendments to IFRS 16 'Leases' Lease Liability in a Sale and Leaseback; and
- iv. Amendment to IAS 7 and IFRS 7 - Supplier finance.

The above are not considered to have a material impact on the consolidated financial statements of the Group.

Use of estimates and judgements

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

Management bases these judgements on a combination of past experience, professional expert advice and other evidence that is relevant to each individual circumstance. Actual results may differ from these judgements and the resulting estimates, which are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

The areas of judgement and estimate identified in the preparation of the consolidated financial statements for the year ended 31 December 2023 continue to be relevant to the preparation of these interim financial statements, with additional consideration given to the following area.

Taxation (estimate)

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2. Alternative performance measures

The reported interim financial statements of The Weir Group PLC have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to those companies reporting under those standards. In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which we believe distort period-on-period comparisons. These are considered alternative performance measures. This information, along with comparable GAAP measurements, is useful to investors in providing a basis for measuring our operational performance. Our management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our performance and value creation. Alternative performance measures should not be considered in isolation from, or as a substitute for, financial information in compliance with GAAP. Alternative performance measures as reported by the Group may not be comparable with similarly titled amounts reported by other companies.

2. Alternative performance measures (continued)

Below we set out our definitions of alternative performance measures and provide reconciliations to relevant GAAP measures.

Adjusted results and adjusting items

The Consolidated Income Statement presents Statutory results, which are provided on a GAAP basis, and Adjusted results (non-GAAP), which are management's primary area of focus when reviewing the performance of the business. Adjusting items represent the difference between Statutory results and Adjusted results and are defined within the accounting policies section of our 2023 Annual Report. The accounting policy for Adjusting items should be read in conjunction with this note. Details of each adjusting item are provided in note 5. We consider this presentation to be helpful as it allows greater comparability of the operating performance of the business from period to period.

EBITDA

EBITDA is operating profit from continuing operations, before exceptional items, other adjusting items, intangibles amortisation, and excluding depreciation of owned assets and right-of-use assets. EBITDA is a widely used measure of a company's profitability of its operations before any effects of indebtedness, taxes or costs required to maintain its asset base. EBITDA is used in conjunction with other GAAP and non-GAAP financial measures to assess our operational performance. A reconciliation of EBITDA to the closest equivalent GAAP measure, operating profit, is provided.

Year ended 31 December 2023 £m		6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
Continuing operations			
368.4	Operating profit	187.7	194.0
	Adjusted for:		
64.9	Exceptional and other adjusting items (note 5)	15.3	4.6
25.5	Adjusting amortisation (note 5)	12.4	13.0
458.8	Adjusted operating profit	215.4	211.6
12.2	Non-adjusting amortisation	6.5	6.2
471.0	Adjusted earnings before interest, tax and amortisation (EBITA)	221.9	217.8
39.9	Depreciation of owned property, plant & equipment	22.7	20.4
31.6	Depreciation of right-of-use property, plant & equipment	15.7	15.8
542.5	Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	260.3	254.0

Operating cash flow (cash generated from operations)

Operating cash flow excludes additional pension contributions, exceptional and other adjusting cash items and income tax paid. This is a useful measure to view or assess the underlying cash generation of the business from its operating activities. A reconciliation to the GAAP measure 'Net cash generated from operating activities' is provided in the Consolidated Cash Flow Statement.

2. Alternative performance measures (continued)

Free operating cash flow and free cash flow

Free operating cash flow (FOCF) is defined as operating cash flow (cash generated from operations), adjusted for net capital expenditure, lease payments, dividends received from joint ventures and purchase of shares for employee share plans. FOCF provides a useful measure of the cash flows generated directly from the operational activities after taking into account other cash flows closely associated with maintaining daily operations.

Free cash flow (FCF) is defined as FOCF further adjusted for net interest, income taxes, settlement of derivative financial instruments, additional pension contributions and non-controlling interest dividends. FCF reflects an additional way of viewing our available funds that we believe is useful to investors as it represents cash flows that could be used for repayment of debt, dividends, exceptional and other adjusting items, or to fund our strategic initiatives, including acquisitions, if any.

The reconciliation of operating cash flows (cash generated from operations) to FOCF and subsequently FCF is as follows.

Year ended 31 December 2023		6 months ended 30 June 2024	6 months ended 30 June 2023
£m		£m	£m
525.5	Operating cash flow (cash generated from operations)	197.8	172.9
(82.5)	Net capital expenditure from purchase & disposal of property, plant & equipment and intangibles	(29.6)	(36.3)
(31.0)	Lease payments	(15.4)	(15.7)
4.1	Dividends received from joint ventures	—	1.7
(24.0)	Purchase of shares for employee share plans	(7.0)	(15.0)
392.1	Free operating cash flow (FOCF)	145.8	107.6
(39.9)	Net interest paid	(32.3)	(24.3)
(103.9)	Income tax paid	(59.1)	(51.1)
(0.5)	Settlement of derivative financial instruments	(0.7)	(0.2)
(9.3)	Additional pension contributions paid	—	(7.7)
(0.9)	Dividends paid to non-controlling interests	(0.6)	(0.7)
237.6	Free cash flow (FCF)	53.1	23.6

Free operating cash conversion

Free operating cash conversion is a non-GAAP key performance measure defined as free operating cash flow divided by adjusted operating profit on a total Group basis. The measure is used by management to monitor the Group's ability to generate cash relative to operating profits.

Year ended 31 December 2023		6 months ended 30 June 2024	6 months ended 30 June 2023
£m		£m	£m
458.8	Adjusted operating profit	215.4	211.6
392.1	Free operating cash flow	145.8	107.6
85%	Free operating cash conversion %	68%	51%

2. Alternative performance measures (continued)

Working capital as a percentage of sales

Working capital as a percentage of sales is calculated based on working capital as reflected below, divided by revenue for the last 12 months, as included in the Consolidated Income Statement. It is a measure used by management to monitor how efficiently the Group is managing its investment in working capital relative to revenue growth.

31 December 2023	30 June 2024	30 June 2023
£m	£m	£m
Working capital as included in the Consolidated Balance Sheet		
53.8	48.7	69.2
Other receivables		
608.1	616.3	684.7
Inventories		
526.2	548.2	518.8
Trade & other receivables		
(0.8)	(1.8)	(1.1)
Derivative financial instruments (note 15)		
(581.3)	(543.1)	(557.4)
Trade & other payables		
(0.6)	—	—
Other payables		
605.4	668.3	714.2
Adjusted for:		
(57.5)	(52.5)	(68.5)
Insurance contract assets		
12.3	2.1	4.2
Interest accruals		
1.6	0.6	1.0
Deferred consideration		
(43.6)	(49.8)	(63.3)
Working capital		
561.8	618.5	650.9
H2 revenue as reported in the prior year		
	1,336.2	1,376.6
H1 revenue as reported		
	1,207.2	1,299.8
2,636.0	2,543.4	2,676.4
Revenue		
Working capital as a percentage of sales		
21%	24%	24%

Net debt

Net debt is a widely used liquidity metric calculated by taking cash and cash equivalents less total current and non-current debt. A reconciliation of net debt to cash and short-term deposits and interest-bearing loans and borrowings is provided in note 16. It is a useful measure used by management and investors when monitoring the capital management of the Group. Net debt, excluding lease liabilities and converted at the exchange rates used in the preparation of the Consolidated Income Statement, is also the basis for covenant reporting.

3. Segment information

Continuing operations includes two operating Divisions: Minerals and ESCO. These two Divisions are organised and managed separately based on the key markets served and each is treated as an operating segment and a reportable segment under IFRS 8 'Operating segments'. The operating and reportable segments were determined based on the reports reviewed by the Chief Executive Officer, which are used to make operational decisions.

The Minerals segment is a global leader in engineering, manufacturing and service processing technology used in abrasive, high-wear mining applications. Its differentiated technology is also used in infrastructure and general industrial markets. The ESCO segment is a global leader in the provision of Ground Engaging Tools (GET) for large mining machines. It operates predominantly in mining and infrastructure markets where its highly engineered technology improves productivity through extended wear life, increased safety and reduced energy consumption.

Following the acquisition of Sentiantechologies AB (SentianAI) on 21 November 2023 the entity has been included in the Minerals segment. SentianAI is a developer of innovative cloud-based Artificial Intelligence solutions to the mining industry.

The Chief Executive Officer assesses the performance of the operating segments based on operating profit from continuing operations before exceptional and other adjusting items ('segment result'). Finance income and expenditure and associated interest-bearing liabilities and financing derivative financial instruments are not allocated to segments as all treasury activity is managed centrally by the Group Treasury function. The amounts provided to the Chief Executive Officer with respect to assets and liabilities are measured in a manner consistent with that of the financial statements. The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment.

Transfer prices between business segments are set on an arm's length basis, in a manner similar to transactions with third parties.

3. Segment information (continued)

The segment information for the reportable segments for 2024 and 2023 is disclosed below.

	Minerals		ESCO		Total continuing operations	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	£m	£m	£m	£m	£m	£m
Revenue						
Sales to external customers	869.4	950.0	337.8	349.8	1,207.2	1,299.8
Inter-segment sales	—	0.1	0.7	1.6	0.7	1.7
Segment revenue	869.4	950.1	338.5	351.4	1,207.9	1,301.5
Eliminations					(0.7)	(1.7)
					1,207.2	1,299.8
Sales to external customers – 2023 at 2024 average exchange rates						
Sales to external customers	869.4	901.3	337.8	340.9	1,207.2	1,242.2
Segment result						
Segment result before share of results of joint ventures	170.0	173.3	63.7	57.2	233.7	230.5
Share of results of joint ventures	—	—	1.4	1.3	1.4	1.3
Segment result	170.0	173.3	65.1	58.5	235.1	231.8
Corporate expenses					(19.7)	(20.2)
Adjusted operating profit					215.4	211.6
Adjusting items					(27.7)	(17.6)
Net finance costs					(22.3)	(23.7)
Profit before tax from continuing operations					165.4	170.3
Segment result – 2023 at 2024 average exchange rates						
Segment result before share of results of joint ventures	170.0	161.9	63.7	55.7	233.7	217.6
Share of results of joint ventures	—	—	1.4	1.2	1.4	1.2
Segment result	170.0	161.9	65.1	56.9	235.1	218.8
Corporate expenses					(19.7)	(20.2)
Adjusted operating profit					215.4	198.6

3. Segment information (continued)

Year ended 31 December 2023	Minerals £m	ESCO £m	Total continuing operations £m
Revenue			
Sales to external customers	1,937.4	698.6	2,636.0
Inter-segment sales	0.1	2.5	2.6
Segment revenue	1,937.5	701.1	2,638.6
Eliminations			(2.6)
			2,636.0

Sales to external customers – 2023 at 2024 average exchange rates

Sales to external customers	1,868.8	686.4	2,555.2
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Segment result

Segment result before share of results of joint ventures	375.7	119.4	495.1
Share of results of joint ventures	—	2.5	2.5
Segment result	375.7	121.9	497.6
Corporate expenses			(38.8)
Adjusted operating profit			458.8
Adjusting items			(90.4)
Net finance costs			(47.7)
Profit before tax from continuing operations			320.7

Segment result – 2023 at 2024 average exchange rates

Segment result before share of results of joint ventures	357.7	117.2	474.9
Share of results of joint ventures	—	2.5	2.5
Segment result	357.7	119.7	477.4
Corporate expenses			(38.4)
Adjusted operating profit			439.0

Total continuing operations 31 December 2023 £m	Minerals		ESCO		Total continuing operations		
	30 June 2024 £m	30 June 2023 £m	30 June 2024 £m	30 June 2023 £m	30 June 2024 £m	30 June 2023 £m	
Timing of revenue recognition							
2,510.5	At a point in time	826.6	883.0	328.3	345.0	1,154.9	1,228.0
128.1	Over time	42.8	67.1	10.2	6.4	53.0	73.5
2,638.6	Segment revenue	869.4	950.1	338.5	351.4	1,207.9	1,301.5
(2.6)	Eliminations					(0.7)	(1.7)
2,636.0						1,207.2	1,299.8

3. Segment information (continued)

Geographical information

Geographical information in respect of 2024 and 2023 is disclosed below. Revenues are allocated based on the location to which the product is shipped.

Year ended 31 December 2023 £m	6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
Revenue by geography		
23.9 UK	7.3	12.1
412.4 US	200.6	209.8
420.8 Canada	191.9	210.1
347.4 Asia Pacific	144.8	167.5
412.4 Australasia	218.6	196.9
576.3 South America	259.1	284.7
317.4 Middle East & Africa	131.5	151.9
125.4 Europe & FSU	53.4	66.8
2,636.0 Revenue	1,207.2	1,299.8

Year ended 31 December 2023 £m	6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
An analysis of the Group's revenue is as follows:		
552.3 Original equipment	231.6	247.6
1,864.3 Aftermarket parts	873.5	933.0
2,416.6 Sales of goods	1,105.1	1,180.6
160.7 Provision of services – aftermarket	87.3	75.5
54.3 Construction contracts – original equipment	12.9	41.7
4.4 Subscription services	1.9	2.0
2,636.0 Revenue	1,207.2	1,299.8

3. Segment information (continued)

	Minerals		ESCO		Total Group	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	£m	£m	£m	£m	£m	£m
Assets & liabilities						
Intangible assets	563.0	562.9	741.5	761.1	1,304.5	1,324.0
Property, plant & equipment	320.4	301.9	174.6	149.0	495.0	450.9
Working capital assets	875.9	906.5	282.6	294.8	1,158.5	1,201.3
	1,759.3	1,771.3	1,198.7	1,204.9	2,958.0	2,976.2
Investments in joint ventures	—	—	12.9	14.8	12.9	14.8
Segment assets	1,759.3	1,771.3	1,211.6	1,219.7	2,970.9	2,991.0
Corporate assets					891.4	871.5
Total assets					3,862.3	3,862.5
Working capital liabilities	462.6	467.6	120.7	122.5	583.3	590.1
Segment liabilities	462.6	467.6	120.7	122.5	583.3	590.1
Corporate liabilities					1,538.7	1,609.2
Total liabilities					2,122.0	2,199.3

Corporate assets primarily comprise cash and short-term deposits, asbestos-related insurance asset, Trust Owned Life Insurance policy investments, derivative financial instruments, income tax receivable, deferred tax assets and elimination of intercompany assets as well as those assets which are used for general head office purposes. Corporate liabilities primarily comprise interest-bearing loans and borrowings and related interest accruals, derivative financial instruments, income tax payable, provisions, deferred tax liabilities, elimination of intercompany liabilities and retirement benefit deficits as well as liabilities relating to general head office activities.

Year ended 31 December 2023	Minerals £m	ESCO £m	Total Group £m
Assets & liabilities			
Intangible assets	567.9	748.0	1,315.9
Property, plant & equipment	312.3	168.4	480.7
Working capital assets	844.9	288.1	1,133.0
	1,725.1	1,204.5	2,929.6
Investments in joint ventures	—	12.2	12.2
Segment assets	1,725.1	1,216.7	2,941.8
Corporate assets			950.9
Total assets			3,892.7
Working capital liabilities	476.6	129.9	606.5
Segment liabilities	476.6	129.9	606.5
Corporate liabilities			1,586.5
Total liabilities			2,193.0

4. Revenue & expenses

The following disclosures are given in relation to continuing operations.

Year ended 31 December 2023	Statutory results £m	6 months ended 30 June 2024			6 months ended 30 June 2023		
		Adjusted results £m	Adjusting items £m	Statutory results £m	Adjusted results £m	Adjusting items £m	Statutory results £m
A reconciliation of revenue to operating profit is as follows:							
2,636.0	Revenue	1,207.2	—	1,207.2	1,299.8	—	1,299.8
(1,642.7)	Cost of sales	(731.5)	(0.9)	(732.4)	(818.5)	5.4	(813.1)
993.3	Gross profit	475.7	(0.9)	474.8	481.3	5.4	486.7
5.9	Other operating income	4.4	—	4.4	3.2	0.4	3.6
(293.8)	Selling & distribution costs	(144.9)	0.1	(144.8)	(144.2)	(1.0)	(145.2)
(339.5)	Administrative expenses	(121.2)	(26.9)	(148.1)	(130.0)	(22.4)	(152.4)
2.5	Share of results of joint ventures	1.4	—	1.4	1.3	—	1.3
368.4	Operating profit	215.4	(27.7)	187.7	211.6	(17.6)	194.0

Details of adjusting items are included in note 5.

6. Income tax expense

Year ended	6 months ended	6 months ended
31 December 2023	30 June 2024	30 June 2023
£m	£m	£m
12.1 Continuing Group - UK	(1.0)	(6.3)
(102.9) Continuing Group - Overseas	(46.3)	(37.3)
Income tax expense in the Consolidated Income Statement for total operations (90.8)	(47.3)	(43.6)

The total income tax expense is disclosed in the Consolidated Income Statement as follows.

Year ended	6 months ended	6 months ended
31 December 2023	30 June 2024	30 June 2023
£m	£m	£m
Tax (expense) credit		
(110.9) - adjusted continuing operations	(54.4)	(49.5)
19.2 - exceptional and other adjusting items	3.6	3.1
0.9 - adjusting intangibles amortisation and impairment	3.5	2.8
Total income tax expense in the Consolidated Income Statement for total operations (90.8)	(47.3)	(43.6)

The income tax expense included in continuing operations' share of results of joint ventures is as follows.

Year ended	6 months ended	6 months ended
31 December 2023	30 June 2024	30 June 2023
£m	£m	£m
(0.6) Joint ventures	—	—

Tax charged within the 6 months ended 30 June 2024 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the year ending 31 December 2024 using rates substantively enacted by 30 June 2024 as required by IAS 34 'Interim financial reporting'.

The normalised rate of tax of 28.2% (June 2023: 26.3%) has been calculated using the full year projections and has been applied to profit before adjusting items for the 6 months ended 30 June 2024.

Legislation to increase the UK corporation tax rate from 19% to 25% from April 2023 was substantively enacted as part of Finance Bill 2021 (on 25 May 2021). As a result, at 30 June 2024, deferred tax balances have been calculated at 25%.

Factors affecting current and future tax charges

The normalised tax rate was 0.8% above the Group's weighted average rate of 27.4%. The Group considers its normalised tax rate to be sustainable.

Unrecognised deferred tax

Included in the net deferred tax asset of £61.0m (June 2023: £39.0m) is £62.1m (June 2023: £52.0m) related to the US Group net deferred tax assets, determined on a basis consistent with the approach adopted at year ended 31 December 2023 following the application of a model which estimates the future forecast levels of US taxable income with reference to the Group's five-year strategic plan. Consistent with this approach, US deferred tax assets totalling £10.1m (June 2023: £7.7m) are not recognised but retained by the continuing US group. The ongoing application of this model may result in future changes to the amount of US deferred tax assets that are unrecognised.

6. Income tax expense (continued)

Pillar Two

On 20 June 2023, the government of the United Kingdom, where The Weir Group PLC is incorporated, substantively enacted the Pillar Two income taxes legislation effective from 1 January 2024. The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has analysed its eligibility for the Transitional Country by Country Reporting Safe Harbours on a jurisdiction by jurisdiction basis for the period to 30 June 2024. Based on the outcome of this analysis the Group does not have a material Pillar Two top-up tax. The Group is aware that the rules and guidance in relation to Pillar Two continue to evolve and we are working alongside tax specialists in order to continually assess the impact of the Pillar Two income taxes legislation on future financial performance. As a result of this changing landscape, there is a possibility that top-up taxes may arise at some point in the future.

7. Discontinued operations

In the current period, a charge of £0.9m (2023: £0.4m) has been recognised in relation to the finalisation of certain tax indemnities under the sale and purchase agreement for the Oil & Gas Division, which was disposed of in 2021. Total current year investing cash outflows from discontinued operations related to these charges are £1.8m (2023: £0.4m).

For full disclosure of the disposal of the Oil & Gas Division refer to note 8 of Group's 2021 Annual Report and Financial Statements.

Loss per share

Loss per share from discontinued operations were as follows.

Year ended	6 months ended	6 months ended
31 December 2023	30 June 2024	30 June 2023
pence	pence	pence
(0.5) Basic	(0.4)	(0.1)
(0.5) Diluted	(0.3)	(0.1)

The loss per share figures were derived by dividing the net loss attributable to equity holders of the Company from discontinued operations by the weighted average number of ordinary shares, for both basic and diluted amounts, shown in note 8.

8. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue after deducting the own shares held by employee share ownership trusts and treasury shares. Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for the effect of dilutive share awards.

The following reflects the earnings used in the calculation of earnings per share.

Year ended 31 December 2023		6 months ended 30 June 2024	6 months ended 30 June 2023
£m		£m	£m
	Profit attributable to equity holders of the Company		
227.9	Total operations ¹	116.9	126.0
229.2	Continuing operations ¹	117.8	126.4
299.5	Continuing operations before adjusting items ¹	138.4	138.1

The following reflects the share numbers used in the calculation of earnings per share, and the difference between the weighted average share capital for the purposes of the basic and the diluted earnings per share calculations.

Year ended 31 December 2023		6 months ended 30 June 2024	6 months ended 30 June 2023
Shares million		Shares million	Shares million
258.4	Weighted average number of ordinary shares for basic earnings per share	258.0	258.4
1.4	Effect of dilution: employee share awards	1.4	1.8
259.8	Adjusted weighted average number of ordinary shares for diluted earnings per share	259.4	260.2

The profit attributable to equity holders of the Company used in the calculation of both basic and diluted earnings per share from continuing operations before adjusting items is calculated as follows.

Year ended 31 December 2023		6 months ended 30 June 2024	6 months ended 30 June 2023
£m		£m	£m
229.2	Net profit attributable to equity holders from continuing operations ¹	117.8	126.4
70.3	Adjusting items net of tax	20.6	11.7
299.5	Net profit attributable to equity holders from continuing operations before adjusting items	138.4	138.1

8. Earnings per share (continued)

Year ended 31 December 2023 pence		6 months ended 30 June 2024 pence	6 months ended 30 June 2023 pence
Basic earnings per share:			
88.2	Total operations ¹	45.3	48.8
88.7	Continuing operations ¹	45.7	48.9
115.9	Continuing operations before adjusting items ¹	53.6	53.4
Diluted earnings per share:			
87.7	Total operations ¹	45.1	48.4
88.2	Continuing operations ¹	45.4	48.5
115.3	Continuing operations before adjusting items ¹	53.4	53.1

¹ Adjusted for a profit of £0.3m (2023: £0.3m) in respect of non-controlling interests for both total and continuing operations.

There have been no share awards (2023: no share awards) exercised between the reporting date and the date of signing of these interim financial statements.

9. Dividends paid & proposed

Year ended 31 December 2023 £m		6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
Declared & paid during the year			
Equity dividends on ordinary shares			
49.9	Final dividend paid for 2023: 20.8p (2022: 19.3p)	53.7	49.9
46.0	Interim dividend paid for 2023: 17.8p (2022: 13.5p)	—	—
53.6	Final dividend for 2023 proposed for approval by shareholders at the AGM (20.8p)	—	—
—	Interim dividend proposed for 2024: 17.9p (2023: 17.8p)	46.2	46.0

An interim dividend of 17.9p has been declared for 2024 (2023: 17.8p) in line with the capital allocation policy under which the Group intends to distribute 33% of earnings from continuing operations before adjusting items by way of dividend.

The proposed interim dividend is based on the number of shares in issue, excluding treasury shares held, at the date that the financial statements were approved and authorised for issue. The final interim dividend may differ due to increases or decreases in the number of shares in issue between the date of approval of this Interim Report and Financial Statements and the record date for the interim dividend.

10. Property, plant & equipment and intangible assets

Year ended 31 December 2023 £m		6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
Additions of property, plant & equipment and intangible assets			
3.1	- owned land & buildings	1.3	0.4
83.6	- owned plant & equipment	25.7	34.2
25.8	- right-of-use land & buildings	25.9	20.2
7.5	- right-of-use plant & equipment	3.3	3.5
7.6	- intangible assets	4.0	3.5
127.6		60.2	61.8

The above additions relate to the normal course of business and do not include any additions made by way of business combinations. There have been no material disposals or transfers within the period.

11. Business combinations

SentianTechnologies AB

On 21 November 2023, the Group completed the acquisition of 100% of the voting rights of SentianTechnologies AB (SentianAI) for an enterprise value of SEK87.3m (£6.7m). SentianAI is a Swedish-based developer of innovative cloud-based Artificial Intelligence (AI) solutions for the mining industry. The acquisition has joined the Minerals Division and SentianAI's technology will integrate with Minerals' existing product lines, and expand the Division's digital capabilities. Initial consideration of £6.1m was paid on completion, with a further deferred consideration of £0.6m recognised, payable 15 months after the date of acquisition.

As part of the ongoing assessment of the provisional fair values of the opening balance sheet acquired, an immaterial fair value adjustment has been made to an intangible asset with a corresponding amendment to goodwill. The provisional fair values are subject to finalisation within 12 months of acquisition. As such, the provisional fair values will be finalised during the second half and reported in the 2024 Annual Report.

Included in the sale and purchase agreement of SentianAI, a maximum of an additional SEK23.7m (£1.9m) is payable by the Group contingent on SentianAI exceeding specific revenue and EBITDA margin targets over the next three years and meeting non-financial targets by the end of 2026. The entry point for any contingent payment would require significant growth in terms of revenue and EBITDA margin by 2026. While the Group expects SentianAI to grow as it leverages the benefits of being partnered with Minerals, and the opportunities within ESCO, the entry targets are considered challenging. At present the probability of SentianAI exceeding the revenue and EBITDA margin targets in order to trigger a contingent payment is considered uncertain, in part due to the relative infancy of the business. As a result no contingent consideration has been recorded at the balance sheet date in both the current and prior period. This will be reassessed in future periods as the business develops.

Carriere Industrial Supply Limited

On 8 April 2022, the Group completed the acquisition of 100% of the voting rights of Carriere Industrial Supply Limited (CIS) for an enterprise value of CAD\$32.5m (£20.2m). Initial consideration of £16.2m was paid on completion, with a further deferred consideration of £2.5m recognised reflecting indemnification and working capital hold backs. The Group settled the final £1.0m tranche of the £2.5m deferred consideration in April 2024.

Motion Metrics

The Group completed the acquisition of 100% of the voting rights of Motion Metrics on 30 November 2021. As part of the purchase agreement a maximum of an additional CAD\$100m is payable by the Group contingent on Motion Metrics exceeding specific revenue and EBITDA targets over the first three years following acquisition. Any balance that becomes payable would be split, with 80% reflecting further consideration and 20% for a new employee bonus plan. The entry point for any contingent payment would require significant growth both in terms of revenue and EBITDA margin through the remainder of the assessment period in 2024. Progress has been made towards these targets and, while the Group expects Motion Metrics to continue to grow as it leverages the benefits of being partnered with ESCO and the opportunities within Minerals, the entry targets are considered challenging. Due to commercial sensitivity these targets are not disclosed. At present, the probability of Motion Metrics exceeding these targets in order to trigger a contingent payment is considered to remain uncertain, in part due to the relative infancy of the business. As a result, no contingent consideration has been recorded at the balance sheet date in both the current and prior periods.

12. Provisions

	Warranties & contract claims	Asbestos- related	Employee- related	Exceptional items	Other	Total
	£m	£m	£m	£m	£m	£m
At 31 December 2023	9.6	78.7	12.1	15.7	12.2	128.3
Additions	3.2	2.1	8.3	15.3	2.0	30.9
Utilised	(2.6)	(6.0)	(7.3)	(16.1)	(2.0)	(34.0)
Unutilised	(0.5)	(1.9)	—	(0.3)	—	(2.7)
Exchange adjustment	(0.1)	0.7	(0.3)	(0.1)	—	0.2
At 30 June 2024	9.6	73.6	12.8	14.5	12.2	122.7
Current	9.6	9.8	9.2	14.5	2.3	45.4
Non-current	—	63.8	3.6	—	9.9	77.3
At 30 June 2024	9.6	73.6	12.8	14.5	12.2	122.7
Current	12.8	8.3	7.7	9.9	3.3	42.0
Non-current	—	41.8	3.9	0.2	10.5	56.4
At 30 June 2023	12.8	50.1	11.6	10.1	13.8	98.4
Current	9.6	11.2	8.4	15.7	2.7	47.6
Non-current	—	67.5	3.7	—	9.5	80.7
At 31 December 2023	9.6	78.7	12.1	15.7	12.2	128.3

The impact of discounting is only relevant for the Asbestos-related category of provision, with higher discount rates at 30 June 2024 resulting in a £1.8m reduction in the provision which is included within unutilised above.

Warranties & contract claims

Provision has been made in respect of actual warranty claims on goods sold and services provided, and allowance has been made for potential warranty claims based on past experience for goods and services sold with a warranty guarantee. At 30 June 2024, the warranties portion of the provision totalled £6.9m (2023: £9.2m). At 30 June 2024, all of these costs relate to claims that fall due within one year of the balance sheet date.

Provision has been made in respect of sales contracts entered into for the sale of goods in the normal course of business where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received from the contracts and before allowing for future expected aftermarket revenue streams. Provision is made immediately when it becomes apparent that expected costs will exceed the expected benefits of the contract. At 30 June 2024, the contract claims element, which includes onerous provision, was £2.7m (2023: £3.6m), all of which is expected to be incurred within one year of the balance sheet date.

Asbestos-related claims

31 December 2023		30 June 2024	30 June 2023
£m		£m	£m
67.4	US asbestos-related provision – pre-1981 date of first exposure	63.3	45.0
8.8	US asbestos-related provision – post-1981 date of first exposure	8.5	2.6
76.2	US asbestos-related provision – total	71.8	47.6
2.5	UK asbestos-related provision	1.8	2.5
78.7	Total asbestos-related provision	73.6	50.1

12. Provisions (continued)

US asbestos-related provision

A US-based subsidiary of the Group is co-defendant in lawsuits pending in the US in which plaintiffs are claiming damages arising from alleged exposure to products previously manufactured which contained asbestos. The dates of alleged exposure currently range from the 1950s to the 1990s.

The Group has historically held comprehensive insurance cover for cases of this nature and its subsidiary continues to do so for claims with a date of first exposure (dofe) pre-1981. The expiration of one of the Group's insurance policies in 2019 resulted in no further insurance cover for claims with a post-1981 dofe. The remaining insurance cover is expected to expire in 2025. All claims are directly administered by National Coordinating Counsel on behalf of the insurers who also meet associated defence costs. The insurers, their legal advisers and in-house counsel agree and execute the defence strategy between them.

A review of the US subsidiary's expected liability for US asbestos-related diseases and the adequacy of the insurance policies to meet future settlement and defence costs was completed in conjunction with external advisers in 2023 as part of a planned triennial actuarial review. This review was based on an industry standard epidemiological decay model, and the subsidiary's claims settlement history. Consistent with recent claims experience, the 2023 review reflected a higher levels of claims, particularly relating to the 1970s and 1980s. Further details of this review, the resulting US asbestos-related provision and insurance asset and judgements applied is included in our 2023 Annual Report and Financial Statements.

In the 6 months to 30 June 2024 the US asbestos-related provision was updated for changes in discount rate, period end exchange rates and adjusted in line with the actuarial model to reflect expected settlements and the estimate of ten years of future claims plus cash flows for a further six years. The insurance asset was updated to reflect settlements in the period. The table below represents the Directors' best estimate of the future liability and corresponding insurance asset.

31 December 2023	30 June 2024	30 June 2023
£m	£m	£m
US asbestos-related provision		
101.5	99.2	62.2
(25.3)	(27.4)	(14.6)
76.2	71.8	47.6
14.9	9.5	24.6
61.3	62.3	23.0

The insurance asset consists of £8.9m (2023: £7.2m) presented within Trade and other receivables as a current asset, and £0.6m (2023: £17.4m) as Other receivables within non-current assets.

There remains inherent uncertainty associated with estimating future costs in respect of asbestos-related diseases. Actuarial estimates of future indemnity and defence costs associated with asbestos-related diseases are subject to significantly greater uncertainty than actuarial estimates for other types of exposures. This uncertainty results from factors that are unique to the asbestos claims litigation and settlement process including but not limited to:

- i) the possibility of future state or federal legislation applying to claims for asbestos-related diseases;
- ii) the ability of the plaintiff's bar to develop and sustain new legal theory and/or develop new populations of claimants;
- iii) changes in focus of the plaintiff's bar;
- iv) changes in defence strategy; and
- v) changes in the financial condition of other co-defendants in suits naming the US subsidiary.

As a result, there can be no guarantee that the assumptions used to estimate the provision will result in an accurate prediction of the actual costs that may be incurred.

12. Provisions (continued)

There are a number of uncertain factors involved in the estimation of the provision and variations in case numbers and settlements are to be expected from period-to-period. Following the triennial update of our asbestos model in 2023, we will continue to monitor the number of claims received, the settlement rate of claims received and the value of settlements in comparison to the updated model. However, if current case numbers and average settlement values were to continue, this may lead to the insurance asset being eroded as early as 2025.

Sensitivity analysis reflecting reasonably probable scenarios has been performed and is included in our 2023 Annual Report and Financial Statements.

The Group's US subsidiary has been effective in managing the asbestos litigation, in part, because it has access to historical project documents and other business records going back more than 50 years, allowing it to defend itself by determining if legacy products were present at the location of the alleged asbestos exposure and, if so, the timing and extent of their presence. In addition, the US subsidiary has consistently and vigorously defended claims that are without merit.

UK asbestos-related provision

In the UK, there are outstanding asbestos-related claims that are not the subject of insurance cover. The extent of the UK asbestos exposure involves a series of legacy employer's liability claims that all relate to former UK operations and employment periods in the 1950s to 1970s. In 1989, the Group's employer's liability insurer (Chester Street Employers Association Ltd) was placed into run-off, which effectively generated an uninsured liability exposure for all future long-tail disease claims with an exposure period pre-dating 1 January 1972. All claims with a disease exposure post 1 January 1972 are fully compensated via the Government-established Financial Services Compensation Scheme. Any settlement to a former employee whose service period straddles 1972 is calculated on a pro rata basis. The Group provides for these claims based on management's best estimate of the likely costs given past experience of the volume and cost of similar claims brought against the Group.

The UK provision was reviewed and adjusted accordingly for claims experience in the year, resulting in a provision of £1.8m (2023: £2.5m).

Employee-related

Employee-related provisions arise from legal obligations in a number of territories in which the Group operates, the majority of which relate to compensation associated with periods of service. A large proportion of the provision is for long service leave. The outflow is generally dependent upon the timing of employees' period of leave with the calculation of the majority of the provision being based on criteria determined by the various jurisdictions.

Exceptional items

The exceptional items provision relates to exceptional charges included within note 5 where the cost is based on a reliable estimate of the obligation.

The opening balance of £15.7m includes £14.2m relating to Performance Excellence initiatives, of which £7.1m relates to capacity optimisation costs and £7.1m to functional transformation, £1.3m related to wind down of Russia operations, and £0.2m relating to other smaller provisions.

Additions of £15.3m in the period mainly include £14.7m of costs related to the Group's Performance Excellence programme. A further £0.5m in the Minerals Division relates to a provision created for legacy legal claims, and £0.1m in ESCO relating to integration costs. The utilisation in the period of £16.1m primarily relates to the cash settlement of costs associated with the Performance Excellence programme of £15.7m.

The closing balance of £14.5m includes £12.9m in relation to the Group's Performance Excellence programme, of which £4.9m relates to capacity optimisation costs and £8.0m to functional transformation, £1.1m related to the wind down of our Russian operations and £0.5m for legacy legal claims.

12. Provisions (continued)

Other

Other provisions include environmental obligations, penalties, duties due, legal claims and other exposures across the Group. These balances typically include estimates based on multiple sources of information and reports from third-party advisers. The timing of outflows is difficult to predict as many of them will ultimately rely on legal resolutions and the expected conclusion is based on information currently available. Where certain outcomes are unknown, a range of possible scenarios is calculated, with the most likely being reflected in the provision.

13. Interest-bearing loans & borrowings

31 December 2023		30 June 2024	30 June 2023
£m		£m	£m
Current			
259.8	Bank overdrafts	280.3	233.4
26.4	Lease liabilities	21.8	25.9
286.2		302.1	259.3
Non-current			
97.7	Bank loans	47.6	193.4
922.3	Fixed-rate notes	929.1	923.9
91.1	Lease liabilities	110.8	92.4
1,111.1		1,087.5	1,209.7

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes. Cash and short-term deposits at 30 June 2024 includes £280.3m (2023: £230.1m) that is part of this arrangement and both cash and interest-bearing loans and borrowings are grossed up by this amount.

The Group utilises a number of sources of funding including Sustainability-Linked Notes, revolving credit facility, term loan, commercial paper and uncommitted facilities.

In February 2024, the Group chose to reduce its US\$800m multi-currency revolving credit facility by US\$200m.

Subsequently in March 2024, the Group exercised the option to extend its US\$600m multi-currency revolving credit facility by one year which will now mature in April 2029. Remaining unamortised issue costs of £2.1m plus an additional £0.4m will amortise over the remaining term of the facility.

At 30 June 2024, £47.6m (2023: £193.4m) was drawn under the multi-currency revolving credit facility which is disclosed net of unamortised issue costs of £2.4m (2023: £2.6m).

At 30 June 2024, a total of £929.1m (2023: £923.9m) was outstanding under Sustainability-Linked Notes which is disclosed net of unamortised issue costs of £3.7m (2023: £5.2m).

14. Pensions & other post-employment benefit plans

Year ended		6 months ended	6 months ended
31 December 2023		30 June 2024	30 June 2023
£m		£m	£m
30.1	Plans in surplus	33.9	38.7
(28.0)	Plans in deficit	(24.3)	(29.6)
2.1	Net asset	9.6	9.1

The IAS 19 funding position across the Group's legacy UK and North American schemes increased from a net surplus of £2.1m at 31 December 2023 to a net surplus of £9.6m at 30 June 2024. This is primarily due to a £38m reduction in liabilities driven by an increase in discount rates in both the UK and US offset by losses on assets of £31m.

15. Derivative financial instruments

The Group enters into derivative financial instruments in the normal course of business in order to hedge its exposure to foreign exchange risk. Derivatives are only used for economic hedging purposes and no speculative positions are taken. Derivatives are recognised as held for trading and at fair value through profit and loss unless they are designated in IFRS 9 'Financial Instruments' compliant hedge relationships.

The table below summarises the types of derivative financial instrument included within each balance sheet category.

Year ended 31 December 2023 £m	6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
Included in non-current assets		
— Forward foreign currency contracts designated as cash flow hedges	—	0.1
—	—	0.1
Included in current assets		
0.6 Forward foreign currency contracts designated as cash flow hedges	0.3	0.8
— Forward foreign currency contracts designated as fair value hedges	0.6	—
7.3 Other forward foreign currency contracts	2.9	5.1
7.9	3.8	5.9
Included in current liabilities		
(0.5) Forward foreign currency contracts designated as cash flow hedges	(0.8)	(0.6)
— Forward foreign currency contracts designated as fair value hedges	(1.5)	—
(5.9) Other forward foreign currency contracts	(3.3)	(6.5)
(6.4)	(5.6)	(7.1)
Included in non-current liabilities		
(2.3) Forward foreign currency contracts designated as fair value hedges	—	—
(2.3)	—	—
(0.8) Net derivative financial liabilities	(1.8)	(1.1)

Carrying amounts & fair values

Financial assets and liabilities (with the exception of derivative financial instruments) are initially recognised at fair value net of transaction costs. Subsequently they are recognised at either fair value or amortised cost. Derivative financial instruments are initially recognised at fair value and subsequently remeasured at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

15. Derivative financial instruments (continued)

Set out below is a comparison of carrying amounts and fair values of all of the Group's financial instruments that are reported in the financial statements.

Carrying amount	Fair value		Carrying amount	Fair value	Carrying amount	Fair value
31 December 2023	31 December 2023		30 June 2024	30 June 2024	30 June 2023	30 June 2023
£m	£m		£m	£m	£m	£m
Financial assets						
7.3	7.3	Derivative financial instruments recognised at fair value through profit or loss	2.9	2.9	5.1	5.1
0.6	0.6	Derivative financial instruments in designated hedge accounting relationships	0.9	0.9	0.9	0.9
508.5	508.5	Trade & other receivables excluding statutory assets, prepayments & construction contract assets	530.6	530.6	519.0	519.0
707.2	707.2	Cash & short-term deposits	651.9	651.9	626.9	626.9
1,223.6			1,186.3	1,186.3	1,151.9	1,151.9
Financial liabilities						
5.9	5.9	Derivative financial instruments recognised at fair value through profit or loss	3.3	3.3	6.5	6.5
2.8	2.8	Derivative financial instruments in designated hedge accounting relationships	2.3	2.3	0.6	0.6
1.6	1.6	Deferred consideration payable	0.6	0.6	1.0	1.0
Amortised cost:						
922.3	895.9	Fixed-rate borrowings	929.1	906.6	923.9	859.6
97.7	97.7	Floating-rate borrowings	47.6	47.6	193.4	193.4
117.5	n/a	Leases	132.6	n/a	118.3	n/a
259.8	259.8	Bank overdrafts	280.3	280.3	233.4	233.4
457.6	457.6	Trade & other payables excluding statutory liabilities & contract liabilities	421.5	421.5	438.7	438.7
1,865.2			1,817.3		1,915.8	

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes. Cash and short-term deposits at 30 June 2024 includes £280.3m (2023: £230.1m) that is part of this arrangement and both cash and interest-bearing loans and borrowings are grossed up by this amount.

Assets and liabilities recognised at amortised cost:

The fair value of fixed-rate borrowings has been assessed as a level 1 fair value measurement as the full balance is calculated using quoted market prices. All other financial assets and liabilities carried at cost require level 2 fair value measurement for disclosure purposes. The fair value of floating rate borrowings approximates the carrying value due to the variable nature of the interest terms. The carrying amount of lease liabilities is estimated by discounting future cash flows using the rate implicit in the lease or the Group's incremental borrowing rate. The fair value of cash and short-term deposits, trade and other receivables and trade and other payables approximates their carrying amount due to the short-term maturities of these instruments.

Assets and liabilities recognised at fair value:

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The derivative financial instruments are valued using valuation techniques with market observable inputs including spot and forward foreign exchange rates, interest rate curves, counterparty and own credit risk. The fair value of cross-currency swaps is calculated as the present value of the estimated future cash flows based on spot and forward foreign exchange rates. The fair value of forward foreign currency contracts is calculated as the present value of the estimated future cash flows based on spot and forward foreign exchange rates.

15. Derivative financial instruments (continued)

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group holds all financial instruments recognised at fair value at level 2 with the exception of contingent consideration which is a level 3 fair value measurement. The current fair value of contingent consideration is nil and further detail regarding the basis of valuation is included in note 11. During the 6 months ended 30 June 2024 and the year ended 31 December 2023, there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements.

16. Additional cash flow information

Year ended 31 December 2023		6 months ended 30 June 2024	6 months ended 30 June 2023
£m	Notes	£m	£m
Total operations			
Net cash generated from operations			
368.4	Operating profit – continuing operations	187.7	194.0
(1.3)	Operating loss – discontinued operations	(0.9)	—
367.1	Operating profit	186.8	194.0
66.2	Exceptional and other adjusting items	16.2	4.6
37.7	Amortisation of intangible assets	18.9	19.2
(2.5)	Share of results of joint ventures	(1.4)	(1.3)
39.9	Depreciation of property, plant & equipment	22.7	20.4
31.6	Depreciation of right-of-use assets	15.7	15.8
0.9	Impairment of property, plant & equipment	—	0.9
(0.5)	Grants received	—	—
(0.4)	Gains on disposal of property, plant & equipment	(0.1)	(0.5)
(1.1)	Funding of pension & post-retirement costs	—	(0.5)
7.0	Employee share schemes	5.3	4.2
9.2	Transactional foreign exchange	3.9	1.3
(1.5)	Increase (decrease) in provisions	0.5	2.4
553.6	Cash generated from operations before working capital cash flows	268.5	260.5
42.0	(Increase) decrease in inventories	(18.0)	(33.9)
15.2	(Increase) decrease in trade & other receivables & construction contracts	(20.4)	8.0
(85.3)	Decrease in trade & other payables & construction contracts	(32.3)	(61.7)
525.5	Cash generated from operations	197.8	172.9
(9.3)	Additional pension contributions paid	—	(7.7)
(18.0)	Exceptional and other adjusting cash items	(16.1)	(5.2)
(103.9)	Income tax paid	(59.1)	(51.1)
394.3	Net cash generated from operating activities	122.6	108.9

16. Additional cash flow information (continued)

The following tables summarise the cash flows arising on acquisitions (note 11) and disposals (note 7).

Year ended 31 December 2023 £m	6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
Acquisitions of subsidiaries		
6.1 Acquisition of subsidiaries - cash paid	—	—
(0.2) Cash & cash equivalents acquired	—	—
5.9 Total cash outflow on current period acquisitions	—	—
1.0 Prior period acquisitions - deferred consideration paid	1.0	1.0
6.9 Total cash outflow relating to acquisitions	1.0	1.0
Net cash outflow arising on disposals		
0.4 Prior period disposals	1.8	0.4
0.4 Total cash outflow relating to disposals	1.8	0.4

Year ended 31 December 2023 £m	6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
Cash & cash equivalents comprise the following		
707.2 Cash & short-term deposits	651.9	626.9
(259.8) Bank overdrafts & short-term borrowings	(280.3)	(233.4)
447.4	371.6	393.5

Year ended 31 December 2023 £m	6 months ended 30 June 2024 £m	6 months ended 30 June 2023 £m
Net debt comprises the following		
707.2 Cash & short-term deposits	651.9	626.9
(286.2) Current interest-bearing loans & borrowings (note 13)	(302.1)	(259.3)
(1,111.1) Non-current interest-bearing loans & borrowings (note 13)	(1,087.5)	(1,209.7)
(690.1)	(737.7)	(842.1)

16. Additional cash flow information (continued)

Reconciliation of financing cash flows to movement in net debt

	Opening balance at 31 December 2023	Cash movements	Additions/ acquisitions	FX	Non-cash movements	Closing balance at 30 June 2024
	£m	£m	£m	£m	£m	£m
Cash & cash equivalents	447.4	(69.8)	—	(6.0)	—	371.6
Third-party loans	(1,026.8)	50.0	—	(6.0)	—	(982.8)
Leases	(117.5)	15.4	(31.4)	0.9	—	(132.6)
Unamortised issue costs	6.8	0.3	—	—	(1.0)	6.1
Amounts included in gross debt	(1,137.5)	65.7	(31.4)	(5.1)	(1.0)	(1,109.3)
Amounts included in net debt	(690.1)	(4.1)	(31.4)	(11.1)	(1.0)	(737.7)
Financing derivatives	(2.3)	0.7	—	—	0.7	(0.9)
Total financing liabilities ¹	(1,139.8)	66.4	(31.4)	(5.1)	(0.3)	(1,110.2)

	Opening balance at 30 June 2023	Cash movements	Additions/ acquisitions	FX	Non-cash movements	Closing balance at 31 December 2023
	£m	£m	£m	£m	£m	£m
Cash & cash equivalents	393.5	52.9	0.2	0.8	—	447.4
Third-party loans	(1,125.1)	96.2	(0.2)	2.3	—	(1,026.8)
Leases	(118.3)	15.3	(14.3)	—	(0.2)	(117.5)
Unamortised issue costs	7.8	—	—	—	(1.0)	6.8
Amounts included in gross debt	(1,235.6)	111.5	(14.5)	2.3	(1.2)	(1,137.5)
Amounts included in net debt	(842.1)	164.4	(14.3)	3.1	(1.2)	(690.1)
Financing derivatives	—	0.3	—	—	(2.6)	(2.3)
Total financing liabilities ¹	(1,235.6)	111.8	(14.5)	2.3	(3.8)	(1,139.8)

¹ Total financing liabilities comprise gross debt plus other liabilities relating to financing activities.

17. Related party disclosure

The following table provides the total amount of significant transactions which have been entered into by the Group with related parties for the relevant financial period and outstanding balances at the period end.

Year ended		6 months ended	6 months ended
31 December 2023		30 June 2024	30 June 2023
£m		£m	£m
0.9	Sales of goods to related parties - joint ventures	0.4	0.4
0.1	Sales of services to related parties - joint ventures	0.1	0.1
19.2	Purchases of goods from related parties - joint ventures	9.2	10.5
3.8	Amounts owed to related parties - joint ventures	6.0	5.0
1.6	Amounts owed to related parties - group pension plans	1.8	1.4
0.4	Amounts owed by related parties - joint ventures	0.3	0.1

18. Legal claims

The Company and certain subsidiaries are, from time-to-time, party to legal proceedings and claims that arise in the normal course of business. Provisions have been made where the Directors have assessed that a cash outflow is probable. All other claims are believed to be remote or are not yet ripe.

19. Exchange rates

The principal exchange rates applied in the preparation of these financial statements were as follows.

Year ended		6 months ended	6 months ended
31 December 2023	Average rate (per £)	30 June 2024	30 June 2023
1.24	US Dollar	1.27	1.23
1.87	Australian Dollar	1.92	1.82
1.15	Euro	1.17	1.14
1.68	Canadian Dollar	1.72	1.66
1,044.69	Chilean Peso	1,189.70	993.99
22.94	South African Rand	23.69	22.44
6.21	Brazilian Real	6.43	6.26
8.81	Chinese Yuan	9.13	8.54
102.66	Indian Rupee	105.30	101.35
	Closing rate (per £)		
1.28	US Dollar	1.26	1.27
1.87	Australian Dollar	1.89	1.91
1.15	Euro	1.18	1.16
1.69	Canadian Dollar	1.73	1.68
1,124.43	Chilean Peso	1,192.23	1,020.41
23.30	South African Rand	23.05	23.91
6.19	Brazilian Real	7.03	6.09
9.06	Chinese Yuan	9.19	9.22
105.96	Indian Rupee	105.41	104.25

Directors' Statement of Responsibilities

The Directors confirm that these condensed interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- a. an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- b. material related-party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

A list of current directors is maintained on The Weir Group PLC website which can be found at www.global.weir.

On behalf of the Board
Brian Puffer
Chief Financial Officer
30 July 2024

Independent review report to The Weir Group PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed The Weir Group PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Report of The Weir Group PLC for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 June 2024;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report of The Weir Group PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial

Conduct Authority. In preparing the Interim Report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Glasgow
30 July 2024

Shareholder Information

The Board has approved an interim dividend of 17.9p for 2024 (2023: 17.8p).

Financial Calendar

Ex-dividend date for interim dividend

3 October 2024

Record date for interim dividend

4 October 2024

Shareholders on the register at this date will receive the dividend

Interim dividend paid

1 November 2024

Our Interim Report will be available shortly to download from The Weir Group PLC website at www.global.weir

Disclaimer

This information includes 'forward-looking statements'. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding The Weir Group PLC's (the "Group") financial position, business strategy, plans (including development plans and objectives relating to the Group's products and services) and objectives of management for future operations, are forward-looking statements. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past business and financial performance cannot be relied on as an indication of future performance.

Registered office and company number

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G2 1RW
Scotland

Registered in Scotland
Company number: SC002934