



## Half year results for the 26 weeks ended 29 September 2024

*Continued strong organic growth, with margins maintained,  
full year expectations unchanged*

Volex plc (“Volex”, the “Company”, or the “Group”), the specialist integrated manufacturer of critical power and data transmission products, today announces its half year results for the 26 weeks ended 29 September 2024 (“H1 FY2025”).

Financial Summary	26 weeks to 29 September 2024	26 weeks to 1 October 2023	% Change
Revenue	\$518.2m	\$397.5m	30.4%
Underlying <sup>1</sup> operating profit	\$47.6m	\$37.4m	27.3%
Statutory operating profit	\$36.6m	\$25.8m	41.9%
Underlying <sup>1</sup> profit before tax	\$37.5m	\$33.6m	11.6%
Statutory profit before tax	\$26.5m	\$22.0m	20.5%
Underlying <sup>1</sup> basic earnings per share	15.2c	14.9c	2.0%
Statutory basic earnings per share	10.4c	8.8c	18.2%
Interim dividend (per share)	1.5p	1.4p	7.1%
Net debt <sup>2</sup>	\$204.5m	\$173.7m	17.7%
Net debt (before operating lease liabilities) <sup>3</sup>	\$154.3m	\$140.6m	9.7%

<sup>1</sup> Before adjusting items and share-based payment charge (see note 3 for more details)

<sup>2</sup> Represents cash and cash equivalents, less bank loans, debt issue costs and lease liabilities

<sup>3</sup> Represents net debt including finance leases, but excluding pre-IFRS16 operating lease liabilities (see note 14 for more details)

### Financial and strategic highlights

- Group revenue increased by 30.4% to \$518.2m (H1 FY2024: \$397.5m) including strong organic growth of 9.7% with notable increases in Electric Vehicles and Consumer Electricals sales
- Continued to invest in incremental capacity and delivering major new customer programmes in key locations to support future growth, in line with the plans set out at the full year presentation
- Underlying operating margin maintained comfortably within the target range
- Period-end net debt covenant leverage in line with last year following growth investments in H1 FY2025
- Considerable integration activity continuing in Türkiye, delivering productivity improvements as well as price increases being rolled out to offset inflationary employment cost
- Interim dividend increased by 7.1% to 1.5 pence per share
- Continued progress towards the five-year plan, supported by a strategic investment programme expanding capacity and capabilities

## Market highlights

- Electric Vehicles – very strong organic growth of 39.5%, which includes the production of complex high voltage connectors in Mexico for a major customer
- Consumer Electricals – return to growth following a period of destocking, delivering organic growth of 7.5%
- Medical – organic revenues declined by 4.2% as anticipated against a strong comparative period that included one-off catch-up
- Complex Industrial Technology – overall organic growth of 4.1%, with significant positive momentum in data centre products offsetting softer demand from other industrial customers
- Off-Highway – organic revenue growth of 6.8% in Türkiye and 41.4% in the rest of the world, demonstrating our ability to grow and take share in this market. This sector included a full six months of revenue from Murat Ticaret, which was acquired in the prior year

## Outlook

- Trading in early H2 is encouraging, continuing H1's momentum, while recognising that second half comparatives are tougher
- Exposure to diverse, specialist and structurally growing end markets supports confidence in ability to grow
- Targeted investment programme continues which will support delivery of long-term growth opportunities
- Board reiterates confidence in the Group's ability to meet full-year expectations as well as achieve our five-year plan targets

## Nat Rothschild, Volex's Executive Chairman said:

"The strong performance during the period demonstrates once again that our strategy is working. We play a vital role for our customers, providing advanced manufacturing expertise in specialist, complex areas. Our unique capabilities, combined with a commitment to service and quality, ensure we meet the highest standards across all projects.

"By targeting five core markets, we have strategically deepened our reach and enhanced our sectoral diversification. This, alongside our diverse customer base, has enabled us to secure major global projects and drive our business forward.

"Our investment approach is measured and purposeful, aligned with our focus on generating market-leading returns. We have a talented team, a resilient business, and a clear strategy, all of which position us well for sustained, profitable growth and solid performance.

"Our delivery to date, at the halfway point in our five-year plan, gives us increased conviction in our ability to achieve our goal of securing revenues of \$1.2 billion by the end of FY2027 at an underlying operating margin of 9-10%.

"The progress we have made in the first half, combined with our ongoing growth investment, gives us confidence in our ability to meet full year expectations."

## Analyst Presentation

A live presentation for analysts will be held via conference call and in person at Vintry & Mercer, 19-20 Garlick Hill, London EC4V 2AU, at 9.00 am GMT today, 15 November 2024. If you are an analyst and would like to join for this briefing, please send an email to [Volex@sodali.com](mailto:Volex@sodali.com). Log in details for the meeting will be communicated to attendees.

## Investor Presentation

A live presentation will be held online at 3.30 pm GMT on 15 November 2024 on the Investor Meet Company ("IMC") platform. This online presentation is open to all existing and potential shareholders. Questions can be submitted during the live presentation.

Investors can sign up to IMC and add to meet Volex via: <https://www.investormeetcompany.com/volex-plc/register-investor>

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**About Volex plc**

Volex plc (AIM:VLX) is a driving force in integrated manufacturing for mission-critical applications and a global leader in power and data connectivity solutions. Our diverse operations support international blue-chip customers in five key sectors: Electric Vehicles, Consumer Electricals, Medical, Complex Industrial Technology and Off-Highway. Headquartered in the UK, we orchestrate operations across 28 advanced manufacturing facilities, uniting 14,000 dynamic individuals from 25 different nations. Our extraordinary products find their way to market through our localised sales teams and authorised distributor partners, supporting Original Equipment Manufacturers and Electronic Manufacturing Services companies across the globe. In a world that grows more digitally complex by the day, customers trust us to deliver power and connectivity that drives everything from household essentials to life-saving medical equipment. Learn more at [www.volex.com](http://www.volex.com).

**Definitions**

The Board of Volex considers that the current consensus market expectation for revenue is \$1,026.9 million (with a range of \$1,019 million to \$1,034 million) and for underlying operating profit of \$96.8 million (with a range of \$95.7 million to \$97.6 million).

The Group presents some significant items separately to provide clarity on the underlying performance of the business. This includes significant one-off costs such as acquisition-related costs, the non-cash amortisation of intangible assets acquired as part of business combinations, and share-based payments. Further detail on adjusting items is provided in note 3.

Underlying operating profit is operating profit before adjusting items and share-based payment expense.

Underlying free cash flow is net cash flow before financing activities excluding cash flows associated with the acquisitions of businesses and cash utilised in respect of adjusting items.

Net debt (before operating lease liabilities) represents cash and cash equivalents, less bank loans, debt issue costs and finance leases, but excluding operating lease liabilities. The lease liabilities include \$50.2 million of operating lease liabilities (\$33.1 million at 1 October 2023).

Covenant leverage is net debt (before operating lease liabilities) divided by underlying EBITDA adjusted for depreciation of right-of-use assets and pro-rated for acquisitions.

Organic revenue growth is calculated using constant exchange rates by taking the total reported revenue (excluding the impact of acquisitions and disposals) divided by the preceding financial year's revenue at the current year's exchange rates.

Return on capital employed is calculated as the last twelve months underlying operating profit as a percentage of average net assets excluding net cash/debt.

**Forward looking statements**

This announcement contains certain forward-looking statements which have been made by the Directors in good faith using information available up until the date they approved the announcement. Forward-looking statements should be regarded with caution as by their nature such statements involve risk and uncertainties relating to events and circumstances that may occur in the future. Actual results may differ from those expressed in such statements, depending on the outcome of these uncertain future events.

## RESULTS FOR THE 26 WEEKS ENDED 29 September 2024

### Overview

The continuing positive momentum for the Group reflects its role as a critical manufacturing partner for its global blue-chip customers, providing complex and safety-critical solutions. The Group continues to perform well across multiple sectors, serving a diverse range of customers, achieving strong organic growth and attractive returns.

During the period, total revenue, including acquisitions, grew 30.4% compared to the prior period. At constant exchange rates, organic revenue growth was 9.7%.

Demand for our power products amongst Electric Vehicles and Consumer Electricals customers has recovered strongly, rebounding from the destocking seen in the prior year. In Medical and Complex Industrial Technology, improved component availability resulted in some one-off catch up in the previous year with revenue from certain customer accounts down year-on-year. The performance in Data Centres has remained strong given continued demand for high-speed cables to support data-intensive artificial intelligence applications.

Voilex's diverse end-market exposure is a fundamental strength, significantly reducing dependency on individual sectors or customers. In recent years, we have extended this diversity, establishing leading positions in critical markets characterised by long-term structural drivers, such as Electric Vehicles, Medical, Complex Industrial Technology and Off-Highway.

The company's ability to serve a broad customer base and add value to vital production processes has resulted in strong overall growth, even in a challenging manufacturing environment. Despite some short-term shifts in demand, profitability has been maintained through careful cost control and agile resource management. This is supported by strong procurement practices and an active, continuous improvement programme across all sites.

The underlying operating margin for the first half of the year was 9.2%. This is the fifth consecutive year in which margins have been maintained within the 9% to 10% target range, demonstrating the consistency and flexibility of the operating model and the Group's ability to manage and pass through inflationary cost challenges in a dynamic market, whilst continuing to invest in future growth.

### Trading performance overview

The half year to 29 September 2024 has seen the Group continue to grow whilst maintaining margins within the target range and investing in growth.

\$m	26 weeks ended 29 September 2024 Total	26 weeks ended 1 October 2023 Total
Revenue	518.2	397.5
Cost of Sales	(405.1)	(306.3)
Gross profit*	113.1	91.2
Gross margin	21.8%	22.9%
Underlying operating costs*	(65.5)	(53.8)
Underlying operating profit*	47.6	37.4
Underlying operating margin	9.2%	9.4%
Underlying EBITDA*	61.3	46.8

\* Before adjusting items and share-based payment charges

Revenue for the first half of the year rose by 30.4% including six months revenue from Murat Ticaret, with organic growth of 9.7%. Organic growth includes some new customer projects in addition to improved demand from customers who were destocking during the prior year. Gross margins declined year-on-year due to the product mix effect of the Murat Ticaret acquisition, though overall gross margin aligns with the second half of FY2024.

The underlying operating margin was 9.2%, slightly below the 9.4% reported for the same period last year and includes the costs of strategic capacity and capability enhancement to support growth. Underlying profit before tax increased by 11.6% to \$37.5 million, and underlying basic earnings per share rose by 2.0% to 15.2 cents. Statutory profit before tax, which includes the impact of adjusting items and share-based payment expenses, was \$26.5 million, an increase of 20.5% on the prior period. The underlying effective tax rate for the period was 23.7% (H1 FY2024: 22.9%), with the increase primarily attributable to the recognition of deferred tax assets in the comparative period that did not repeat in H1 FY2025, an increase in non-deductible expenses, and a lower impact from investment tax incentives.

Underlying free cash flow for the first half of the year was an outflow of \$11.5 million (H1 FY2024: \$11.9 million inflow) which includes capital investments and working capital increases to support future growth and interest and tax payments. Net debt excluding operating leases increased by \$33.2 million from the year end, predominantly due to both the operational and capital investment to support the long-term growth of the Group. Covenant leverage, expressed as the ratio of net debt excluding operating leases to covenant EBITDA, was 1.3x (H1 FY2024: 1.3x). This provides headroom for future investment and acquisitions.

### **Interim dividend**

The Board has declared an interim dividend of 1.5 pence, an increase of 7.1% on the previous year, and remains committed to a progressive dividend policy, striking a balance between delivering growth through investment and returning cash to shareholders.

The interim dividend will be paid on 9 January 2025 to those shareholders on the register on 29 November 2024. The ex-dividend date will be 28 November 2024.

### **Realising our strategy**

The Group has a clear strategy to capitalise on its strong position within specialised manufacturing markets where it supplies critical power and data connectivity solutions to its customers. The strategy is achieved through a clear focus on core capabilities, key markets, operational excellence, investment in growth and talent.

Through exceptional quality, production engineering and state of the art manufacturing facilities, we have become a trusted manufacturing partner to our global customers. Investment in key facilities and our global footprint enables us to support customers navigating the challenges of global trade tariffs. Specifically, we offer several cost-effective manufacturing solutions for those seeking to relocate production from China.

Research and development activity has allowed us to broaden our product range, working closely with customers to understand their specific needs while making strategic investments to expand our capacity and capabilities in order to better support them. We are particularly focused on continuing to develop a range of innovative products for Electric Vehicle and Data Centre customers. These products are designed and marketed to address the specific technical challenges our customers face.

We are always guided by customer needs when making these investments, which typically have a two-year payback period. We also assess potential acquisition opportunities and identify a pipeline of future acquisition targets. Although we have not made any acquisitions in the period, we have made good progress integrating Murat Ticaret, the off-highway harness business we acquired last year.

Our success relies on exceptional people. We continue to strengthen our team by hiring talented leaders and fostering development opportunities for employees. Effective communication is essential, and we leverage various channels to enhance employee engagement.

By continuing to focus on our strategy, our markets and our customers, we are delivering strong growth. This momentum underpins our confidence in delivering the five-year plan of securing revenues of \$1.2 billion by the end of FY2027 at an underlying operating margin of 9-10%.

### **Revenue by reportable segment**

Voilex is a global, interconnected, and integrated business. There is an increasing and accelerating requirement from customers to have manufacturing in multiple locations, reducing the risk of supply chain disruption from any single country. Our global footprint, with manufacturing capabilities in multiple locations, is a significant differentiator in supporting the objectives of our blue-chip customers.

We operate with a regional focus to meet this need and therefore analyse our customer revenue geographically on this basis, with classification depending on where the customer relationship is held, reflecting our customer-centric nature.

North America is our largest customer region at 42.4% of overall revenue (H1 FY2024: 44.6%), where we collaborate with some of the world's major technology companies. Revenue in this market grew by 24.1% to \$219.8 million (H1 FY2024: \$177.1 million). This reflects the strong growth that we experienced from Electric Vehicle and Data Centre customers in the period and the impact of the prior year acquisition of Murat Ticaret.

Asia revenue increased by 14.4% to \$96.9 million (H1 FY2024 \$84.7 million) and comprises 18.7% of Group revenue (H1 FY2024: 21.3%). The growth was largely due to inYantra, which benefits from exposure to the rapidly expanding Indian market, whilst the end of the destocking cycle in Consumer Electricals was a positive factor.

Revenues in Europe grew by 48.5% to \$201.5 million (H1 FY2024: \$135.7 million) and now make up 38.9% of Group revenue (H1 FY2024: 34.1%). The majority of this increase results from the impact of the acquisition of Murat Ticaret, which completed last year. In Europe, the markets experienced variable demand as the destocking cycle had a positive impact on Consumer Electricals products, but year-on-year demand was lower for some Medical and Complex Industrial Technology customers.

### **Revenue by customer sector**

#### ***Electric Vehicles***

Electric Vehicles revenues increased to \$79.5 million (H1 FY2024: \$57.4 million), representing organic growth of 39.5% against a weaker comparative period in which customers were undergoing destocking. Revenue in the first half also benefited from a major new programme with a leading global North American automotive manufacturer. This involves the supply of complex high-voltage connectors from our newly expanded, highly automated production facility in Mexico. Annualised revenues are expected to exceed \$30 million as this project scales up.

Following the announcement in the prior period that Voilex had become a licensed partner of Tesla for the North American Charging Standard ("NACS") EV Charging system, several new projects have been secured utilising our expertise in this field. This underlines Voilex's position as a trusted manufacturing partner to the world's leading EV manufacturing companies and suppliers.

Medium-term demand for electric vehicles is expected to continue to experience growth, with legislative support in key markets encouraging continued adoption of this technology. The Group is positioned to grow, not only due to higher vehicle volumes, but also by identifying additional specialist manufacturing opportunities within the EV supply chain.

#### ***Consumer Electricals***

Consumer Electricals revenues increased to \$131.7 million (H1 FY2024: \$122.8 million), representing organic growth of 7.5%. The majority of this growth was due to higher volumes, with a lesser element due to pass through of higher raw material costs, such as copper.

Last year, Consumer Electricals demand declined to reflect a normalisation in consumer spending patterns and customer destocking. Demand picked up in the final quarter of FY2024 and continued to increase through the first half of the year, demonstrating that destocking, in this segment, is largely over.

Volex's competitive manufacturing base, achieved through a strategic mix of geographic reach, automation, continuous improvement and vertical integration, provides significant value to customers. This combination ensures competitive pricing and effective support across diverse markets. As a result, we are securing new customer projects and are well-positioned for sustained growth as customer inventory levels have stabilised.

### ***Medical***

As anticipated, Medical demand was down slightly in the period, against a strong comparative period, when improved component availability allowed customers to address significant backlogs. In addition, some customers are currently focusing on inventory management to align production schedules with end consumer demand, resulting in revenue decreasing to \$82.3 million (H1 FY2024: \$86.1 million), reflecting an organic decline of 4.2%.

Longer term, growth levels are expected to normalise once customer inventories have stabilised. For some customers, this stabilisation is likely to occur in the next financial year. The Group supports numerous advanced medical technology customers and has recently onboarded some significant global names. With its extensive global footprint and medical-grade manufacturing facilities, Volex is well-positioned to support its customers and capitalise on developing market trends.

### ***Complex Industrial Technology***

Sales to Complex Industrial Technology customers grew organically by 4.1% to \$104.7 million (H1 FY2024: \$100.6 million). Sales to Data Centre customers were up significantly, driven by growing global investment in artificial intelligence, and now represents 46% of revenues in this sector.

Demand was lower for other industrial customers, with some programmes running down as customer technology platforms went end of life. On the positive side, new projects, particularly with HVAC customers, were secured and either began production in the first half or are expected to commence in the second half, which will help offset this decline as they ramp up.

This sector benefits from significant diversification, both in terms of customer end-markets and capabilities. A wide range of solutions, combined with a presence in key strategic locations, provides a strong competitive edge. This breadth not only enhances the company's ability to win new customer projects but also creates valuable cross-selling opportunities across different markets.

### ***Off-Highway***

Total Off-Highway revenue was \$120.0 million (H1 FY2024: \$30.6million) with organic growth of 20.5%. The acquisition of Murat Ticaret at the end of August last year contributed an additional \$84.8 million revenue in the first five months of H1 FY2025. Organic growth for the Murat Ticaret business was 6.8%.

Off-Highway focuses on supplying complex wire harnesses, power connectivity components and connectors to manufacturers serving specialised vehicle markets. These markets include agricultural machinery, passenger transport vehicles such as coaches, construction equipment, material handling vehicles, such as forklifts, and specialised defence vehicles.

We continue to invest in and focus on the significant cross-selling opportunities within this market that were opened up through the acquisition of Murat Ticaret, particularly in the large, highly fragmented North American market.

### **Gross margin**

The gross margin in the first half of the year was 21.8% (H1 FY2024: 22.9%), consistent with the 21.8% achieved in the second half of FY2024. There are a number of factors which affect gross margin. There was an adverse impact due to labour inflation in Türkiye which is not currently being offset by a devaluation of the local currency. For our domestic Türkiye-based customers we have contractual rights to pass on the cost impact of inflation. For export customers, negotiations are underway regarding price increases. We are also accelerating our planned productivity and efficiency initiatives in Murat Ticaret, as well as hedging foreign exchange movements to manage the impact.

Gross margin improvements due to product mix (including strong demand for Data Centre products) and productivity improvements broadly offset the adverse impacts on margin from labour inflation in Türkiye.

## **Underlying operating profit**

Underlying operating costs increased by \$11.7 million to \$65.5 million (H1 FY2024: \$53.8 million). \$4.8 million of the increase was attributable to the acquisition of Murat Ticaret at the end of August last year. Foreign exchange rate changes had a negative impact of \$1.2 million, and inflationary pressures also contributed to increased labour costs year-on-year. The remaining increase reflects business growth and investments in expanding capabilities and capacity. Underlying operating costs as a percentage of revenue improved to 12.6% (H1 FY2024: 13.5%), due to the lower cost base of Murat Ticaret.

Underlying operating profit rose by 27.3% to \$47.6 million (H1 FY2024: \$37.4 million), benefiting from both organic growth and the acquisition of Murat Ticaret. The underlying operating margin for the first half was 9.2%, slightly below the 9.4% reported in H1 FY2024. Productivity and cost optimisation improved operating margins by 0.9%, while improvements in product mix contributed a further 0.4%. Offsetting this were adverse impacts from inflation of 0.1%, foreign exchange rates of 0.3% and the impact of investment in capacity and growth of 1.2% which arose from additional facility and people costs required to deliver growth.

## **Adjusting items and share-based payments**

The Group presents some significant items separately to provide clarity on the underlying performance of the business. This includes significant one-off costs such as restructuring and acquisition-related costs, the non-cash amortisation of intangible assets acquired as part of business combinations, and share-based payments, as well as associated tax.

Adjusting items and share-based payments totalled \$11.0 million in the period (H1 FY2024: \$11.6 million). These costs are made up of \$6.7 million (H1 FY2024: \$5.8 million) of amortisation of acquired intangible assets, \$2.6 million (H1 FY2024: \$3.0 million) of share-based payments expense, \$1.5 million (H1 FY2024: \$2.8 million) of acquisition related costs and \$0.2 million related to the prior year cyber-security incident.

## **Net finance costs**

Net finance costs increased to \$12.0 million (H1 FY2024: \$5.4 million). Average net debt over the period was higher than in the previous year due to the acquisition of Murat Ticaret in August 2023, resulting in higher net interest on bank loans, overdrafts and deposits of \$6.1 million (H1 FY2024: \$3.6 million). The financing element for leases for the period was \$2.1 million (H1 FY2024: \$1.2 million), which increased due to the acquisition of Murat Ticaret in the prior year and the site expansion in Mexico.

Finance costs also included \$1.2 million for the unwinding of the discount on deferred consideration for the Murat Ticaret acquisition (H1 FY2024: \$0.2 million). Following the refinancing of the Group's banking facilities in June 2024, debt issuance costs from the previous facility were written off, resulting in a \$1.3 million charge.

In September 2022, the Group entered into an interest rate swap in respect of \$50 million of drawn debt. This fixes the interest on this element of the debt to provide stability should there be variability in interest rates over a three-year period.

## **Taxation**

The underlying tax charge of \$8.9 million (H1 FY2024: \$7.7 million) represents an underlying ETR of 23.7% (H1 FY2024: 22.9%). The increase in underlying ETR is primarily attributable to the recognition of deferred tax assets in H1 FY2024 that did not repeat in H1 FY2025, an increase in non-deductible expenses including the unwinding of the discount on acquisition contingent consideration, and a lower impact from investment tax incentives. This was partially offset by the net favourable effect of foreign exchange and inflation adjustments for tax purposes in entities where the tax and functional currencies are different, primarily in Türkiye.

Cash tax paid during the period was \$8.4m (H1 FY2024: \$6.6m), representing an underlying cash ETR of 22.4% (H1 FY2024: 19.6%). The increase is mainly driven by Murat Ticaret which was only part of the Group for 1 month of H1 FY2024.

## **Net debt and cash flows**

Underlying EBITDA increased by 31.0% to \$61.3 million (H1 FY2024: \$46.8 million). Underlying free cash flow was an outflow of \$11.5 million (H1 FY2024: inflow of \$11.9 million). This included a working capital outflow of \$32.2 million, as well as net capital expenditure of \$26.4 million and tax and net interest paid of \$14.2 million. In previous periods, the Group has been more cash generative in the second half of the year.

The working capital outflow was driven by several factors, including a \$6.9 million investment in working capital to support normal business growth in H1 FY2025. An additional \$7.4 million was allocated to inventory in the Murat Ticaret business to address supply chain bottlenecks following the acquisition. A further \$8.4 million was used to increase buffer stock to support production relocation and prepare for new projects launching in the second half of the year.

The remainder of the outflow was linked to normal seasonality including certain significant payments that are made annually. Working capital is closely monitored at both the factory and regional levels, with ongoing initiatives to ensure it is optimised effectively. Total working capital is expected to remain broadly at these levels in the remainder of the year supporting an improvement in cash generation in the second half.

Interest payments increased compared to H1 FY2024 due to higher debt levels, and following particularly low levels of net debt from June to August last year supported when the proceeds of the equity raise were held on deposit prior to the completion of the Murat Ticaret acquisition. There was also an increase in cash tax payments, mainly due to taxes related to Murat Ticaret, acquired at the end of the corresponding period.

Net debt (before operating lease liabilities) increased to \$154.3 million (from \$121.1 million at 31 March 2024), primarily due to investment in capital expenditure and working capital. Operating lease liabilities stood at \$50.2 million (\$32.9 million at 31 March 2024), resulting in a statutory net debt position of \$204.5 million (FY2024: \$154.0 million).

## **Acquisition strategy**

Acquiring high-quality businesses at compelling valuations remains central to our strategic approach. Our focus is on identifying acquisition targets in sectors where we have extensive expertise, particularly those with strong customer relationships and established capabilities.

Our acquisition pipeline is rigorously managed to prioritise opportunities that enhance the Group's value proposition and expand our reach in existing or related markets. Given evolving global supply chain dynamics, we also consider the strategic geographic locations of potential acquisitions. We only pursue acquisitions requiring significant integration or restructuring where we are confident we have the managerial resources needed.

Since restarting acquisitions in FY2019, we have successfully completed twelve, representing a total investment of approximately \$400 million, refining a structured approach and demonstrating a strong track record in execution.

The integration of our largest acquisition to date, Murat Ticaret, is progressing well. The business has a robust operating culture focused on delivering high-quality production on time to a diverse customer base with complex needs and we have identified several areas for improvement in back-office functions. Further targeted investments and support from our team will ensure that Murat Ticaret is well-positioned to adopt best-in-class manufacturing and reporting practices already implemented across our Group.

## **Investing in our business**

With a focus on delivering profitable organic growth, we continue to make strategic operational and capital investments that enhance our capabilities. Investment decisions are made with careful consideration, placing customer demand and project payback at the centre of the approval process. During the first half of the year, our global manufacturing footprint increased by 15% due to facility expansions in Indonesia, India and Mexico. These investments were delivered in good time to support the requirements of customers who are localising production. Further expansions are due for completion in Türkiye in the second half of the year and in Mexico in FY2026.

Net capital expenditure for the first half of the year was \$26.4 million (H1 FY2024: \$16.0 million), approximately 5% of revenue (H1 FY2024: 4%). In H1 FY2025, we made \$5.0 million of incremental operational investment, which encompasses additional facility costs, increased depreciation from incremental capital investment and costs associated with scaling our operations, such as recruiting additional sales and engineering employees. These essential and targeted expenditures position us for sustainable long-term success. We also expanded our research and development activities, allowing us to deliver new and innovative products aimed at the Electric Vehicles and Data Centre markets. The investments we make in our business continue to deliver strong returns with return on capital employed of 19.6% (H1 FY2024: 20.5%) in the twelve months to 29 September 2024.

### **Risks and uncertainties**

Volex proactively anticipates and assesses risks, enhancing internal controls where necessary to mitigate them. Key risks that could materially impact the Group's financial performance include competitive threats, legal and regulatory issues, dependency on key suppliers or customers, fluctuations in commodity prices or exchange rates, and quality issues. These risks and the relevant risk-mitigation activities are set out in the FY2024 Annual Report and Accounts on pages 49 to 55, a copy of which is available on the website at [www.volex.com](http://www.volex.com).

### **Outlook**

Volex is well-positioned to maintain positive momentum and seize new opportunities. Our success in securing new projects highlights the strength of our global capabilities and extensive manufacturing footprint, reinforcing our competitive edge across diverse markets. Broad market exposure not only enhances operational resilience but also enables us to drive growth through different economic cycles.

Early trading in the first month of the second half of FY2025 has been encouraging, continuing the momentum seen in the first half, while being mindful of strong second half comparatives.

Our ongoing investment program, set to continue through the remainder of the year, underlines our commitment to long-term growth by enhancing operational capabilities and supporting future expansion.

The Board remains confident in the Group's ability to meet full-year expectations, driven by our strategic direction and operational strength. With these solid foundations, we are also on track to achieve our ambitious five-year plan, positioning Volex for sustained success and value creation.

Nat Rothschild  
Executive Chairman  
14 November 2024

Jon Boaden  
Chief Financial Officer  
14 November 2024

# Unaudited Consolidated Income Statement

For the 26 weeks ended 29 September 2024 (26 weeks ended 1 October 2023)

		26 weeks ended 29 September 2024			26 weeks ended 1 October 2023		
		Before adjusting items and share based payments \$'m	Adjusting items and share- based payments (note 3) \$'m	Total \$'m	Before adjusting items and share based payments \$'m	Adjusting items and share-based payments (note 3) \$'m	Total \$'m
Notes							
<b>Revenue</b>	2	<b>518.2</b>	–	<b>518.2</b>	397.5	–	397.5
Cost of sales		<b>(405.1)</b>	–	<b>(405.1)</b>	(306.3)	–	(306.3)
<b>Gross profit</b>		<b>113.1</b>	–	<b>113.1</b>	91.2	–	91.2
Operating expenses		<b>(65.5)</b>	<b>(11.0)</b>	<b>(76.5)</b>	(53.8)	(11.6)	(65.4)
<b>Operating profit</b>	2	<b>47.6</b>	<b>(11.0)</b>	<b>36.6</b>	37.4	(11.6)	25.8
Share of net profit from associates		<b>1.9</b>	–	<b>1.9</b>	1.6	–	1.6
Finance income		<b>0.5</b>	–	<b>0.5</b>	0.3	–	0.3
Finance costs	4	<b>(12.5)</b>	–	<b>(12.5)</b>	(5.7)	–	(5.7)
<b>Profit on ordinary activities before taxation</b>		<b>37.5</b>	<b>(11.0)</b>	<b>26.5</b>	33.6	(11.6)	22.0
Taxation	5	<b>(8.9)</b>	<b>2.2</b>	<b>(6.7)</b>	(7.7)	1.2	(6.5)
<b>Profit for the period</b>		<b>28.6</b>	<b>(8.8)</b>	<b>19.8</b>	25.9	(10.4)	15.5
<b>Profit is attributable to:</b>							
Owners of the parent		<b>28.1</b>	<b>(8.8)</b>	<b>19.3</b>	25.4	(10.3)	15.1
Non-controlling interests		<b>0.5</b>	–	<b>0.5</b>	0.5	(0.1)	0.4
		<b>28.6</b>	<b>(8.8)</b>	<b>19.8</b>	25.9	(10.4)	15.5
<b>Earnings per share (cents)</b>							
Basic	6	<b>15.2</b>		<b>10.4</b>	14.9		8.8
Diluted	6	<b>15.1</b>		<b>10.4</b>	14.2		8.4

**Audited Consolidated Income Statement**  
For the 52 weeks ended 31 March 2024

		52 weeks ended 31 March 2024		
		Before Adjusting items and share based payments \$'m	Adjusting items and share-based payments (note 3) \$'m	Total \$'m
	Notes			
<b>Revenue</b>	2	912.8	—	912.8
Cost of sales		(710.0)	—	(710.0)
<b>Gross profit</b>		202.8	—	202.8
Operating expenses		(113.1)	(25.8)	(138.9)
<b>Operating profit</b>	2	89.7	(25.8)	63.9
Share of net profit from associates		3.2	—	3.2
Finance income		1.3	—	1.3
Finance costs	4	(16.8)	—	(16.8)
<b>Profit on ordinary activities before taxation</b>		77.4	(25.8)	51.6
Taxation	5	(15.9)	4.5	(11.4)
Profit is attributable to:				
Owners of the parent		60.5	(21.2)	39.3
Non-controlling interests		1.0	(0.1)	0.9
		61.5	(21.3)	40.2
<b>Earnings per share (cents)</b>				
Basic	6	33.7		21.8
Diluted	6	33.0		21.4

**Unaudited Consolidated Statement of Comprehensive Income**

For the 26 weeks ended 29 September 2024 (26 weeks ended 1 October 2023)

	26 weeks to 29 September 2024 \$'m	26 weeks to 1 October 2023 \$'m	(Audited) 52 weeks to 31 March 2024 \$'m
<b>Profit for the period</b>	<b>19.8</b>	15.5	40.2
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Actuarial loss on defined benefit pension schemes	(0.6)	(0.2)	(0.2)
Tax relating to items that will not be reclassified	0.2	–	0.1
	(0.4)	(0.2)	(0.1)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
(Loss)/gain arising on cash flow hedges during the period	(1.6)	(1.7)	0.1
Exchange gain/(loss) on translation of foreign operations	7.8	(5.4)	0.7
Tax relating to items that may be reclassified	–	1.0	(0.2)
	6.2	(6.1)	0.6
<b>Other comprehensive income/(expense) for the period</b>	<b>5.8</b>	(6.3)	0.5
<b>Total comprehensive income for the period is attributable to:</b>			
Owners of the parent	25.2	8.9	39.9
Non-controlling interests	0.4	0.3	0.8
	<b>25.6</b>	9.2	40.7

**Unaudited Consolidated Statement of Financial Position**

As at 29 September 2024 (1 October 2023)

		29 September	RESTATED <sup>1</sup>	(Audited)
	Note	2024	1 October	31 March
		\$'m	2023	2024
		\$'m	\$'m	\$'m
<b>Non-current assets</b>				
Goodwill		125.0	119.2	121.4
Other intangible assets		129.5	136.2	131.7
Property, plant and equipment		110.5	85.1	91.8
Right of use assets		52.1	39.4	38.4
Interests in associates		10.0	6.5	8.1
Other receivables		1.5	1.4	2.0
Derivative financial instruments		0.3	2.1	1.5
Retirement benefit assets		1.3	–	0.4
Deferred tax assets		26.5	25.5	25.9
Long term financial assets		1.0	–	–
		<b>457.7</b>	<b>415.4</b>	<b>421.2</b>
<b>Current assets</b>				
Inventories		209.4	182.5	174.3
Trade receivables		205.0	182.7	187.6
Other receivables		25.0	14.6	23.4
Current tax assets		1.3	0.5	1.8
Derivative financial instruments		0.8	0.3	1.0
Cash and bank balances	9	18.4	47.2	29.8
		<b>459.9</b>	<b>427.8</b>	<b>417.9</b>
<b>Total assets</b>		<b>917.6</b>	<b>843.2</b>	<b>839.1</b>
<b>Current liabilities</b>				
Borrowings	9	4.0	0.5	3.3
Lease liabilities		22.7	17.5	21.3
Trade payables		137.3	118.6	133.1
Other payables		114.8	125.2	101.4
Current tax liabilities		16.8	17.3	18.3
Retirement benefit obligation		–	0.4	–
Provisions		3.6	3.2	2.9
Derivative financial instruments		1.3	2.2	0.4
		<b>300.5</b>	<b>284.9</b>	<b>280.7</b>
<b>Net current assets</b>		<b>159.4</b>	<b>142.9</b>	<b>137.2</b>
<b>Non-current liabilities</b>				
Borrowings	9	165.6	181.4	143.1
Non-current lease liabilities		30.6	21.5	16.1
Other payables		29.7	1.5	26.9
Deferred tax liabilities		28.4	31.8	28.2
Retirement benefit obligation		9.7	9.8	7.5
Provisions		0.5	0.4	1.0
		<b>264.5</b>	<b>246.4</b>	<b>222.8</b>
<b>Total liabilities</b>		<b>565.0</b>	<b>531.3</b>	<b>503.5</b>
<b>Net assets</b>		<b>352.6</b>	<b>311.9</b>	<b>335.6</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	7	69.6	69.5	69.6
Share premium account		62.0	62.1	62.0
Non-distributable reserve		2.5	2.5	2.5
Hedging and translation reserve		(7.6)	(20.6)	(13.9)
Own shares	8	(3.2)	(1.0)	(4.3)
Retained earnings		220.5	191.5	211.3
<b>Total attributable to owners of the parent</b>		<b>343.8</b>	<b>304.0</b>	<b>327.2</b>
Non-controlling interests		8.8	7.9	8.4
<b>Total equity</b>		<b>352.6</b>	<b>311.9</b>	<b>335.6</b>

<sup>1</sup> The interim results for the 26 weeks ended 1 October 2023 have been restated to incorporate measurement period adjustments arising under IFRS 3 Business Combinations following the acquisition of Murat Ticaret in August 2023. See note 11 for further details.

# **Unaudited Consolidated Statement of Changes in Equity**

For the 26 weeks ended 29 September 2024 (26 weeks ended 1 October 2023)

	Share capital \$'m	Share premium account \$'m	Non- distribut- able reserves \$'m	Hedging and trans- lation reserve \$'m	Own shares \$'m	Retained earnings \$'m	Equity attribut- able to owners \$'m	Non-cont- rolling interests \$'m	Total equity \$'m
<b>Balance 31 March 2024</b>	<b>69.6</b>	<b>62.0</b>	<b>2.5</b>	<b>(13.9)</b>	<b>(4.3)</b>	<b>211.3</b>	<b>327.2</b>	<b>8.4</b>	<b>335.6</b>
Profit for the period	–	–	–	–	–	19.3	<b>19.3</b>	0.5	<b>19.8</b>
Other comprehensive income/(expense) for the period	–	–	–	6.3	–	(0.4)	<b>5.9</b>	(0.1)	<b>5.8</b>
Total comprehensive income for the period	–	–	–	6.3	–	18.9	<b>25.2</b>	0.4	<b>25.6</b>
Own shares sold/(utilised) in the period	–	–	–	–	5.6	(5.6)	–	–	–
Own shares purchased in the period	–	–	–	–	(4.5)	–	<b>(4.5)</b>	–	<b>(4.5)</b>
Dividend	–	–	–	–	–	(6.5)	<b>(6.5)</b>	–	<b>(6.5)</b>
Scrip dividend related share issue	–	–	–	–	–	0.2	<b>0.2</b>	–	<b>0.2</b>
Reserve entry for share option charges	–	–	–	–	–	1.8	<b>1.8</b>	–	<b>1.8</b>
Tax effect of share options	–	–	–	–	–	0.4	<b>0.4</b>	–	<b>0.4</b>
<b>Balance at 29 September 2024</b>	<b>69.6</b>	<b>62.0</b>	<b>2.5</b>	<b>(7.6)</b>	<b>(3.2)</b>	<b>220.5</b>	<b>343.8</b>	<b>8.8</b>	<b>352.6</b>

# **Unaudited Consolidated Statement of Changes in Equity (continued)**

For the 26 weeks ended 29 September 2024 (26 weeks ended 1 October 2023)

	Share capital \$'m	Share premium account \$'m	Non- distribut- able reserves \$'m	Hedging and trans- lation reserve \$'m	Own shares \$'m	Retained earnings \$'m	Equity attribut- able to owners \$'m	Non- controll- ing interests \$'m	Total equity \$'m
<b>Balance 2 April 2023</b>	<b>62.7</b>	<b>60.7</b>	<b>2.5</b>	<b>(14.6)</b>	<b>(1.0)</b>	<b>115.0</b>	<b>225.3</b>	7.4	<b>232.7</b>
Profit for the period	–	–	–	–	–	15.1	<b>15.1</b>	0.4	<b>15.5</b>
Other comprehensive (expense)/income for the period	–	–	–	(6.0)	–	(0.2)	<b>(6.2)</b>	(0.1)	<b>(6.3)</b>
Total comprehensive (expense)/income for the period	–	–	–	(6.0)	–	14.9	<b>8.9</b>	0.3	<b>9.2</b>
Business combination	–	–	–	–	–	–	–	0.2	<b>0.2</b>
Own shares sold/(utilised) in the period	–	–	–	–	1.2	(1.2)	–	–	–
Own shares purchased in the period	–	–	–	–	(1.2)	–	<b>(1.2)</b>	–	<b>(1.2)</b>
Dividend	–	–	–	–	–	(6.1)	<b>(6.1)</b>	–	<b>(6.1)</b>
Scrip dividend related share issue	0.1	(0.1)	–	–	–	1.8	<b>1.8</b>	–	<b>1.8</b>
Shares issued	6.7	1.5	–	–	–	64.1	<b>72.3</b>	–	<b>72.3</b>
Reserve entry for share option charges	–	–	–	–	–	2.5	<b>2.5</b>	–	<b>2.5</b>
Tax effect of share options	–	–	–	–	–	0.5	<b>0.5</b>	–	<b>0.5</b>
<b>Balance at 1 October 2023</b>	<b>69.5</b>	<b>62.1</b>	<b>2.5</b>	<b>(20.6)</b>	<b>(1.0)</b>	<b>191.5</b>	<b>304.0</b>	7.9	<b>311.9</b>

# **Unaudited Consolidated Statement of Cash Flows**

For the 26 weeks ended 29 September 2024 (26 weeks ended 1 October 2023)

	Notes	26 weeks to 29 September 2024 \$'m	26 weeks to 1 October 2023 \$'m	(Audited) 52 weeks to 31 March 2024 \$'m
<b>Profit for the period</b>		<b>19.8</b>	15.5	40.2
Adjustments for:				
Finance income		(0.5)	(0.3)	(1.3)
Finance costs		12.5	5.7	16.8
Income tax expense		6.7	6.5	11.4
Share of net profit from associates		(1.9)	(1.6)	(3.2)
Depreciation of property, plant and equipment		7.3	5.0	12.3
Depreciation of right-of-use asset		4.8	3.4	7.4
Amortisation of intangible assets		8.3	6.8	15.6
Share option charge		2.6	3.0	6.3
Contingent consideration adjustment		–	(1.3)	(1.3)
Decrease in provisions		–	(0.9)	(1.5)
<b>Operating cash flow before movements in working capital</b>		<b>59.6</b>	41.8	102.7
Increase in inventories		(31.9)	(16.3)	(5.6)
Increase in receivables		(15.7)	(5.4)	(17.4)
Increase in payables		15.5	16.1	24.9
<b>Movement in working capital</b>		<b>(32.1)</b>	(5.6)	1.9
<b>Cash generated by operations</b>		<b>27.5</b>	36.2	104.6
Cash generated by operations before adjusting items		29.1	38.0	111.6
Cash utilised by adjusting items		(1.6)	(1.8)	(7.0)
Taxation paid		(8.4)	(6.6)	(14.9)
Interest paid		(6.3)	(4.0)	(11.4)
<b>Net cash generated from operating activities</b>		<b>12.8</b>	25.6	78.3
<b>Cash flow from investing activities</b>				
Interest received		0.5	0.3	1.8
Acquisition of businesses, net of cash acquired		–	(131.4)	(134.3)
Contingent consideration for businesses acquired		(0.5)	(2.2)	(2.2)
Proceeds on disposal of property, plant and equipment		0.1	0.3	0.4
Purchases of property, plant and equipment		(24.3)	(14.3)	(27.5)
Purchases of intangible assets		(2.2)	(2.0)	(4.1)
Purchase of long term financial assets		(1.0)	–	–
Purchase of shares in associate		–	(2.3)	(2.3)
Proceeds from the repayment of preference shares		–	0.2	0.9
<b>Net cash used in investing activities</b>		<b>(27.4)</b>	(151.4)	(167.3)
<b>Cash flow before financing activities</b>		<b>(14.6)</b>	(125.8)	(89.0)
Cash generated before adjusting items		(13.0)	(124.0)	(82.0)
Cash utilised in respect of adjusting items		(1.6)	(1.8)	(7.0)

**Unaudited Consolidated Statement of Cash Flows (continued)**

For the 26 weeks ended 29 September 2024 (26 weeks ended 1 October 2023)

				(Audited) 52 weeks to
	Notes	26 weeks to 29 September 2024 \$'m	26 weeks to 1 October 2023 \$'m	31 March 2024 \$'m
<b>Cash flow before financing activities</b>		<b>(14.6)</b>	<b>(125.8)</b>	<b>(89.0)</b>
<b>Cash flow from financing activities</b>				
Dividend paid		(6.3)	(4.3)	(6.7)
Net purchase of shares for share schemes		(4.6)	(1.2)	(9.3)
Refinancing costs paid		(3.1)	(0.3)	(0.3)
New bank loan raised		34.5	105.6	72.3
Repayment of borrowings		(9.6)	(15.2)	129.9
Proceeds on issue of shares		–	72.3	(79.0)
Interest element of lease payments		(2.1)	(1.2)	(2.7)
Receipt from lease debtor		–	0.1	0.2
Capital element of lease payments		(4.8)	(4.1)	(8.9)
<b>Net cash generated from financing activities</b>		<b>4.0</b>	<b>151.7</b>	<b>95.5</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	9	<b>(10.6)</b>	<b>25.9</b>	<b>6.5</b>
<b>Cash and cash equivalents at beginning of period</b>	9	<b>28.8</b>	<b>20.7</b>	<b>20.7</b>
Effect of foreign exchange rate changes	9	0.2	0.6	1.6
<b>Cash and cash equivalents at end of period</b>	9	<b>18.4</b>	<b>47.2</b>	<b>28.8</b>

## Notes to the Interim Statements

### 1. Basis of preparation

These interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the 52 weeks ended 31 March 2024, which were prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information presented for the 26 weeks ended 29 September 2024 ('H1 FY2025') and the 26 weeks ended 1 October 2023 ('H1 FY2024') has not been reviewed by the auditors. The financial information for the 52 weeks ended 31 March 2024 ('FY2024') is extracted and abridged from the Group's full accounts for that year. The statutory accounts for FY2024 have been filed with the Registrar of Companies for England and Wales and have been reported on by the Group's auditors. The report of the auditors was not qualified and did not contain a statement under section 498 of the Companies Act 2006.

The Directors confirm that, to the best of their knowledge, the interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting' and the AIM Rules for Companies, and that the interim report includes a fair review of the information required. The interim report was approved by the Board of Directors on 14 November 2024.

This interim report can be downloaded or viewed via the Group's website at [www.volex.com](http://www.volex.com). Copies of the annual report for the 52 weeks ended 31 March 2024 are available at the Company's registered office at Unit C1 Antura, Bond Close, Basingstoke, Hampshire, England, RG24 8PZ, and can also be downloaded or viewed via the Group's website.

These condensed financial statements have also been prepared using accounting policies consistent with those disclosed in the annual report and accounts for the year ended 31 March 2024, which were prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006.

### Going Concern

The Group's financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity with the realisation of assets and the settlement of liabilities in the normal course of business. When assessing the going concern status of the Group, the Directors have considered in particular its financial position, including its significant balance of cash and cash equivalents and the borrowing facility in place, including its terms, remaining duration and covenants.

The Directors have prepared a cash flow forecast for the period to end of March 2026, which is based on the latest FY2025 forecast. The Directors have performed sensitivity analysis on the cash flow forecast using a base case and downside scenario that take into account the principal risks and uncertainties of the Group. The Directors have considered the potential impact of climate related physical and transition risks as part of the going concern assessment and do not believe there to be a significant impact in the going concern period. The severe but plausible downside scenario models a 15% reduction in year-on-year revenue, equivalent to the worst result in the last 20 years, and still provides significant covenant and liquidity headroom.

Based on their assessment and these sensitivity scenarios, the Directors are satisfied that there are no material uncertainties regarding the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

## 1. Basis of preparation (continued)

### Impact of standards issued but not yet applied by the Group

The following standards, with an effective date of 1 January 2024, have been adopted without any significant impact on the amounts reported in these financial statements:

- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1
- Amendments to IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective. The Group is assessing any potential implication, but currently do not expect a material impact on the Group.

## 2. Segment information

The internal reporting provided to the Executive members of the Group's Board and the Chief Operating Officer for the purpose of resource allocation and assessment of Group performance is based upon the regional performance of where the customer is based and to where products are delivered. In addition to the operating divisions, a Central division exists to capture all the corporate costs incurred in supporting the operations.

Unallocated central costs represent corporate costs that are not directly attributable to the manufacture and sale of the Group's products, but which support the Group in its operations. Included within this division are the costs incurred by the executive management team and the corporate head office.

The following is an analysis of the Group's revenues and results by reportable segment.

	26 weeks to 29 September 2024		26 weeks to 1 October 2023	
	Revenue \$'m	Profit/(loss) \$'m	Revenue \$'m	Profit/(loss) \$'m
North America	219.8	20.4	177.1	17.0
Asia	96.9	10.6	84.7	4.7
Europe	201.5	22.4	135.7	19.5
Unallocated central costs		(5.8)		(3.8)
Divisional results before share-based payments and adjusting items	518.2	47.6	397.5	37.4
Adjusting items		(8.4)		(8.6)
Share-based payment charge		(2.6)		(3.0)
Operating profit		36.6		25.8
Share of net profit from associates		1.9		1.6
Finance income		0.5		0.3
Finance costs		(12.5)		(5.7)
Profit before tax		26.5		22.0
Tax		(6.7)		(6.5)
Profit after tax		19.8		15.5

## 2. Segment information (continued)

	52 weeks to 31 March 2024	
	Revenue \$'m	Profit/(loss) \$'m
North America	372.3	32.8
Asia	185.1	13.9
Europe	355.4	52.9
Unallocated central costs		(9.9)
Divisional results before share-based payments and Adjusting items	912.8	89.7
Adjusting items		(19.5)
Share-based payment charge		(6.3)
Operating profit		63.9
Share of net profit from associates		3.2
Finance income		1.3
Finance costs		(16.8)
Profit before tax		51.6
Tax		(11.4)
Profit after tax		40.2

The accounting policies of the reportable segments are in accordance with the Group's accounting policies.

The adjusting items charge within operating profit for the period of \$8.4m (H1 FY2024: \$8.6m, FY2024: \$19.5m) was split \$1.8m (H1 FY2024: \$1.9m, FY2024: \$2.8m) to North America, \$6.3m (H1 FY2024: \$6.5m, FY2024: \$14.5m) to Europe, \$0.1m (H1 FY2024: \$0.2m, FY2024: \$0.2m) to Asia and \$0.2m to central (H1 FY2024: \$nil, FY2024: \$2.0m).

### Geographical information

The Group's revenue from external customers and information about its non-current assets (excluding deferred tax assets) by geographical location are provided below:

	Revenue			Non-current assets		
	26 weeks to 29 September 2024 \$'m	26 weeks to 1 October 2023 \$'m	(Audited) 52 weeks to 31 March 2024 \$'m	26 weeks to 29 September 2024 \$'m	RESTATED 26 weeks to 1 October 2023 \$'m	(Audited) 52 weeks to 31 March 2024 \$'m
<b>Geographical segments</b>						
North America	219.8	177.1	372.3	74.2	53.2	53.0
Asia	96.9	84.7	185.1	77.2	64.8	72.3
Europe	201.5	135.7	355.4	279.8	271.9	270.0
	518.2	397.5	912.8	431.2	389.9	395.3

Revenue is attributed to countries on the basis of the geographical location of the customer and delivery of the product.

### 3. Adjusting items and share-based payments

	26 weeks to 29 September 2024 \$'m	26 weeks to 1 October 2023 \$'m	(Audited) 52 weeks to 31 March 2024 \$'m
Amortisation of acquired intangibles	6.7	5.8	13.4
Acquisition-related costs	0.6	3.2	3.8
Acquisition-related remuneration	0.9	0.9	1.6
Adjustments to fair value of contingent consideration	–	(1.3)	(1.3)
Cyber incident costs	0.2	–	2.0
<b>Total adjusting items</b>	<b>8.4</b>	<b>8.6</b>	<b>19.5</b>
Share-based payments charge	2.6	3.0	6.3
<b>Total adjusting items and share-based payments before tax</b>	<b>11.0</b>	<b>11.6</b>	<b>25.8</b>
Adjusting items tax credit	(2.2)	(1.2)	(4.5)
<b>Adjusting items and share-based payments after tax</b>	<b>8.8</b>	<b>10.4</b>	<b>21.3</b>

Adjusting items include costs and income that are one-off in nature and significant (such as significant restructuring costs, impairment charges or acquisition-related costs) and the non-cash amortisation of intangible assets recognised on acquisition.

The adjusting items and share-based payments are included under the statutory classification appropriate to their nature but are separately disclosed on the face of the income statement to assist in understanding the underlying financial performance of the Group.

Associated with the acquisitions, the Group has recognised certain intangible assets related to customer relationships and order backlogs. During H1 FY2025, the amortisation charge on these intangible assets totalled \$6.7m (H1 FY2024: \$5.8m, FY2024: \$13.4m).

Acquisition-related costs of \$0.6m (H1 FY2024: \$3.2m, FY2024: \$3.8m) consist of legal and professional fees relating to potential and completed acquisitions. In the prior year, the Group's acquisition-related costs of \$3.8m consisted of costs mainly related to the acquisition of Murat Ticaret (\$3.7m).

Acquisition-related remuneration relates to payments due in relation to post-acquisition performance, with costs of \$0.9m in H1 FY2025 (H1 FY2024: \$0.9m, FY2024: \$1.6m).

There were no adjustments to the fair value of contingent consideration in H1 FY2025 (H1 FY2024: \$1.3m, FY2024: \$1.3m).

The Group experienced a cyber incident in October 2023. Costs associated with the recovery and remediation of systems in H1 FY2025 were \$0.2m (H1 FY2024: \$nil, FY2024: \$2.0m).

#### 4. Finance costs

	26 weeks to 29 September 2024 \$'m	26 weeks to 1 October 2023 \$'m	(Audited) 52 weeks to 31 March 2024 \$'m
Interest on bank overdrafts and loans	6.6	3.9	11.2
Lease interest payable	2.1	1.2	2.7
Net interest expense on defined benefit obligations	0.6	–	0.7
Unwinding of deferred consideration	1.2	0.2	1.4
Other finance costs	0.3	–	0.1
<b>Total interest costs</b>	<b>10.8</b>	<b>5.3</b>	<b>16.1</b>
Amortisation of debt issue costs	1.7	0.4	0.7
<b>Total finance costs</b>	<b>12.5</b>	<b>5.7</b>	<b>16.8</b>

In June 2024 the Group entered into a new enlarged debt facility. Included within the amortisation of debt issue costs is a \$1.3m write-off of capitalised costs related to the previous facility.

#### 5. Tax charge

The Group's income tax expense for the period was \$6.7 million (H1 FY2024: \$6.5 million), representing an effective tax rate ("ETR") of 25.3% (H1 FY2024: 29.5%). The decrease in statutory ETR was mainly caused by adjusting items, with a lower adverse impact from non-deductible acquisition costs and tax rate changes in H1 FY2025.

The underlying tax charge of \$8.9 million (H1 FY2024: \$7.7 million) represents an underlying ETR of 23.7% (H1 FY2024: 22.9%). The increase in underlying ETR is primarily attributable to the recognition of deferred tax assets in H1 FY2024 that did not repeat in H1 FY2025, an increase in non-deductible expenses including the unwinding of the discount on acquisition contingent consideration, and a lower impact from investment tax incentives. This was partially offset by the net favourable effect of foreign exchange and inflation adjustments for tax purposes in entities where the tax and functional currencies are different, primarily in Türkiye.

Cash tax paid during the period was \$8.4m (H1 FY2024: \$6.6m), representing an underlying cash ETR of 22.4% (H1 FY2024: 19.6%). The increase is mainly driven by Murat Ticaret which was only part of the Group for 1 month of H1 FY2024.

The Group operates in a number of different tax jurisdictions and is subject to periodic tax audits by local authorities in the normal course of business on a range of tax matters in relation to corporate tax and transfer pricing. As at 29 September 2024, the Group has net current tax liabilities of \$15.5 million (FY2024: \$16.5 million) which include \$12.2 million (FY2024: \$10.8 million) of provisions for tax uncertainties. There is a further \$1.5 million (FY2024: \$1.1 million) of accrued interest relating to these amounts recognised in other payables.

The carrying amount of deferred tax assets is reviewed at each reporting date and recognised to the extent that it is probable that there are sufficient taxable profits to allow all or part to be recovered. Deferred tax assets have been recognised based on future forecast taxable profits. As at the reporting date the Group has recognised deferred tax assets of \$26.5 million (FY2024: \$25.9 million) and deferred tax liabilities of \$28.4 million (FY2024: \$28.2 million).

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, implementing the OECD's Pillar Two model rules and introducing a global minimum effective tax rate of 15% for large groups for financial years beginning on or after 31 December 2023. The Group is in the scope of this legislation for the period ending 30 March 2025.

Based on an analysis of the previous year financial data and modelling using current year forecasts, most territories in which the Group operates are expected to qualify for one of the safe harbour exemptions such that top-up taxes should not apply. In territories where this is not the case there is the potential for Pillar Two taxes to apply, but these are not expected to be material. The Group continues to refine this assessment and analyse the future consequences of these rules.

## 6. Earnings per ordinary share

The calculations of the earnings per share are based on the following data:

<b>Earnings</b>	<b>26 weeks to 29 September 2024 \$'m</b>	<b>26 weeks to 1 October 2023 \$'m</b>	<b>(Audited) 52 weeks to 31 March 2024 \$'m</b>
Earnings attributable to the ordinary equity holders of the company for the purpose of basic earnings per share	<b>19.3</b>	15.1	39.3
Adjustments for:			
Adjusting items	<b>8.4</b>	8.5	19.5
Share-based payments charge	<b>2.6</b>	3.0	6.3
Tax effect of adjusting items and share-based payments	<b>(2.2)</b>	(1.2)	(4.5)
Underlying earnings	<b>28.1</b>	25.4	60.6
<b>Weighted average number of ordinary shares</b>	<b>No. shares</b>	No. shares	No. shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>184,741,666</b>	170,546,699	179,909,482
Effect of dilutive potential ordinary shares – share options	<b>1,614,493</b>	8,024,110	3,421,442
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>186,356,159</b>	178,570,809	183,330,924
<b>Basic earnings per share</b>	<b>Cents</b>	Cents	Cents
Basic earnings per share from continuing operations	<b>10.4</b>	8.8	21.8
Adjustments for:			
Adjusting items	<b>4.6</b>	5.0	10.9
Share-based payments charge	<b>1.4</b>	1.8	3.5
Tax effect of adjusting items and share-based payments	<b>(1.2)</b>	(0.7)	(2.5)
Underlying basic earnings per share	<b>15.2</b>	14.9	33.7
<b>Diluted earnings per share</b>	<b>Cents</b>	Cents	Cents
Diluted earnings per share	<b>10.4</b>	8.4	21.4
Adjustments for:			
Adjusting items	<b>4.5</b>	4.8	10.6
Share-based payments charge	<b>1.4</b>	1.7	3.4
Tax effect of adjusting items and share-based payments	<b>(1.2)</b>	(0.6)	(2.4)
Underlying diluted earnings per share	<b>15.1</b>	14.2	33.0

The underlying earnings per share has been calculated on the basis of continuing activities before adjusting items and the share-based payments charge, net of tax. The Directors consider that this earnings per share calculation gives a better understanding of the Group's earnings per share in the current and prior period.

## 7. Share capital

	26 weeks to 29 September 2024 \$'m	26 weeks to 1 October 2023 \$'m	(Audited) 52 weeks to 31 March 2024 \$'m
Issued and fully paid: 181,651,108 (FY2024: 181,617,533) Ordinary shares of 25p each	69.6	69.5	69.6

Shareholders were able to elect to receive ordinary shares in place of the final dividend for the 52 weeks to 31 March 2024. This resulted in the issue of 33,575 (H1 FY2024: 478,471, FY2024: 692,267) new fully paid ordinary shares.

During the prior period on 22 June 2023, the Group completed an equity raise to raise finances for the completion of the acquisition of Murat Ticaret. The Group issued 21,818,181 new ordinary shares of 25 pence each, comprising the 'Placing Shares' and the 'Retail Offer Shares' (together, the 'equity raise'). The shares were issued at a price of 275 pence per share, representing a discount of 3.8% to the closing share price of 286 pence per share on 21 June 2023. In aggregate, the equity raise represented gross proceeds of £60.0m (\$74.0m) and net proceeds of £58.6m (\$72.3m).

## 8. Own shares

	26 weeks to 29 September 2024 \$'m	26 weeks to 1 October 2023 \$'m	(Audited) 52 weeks to 31 March 2024 \$'m
<b>At the beginning of the period</b>	<b>4.3</b>	<b>1.0</b>	<b>1.0</b>
Purchase of shares	4.5	1.2	9.1
Sale of shares	(5.6)	(1.2)	(5.8)
<b>At end of the period</b>	<b>3.2</b>	<b>1.0</b>	<b>4.3</b>

The own shares reserve represents the cost of shares in the Company held by the Volex Group PLC Employees' Share Trust ('EBT') to satisfy future share option exercises under the Group's share option schemes.

During H1 FY2025 the EBT purchased 988,266 shares at a cost of \$4.5m. During the period, 1,322,813 shares were utilised on the exercise of share awards. The number of ordinary shares held by the EBT at 29 September 2024 was 712,982 (H1 FY2024: 247,231, FY2024: 1,047,529).

## 9. Analysis of net debt

	Cash & cash equivalents \$'m	Bank loans \$'m	Lease liability \$'m	Debt issue costs \$'m	<b>Total \$'m</b>
<b>At 31 March 2024</b>	<b>28.8</b>	<b>(146.9)</b>	<b>(37.4)</b>	<b>1.5</b>	<b>(154.0)</b>
Cash flow	(10.6)	(24.9)	6.9	3.1	<b>(25.5)</b>
New leases and remeasurement	–	–	(19.3)	–	<b>(19.3)</b>
Interest	–	(0.3)	(2.1)	–	<b>(2.4)</b>
Exchange differences	0.2	(0.6)	(1.4)	0.2	<b>(1.6)</b>
Amortisation of debt issue costs	–	–	–	(1.7)	<b>(1.7)</b>
<b>At 29 September 2024</b>	<b>18.4</b>	<b>(172.7)</b>	<b>(53.3)</b>	<b>3.1</b>	<b>(204.5)</b>

	29 September 2024 \$'m	1 October 2023 \$'m	31 March 2023 \$'m
Cash and bank balances	18.4	47.2	29.8
Overdrafts	–	–	(1.0)
<b>Cash and cash equivalents</b>	<b>18.4</b>	<b>47.2</b>	<b>28.8</b>

The carrying amount of the Group's financial assets and liabilities is considered to be equivalent to their fair value.

## 10. Related parties

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Group has a 35.7% interest in Kepler SignalTek Limited, which is accounted for as an associate. The balance due from the associate as at the period end date was \$0.3m (H1 FY2024: \$1.5m, FY2024: \$0.3m).

The Group also has a 43% interest in Volex-Jem Co. Ltd. During the current and prior period, no transactions have occurred between the Group and Volex-Jem Co. Ltd or Volex – Jem Cable Precision (Dongguan) Co. Limited, an entity controlled by Volex-Jem Co. Ltd. The balance due to the associates as at the period end was \$0.1m (H1 FY2024: \$0.1m, FY2024: \$0.1m).

A number of share transactions with Directors have occurred during the period in line with share awards outstanding at the prior year end and as disclosed in the annual accounts for FY2024 and in line with the Director shareholding notices disclosed on the Volex website ([www.volex.com](http://www.volex.com)).

## 11. Restatement - IFRS 3 measurement period adjustment

Consolidated Statement of Financial Position	Original	Restated	Movement
	1 October 2023	1 October 2023	
	\$'m	\$'m	\$'m
Goodwill	153.7	119.2	(34.5)
Intangibles	100.2	136.2	36.0
Property, plant and equipment	82.5	85.1	2.6
Inventory	180.4	182.5	2.1
Trade receivables	183.5	182.7	(0.8)
Other receivables (current)	16.0	14.6	(1.4)
Other payables (current)	(134.4)	(125.2)	9.2
Retirement benefit obligation (non-current)	(5.1)	(9.8)	(4.7)
Deferred tax liabilities	(23.3)	(31.8)	(8.5)
			—

On 31 August 2023 the Group completed the acquisition of 100% of the share capital of Murat Ticaret Kablo A.Ş., a leading manufacturer of complex wire harnesses, headquartered in Türkiye. The interim results for the 26 weeks ended 1 October 2023 included provisional fair values for the assets and liabilities acquired. These have been restated to incorporate measurement period adjustments arising under IFRS 3 Business Combinations which were previously updated and reflected in the 31 March 2024 Annual Report.

## 12. Contingent Liabilities

As a global Group, subsidiary companies, in the normal course of business, engage in significant levels of cross-border trading. The customs, duties and sales tax regulations associated with these transactions are complex and often subject to interpretation. While the Group places considerable emphasis on compliance with such regulations, including appropriate use of external legal advisers, full compliance with all customs, duty and sales tax regulations cannot be guaranteed.

Through the normal course of business, the Group provides manufacturing warranties to its customers and assurances that its products meet the required safety and testing standards. When the Group is notified that there is a fault with one of its products, the Group will provide a rigorous review of the defective product and its associated manufacturing process and, if found at fault and contractually liable, will provide for costs associated with recall and repair as well as rectify the manufacturing process or seek recompense from its supplier. The Group holds a provision to cover potential costs of recall or warranty claims for products which are in the field but where a specific issue has not been reported.

## 13. Events after the balance sheet date

There are no disclosable events after the balance sheet date.

#### 14. Alternative performance measures

The Group makes use of underlying and other alternative performance measures in addition to the measures set out in International Financial Reporting Standards.

##### Underlying operating profit and Underlying EBITDA

Underlying operating profit is defined as operating profit excluding adjusting items and share-based payments. Underlying EBITDA is defined as underlying operating profit adjusted for depreciation and amortisation. The Group uses underlying operating profit and underlying EBITDA to present meaningful year-on-year comparisons. The reconciliation between operating profit and underlying operating profit and underlying EBITDA is presented below.

	29 September 2024 \$'m	1 October 2023 \$'m	31 March 2024 \$'m
Operating profit	36.6	25.8	63.9
Add back:			
Adjusting operating items	8.4	8.6	19.5
Share-based payments charge	2.6	3.0	6.3
<b>Underlying operating profit</b>	<b>47.6</b>	<b>37.4</b>	<b>89.7</b>
Depreciation of property, plant and equipment	7.3	5.0	12.3
Depreciation of right-of-use assets	4.8	3.4	7.4
Amortisation of intangible assets not acquired in business combination	1.6	1.0	2.2
<b>Underlying EBITDA</b>	<b>61.3</b>	<b>46.8</b>	<b>111.6</b>

##### Underlying basic earnings per share and underlying diluted earnings per share

Underlying basic earnings per share is defined by the profit attributable to the owners of the parent company, excluding adjusting items and share-based payments, net of tax, divided by the weighted average number of shares in issue during the year. Underlying diluted earnings per share adjusts the basic earnings per share by the effect of dilutive potential share options as at the period end date. Both metrics are reconciled to statutory measures in note 6.

##### Organic growth

As the group has undertaken twelve acquisitions in the past six years, management uses organic revenue growth so that meaningful year-on-year comparisons can be made.

Organic revenue growth is calculated using constant exchange rates by taking the total reported revenue (excluding the impact of acquisitions and disposals) divided by the preceding financial year's revenue at the current year's exchange rates.

Revenue	Electric Vehicles \$'m	Consumer Electricals \$'m	Medical \$'m	Complex Industrial Technology \$'m	Off-Highway \$'m	Total \$'m
<b>26 weeks to 1 October 2023</b>	<b>57.4</b>	<b>122.8</b>	<b>86.1</b>	<b>100.6</b>	<b>30.6</b>	<b>397.5</b>
FX impact	(0.4)	(0.3)	(0.2)	–	(1.4)	(2.3)
	57.0	122.5	85.9	100.6	29.2	395.2
Organic growth	22.5	9.2	(3.6)	4.1	6.0	38.2
Organic growth %	39.5%	7.5%	(4.2)%	4.1%	20.5%	9.7%
Acquisitions	–	–	–	–	84.8	84.8
<b>26 weeks to 29 September 2024</b>	<b>79.5</b>	<b>131.7</b>	<b>82.3</b>	<b>104.7</b>	<b>120.0</b>	<b>518.2</b>

## Leverage covenant

The Group has a \$400 million committed facility together with an additional \$200 million uncommitted accordion.

The terms of the RCF require the Group to perform quarterly financial covenant calculations with respect to leverage (net debt (before operating leases) to covenant EBITDA) and interest cover (covenant EBITDA to covenant interest). Breach of these covenants could result in cancellation of the facility. Net debt (before operating leases) in the financial statements is defined as net debt excluding lease liabilities but including pre-IFRS 16 finance leases. Covenant EBITDA is defined as underlying EBITDA adjusted for depreciation of right-of-use assets and the last twelve months prorated EBITDA from acquisitions.

	Note	29 September 2024 \$'m	1 October 2023 \$'m	31 March 2024 \$'m
Net debt	9	(204.5)	(173.7)	(154.0)
Lease liabilities	9	53.3	39.0	37.4
Finance leases		(3.1)	(5.9)	(4.5)
<b>Net debt (before operating lease liabilities)</b>		<b>(154.3)</b>	<b>(140.6)</b>	<b>(121.1)</b>
Underlying EBITDA		126.0	90.4	111.6
Depreciation of right-of-use assets		(8.8)	(6.4)	(7.4)
Prorated acquired EBITDA		–	27.6	15.5
<b>Covenant EBITDA</b>		<b>117.2</b>	<b>111.6</b>	<b>119.7</b>
Covenant leverage		1.3x	1.3x	1.0x