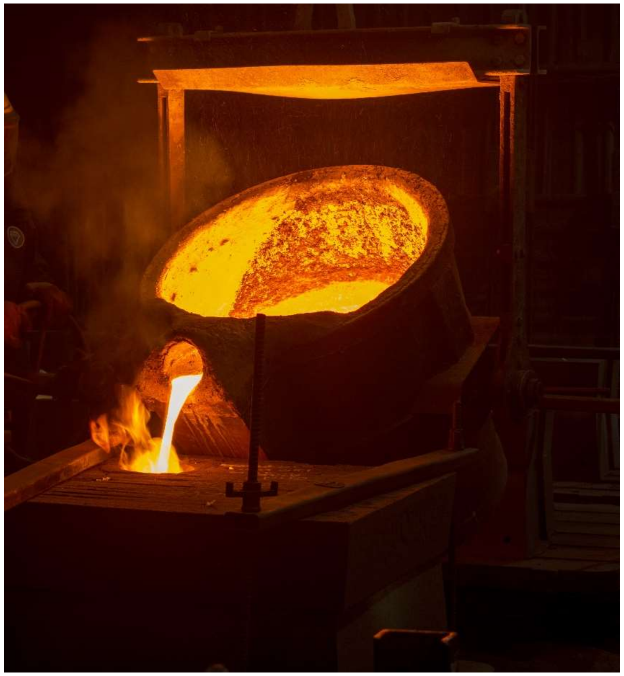
Interim results
September 2024

The headline numbers

- Revenue £89.2m (down 19.9%)
- Sales volumes down 18.4%
- Profit before tax £4.1m (down 59.9%)
- Interim dividend up 2.0%
- Cash £16.3m - investment and supplementary dividends



Servicing a cyclical market

- Normalised heavy truck demand
- Energy surcharges reducing
- Operating margin reduced to 3.9% (FY24H1 – 8.6%)
- Machine shop continues to trade profitability
- Large casting foundry commenced trading – July 2024
- Strong demand in US
- New foundry line at Dronfield site progressing well and on budget
- Opportunity for growth in US, wind energy and agriculture

The period in a bit more detail

Reduced demand, right-sizing cost base and continued investment

Customers

Normalisation of heavy truck demand in FY24Q4 continued

European demand c. 20% down

US tier 1 and 2 growth (volumes up 25%)

New large casting customer base

Other sector opportunities

Production

Foundry outsourcing reversed

Large casting foundry assets purchased

Investment:
- New foundry line
- Robotics
- Replacement programme
  - CNC machines
  - Processing machines

Pricing and costs

Input prices stable

Electricity pass-through reduced

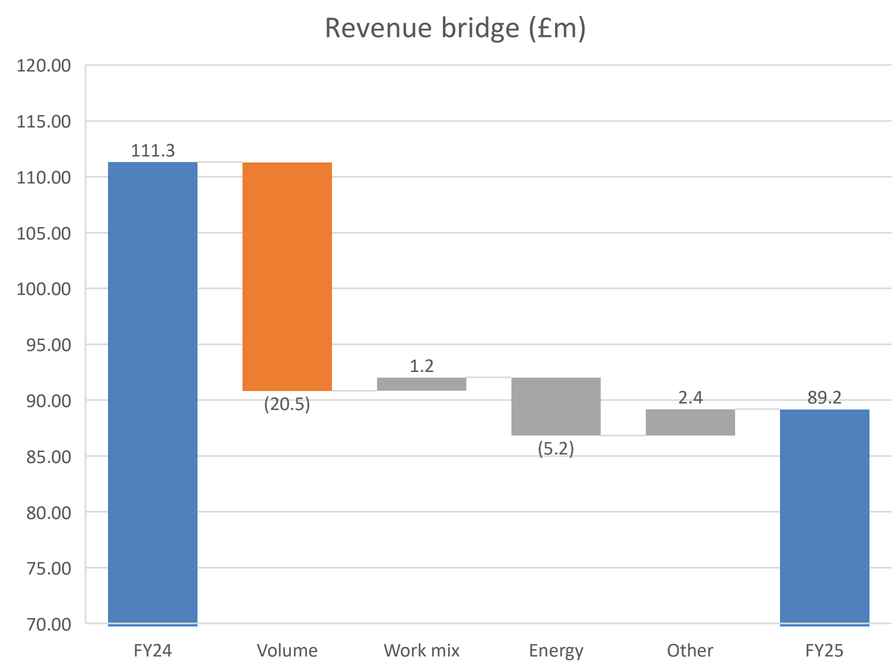
Labour cost pressures (including NIC increase)

Non-structural work pattern changes to match demand

Castings Ductile Limited

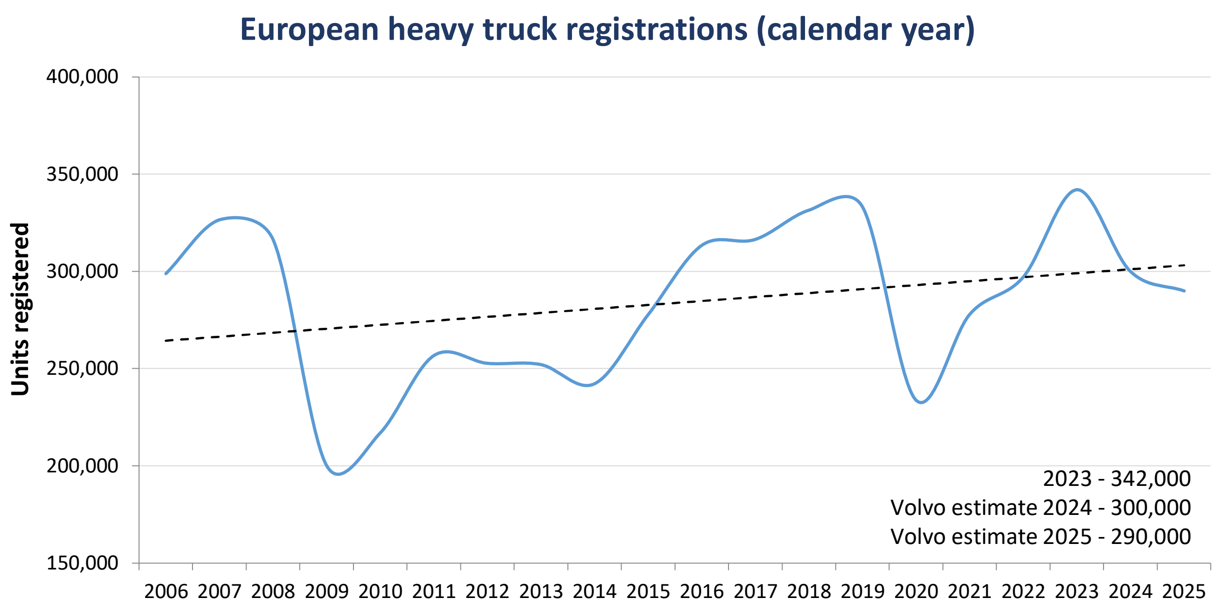
- Acquired certain assets from administration on 14 June 2024
- Production commenced in July 2024
- Large iron casting business – up to 7 tonnes
- Customer base in power generation and infrastructure markets
- Majority of historical customer relationships retained
- Loss of £0.4m in the period, now trading profitably
- Available capacity for new work

Revenue following cyclical heavy truck sector



- Reduction in volume of 18.4%
- Reflects OEM heavy truck reductions
- Continued increase in mix of machined parts (65.0% v 62.1%)
- Energy surcharges reducing
- Other surcharges and price increases

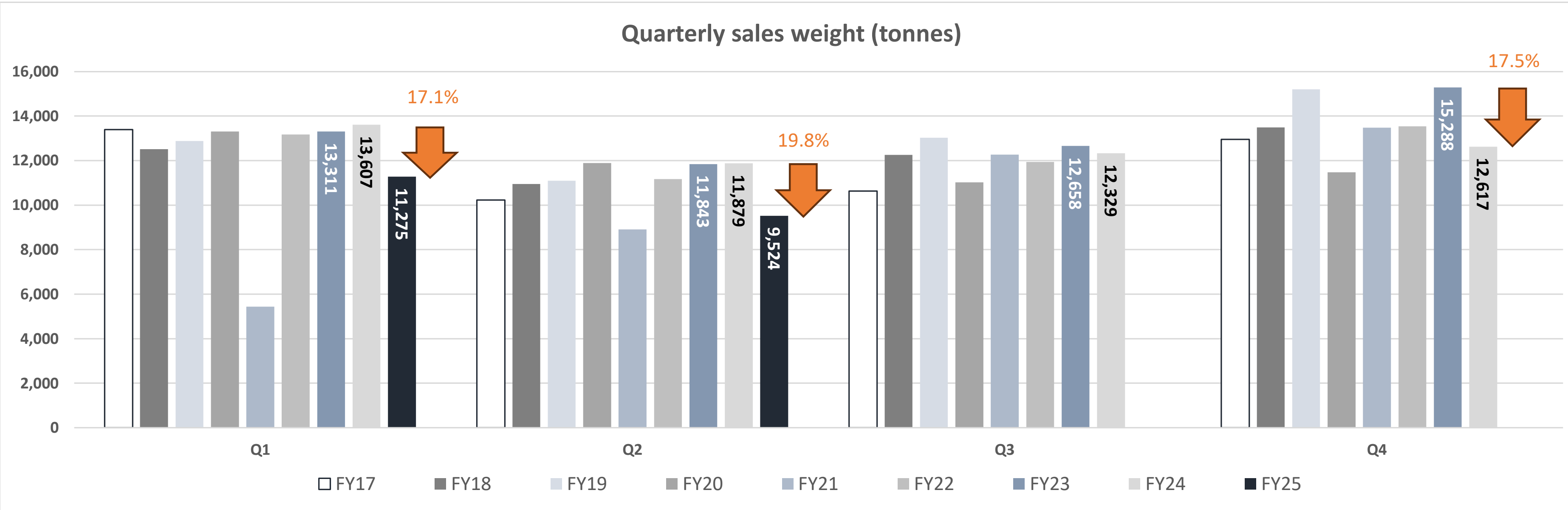
European heavy truck registrations



Source: Scania website (www.scania.com), ACEA & Volvo Third Quarter 2024 Results

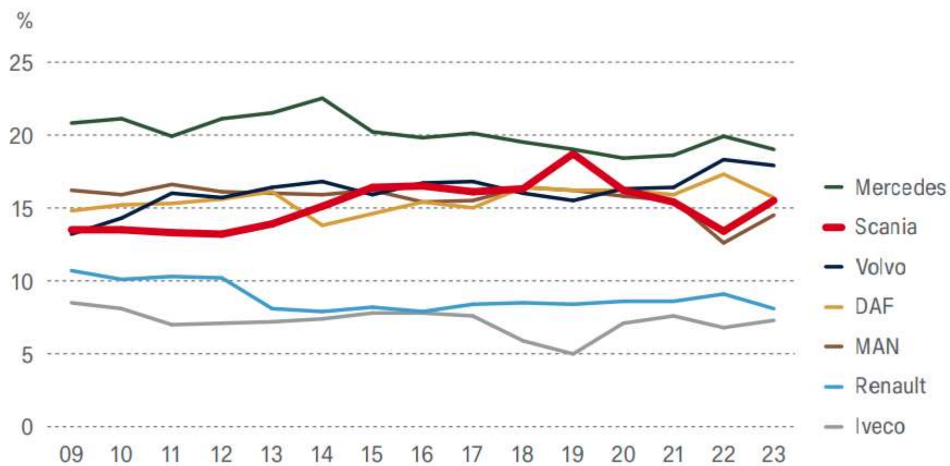
- 75% of revenue (FY24 - 80%)
- 2023 peak of 342k trucks
- Pent up demand cleared
- Normalisation of demand
- Volvo estimates:
    - 2024 – 300,000 units
    - 2025 – 290,000 units

Quarterly sales tonnes – FY24Q4 fall continues in FY25



	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25H1
Foundry sales weight (tonnes)	47,200	49,200	52,200	47,700	40,100	49,800	53,100	50,450	20,800

Supplying largest six European OEMs



Source: Scania Annual and Sustainability Report 2023

Based on market of 342,000 trucks in 2023 in EU27 (all EU countries except Malta, plus Norway, Great Britain and Iceland

- Supply top 6 in the European market
- Cross-over into US and South America
- Typical product lifecycle of 7 – 10 years
- Often single source supply
- Opportunity - capacity coming out of European foundry sector?

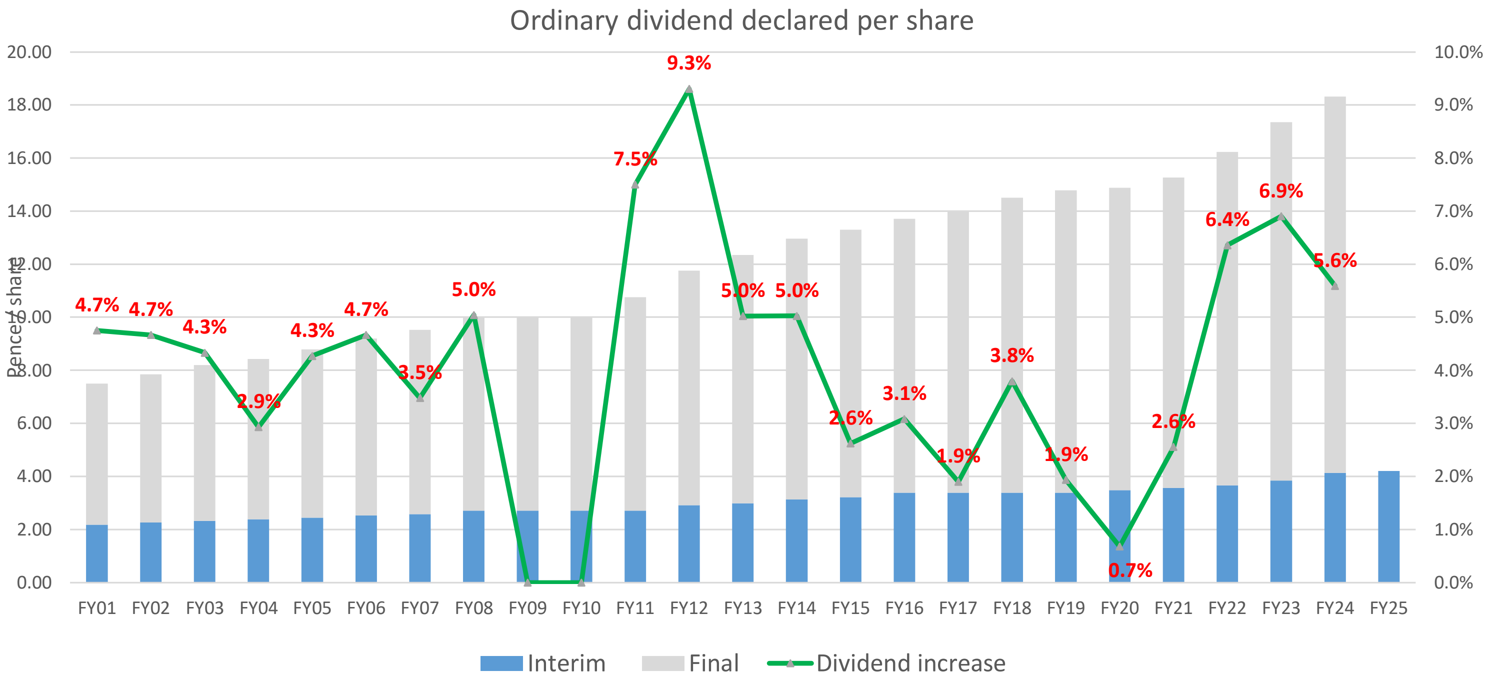
Performance KPIs for the period

£m (unless stated)	FY24H1	FY25H1
Revenue	111.3	89.2
Operating profit	9.6	3.5
Operating margin	8.6%	3.9%
EPS	17.68p	7.07p
Interim dividend	4.12p	4.21p
Free cash flow	8.5	(6.9)
Net cash position	31.3	16.4
Investment in PPE[1]	4.8	9.9

[1] includes deposit payments not yet classified as PPE

- Revenue down 19.9%
- Gross margin 16.8% (FY24H1 – 19.1%)
- Operating profit down 63.6%
- Inflationary increase in dividend
- Free cash flow and net cash down
- Investment increase due to new foundry

Progressive ordinary dividend policy continues



Supplementary dividends:

- 2016 – 30p
- 2019 – 15p
- 2022 – 15p
- 2023 – 15p
- 2024 – 7p

Foundry segment

£m (unless stated)	FY24H1	FY25H1
Gross revenue	124.9	99.6
Less: inter-group revenue	(14.3)	(11.0)
External revenue	110.6	88.6
Foundry sales weight (tonnes)	25,500	20,800
Average selling price (£/tonne)	£4,337	£4,258
Segmental result	7.7	2.4
Margin on external sales	7.0%	2.7%
Margin adjusted for electricity	7.9%	2.9%

- External revenue down 19.9%
- Volume down 18.4%
- Selling price impacted by:
  - Increasing mix of machined parts
  - Electricity surcharges reducing
- Volume impacted segmental result and margin

Machining remains profitable at lower volumes

£m (unless stated)	FY24H1	FY25H1
Gross revenue	18.2	16.1
Less: inter-group revenue	(17.4)	(15.5)
External revenue	0.8	0.6
Segmental result	1.9	1.1
Segmental margin on gross sales	10.6%	6.6%
EBITDA	3.6	2.9
Cash generation	2.2	0.4
Capex	1.5	2.6

- Gross revenue up 11%
- External revenue flat – group focussed
- Segmental result down £0.8m on lower volumes
- Cash generative
- Investment in replacement, more efficient plant

CNC Speedwell Ltd

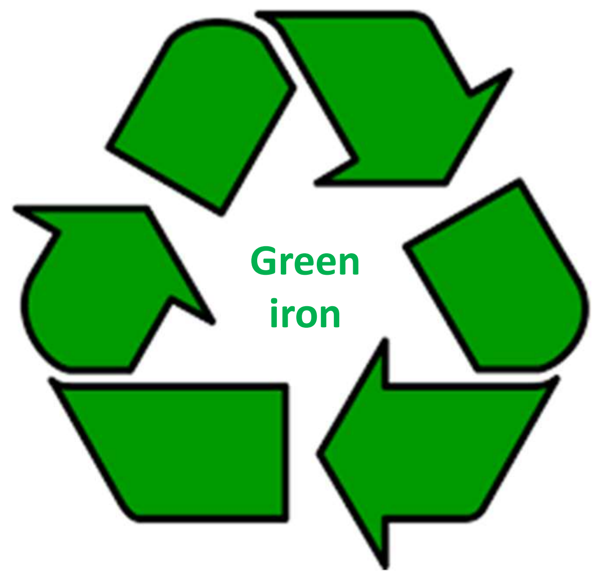
Summary cash flow statement

£m	FY24H1	FY25H1
PBT net of tax payments	8.7	3.4
Depreciation	3.9	4.2
Working capital movement	1.4	(6.7)
Capex (net)	(4.8)	(6.8)
Free cash flow	9.2	(5.9)
Net pension scheme payments	(1.1)	(1.1)
Dividend – ordinary	(5.9)	(6.2)
Dividend – supplementary	(6.5)	(3.0)
Net cash outflow	(4.3)	(16.2)

- Reduced profit levels
- Investment deposits of £4m included within working capital outflow
- Increased investment and more to come with new foundry
- Progressive ordinary dividend
- 7p/share supplementary paid
- Cash down by £16.2m to £16.4m

Market leading sustainability credentials

- Competitive advantage of being 'Green Iron' producer already, large parts of Europe are not
- Near zero scope 1 and 2 emissions on location-based measure, working on 3
- Process recycler
- First sustainability report released
- Application approved for next solar project and others pending
- Replacement machines more energy efficient



Looking forward

- Heavy truck volumes
  - Demand normalised to lower level in short-term
  - Scania CBE engine to MAN - ramping up from 2025
  - Light duty truck electrification
- Other sector opportunities
  - New foundry capacity provides platform
  - Large foundry capabilities
  - US market – including local warehousing
  - Agriculture
  - Wind energy
- Price and efficiency
  - Energy prices reducing
  - Investment for efficiency
- Capital investment
  - Foundry capacity
  - Machine replacement programme
  - Automation / multi-manning
  - Energy efficient / recycling solutions
- Alternative materials / more value add
  - Innovative sealed manifold solution in production and further opportunity
  - Other sub-contract processes
  - Reduce the carbon miles in supply chain
- Heavy truck electrification
  - Light-weight trucks first (not our market)
  - Heavy trucks last on the list
  - BEV or FCEV or Biofuels or…
  - Infrastructure hurdle

Well positioned for growth

Strong balance sheet providing the platform for growth

Balance sheet platform

Cash levels

No debt

Pension buy-in to buy-out

Agile and flexible for opportunity

Progressive dividend policy

Investment

Opportunities

Invest to drive production efficiencies

New foundry opens doors to new business

New foundry provides scope for NPI with existing customers

Develop US market opportunities – including warehousing

Value-add in house

Acquisitions

Appendix

Timeline

1835	Foundry production commences in Walsall
1907	Castings Limited incorporated
1957	Move to current Brownhills location
1960	Floated on Birmingham stock market
1991	Foundry capacity increased through acquisition of William Lee Limited
1996	Machining started in group through acquisition of CNC Speedwell Limited
2009	Major new production facility completed
2016	Robotic automation investment begins
2023	Announce new foundry facility investment
2024	Acquisition of certain assets of large iron casting (up to 7 tonnes) operation from administration
Today	Highly invested iron foundry and machining group

The Castings group

Castings PLC
Foundry – founded 1835

Capacity*	Employees
30,000 tonnes	370

William Lee Limited
Foundry – acquired 1991

Capacity*	Employees
40,000# tonnes	415

Castings Ductile Ltd
Foundry – acquired 2024

Capacity	Employees
7,000 tonnes	60

CNC Speedwell Ltd
Machinist – acquired 1996

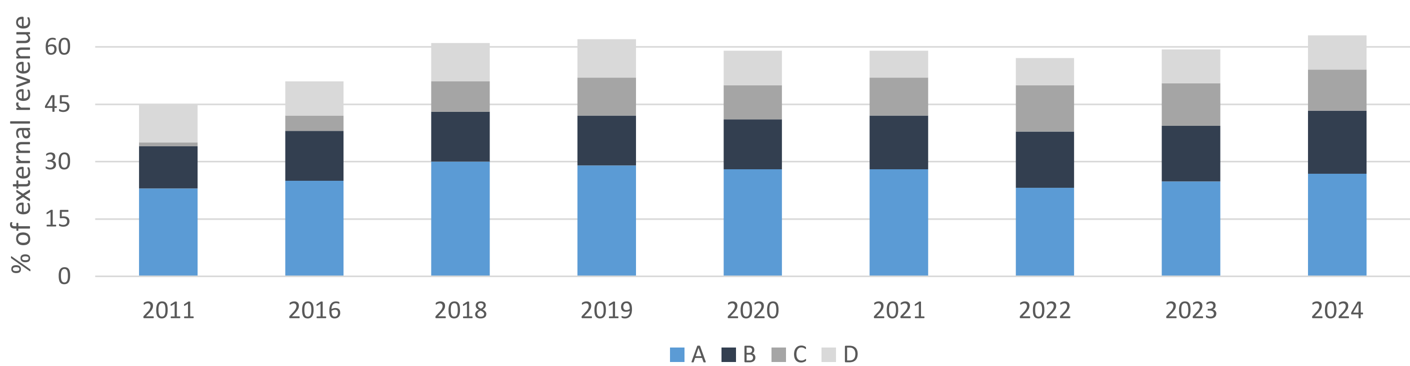
Capacity	Employees
Over 120 machines	345

* production capacity which, after machining, converts to a sales capacity of approximately 90%
# increasing to 52,000 with new Savelli line in summer 2025

Established, long-standing customer base

Top 4 commercial vehicle customer revenue mix

	FY11	FY16	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Customer									
A	23%	25%	30%	29%	28%	28%	23%	25%	27%
B	11%	13%	13%	13%	13%	14%	15%	15%	17%
C	1%	4%	8%	10%	9%	10%	12%	11%	11%
D	10%	9%	10%	10%	9%	7%	7%	9%	9%
Total	45%	51%	61%	62%	59%	59%	57%	60%	64%

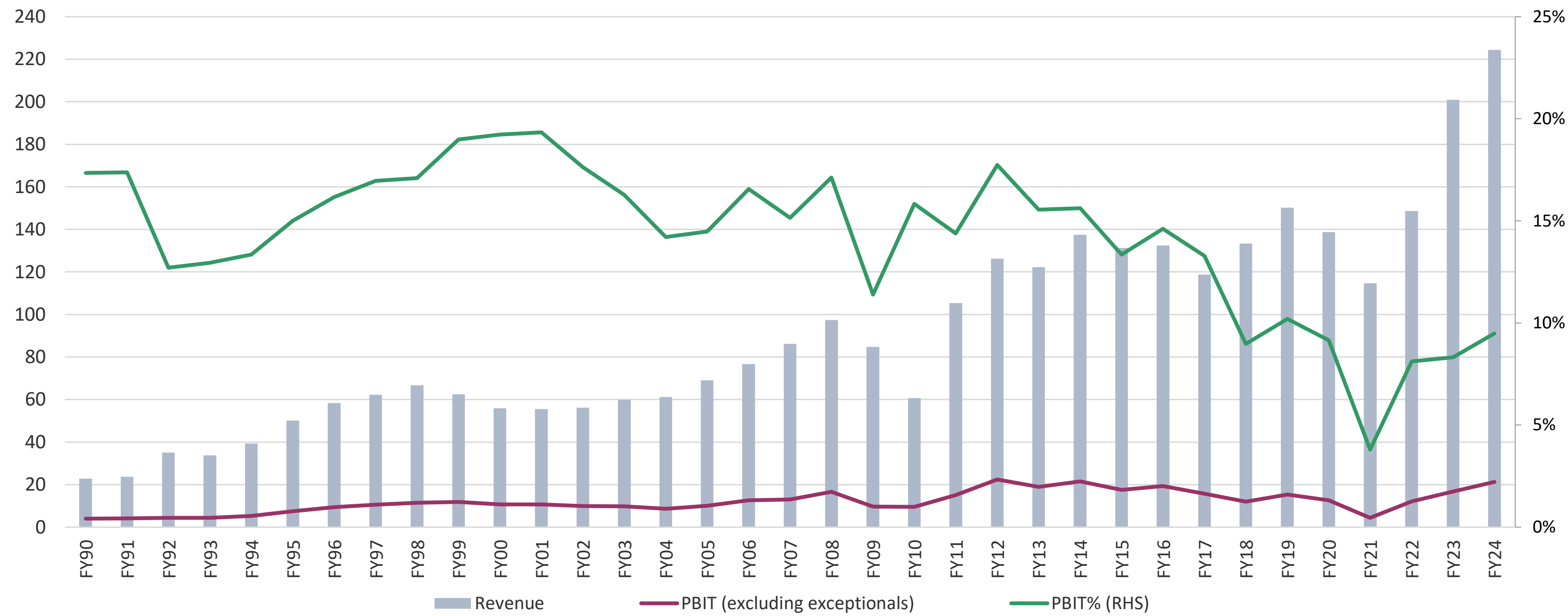


Commercial vehicle
80% (FY23 - 77%)

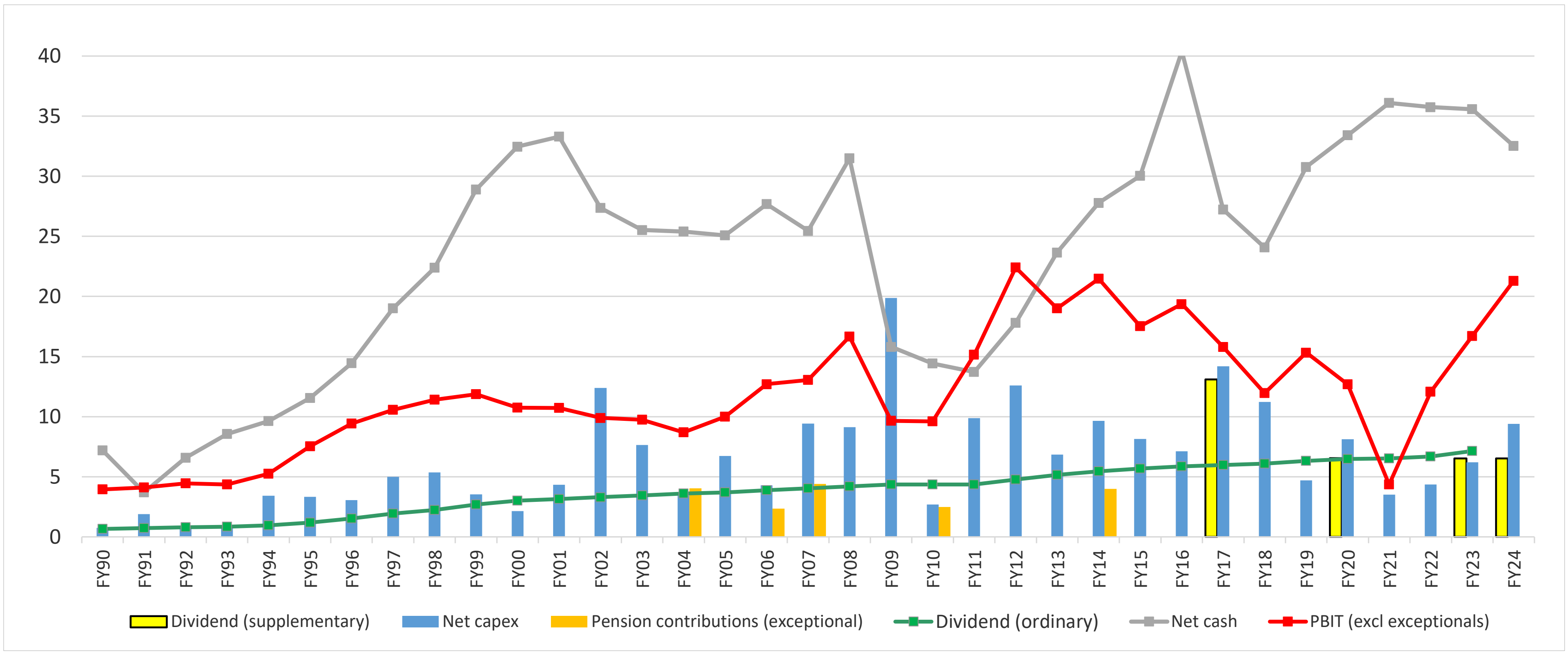
Automotive
6% (FY23 – 9%)

Other 14%
(FY23 – 14%)

Revenue and PBIT



Track record of strong cash generation



Capacity investment progressing and on budget

- 12,000 tonnes foundry capacity
- 10,500 sales capacity (estimated)
- £17m investment
- Summer 2025
- First new foundry line since 2008

SINCE 1842
SAVELLI

sinto
HEINRICH WAGNER SINTO
Maschinenfabrik GmbH

- Provides capacity to quote for more diversified work
- Increases our size offering
- Maximum efficiency
- Aim to run the plant (excluding furnaces) with locally generated power

Strategy

Deliver long term sustainable revenues and higher average margins through the following strategic priorities:

Reinvestment for innovation and efficiency	Increase OEM market share
• Innovative design processes • Reinvestment in automation • Balanced with return to shareholders	• Collaborative, dedicated customer teams • Increase share within customer base • React to opportunities
Strength of balance sheet	**Investment in our people**
• Financial stability • Agile to react to opportunities • Supports strategic objectives	• Over 1,100 employees in the UK • Targeted and balanced training • Strong apprenticeship programme

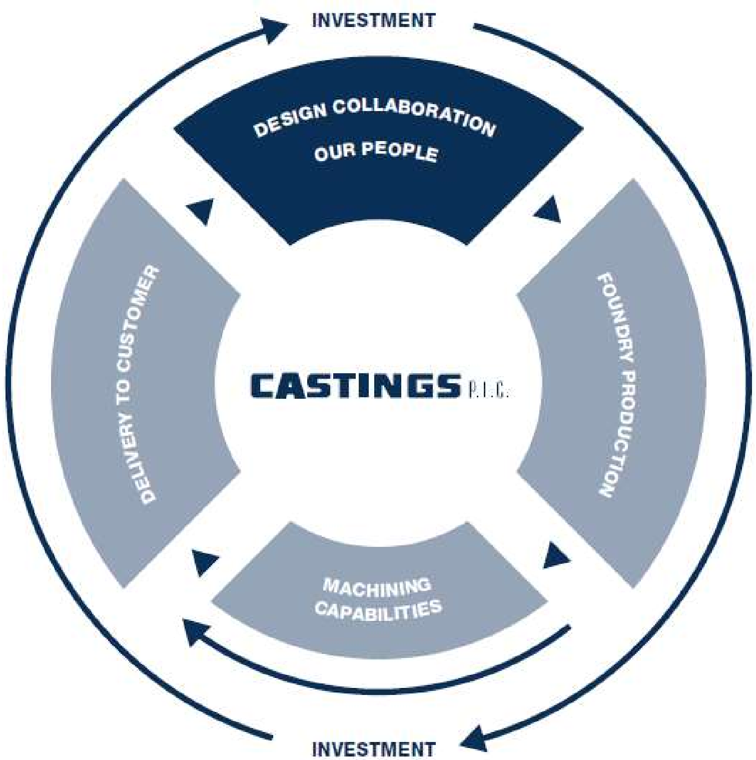
Business Model

Design collaboration & our people
- Experienced teams
- Technical knowledge
- Close customer relationships
- Latest design simulation

Foundry production
- High volume plant in low batch environment
- Flexibility
- Automation productivity

Machining capabilities
- Well invested
- Automation roll-out
- Vertical integration – assembly

Delivery to customer
- Investment in logistics
- Experienced teams



Value for stakeholders

Customers
- Flexibility, cost-effective, quality
- Capability for diverse range
- Long term security

Employees
- Investment in training
- Challenged and ambitious

Shareholders
- Competitive position
- Growth opportunities
- Strong cash generation
- Progressive dividend policy

Communities and environment
- Recycler of steel scrap metal produced in UK
- Contribution to communities

Recent investments

- Robotic handling and processing (started 2016)
- Warehouse management system (started 2017)
  - Bespoke FIFO system in Brownhills
  - £1m+ investment
- Heat treatment plant for alloyed parts (commissioned 2020)
  - £0.6m investment
- Disa moulding line upgrade (completed December 2021)
  - £2m investment in productivity improvement and increased output
  - Lower maintenance cost
- HWS automated pouring (completed August 2022)
  - £1.4m investment
  - H&S improvement
  - Productivity improvement, enhanced quality and increased output
- Savelli foundry line (due for completion in summer 2025)
  - £17m investment