Castings P.L.C.
INTERIM MANAGEMENT REPORT
Six months ended 30 September 2026

Interim Management Report

Overview

Revenue for the six months ended 30 September 2026 was £85.9 million (2025 – £87.6 million) with profit before tax decreasing to £2.0 million (2025 – £5.0 million). Management anticipate the full year result to be in line with the recently revised market expectations*.

As previously announced, the underlying demand for heavy trucks (approximately 70% of group revenue) improved during the year and has remained at a strong level. Original Equipment Manufacturers ('OEM') are suggesting that the European market (our largest market exposure) demand is replacement driven with order intake and registrations increasing; a number of the larger OEMs have indicated a 10% increase in the European market in the first half of calendar year 2026.

We reported in June that the group was being impacted by a restriction of around 50% in the external power supplied by Northern Powergrid to the William Lee site. The transformer concerned was repaired and full power was restored on 24 May 2026. For a two-month period, production output was restricted. The power outage and consequential reduction in output also had a significant impact on the wider group; with additional premium-rate shifts and express transport costs being incurred to protect the supply to our customers.

The power outage also slowed the progress that could be made on our recently commissioned foundry production line at William Lee. Despite this short-term headwind, with the additional capacity and enhanced casting dimension capability, the group is benefitting from being able to quote for, and win, work that would have previously been outside of our scope.

Our Ductile Castings business in Scunthorpe has continued to trade profitably in the period with an increasing customer list and steady production efficiencies.

The group maintains a strong balance sheet with cash levels of £13.2 million (2025 - £15.5 million) and this is after a dividend payment of £6.2 million.

Foundry operations

Output during the period was 21,500 tonnes compared to 20,950 tonnes in the previous period, an increase of 2.6% and external sales revenue was down by 2.5% to £84.7 million, reflecting the reduced level of surcharges. Of the output weight for the period, 62.3% related to machined castings compared to 62.0% in the previous period.

The profit from the foundry segment of £0.2 million compares to £4.0 million in the equivalent period last year. This represents a segmental profit margin on external sales of 0.3% compared to 4.6% in the prior period.

The significant reduction in profitability in the period is largely as a result of the power outage previously mentioned. During the two-month outage, production was limited to 50% at William Lee which necessitated careful management of the four production lines on that site. In addition to the direct profitability impact of reduced production and output at that site, all companies suffered with elevated labour costs and premium transport costs to ensure that our customers were protected. These additional costs continued after the power was restored as we sought to reduce the customer arrears that built up. A large proportion of these arrears remained at the end of the period and are expected to be eliminated during the second half of the year.

With the power issue now behind us, management believes that the foundries can drive production efficiencies and make the most of the strong order book as well as delivering the arrears that have resulted from the disruption in the period.

The new foundry is now operational with new parts specific to this facility in production and others going through their development phase (albeit there have been some delays as a result of the power outage). The use of this plant ensures we can streamline production, enabling greater efficiencies to be realised at the current levels of output.

The increased dimensional capabilities of the new plant has enabled us to quote for, and win, parts that would previously have been outside of the group's scope. The additional capacity will also allow us to take advantage of new and growing market areas such as wind energy and truck electrification.

The Ductile Castings business in Scunthorpe has seen a level of demand consistent with the previous year and continues to be profitable at these levels of activity and, importantly, the business allows the group to expand its offering to existing customers particularly in the areas of power generation (gas and wind) and infrastructure spending.

We have invested £2.1 million in the foundry businesses during the period which was primarily focussed on plant upgrades.

Machining operation

CNC Speedwell has seen an increase in total revenue of 3.0% to £15.7 million with external revenue increasing 80.0% to £1.2 million. The company reported a profit of £1.4 million compared to £0.8 million in the previous period. The margin on total sales increased from 5.4% to 8.8%.

Investment of £1.3 million in the period has been focussed on replacing older machine types with more efficient, technologically advanced machining centres as well as adding a second solar panel installation on our existing buildings.

Outlook
The demand schedules for the remainder of this financial year continue to reflect the stronger market conditions that the heavy-truck OEMs have reported.

In the medium term, there continues to be opportunities for growth including new parts being quoted for our existing heavy-truck customers, the offshore energy market, the increased dimensional range of the new plant, enhanced reach in the US aided by local warehousing and agent arrangements, the expansion of the customer base at our larger casting facility and the agriculture and rail markets.

Dividend
An interim dividend of 4.21 pence per share (2025 – 4.21 pence) has been declared and will be paid on 8 January 2027 to shareholders who are on the register at 27 November 2026.

Principal risks and uncertainties
There are a number of potential risks and uncertainties which could have a material impact on the group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results.

The directors consider that the principal risks and uncertainties remain substantially the same as those stated on pages 8 to 11 of the Annual Report for the year ended 31 March 2026. The risks identified are in respect of markets and competition; customer concentration; technological change risks within the export-dominated commercial vehicle sector competition; product quality; foreign exchange; risk of disruption to supply of raw materials or the availability of capital equipment and the price risk of input costs; information technology; and regulatory and environmental compliance risks. The equipment risk has been updated to include the risk of a power outage disrupting operations as well as the cited risk of equipment failure itself.

Director change
Simon Bourne was appointed as a non-executive director with effect from 5 November 2026. He is also appointed to be a member of the audit and risk, nomination and remuneration committees. Simon is currently chief executive officer of Marshalls P.L.C., the diversified building products manufacturer and sustainable solutions provider for the built environment. Prior to joining Marshalls in 2015, Simon held senior operational and supply chain roles across various sectors.

Cautionary statement
This Interim Management Report ('IMR') has been prepared solely to provide additional information to shareholders to enable them to assess the group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose. This IMR contains certain forward-looking statements. These are made by the directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

The IMR has been prepared for the group as a whole and therefore gives greater emphasis to those matters which are significant to Castings P.L.C. and its subsidiary undertakings when viewed as a whole.

* Market expectations for FY27 refer to the analyst consensus compiled by the company which, prior to the release of this announcement, stood at adjusted profit before tax of £9.0 million.

By order of the board

Castings P.L.C.
Lichfield Road
Brownhills
West Midlands
WS8 6JZ

A. N. Jones
Chairman
11 November 2026

Consolidated Statement of Comprehensive Income
For six months ended 30 September 2026

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited Year to 31 March 2026 £'000
Revenue	**85,948**	87,562	173,227
Cost of sales	**(71,718)**	(71,767)	(141,962)
Gross profit	**14,230**	15,795	31,265
Distribution costs	**(2,288)**	(1,260)	(2,533)
Administrative expenses	**(10,311)**	(9,740)	(19,948)
Other operating income	**220**	—	1,179
Profit from operations	**1,851**	4,795	9,963
Finance income	**239**	252	513
Finance expenses	**(73)**	(72)	(179)
Profit before income tax	**2,017**	4,975	10,297
Income tax expense	**(504)**	(1,244)	(2,750)
Profit for the period attributable to the equity holders of the parent company	**1,513**	3,731	7,547
Other comprehensive income for the period:			
Items that will not be reclassified to profit and loss:			
Movement in unrecognised surplus on defined benefit pension schemes net of actuarial gains and losses	**—**	—	139
Other comprehensive income for the period (net of tax)	**—**	—	139
Total comprehensive income for the period attributable to the equity holders of the parent company	**1,513**	3,731	7,686
Earnings per share attributable to the equity holders of the parent company			
Basic	**3.48p**	8.58p	17.36p
Diluted	**3.46p**	8.52p	17.25p

Consolidated Balance Sheet
as at 30 September 2026

	Unaudited 30 September 2026 £'000	Unaudited 30 September 2025 £'000	Audited 31 March 2026 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	**78,003**	77,841	78,410
Right-of-use assets	**1,929**	2,014	1,972
	79,932	79,855	80,382
Current assets			
Inventories	**24,399**	28,812	23,483
Trade and other receivables	**44,848**	40,818	41,681
Current tax assets	**725**	787	2,015
Cash and cash equivalents	**13,218**	15,534	17,390
	83,190	85,951	84,569
Total assets	**163,122**	165,806	164,951
LIABILITIES			
Current liabilities			
Trade and other payables	**27,290**	30,859	25,168
Lease liabilities	**6**	144	6
	27,296	31,003	25,174
Non-current liabilities			
Lease liabilities	**2,139**	1,995	2,142
Deferred tax liabilities	**11,013**	7,763	10,363
	13,152	9,758	12,505
Total liabilities	**40,448**	40,761	37,679
Net assets	**122,674**	125,045	127,272
Equity attributable to equity holders of the parent company			
Share capital	**4,363**	4,363	4,363
Share premium account	**874**	874	874
Treasury shares	**(520)**	(571)	(571)
Other reserve	**13**	13	13
Retained earnings	**117,944**	120,366	122,593
Total equity	**122,674**	125,045	127,272

Consolidated Cash Flow Statement
For six months ended 30 September 2026

	Unaudited Half year to 30 September 2026 £'000	Unaudited Half year to 30 September 2025 £'000	Audited Year to 31 March 2026 £'000
Cash flows from operating activities			
Profit before income tax	**2,017**	4,975	10,297
Adjustments for:			
Depreciation of property, plant and equipment and right of use assets	**3,803**	4,285	8,307
Loss on disposal of property, plant and equipment	**—**	—	5
Finance income	**(239)**	(252)	(513)
Finance expenses	**73**	72	179
Equity-settled share-based payment expense	**110**	89	190
Pension administrative costs	**—**	—	139
PAYE and NIC on share options exercised	**(48)**	(43)	(43)
Operating cash flow before changes in working capital	**5,716**	9,126	18,561
(Increase)/decrease in inventories	**(916)**	3,968	9,297
(Increase)/decrease in receivables	**(2,013)**	4,356	3,619
Increase/(decrease) in payables	**2,122**	(688)	(6,389)
Cash generated from operating activities	**4,909**	16,762	25,088
Tax received/(paid)	**1,435**	(1,413)	(1,547)
Interest received	**239**	252	513
Finance expense	**(1)**	(72)	(35)
Net cash generated from operating activities	**6,582**	15,529	24,019
Cash flows from investing activities			
Purchase of property, plant and equipment	**(3,353)**	(9,156)	(13,839)
Advanced payments in respect of property, plant and equipment	**(585)**	—	—
Repayments from pension schemes	**600**	1,000	3,258
Advances to pension schemes	**(1,169)**	(1,236)	(3,491)
Net cash used in investing activities	**(4,507)**	(9,392)	(14,072)
Cash flow from financing activities			
Repayment of principal of lease liabilities	**(75)**	—	(125)
Dividends paid to shareholders	**(6,172)**	(6,167)	(7,996)
Net cash used in financing activities	**(6,247)**	(6,167)	(8,121)
Net (decrease)/increase in cash and cash equivalents	**(4,172)**	(30)	1,826
Cash and cash equivalents at beginning of period	**17,390**	15,564	15,564
Cash and cash equivalents at end of period	**13,218**	15,534	17,390

Consolidated Statement of Changes in Equity

Unaudited	Equity attributable to equity holders of the parent: Share capital £000	Share premium £000	Treasury shares £000	Other reserve £000	Retained earnings £000	Total equity £000
At 1 April 2026	**4,363**	**874**	**(571)**	**13**	**122,593**	**127,272**
Profit for the period	**–**	**–**	**–**	**–**	**1,513**	**1,513**
Total comprehensive income for the period ended 30 September 2026	**–**	**–**	**–**	**–**	**1,513**	**1,513**
Equity-settled share-based payments	**–**	**–**	**–**	**–**	**110**	**110**
Own shares transferred on vesting	**–**	**–**	**51**	**–**	**–**	**51**
Share option charge on vesting	**–**	**–**	**–**	**–**	**(100)**	**(100)**
Dividends	**–**	**–**	**–**	**–**	**(6,172)**	**(6,172)**
30 September 2026	**4,363**	**874**	**(520)**	**13**	**117,944**	**122,674**

Unaudited	Equity attributable to equity holders of the parent: Share capital £000	Share premium £000	Treasury shares £000	Other reserve £000	Retained earnings £000	Total equity £000
At 1 April 2025	**4,363**	**874**	**(627)**	**13**	**122,812**	**127,435**
Profit for the period	**–**	**–**	**–**	–	**3,731**	**3,731**
Total comprehensive income for the period ended 30 September 2025	**–**	**–**	**–**	**–**	**3,731**	**3,731**
Equity-settled share-based payments	**–**	**–**	**–**	**–**	**89**	**89**
Own shares transferred on vesting	**–**	**–**	**56**	**–**	**–**	**56**
Share option charge on vesting	**–**	**–**	**–**	**–**	**(99)**	**(99)**
Dividends	**–**	**–**	**–**	**–**	**(6,167)**	**(6,167)**
30 September 2025	**4,363**	**874**	**(571)**	**13**	**120,366**	**125,045**

Audited	Equity attributable to equity holders of the parent: Share capital £000	Share premium £000	Treasury shares £000	Other reserve £000	Retained earnings £000	Total equity £000
At 1 April 2025	4,363	874	(627)	13	122,812	127,435
Profit for the year	–	–	–	–	7,547	7,547
Other comprehensive income:						
Movement in unrecognised surplus on defined benefit pension schemes net of actuarial gains and losses	–	–	–	–	139	139
Total comprehensive income for the year	–	–	–	–	7,686	7,686
Equity-settled share-based payments	–	–	–	–	190	190
Dividends	–	–	–	–	(7,996)	(7,996)
At 31 March 2026	4,363	874	(571)	13	122,593	127,272

Notes

1. General information

Castings P.L.C. (the 'company') is a company domiciled in England. The condensed consolidated interim financial statements of the company for the six months ended 30 September 2026 comprise the company and its subsidiaries (together referred to as the 'group').

The principal activities of the group are the manufacture of iron castings and machining operations.

The financial information for the year ended 31 March 2026 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 31 March 2026 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2026 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498 (2) or (3) of the Companies Act 2006.

This report has not been audited and has not been reviewed by independent auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information.

2. Accounting policies

The annual financial statements of Castings P.L.C. are prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK.

Basis of preparation

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed consolidated interim financial statements.

The same accounting policies, presentation and methods of computation are followed in the condensed consolidated interim financial statements as applied in the group's latest annual audited financial statements.

3. Seasonality of operations

The directors do not consider there to be any significant seasonality or cyclicality to the results of the group.

4. Segment information

For internal decision making purposes, the group is organised into four operating companies which are considered to represent two operating segments of the group. Castings P.L.C., William Lee Limited and Ductile Castings Limited are aggregated into Foundry Operations and CNC Speedwell Limited is the Machining Operation. Inter-segment transactions are entered into under the normal commercial terms and conditions that would be available to third parties.

The following shows the revenues, results and total assets by reportable segment for the half year to 30 September 2026.

	Foundry operations £'000	Machining £'000	Elimination £'000	Total £'000
Revenue from external customers	**84,708**	**1,240**	**–**	**85,948**
Inter-segmental revenue	**8,961**	**14,427**	**(23,388)**	**–**
Segmental result	**247**	**1,384**	**–**	**1,631**
Unallocated income:				
Other operating income				**220**
Finance income				**239**
Finance expenses				**(73)**
Profit before income tax				**2,017**
Total assets	**145,067**	**26,759**	**(8,704)**	**163,122**
Non-current asset additions	**2,066**	**1,287**	**–**	**3,353**
Depreciation	**2,142**	**1,661**	**–**	**3,803**
Total liabilities	**(37,587)**	**(6,570)**	**3,709**	**(40,448)**

The following shows the revenues, results and total assets by reportable segment for the half year to 30 September 2025.

	Foundry operations £'000	Machining £'000	Elimination £'000	Total £'000
Revenue from external customers	86,873	689	–	87,562
Inter-segmental revenue	10,351	14,523	(24,874)	–
Segmental result	3,975	820	–	4,795
Unallocated income:				
Finance income				252
Finance expenses				(72)
Profit before income tax				4,975
Total assets	152,468	29,890	(16,552)	165,806
Non-current asset additions	8,343	813	–	9,156
Depreciation	2,520	1,765	–	4,285
Total liabilities	(41,462)	(7,184)	7,885	(40,761)

The following shows the revenues, results and total assets by reportable segment in the year to 31 March 2026:

	Foundry operations £000	Machining operations £000	Elimination £000	Total £000
Revenue from external customers	171,746	1,481	—	173,227
Inter-segmental revenue	18,965	29,113	(48,078)	—
Segmental result (profit from operations before other operating income and pension cost)	6,378	2,401	144	8,923
Unallocated income/(costs):				
Defined benefit pension cost				(139)
Other operating income				1,179
Finance income				513
Finance expenses				(179)
Profit before income tax				10,297
Total assets	154,464	27,816	(17,329)	164,951
Non-current asset additions	19,343	1,172	—	20,515
Depreciation (including right-of-use asset depreciation)	4,591	3,716	—	8,307
Total liabilities	(43,498)	(6,333)	12,152	(37,679)

5. Dividends

Amounts recognised as distributions to shareholders in the period:

	Half year to 30 September 2026 £'000	Half year to 30 September 2025 £'000	Year to 31 March 2026 £'000
Final dividend of 14.19p per share for the year ended 31 March 2026 (2025 – 14.19p per share)	**6,172**	6,167	6,167
Interim paid of 4.21p per share	**—**	—	1,829
	6,172	6,167	7,996

The directors have declared an interim dividend in respect of the financial year ending 31 March 2027 of 4.21 pence per share (2025 – 4.21 pence in respect of the year ended 31 March 2026), which will be paid on 8 January 2027.

6. Earnings per share and diluted earnings per share

Earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The diluted earnings per share includes the outstanding share options within the weighted average number of shares figure.

	Unaudited Half year to 30 September 2026	Unaudited Half year to 30 September 2025	Audited Year to 31 March 2026
Profit after tax (£'000)	**1,513**	3,731	7,547
Weighted average number of shares – basic calculation	**43,493,809**	43,476,771	43,468,111
Weighted average number of shares – diluted calculation	**43,854,727**	43,766,800	43,758,140
Earnings per share – basic	**3.48p**	8.58p	17.36p
Earnings per share – diluted	**3.46p**	8.52p	17.25p

7. Pension schemes

The group operates two defined benefit pension schemes which are closed to new entrants and were closed to future accruals on 6 April 2009. The assets of the schemes are independent of the finances of the group and are administered by trustees. Both schemes are in surplus with the combined position at 31 March 2026 being an unrecognised surplus of £11,999,000.

The pension schemes are related parties of the group and during the period £1,169,000 (2025 – £1,236,000) was paid by the group on behalf of the schemes in respect of pension payments and administration costs. Repayments of £600,000 (2025 – £1,000,000) were made during the period and, at 30 September 2026, the outstanding balance was £1,265,000 (2025 – £699,000) which is repayable within one year.

8. Interim report

Copies of this interim management report will be available on the company's website, www.castings.plc.uk, and from the registered office.

Statement of Directors' Responsibilities

The directors confirm that the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

By order of the board

S. J. Mant
Group Finance Director
11 November 2026