

*The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.*

## **Castings P.L.C.**

### **Final Results**

**Year ended 31 March 2026**

### **DTR 6.3.5 Disclosure**

#### **Chairman's Statement**

##### **Overview**

Demand from our heavy truck customers, which make up over 70% of group revenue, continued at the reduced levels of the previous year compared to the very strong volumes seen in the year ended 31 March 2024. The Original Equipment Manufacturers ('OEMs') have suggested that European heavy truck demand was some 10% below what they would consider to be the normalised trend level. Volumes saw small fluctuations on a quarter-by-quarter basis, with Q4 being ahead of the prior year, but the overall picture is of a flat level of demand compared to the prior year.

The European market, which comprises nearly three-quarters of our revenue, whilst remaining resilient, has varied country by country. Demand from the US is still being impacted by political and economic uncertainty.

Turnover decreased by 2% compared with the previous year and profit from operations increased by 109%. The despatch weight increased by 1% compared to the prior year, albeit at a reduced average selling price reflecting lower energy surcharges during the year.

It is pleasing to report that our larger iron castings (up to 7 tonnes) business in Scunthorpe, established in June 2024, is operating profitably. This business represents an opportunity to supply products and customers that are new to the group. It also enables us to offer our existing customers a broader product range which has been in evidence during the year.

The cash generated from operations was strong. The more stable level of demand enabled us to reduce working capital.

##### **Foundry businesses**

Whilst demand marginally increased on a sales weight basis in the year, the more consistent level of production requirements enabled the foundry operation to drive production efficiencies in the year.

The new foundry production line at our William Lee site was commissioned towards the end of the 2025 calendar year and production commenced in the final quarter of the financial year. There were some expected early-stage production inefficiencies, but the new line adds up to 12,000 tonnes of additional gross foundry capacity which represents a 15% increase on the group's current capacity. It also enables us to produce larger castings compared to the existing production capabilities.

##### **CNC Speedwell**

It is pleasing to report another solid performance in the machining business against the backdrop of the continuing lower demand levels.

Investment has been focussed on replacing older equipment with more efficient machines in line with our on-going programme.

##### **Outlook**

The forward schedules from our customers currently suggest an increase of 5% - 10% which includes new work from our wind energy customers. The heavy-truck element of these increases is supported by reports from some of the OEMs of increases to their European truck forecasts for 2026. The impact of these increases in schedules has been offset in the first two months of the current financial year by a restriction of around 50% in the power supplied by Northern Powergrid to the William Lee site. The transformer concerned has been repaired and full power was restored on 24 May 2026.

The new foundry line can produce parts with slightly larger dimensions, thus providing the opportunity to quote for work that would have previously been outside of our scope. The facility in Scunthorpe is allowing the group to supply significantly larger castings to existing and new customers.

We will continue to develop opportunities with existing customers in areas such as the electrification of lighter trucks and build relationships in other markets such as wind energy and agriculture. We remain well positioned to take advantage of any increases in the US market as and when they come through.

##### **Dividend**

The directors are recommending the payment of a final dividend of 14.19 pence per share to be paid on 25 August 2026 to shareholders on the register on 24 July 2026. This, together with the interim dividend, maintains the total dividend for the year at 18.40 pence per share.

##### **Directors**

I would like to thank the directors, senior management and all of our employees for their hard work and commitment during the year.

**A. N. Jones**

Chairman

17 June 2026

## **Business and Financial Review**

### **General overview**

The underlying demand from our commercial vehicle customers (approximately 70% of group revenue) was up 1.2% when compared to the previous year based on sales weight.

As previously reported at the half-year, demand for heavy trucks had remained at lower levels during the year with the OEMs suggesting that European heavy-truck demand was 10% below the normalised trend level.

Demand levels remained relatively flat during the second half of the year, albeit with a slight improvement in the final quarter, particularly in Europe.

The US market continues to be impacted by tariff uncertainty, which has reduced activity in that region.

Profitability has improved as the businesses have right sized to operate at the lower levels of demand in the year.

The Ductile Castings business in Scunthorpe, has continued to benefit from the engineering investment made and some consolidation in the UK larger casting market. It is very pleasing to report a profitable second half to the year for this business, benefiting from an improved short-term order book from a growing customer base.

The commissioning of the new foundry production line at our Dronfield site was completed in the second half of the year with production commencing in Q4. Whilst there have been some early-stage inefficiencies, the additional capacity and enhanced casting dimensional capability, means the group is well positioned for future growth.

### **Overview of business segment performance**

The segmental revenue and results for the current and previous years are set out in note 2. An overview of the performance, position and future prospects of each segment, and the relevant KPIs, are set out below.

#### **Key Performance Indicators**

The key performance indicators considered by the group are:

- Segmental revenue;
- Segmental result (profit from operations before pension cost);
- EPS;
- Cash; and
- Dividends per share.

#### **Foundry operations**

As set out previously, customer demand has continued at the generally lower levels seen last year. That said, the foundry businesses experienced a modest increase in sales output of 1.2% to 41,500 tonnes. After taking into account the reduction in weight from machining, this equates to approximately 46,000 tonnes of production.

On a like-for-like basis, excluding Ductile Castings, the sales volumes were flat at just under 40,000 tonnes.

External sales revenue reduced by 2.1% to £171.8 million. Of the total output weight for the year, excluding Ductile Castings, 66.9% related to machined castings compared to 67.3% in the previous year. This, along with lower surcharges, contributed to the fall in sales revenue despite the slight volume increase.

The segmental profit of £6.4 million was up £3.5 million on the prior year. The prior year result included £1.5 million of one-off additional electricity costs and a loss of £1.3 million at Ductile Castings.

The result represents a profit margin of 3.3% on total segmental sales (2025 – 1.5%).

Capital additions of £19.3 million have been recognised in the foundry businesses during the year. The net cash figure, excluding amounts transferred from prepayments, is £12.6 million, the most significant element of which was £8.3 million on the new production line at our William Lee site. In addition, we have invested in building improvements and in other non-foundry equipment capacity and efficiency initiatives.

#### **Machining**

The machining business generated total sales of £30.6 million in the year compared to £32.1 million in the previous year, a reduction of 4.7%. Of the total revenue, 4.8% was generated from external customers compared to 4.6% in 2025.

The segmental result for the year was a profit of £2.4 million (2025 – £2.0 million).

We have invested £1.2m million during the year, which included £0.5 million on more efficient machining capacity in line with our machine replacement programme and down payments on the group's second solar panel installation.

### **Business review and performance**

#### **Revenue**

Group revenues decreased by 2.1% to £173.2 million compared to £177.0 million reported in 2025, of which 81% was exported (2025 – 84%).

Revenue from the foundry operations to external customers decreased by 2.1% to £171.8 million (2025 – £175.5 million) with the despatch weight of castings to third-party customers increasing by 1.2% to 41,500 tonnes (2025 – 41,000 tonnes).

Revenue from the machining operation to external customers remained consistent at £1.5 million.

#### **Operating profit and segmental result**

The group operating profit for the year was £10.0 million compared to £4.8 million reported in 2025, which represents a return on sales of 5.8% (2025 – 2.7%).

#### **Other operating income**

Other operating income of £1.2 million represents research and development tax credits. The claims made in the year relate to both the current period and the two previous financial years; £0.4 million being attributable to the current year.

#### **Finance income**

The level of finance income decreased to £0.5 million compared to £0.96 million in 2025, reflecting the lower interest rates available on deposits during the financial year and the reduced sums on deposit.

#### **Profit before tax**

Profit before tax has increased to £10.3 million from £5.6 million in the prior year.

#### **Taxation**

The tax charge of £2.75 million (2025 – £1.45 million) is made up of a current tax credit of £0.60 million (2025 – charge of £0.47 million) and a deferred tax charge of £3.35 million (2025 – £0.98 million).

The current tax credit reflects additional capital allowances that have been claimed this year in respect of capital investment in the prior year, reducing this year's current tax charge but increasing the deferred tax charge. The deferred tax charge also includes the effect of the significant level of full-expensing (100%) capital allowance deductions claimed in the current year.

The effective rate of tax of 26.7% (2025 – 25.8%) is marginally higher than the main rate of corporation tax of 25% (2025 – 25%).

#### **Earnings per share**

Basic earnings per share increased 80.8% to 17.36 pence (2025 – 9.60 pence), reflecting the 83.0% increase in profit before tax.

Options over 111,005 shares were granted during the year (2025 – options over 66,787 shares). The company did not purchase any shares during the year (2025 – nil). The diluted weighted average number of shares has increased to 43,758,140 resulting in a diluted earnings per share of 17.25 pence per share (2025 – 9.56 pence per share).

#### **Dividends**

The directors are recommending a final dividend of 14.19 pence per share (2025 – 14.19 pence per share) to be paid on

25 August 2026 to shareholders on the register on 24 July 2026. This would give a total ordinary distribution for the year of 18.40 pence per share (2025 – 18.40 pence per share).

#### **Cash flow**

The cash position at 31 March 2026 was £17.4 million compared to £15.6 million in the previous year.

The group generated cash from operating activities of £25.1 million compared to £12.3 million in 2025. When compared to 2025, the variance is mainly due to the significant increase in profit of £4.7 million and a net working capital inflow.

In the year to 31 March 2026, the most significant decrease to working capital relates to a planned inventory reduction of £9.3 million compared to the start of the year.

Corporation tax payments during the year totalled £1.5 million (2025 - £1.0 million) and included additional payments in respect of a previous year. As noted previously, there has been a change in the approach to claiming capital allowances which will result in repayments in the current financial year.

Capital expenditure during the year amounted to £20.5 million (2025 – £13.2 million), including £6.7 million of advanced deposit payments reclassified from prepayments. The charge for depreciation was £8.3 million (2025 – £8.9 million).

The company pays pensions on behalf of the two final salary pension schemes and then reclaims these advances from the schemes. During the year repayments of £3.3 million (2025 – £4.0 million) were received from the schemes and advances were paid on behalf of the schemes of £3.5 million (2025 – £2.3 million). The outstanding amount of these advances of £0.7 million will be repaid to the company during the current financial year.

Dividends paid to shareholders were £8.0 million in the year (2025 – £11.0 million).

The net cash and cash equivalents movement for the year was an increase of £1.8 million (2025 – decrease of £17.0 million).

At 31 March 2026, the total cash and deposits position was £17.4 million (2025 – £15.7 million).

#### **Pensions**

The pension valuation showed a slight reduction in the surplus, on an IAS 19 basis, to £12.0 million compared to £12.2 million in the previous year.

The majority of the liabilities of the schemes are covered by an insurance asset that fully matches, subject to final adjustment of the bulk annuity pricing, the remaining pension liabilities of the schemes.

However, there remains the uninsured element relating to the GMP equalisation liability.

The pension surplus continues not to be shown on the balance sheet as the company does not have an unconditional right to receive returns of contributions or refunds.

#### **Balance sheet**

Net assets at 31 March 2026 were £127.3 million (2025 – £127.4 million). Other than the total comprehensive income for the year of £7.5 million (2025 – £4.3 million), the only movements relate to the dividend payment of £8.0 million (2025 – £11.0 million), a share-

based payment charge of £0.19 million (2025 – £0.14 million) and a net £0.04 million in respect of share options exercised during the year (2025 – nil).

Non-current assets have increased to £80.4 million (2025 – £68.2 million). Property, plant and equipment has increased by £12.3 million with investment during the year of £20.5 million being at a higher level than the depreciation charge of £8.3 million. The group continues to recognise a right-of-use asset in respect of the operating lease negotiated at the time of the Ductile Castings asset purchase in June 2024, the year end balance being £1.97 million (2025 – £2.06 million).

Current assets have decreased to £84.6 million (2025 – £100.1 million) reflecting the inventory reduction and the reduced prepayment balances. There is also a current tax debtor of £2.0 million as set-out previously.

Total liabilities have decreased to £37.7 million (2025 – £40.8 million), with the reduction in trade payables of £4.9 million being partially offset by the £3.4 million increase in the deferred tax liability.

**Consolidated Statement of Comprehensive Income**

for the year ended 31 March 2026

	<b>2026</b>	2025
	<b>£000</b>	£000
<b>Revenue</b>	<b>173,227</b>	176,969
Cost of sales	<b>(141,962)</b>	(149,478)
<b>Gross profit</b>	<b>31,265</b>	27,491
Distribution costs	<b>(2,533)</b>	(3,207)
Administrative expenses	<b>(19,948)</b>	(19,512)
Other operating income	<b>1,179</b>	—
<b>Profit from operations</b>	<b>9,963</b>	4,772
Finance income	<b>513</b>	962
Finance expenses	<b>(179)</b>	(107)
<b>Profit before income tax</b>	<b>10,297</b>	5,627
Income tax expense	<b>(2,750)</b>	(1,454)
<b>Profit for the year attributable to equity holders of the parent company</b>	<b>7,547</b>	4,173
<b>Profit for the year attributable to equity holders of the parent company</b>	<b>7,547</b>	4,173
<b>Other comprehensive income for the year:</b>		
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	<b>139</b>	165
<b>Other comprehensive income for the year (net of tax)</b>	<b>139</b>	165
<b>Total comprehensive income for the year attributable to the equity holders of the parent company</b>	<b>7,686</b>	4,338
<b>Earnings per share attributable to the equity holders of the parent company</b>		
Basic	<b>17.36p</b>	9.60p
Diluted	<b>17.25p</b>	9.56p

**Consolidated Balance Sheet**

as at 31 March 2026

	<b>2026</b>	2025
	<b>£000</b>	£000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	<b>78,410</b>	66,123
Right-of-use assets	<b>1,972</b>	2,056
	<b>80,382</b>	68,179
<b>Current assets</b>		
Inventories	<b>23,483</b>	32,780
Trade and other receivables	<b>41,681</b>	51,743
Current tax assets	<b>2,015</b>	—
Cash and cash equivalents	<b>17,390</b>	15,564
	<b>84,569</b>	100,087
<b>Total assets</b>	<b>164,951</b>	168,266
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	<b>25,168</b>	31,557
Lease liabilities	<b>6</b>	228
Current tax liabilities	<b>—</b>	132
	<b>25,174</b>	31,917
<b>Non-current liabilities</b>		
Lease liabilities	<b>2,142</b>	1,901
Deferred tax liabilities	<b>10,363</b>	7,013
	<b>12,505</b>	8,914
<b>Total liabilities</b>	<b>37,679</b>	40,831
<b>Net assets</b>	<b>127,272</b>	127,435
<b>Equity attributable to equity holders of the parent company</b>		
Share capital	<b>4,363</b>	4,363
Share premium account	<b>874</b>	874
Treasury shares	<b>(571)</b>	(627)
Other reserve	<b>13</b>	13
Retained earnings	<b>122,593</b>	122,812
<b>Total equity</b>	<b>127,272</b>	127,435

**Consolidated Cash Flow Statement**

for the year ended 31 March 2026

	<b>2026</b>	2025
	<b>£000</b>	£000
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>10,297</b>	5,627
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	<b>8,307</b>	8,898
Loss on disposal of property, plant and equipment	<b>5</b>	2
Finance income	<b>(513)</b>	(962)
Finance expenses	<b>179</b>	107
Equity-settled share-based payment expense	<b>190</b>	145
Pension administrative costs	<b>139</b>	165
PAYE/NIC on share options exercised	<b>(43)</b>	—
<b>Operating cash flow before changes in working capital</b>	<b>18,561</b>	13,982
Decrease in inventories	<b>9,297</b>	356
Decrease/(increase) in receivables	<b>3,619</b>	(130)
Decrease in payables	<b>(6,389)</b>	(1,886)
<b>Cash generated from operating activities</b>	<b>25,088</b>	12,322
Tax paid	<b>(1,547)</b>	(1,045)
Interest received	<b>513</b>	957
Interest paid	<b>(35)</b>	—
<b>Net cash generated from operating activities</b>	<b>24,019</b>	12,234
<b>Cash flows from investing activities</b>		
Dividends received from listed investments	<b>—</b>	5
Purchase of property, plant and equipment	<b>(13,839)</b>	(13,078)
Advanced payments in respect of property, plant and equipment	<b>—</b>	(6,676)
Proceeds from disposal of property, plant and equipment	<b>—</b>	31
Repayments from pension schemes	<b>3,258</b>	3,990
Advances on behalf of the pension schemes	<b>(3,491)</b>	(2,334)
<b>Net cash used in investing activities</b>	<b>(14,072)</b>	(18,062)
<b>Cash flows from financing activities</b>		
Repayment of principal of lease liabilities	<b>(125)</b>	(97)
Dividends paid to shareholders	<b>(7,996)</b>	(11,038)
<b>Net cash used in financing activities</b>	<b>(8,121)</b>	(11,135)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>1,826</b>	(16,963)
Cash and cash equivalents at beginning of year	<b>15,564</b>	32,527
<b>Cash and cash equivalents at end of year</b>	<b>17,390</b>	15,564
<b>Cash and cash equivalents:</b>		
Short-term deposits	<b>566</b>	554
Cash available on demand	<b>16,824</b>	15,010
	<b>17,390</b>	15,564

## Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

	Equity attributable to equity holders of the parent					Total equity £000
	Share capital <sup>(a)</sup>	Share premium <sup>(b)</sup>	Treasury shares <sup>(c)</sup>	Other reserve <sup>(d)</sup>	Retained earnings <sup>(e)</sup>	
	£000	£000	£000	£000	£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
Own shares transferred on vesting	—	—	56	—	—	56
Share option charge on vesting	—	—	—	—	(99)	(99)
Dividends (see note 4)	—	—	—	—	(7,996)	(7,996)
At 31 March 2026	4,363	874	(571)	13	122,593	127,272

	Equity attributable to equity holders of the parent					Total equity £000
	Share capital <sup>(a)</sup>	Share premium <sup>(b)</sup>	Treasury shares <sup>(c)</sup>	Other reserve <sup>(d)</sup>	Retained earnings <sup>(e)</sup>	
	£000	£000	£000	£000	£000	
At 1 April 2024	4,363	874	(627)	13	129,367	133,990
Profit for the year	—	—	—	—	4,173	4,173
Other comprehensive income:						
Movement in unrecognised surplus on defined benefit pension schemes net of actuarial gains and losses	—	—	—	—	165	165
Total comprehensive income for the year	—	—	—	—	4,338	4,338
Equity-settled share-based payments	—	—	—	—	145	145
Dividends (see note 4)	—	—	—	—	(11,038)	(11,038)
At 31 March 2025	4,363	874	(627)	13	122,812	127,435

a) Share capital – The nominal value of allotted and fully paid up ordinary share capital in issue.

b) Share premium – Amount subscribed for share capital in excess of nominal value.

c) Treasury shares – Cost of shares acquired by the company.

d) Other reserve – Amounts transferred from share capital on redemption of issued shares.

e) Retained earnings – Cumulative net gains and losses recognised in the statement of comprehensive income.

## Financial Information

### 1 Basis of preparation

The group financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The IFRSs applied in the group financial statements are subject to ongoing amendment by the IASB and therefore subject to possible change in the future. Further standards and interpretations may be issued that will be applicable for financial years beginning on or after 1 April 2026 or later accounting periods but may be adopted early.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

The primary statements within the financial information contained in this document have been presented in accordance with IAS 1 Presentation of Financial Statements.

The financial statements are prepared on a going concern basis and under the historical cost convention, except where adjusted for revaluations of certain assets, and in accordance with applicable Accounting Standards and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of the principal group IFRS accounting policies is set out below. The presentation currency used is sterling and the amounts have been presented in round thousands ('£000').

### 2 Operating segments

For internal decision-making purposes, the group is organised into four operating companies which are considered to be the operating segments of the group: Castings P.L.C., William Lee Limited and Ductile Castings Limited are aggregated into Foundry operations, due to the similar nature of the businesses, and CNC Speedwell Limited is the Machining operation. All non-current assets are based in the United Kingdom. Inter-segment transactions are entered into under the normal commercial terms and conditions that would be available to third parties.

The board is considered the Chief Operating Decision Maker ('CODM'), as it is responsible for reviewing the group's internal financial reporting and making strategic decisions; accordingly, the segment measures presented are those regularly reviewed by the board for the purposes of assessing performance and allocating resources. Defined benefit pension costs are excluded from segment results and presented as unallocated items because they are managed centrally at group level and are not attributable to individual segments; therefore, the reported segment result reflects the measure used by the CODM for evaluating segment performance and decision-making.

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)

The following shows the revenues, results and total assets by reportable segment in the year to 31 March 2025:

	<b>Foundry operations £000</b>	<b>Machining operations £000</b>	<b>Elimination £000</b>	<b>Total £000</b>
Revenue from external customers	175,492	1,477	—	176,969
Inter-segmental revenue	22,447	30,655	(53,102)	—
Segmental result (profit from operations before pension cost)	2,894	2,028	15	4,937
Unallocated income/(costs):				
Defined benefit pension cost				(165)
Finance income				962
Finance expenses				(107)
Profit before income tax				5,627
Total assets	153,887	28,485	(14,106)	168,266
Non-current asset additions	10,203	2,988	—	13,191
Depreciation (including right-of-use asset depreciation)	5,027	3,871	—	8,898
Total liabilities	(42,976)	(6,677)	8,822	(40,831)

	<b>2026 £000</b>	<b>2025 £000</b>
<b>The geographical analysis of revenues by destination for the year is as follows:</b>		
United Kingdom	<b>33,159</b>	28,742
Sweden	<b>49,632</b>	50,623
Germany	<b>26,161</b>	25,056
Netherlands	<b>24,577</b>	25,962
Rest of Europe	<b>25,885</b>	29,195
North and South America	<b>13,029</b>	16,462
Other	<b>784</b>	929
	<b>173,227</b>	176,969

All revenue arises in the United Kingdom from the group's continuing activities.

### 3 Income tax expense

	<b>2026 £000</b>	<b>2025 £000</b>
Corporation tax based on a rate of 25% (2025 – 25%)		
UK corporation tax		
Current tax on profits for the year	<b>95</b>	531
Adjustments to tax charge in respect of prior years	<b>(695)</b>	(60)
	<b>(600)</b>	471
Deferred tax		
Current year origination and reversal of temporary differences	<b>2,447</b>	999
Adjustment to deferred tax charge in respect of prior years	<b>903</b>	(16)
	<b>3,350</b>	983
Taxation on profit	<b>2,750</b>	1,454
Profit before income tax	<b>10,297</b>	5,627
Tax on profit at the standard rate of corporation tax in the UK of 25% (2025 – 25%)	<b>2,574</b>	1,407
Effect of:		
Expenses not deductible for tax purposes	<b>134</b>	82
Effect of research and development claims	<b>(201)</b>	—
Adjustment to tax charge in respect of prior years	<b>(695)</b>	(60)
Adjustment to deferred tax charge in respect of prior years	<b>903</b>	(16)
Pension adjustments	<b>35</b>	41
Total tax charge for the year	<b>2,750</b>	1,454
Effective rate of tax (%)	<b>26.7</b>	25.8

#### 4 Dividends

	2026 £000	2025 £000
Final paid of 14.19p per share for the year ended 31 March 2025 (2024 – 14.19p)	6,167	6,167
Interim paid of 4.21p per share (2025 – 4.21p)	1,829	1,829
Supplementary dividend of nil per share for the year ended 31 March 2025 (2024 – 7.00p)	—	3,042
	<b>7,996</b>	<b>11,038</b>

The directors are proposing a final dividend of 14.19 pence (2025 – 14.19 pence) per share totalling £6,169,354 (2025 – £6,166,700). This dividend has not been accrued at the balance sheet date.

#### 5 Earnings per share and diluted earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2026	2025
Profit after taxation (£000)	7,547	4,173
Weighted average number of shares – basic calculation	43,468,111	43,458,068
Earnings per share – basic calculation (pence per share)	17.36p	9.60p
Number of dilutive share options in issue	290,029	214,316
Weighted average number of shares – diluted calculation	43,758,140	43,672,384
Earnings per share – diluted calculation (pence per share)	17.25p	9.56p

#### 6 Property, plant and equipment

	Freehold land and buildings £000	Plant and equipment £000	Total £000
<b>Cost</b>			
At 1 April 2025	42,245	169,966	212,211
Additions during the year	4,144	16,371	20,515
Disposals	—	(11,374)	(11,374)
At 31 March 2026	<b>46,389</b>	<b>174,963</b>	<b>221,352</b>
<b>Accumulated depreciation</b>			
At 1 April 2025	15,657	130,431	146,088
Charge for year	858	7,365	8,223
Disposals	—	(11,369)	(11,369)
At 31 March 2026	<b>16,515</b>	<b>126,427</b>	<b>142,942</b>
<b>Net book values</b>			
At 31 March 2026	<b>29,874</b>	<b>48,536</b>	<b>78,410</b>
At 31 March 2025	26,588	39,535	66,123
<b>Cost</b>			
At 1 April 2024	41,501	166,031	207,532
Additions during the year	744	12,447	13,191
Disposals	—	(8,512)	(8,512)
At 31 March 2025	<b>42,245</b>	<b>169,966</b>	<b>212,211</b>
<b>Accumulated depreciation</b>			
At 1 April 2024	14,689	131,044	145,733
Charge for year	968	7,866	8,834
Disposals	—	(8,479)	(8,479)
At 31 March 2025	<b>15,657</b>	<b>130,431</b>	<b>146,088</b>
<b>Net book values</b>			
At 31 March 2025	<b>26,588</b>	<b>39,535</b>	<b>66,123</b>
At 31 March 2024	26,812	34,987	61,799

The net book value of land and buildings includes £2,168,000 (2025 – £2,168,000) for land which is not depreciated.

Included within plant and equipment are assets in the course of construction with a net book value of £761,000 (2025 – £5,630,000) which are not depreciated.

Under IAS 36, the group has had regard for the impact of any changes in the technological or regulatory environment which could intrinsically indicate risk of impairment. The group's principal risks and uncertainties, as set out in Appendix 1, describe the group's considerations in respect of technology and climate change. There are no matters which directly and materially impact the directors assessment of valuation of property, plant and equipment in the medium-term.

## 7 Commitments and contingencies

	<b>2026</b>	2025
	<b>£000</b>	£000
Capital commitments contracted for by the group but not provided for in the financial statements	<b>1,309</b>	7,376

Capital commitments primarily relate to on-going investment in the machining business. In the prior year, the figure mostly related to the investment in the new foundry line.

The group does not insure against the potential cost of product warranty or recall. Accordingly, there is always the possibility of claims against the group for quality related issues on parts supplied to customers. As at 31 March 2026, the directors do not consider any significant liability will arise in respect of any such claims (2025 – £nil).

## 8 Pensions

The company operates two defined benefit pension schemes which were closed to future accruals at 6 April 2009. The funded status of these schemes at 31 March 2025 was a surplus of £11,999,000 (2025 - £12,233,000). On 24 March 2020, the Trustees of the schemes completed a bulk annuity insurance buy-in with Aviva Life & Pensions UK Limited thus providing certainty and security for all members of the schemes. The buy-in secures an insurance asset from Aviva that fully matches, subject to final price adjustment of the bulk annuity pricing, the remaining pension liabilities of the schemes. The buy-in covers the investment, longevity, interest rate and inflation risks in respect of the schemes and therefore substantially reduces the pension risk to the company.

The pension surplus has not been recognised as the group does not have an unconditional right to receive returns of contributions or refunds under the scheme rules.

## 9 Preliminary statement

The financial information set out above does not constitute the company's statutory financial statements for the years ended 31 March 2026 or 2025 but is derived from those financial statements. Statutory financial statements for 2025 have been delivered to the Registrar of Companies and those for 2026 will be delivered following the company's Annual General Meeting. The auditors have reported on those financial statements; their reports were unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under Section 498 of the Companies Act 2006.

The annual report and financial statements will be posted to shareholders on 26 June 2026 and will be available on the company's website, [www.castings.plc.uk](http://www.castings.plc.uk), from 29 June 2026.

## Appendix 1 - Principal Risks and Uncertainties

In common with all trading businesses, the group is exposed to a variety of risks in the conduct of its normal business operations.

The directors regularly assess the principal risks facing the entity. Whilst it is difficult to completely quantify every material risk that the group faces, below is a summary of those risks that the directors believe are most significant to the group's business and could have a material impact on future performance, causing it to differ materially from expected or historic achieved results.

Information is also provided as to how the risks are, where possible, being managed or mitigated.

The group does not operate a formal internal audit function; however, risk management is overseen by senior management and group risk registers are maintained and regularly reviewed, alongside factors which may result in changes to risk assessments or require additional mitigation measures to be implemented.

External consultants are used to assess the design and effectiveness of controls relating to IT security to provide specialist support to management in this area.

Key risks arising or increasing in impact are reviewed at both group and subsidiary board meetings.

The impact of each risk set out below has been described as increased, stable or decreased dependent upon whether the business environment and group activity has resulted in a change to the potential impact of that risk.

Risk description	Impact	Mitigation and control
<b>Markets and competition</b>		
<p>The group's revenues are dominated by the commercial vehicle sector which is a cyclical market exposed to macroeconomic trends.</p> <p>Global conflicts in the year have resulted in inflation and interest rates remaining elevated. These factors are impacting both the underlying demand for heavy goods vehicles and the affordability and timing of investment decisions by fleet operators.</p> <p>A high level of competition could lead to deflation in prices. Global sourcing models could also result in the resourcing of work to low-cost economies.</p> <p>A number of customers are now sourcing parts for common base engines and modular chassis; therefore there is pressure to ensure this business is generated by the group against global competition.</p> <p>Tariff regimes, notably in the USA, have impacted sourcing decisions and the associated uncertainty is impacting buyers' decisions.</p>	<p><b>Increased</b></p> <p>The operational and commercial activity of the business is driven by customer demand. Demand has the potential to change rapidly dependent upon the significant variable factors in the macroeconomic environment such as inflation, interest rate changes or changing regulatory positions.</p> <p>Erosion of market share could result in loss of revenue and profit.</p> <p>Tariff regimes have increased the risk of dealing in US markets during the year.</p>	<p>The group's operations are set up in such a way as to ensure that variation in demand can be accommodated and rapidly responded to.</p> <p>Demand is closely reviewed by senior management on a constant basis.</p> <p>Whilst there can be no guarantee that business will not be lost on price, we are confident that we can remain competitive.</p> <p>The group continues to mitigate this risk through investment in productivity, with a strong focus on cost and customer value.</p> <p>The group is actively developing its ability to understand, respond to and mitigate tariff impacts where possible, supported by external advisers.</p>
<b>Customer concentration and relationships</b>		
<p>The group has relationships with key customers in the commercial vehicle market which forms the majority of the customer base.</p>	<p><b>Stable</b></p> <p>The loss of, or deterioration in, any major customer relationship could have a material impact on the group's results.</p>	<p>We build strong relationships with our customers to develop products to meet their specific needs.</p> <p>The ability to supply larger castings (up to 7 tonnes) through Ductile Castings provides an opportunity to reduce customer concentration.</p>
<b>Product quality and liability</b>		
<p>The group's businesses expose it to certain product liability risks which, in the event of failure, could give rise to material financial liabilities.</p>	<p><b>Stable</b></p> <p>Fines or penalties could result in a loss of revenue, additional costs and reduced profits.</p>	<p>Whilst it is a policy of the group to endeavour to limit its financial liability by contract in all long-term agreements ('LTAs'), it is not always possible to secure such limitations.</p> <p>The group's customers do require the maintenance of demanding quality systems to safeguard against quality-related risks and the group maintains appropriate external quality accreditations. The group maintains insurance for public liability-related claims but does not insure against the risk of product warranty or recall.</p>
<b>Technological change</b>		
<p>Sustainability and climate change mean that customers continue to invest in the development of synthetic fuels, electric and hydrogen powered vehicles to reduce the emissions produced by the heavy-duty truck sector.</p> <p>The initial phase of this is focussed on passenger cars and smaller, short-range trucks which are not key markets for the group.</p>	<p><b>Stable</b></p> <p>The group continues to work with key customers producing the next generation of internal combustion engine ('ICE') commercial vehicles, whilst monitoring opportunities for the future.</p>	<p>The strategic focus of the group is a matter addressed through group board meetings.</p> <p>Consideration is given to what opportunities might be available within alternative light-weight metals such as aluminium, value added opportunities and also investigating the potential within hydrogen fuel cells (considered to be the</p>

<p>However, the continued development of new technology does present a medium-term risk to the group as</p> <p>c. 30% of group revenue arises from the supply of cast iron powertrain components.</p> <p>It is important to note that such a change also presents an opportunity for the group to evolve its product offering, as has always been the case over the years.</p> <p>During the year changing attitudes and regulatory positions in the USA and EU have deferred emissions targets and supported extensions to the lifecycle of diesel engines for heavy duty commercial vehicles.</p>		<p>most likely replacement technology for heavy-duty trucks).</p> <p>Customers continue to invest in green iron solutions, the conditions for which the group already satisfies, and demonstrate a commitment to transition to a green iron supply chain by 2030.</p> <p>Electricity contracts have been fully REGO backed since October 2022 and from October 2023 our gas is purchased alongside contractual carbon offsets. This provides a platform to support customers' green iron aspirations.</p>
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### Foreign exchange

<p>The group is exposed to foreign exchange risk on both sales and purchases denominated in currencies other than sterling, being primarily the euro and US dollar.</p>	<p><b>Stable</b></p> <p>The group is exposed to gains or losses that could be material to the group's financial results and can increase or decrease how competitive the group's pricing is to overseas markets.</p>	<p>The group's foreign exchange risk is well-mitigated through commercial arrangements with key customers.</p> <p>Foreign exchange rate risk is sometimes partially mitigated by using forward foreign exchange contracts. Such contracts are short term in nature, matched to contractual cash flows and non-speculative.</p>
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### Equipment

<p>The group operates a number of specialist pieces of equipment, including foundry furnaces, moulding lines and CNC milling machines which, due to manufacturing lead times, would be difficult to replace sufficiently quickly to prevent major interruption and possible loss of business in the event of unforeseen failure.</p>	<p><b>Reduced</b></p> <p>A large incident could disrupt business at the site affected and result in significant rectification costs or material asset impairments.</p>	<p>Whilst this risk cannot be entirely mitigated without the uneconomic duplication of all key equipment, the plant is maintained to a high standard and inventories of strategic equipment spares are maintained.</p> <p>The foundry facilities at Brownhills and Dronfield have similar equipment and work can be transferred from one location to another very quickly.</p> <p>Additional flexibility and resilience has been provided through the investments in a new foundry based in Dronfield and the ongoing gradual machine replacement programme at CNC Speedwell.</p>
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### Suppliers

<p>The group holds long-standing relationships with key suppliers and there is a risk that a business which the group is critically dependent upon for goods or services could be subject to significant disruption and that this could materially impact the operations of the group.</p> <p>There are specifically high risks of supply disruption as a result of current geopolitical instability.</p>	<p><b>Stable</b></p> <p>The risk of a supplier's business interruption remains very high due to the current global business environment.</p>	<p>Although the group takes care to ensure alternative sources of supply remain available for materials or services on which the group's businesses are critically dependent, this is not always possible to guarantee without risk of short-term business disruption, additional costs and potential damage to relationships with key customers.</p> <p>The group continues to maintain productive dialogue with key suppliers, working together to adjust to changes to the business environment.</p>
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### Commodity and energy pricing

<p>The group is exposed to the risk of price inflation on raw materials and energy contracts.</p> <p>The principal metal raw materials used by the group's businesses are steel scrap and various alloys. The most important alloy raw material inputs are premium graphite, magnesium ferro-silicon, copper, nickel and molybdenum.</p> <p>The availability, and therefore price, of steel scrap has the potential to be a risk to the group as a result of steel producers transitioning from blast furnaces to electric arc furnaces.</p>	<p><b>Increased</b></p> <p>Changes to the pricing of the group's commodity and energy purchases could materially impact the financial performance of the group if no mitigating actions were taken.</p> <p>Conflicts in the Middle East and Ukraine have resulted in additional risk being priced in to gas and power markets, with prices becoming more volatile than we have seen for the past two years.</p>	<p>Wherever possible, prices and quantities (except steel) are secured through long-term agreements with suppliers. In general, the risk of price inflation of these materials resides with the group's customers through price adjustment clauses.</p> <p>The group has operated flexible power contracts, purchasing a proportion of its estimated electricity and gas requirements up to three years ahead of expected consumption. We continue to review the most appropriate arrangements moving forwards.</p>
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### Information technology, cybersecurity and systems reliability

<p>The group is dependent on its information technology ('IT') systems to operate its business efficiently, without failure or interruption.</p>	<p><b>Stable</b></p> <p>Significant failures to the IT systems of the group as a result of external factors could result in operational disruption</p>	<p>We continuously update our systems to mitigate current threats and align with good industry practice, including regular back-up schedules and, where appropriate, hardware duplication.</p>
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<p>The group continues to invest in IT systems to aid in the operational performance of the group and its reporting capabilities.</p> <p>There are increasing global threats faced by these systems as a result of sophisticated cyberattacks.</p>	<p>and a negative impact on customer delivery and reporting capabilities.</p>	<p>We regularly discuss these risks at board level to ensure it remains a key focus area.</p> <p>Security awareness training is conducted for all relevant employees, including phishing simulation exercises. We also conduct external penetration testing and continue to evaluate additional security solutions.</p>
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### Regulatory and legislative compliance

<p>The group must comply with a wide range of legislative and regulatory requirements including modern slavery, anti-bribery and anti-competition legislation, taxation legislation, employment law and import and export controls.</p>	<p><b>Stable</b></p> <p>Failure to comply with legislation could lead to substantial financial penalties, business disruption, diversion of management time, personal and corporate liability and loss of reputation.</p>	<p>The group maintains a comprehensive range of policies, procedures and training programmes in order to ensure that both management and relevant employees are informed of legislative changes and it is clear how the group's business is expected to be carried out.</p> <p>Whistleblowing procedures and an open-door management style are in place to enable concerns to be raised and addressed.</p> <p>Specialist advice is made available to management when required to ensure that the group is up to date with changes in regulation and legislation.</p>
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### Climate change

<p>The group's operations are energy intensive by their nature and therefore result in greenhouse gas emissions being produced, which either require reducing or offsetting.</p> <p>Whilst the group considers that its businesses provide fundamental components and services that will prove resilient in a transition towards a net zero economy, it also recognises policy targets have been set which may result in changes to the wider economy and societal attitudes towards industry.</p> <p>A fall in investor demand in the industrial sector could negatively impact share values; it is important to ensure that the group's sustainability strategy is communicated appropriately to ensure that stakeholders are aware of the group's progressive net zero position for scope 1 and 2 emissions, alongside the fact that the group is already well invested with plant that can support our customers' green iron aspirations (such as electric induction furnaces).</p> <p>The risk of business disruption due to extreme weather events may also increase if policy targets are not met.</p>	<p><b>Stable</b></p> <p>It is expected that green taxes on energy and the compliance cost of meeting developing reporting obligations for our stakeholders will result in increased energy prices and administrative expenses.</p> <p>Opportunities may present themselves as a result of the group's early adoption of green iron principles and strong sustainability credentials.</p>	<p>The group continues to develop its ESG strategy, reporting and practices and has appointed a Head of Sustainability to support this.</p> <p>The ESG working group continues to monitor ESG strategy, risks, opportunities and developments.</p> <p>The group is evolving its ESG reporting to communicate the positive story we have to tell, including our early adherence to green iron standard which is based on the fundamentals of electric furnaces, renewable energy and the use of scrap steel.</p> <p>The group is now powered by 100% renewable power and carbon offset gas, with a number of on-site renewables projects either under way or under application.</p> <p>The group operates in locations where the physical risks of climate change are relatively low but will continue to engage with and understand the needs of its stakeholders in this area.</p> <p>Insurance policies are maintained in relation to the group's property, plant and equipment.</p>
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### People risk

<p>The group's operations depend upon the availability of both skilled and unskilled labour to operate manual equipment and fulfil our strategic goals.</p> <p>The nature of our activities and the equipment operated presents inherent health and safety risks. Our operations, if not properly managed, could have a significant impact on individual employees. Furthermore, poor safety and health practices could lead to disruption of business, financial penalties and loss of reputation.</p>	<p><b>Stable</b></p> <p>The inability to attract and retain talent could result in either a shortage of staff or a reduction in operating margins.</p>	<p>The group looks to provide safe, stable and long-term employment at competitive rates of pay.</p> <p>We invest in people development, including a structured apprenticeship programme, and utilise technology and productivity gains to ensure that our products remain competitively priced.</p> <p>We have clearly defined health and safety policies and practices which we regularly review and modify as circumstances and experiences dictate.</p>
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