Preliminary results for the year ended 31st March 2023

25th May 2023

Catalysing the net zero transition to drive value creation

Continued progress on strategic execution

- Results in line with expectations albeit below the prior year, against a challenging macroeconomic backdrop
- Delivering on strategic milestones
- Executing on transformation: delivered c.£45 million cost savings in the year and on track for at least £150 million annualised cost savings by 2024/25
- Business wins in Catalyst Technologies and Hydrogen Technologies underpin confidence in strong growth prospects
- Strong cash generation and platform wins in Clean Air support long-term £4 billion+ cash generation target
- Accelerating demand for our energy transition solutions supported by government-led investment programmes

		Reported results			Underlying results (continuing)[1]			
		Year ended 31st March			Year ended 31st March			
		2023	2022	% change	2023	2022	% change	% change, constant FX rates
Revenue	£m	14,933	16,025	-7				
Sales excluding precious metals[3]	£m				4,201	3,778	+11	+6
Operating profit	£m	406	255	+59	465	553	-16	-21
Profit before tax (continuing)	£m	344	195	+76	404	493	-18	
Profit after tax (continuing)	£m	264	116	n/a	326	407	-20	
Basic earnings per share (continuing)	pence	144.2	60.9	n/a	178.6	213.2	-16	
Ordinary dividend per share	pence	77.0	77.0	-				

Underlying performance – continuing operations[1,2]

- Sales of £4.2 billion, up 6%, with higher prices to partially recover cost inflation, partly offset by lower average PGM prices
- Underlying operating profit of £465 million, down 21%. Almost half was due to lower average PGM prices with the remainder largely due to cost inflation and lower volumes in PGM Services and Clean Air. This was partly offset by transformation benefits
- Underlying earnings per share of 178.6p, down 16% due to lower underlying operating profit
- Free cash flow of £74 million, compared to £221 million in the prior year largely reflecting lower underlying operating profit and working capital movements
- Strong balance sheet with net debt of £1.0 billion; net debt to EBITDA of 1.6 times

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Reported results

- Revenue down 7%, driven by lower average PGM prices
- Operating profit of £406 million, up materially, largely due to the absence of a one-off impairment in the prior period relating to Battery Materials
- Profit before tax (continuing) of £344 million, compared to £195 million in the prior period, reflecting higher operating profit due to the absence of the Battery Materials impairment
- Reported earnings per share (continuing) of 144.2 pence
- Cash inflow from operating activities of £291 million (2021/22: £605 million)
- Ordinary dividend of 77.0 pence per share stable year-on-year

Strategic highlights

- Agreed two strategic partnerships in Hydrogen Technologies (Plug Power and Hystar), won five additional large scale projects in Catalyst Technologies, and won Euro 7 business in Clean Air
- Hydrogen Technologies partnerships underpin targeted sales of more than £200 million by the end of 2024/25, with significant growth in sales and profitability thereafter. This business is anticipated to be breakeven in 2025/26
- Catalyst Technologies expected to deliver high single digit growth over the medium term, with margins returning to mid-teens within the next two years (by end of 2024/25)
- Clean Air – delivered £1.4 billion[4] cash over two years, and outperforming the rate of business wins required to achieve our cash generation target of at least £4 billion by 2030/31
- Delivered c.£45 million cost savings in 2022/23 and on track to deliver at least £150 million annualised savings by 2024/25
- Committed to achieving net zero by 2040 and now targeting 42% reduction in Scope 1 and Scope 2, and 42% reduction in Scope 3 greenhouse gas emissions by 2030

Liam Condon, Chief Executive Officer, commented:

I have now been with Johnson Matthey just over a year and it is exciting to see the progress we are making. We have navigated global macroeconomic challenges to report full year results in line with market expectations, with a stronger second half as we indicated back in November. We have also been delivering against our strategic milestones with important customer wins, which will drive growth. These include the strategic partnerships with Plug Power and Hystar in Hydrogen Technologies and the five large project wins in Catalyst Technologies, which already demonstrate our ability to win in a net zero world. It has been a good start and a year of progress, but there is much more to do.

The opportunity for Johnson Matthey is even greater than I had expected with government-led investment programmes developing at pace. The Inflation Reduction Act in the US, the EU's Green Deal Industrial Plan and continued commitments in the UK – all within the past year – are driving the net zero transition with greater urgency.

We have made progress in many areas and remain focused on accelerating our plans to simplify the organisation and speed up our decision making, as we build a stronger and more flexible platform for growth. Despite continued market volatility we are on track to deliver on our commitments and, with the opportunities ahead of us, I see a very bright future for Johnson Matthey.

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Outlook for the year ending 31st March 2024

For 2023/24, we expect at least mid-single digit growth in operating performance at constant precious metal prices and constant currency. This is underpinned by efficiency benefits of c.£55 million in the year.

In Clean Air, we expect strong growth in operating performance. Whilst external data suggest limited growth in vehicle production for 2023/24, margin expansion should mainly be driven by efficiency benefits. PGM Services' performance will be largely driven by precious metal prices, with recycling volumes expected to be subdued. We expect strong growth in operating performance for Catalyst Technologies. This reflects an improvement in licensing income and a significant uplift in margins, benefiting from pricing and efficiencies. We expect sales to grow strongly in Hydrogen Technologies and we will continue to invest for growth resulting in an operating loss at a similar level to 2022/23.[5]

Precious metal prices have been volatile and consequently it is difficult to predict how they may develop. To illustrate the impact they may have on our results, assuming prices remain at their current level[6] for the remainder of 2023/24 there would be an adverse impact of c.£50 million[7] on full year operating performance compared with the prior year. We are focused on mitigating the potential impact on our performance.

At current foreign exchange rates[8], translational foreign exchange movements for the year ending 31st March 2024 are expected to adversely impact underlying operating profit by c.£10 million.

Dividend

The board will propose a final ordinary dividend for the year of 55.0 pence per share at the Annual General Meeting (AGM) on 20th July 2023. Together with the interim dividend of 22.0 pence per share, this gives a total ordinary dividend of 77.0 pence per share, maintained at the same level as the prior year. Subject to approval by shareholders, the final dividend will be paid on 1st August 2023, with an ex-dividend date of 8th June 2023.

Board changes

We are pleased to announce the appointment of Barbara Jeremiah as an independent Non-Executive Director. This appointment is with effect from 1st July 2023 and Barbara will also become a member of all four board committees. Barbara brings strong leadership, deep understanding of metals and extensive experience in North American markets.

Chris Mottershead will step down as Chair of the Remuneration Committee following the Company's AGM in July 2023 and from the board on 26th January 2024, following a nine-year tenure.

Barbara will become the Senior Independent Director, succeeding John O'Higgins who will become Chair of the Remuneration Committee. These changes will take effect from the end of our AGM.

Catalyst Technologies seminar

We will host a Catalyst Technologies seminar on 27th June to provide a deep-dive into the strong growth prospects of this business.

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Notes:

1. Underlying is before profit or loss on disposal of businesses, gain or loss on significant legal proceedings together with associated legal costs, amortisation of acquired intangibles, share of profits or losses from non-strategic equity investments, major impairment and restructuring charges and, where relevant, related tax effects. For definitions and reconciliations of other non-GAAP measures, see pages 47 to 50.
2. Unless otherwise stated, sales and operating profit commentary refers to performance at constant exchange rates. Growth at constant rates excludes the translation impact of foreign exchange movements, with 2021/22 results converted at 2022/23 average rates. In 2022/23, the translational impact of exchange rates on group sales and underlying operating profit was a benefit of £193 million and £38 million respectively.
3. Revenue excluding sales of precious metals to customers and the precious metal content of products sold to customers.
4. Delivered around £600 million of cash in 2022/23 at actual precious metal prices, which equates to just over £400 million at constant prices (March 2022). Delivered around £1.4 billion cumulatively since 2021/22 at actual metal prices. At least £4 billion of cash under our range of scenarios from 1st April 2021 to 31st March 2031. Cash target pre-tax and post restructuring costs.
5. Outlook commentary for Clean Air, PGM Services, Catalyst Technologies and Hydrogen Technologies assumes constant precious metal prices and constant currency.
6. Based on average precious metal prices in May 2023 (month to date).
7. c.£50 million adverse impact represents a gross PGM price impact before any foreign exchange movement.
   A US$100 per troy ounce change in the average annual platinum, palladium and rhodium metal prices each have an impact of approximately £1 million, £1.5 million and £0.75 million respectively on full year underlying operating profit. This assumes no foreign exchange movement.
8. At average foreign exchange rates for May 2023 month to date (£:US$ 1.25, £:€ 1.14, £:RMB 8.70) translational foreign exchange movements for the year ending 31st March 2024 are expected to adversely impact underlying operating profit by c.£10 million.

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Chief Executive Officer update

In May 2022 we published our strategy to reinvigorate Johnson Matthey and drive value creation. This is centered around a more focused portfolio based on our core competencies – our expertise in platinum group metal (PGM) chemistry and refining, catalysis and process technology. We also set out the changes we need to transform our culture and enable the success of our strategy.

We are now a year in and have made a good start. I am encouraged, but there is much more to do. Transformation and cultural change take time, but we are starting to see the benefits as we **focus**, **simplify** and **execute**. We are already focusing our portfolio with the divestment of some non-core activities. Simplification is underway, for example with our efficiency programme, new finance shared service centre and digital HR platform. We are also executing on our commitments, evidenced by the strategic partnerships with Plug Power and Hystar, contract wins in Catalyst Technologies and business wins in Clean Air. To drive further discipline around execution we are embedding "Play to Win" behaviours across the organisation, changing remuneration to link much more directly to delivery of the strategy, and implementing sharper performance management with more robust and frequent feedback.

Our financial performance for the year was in line with market expectations, albeit below the prior year. The main factors driving performance were lower precious metal prices (c.£55 million impact[1]) and lower auto related volumes in Clean Air and PGM Services. The cost inflation of c.£150 million suffered in the year, particularly energy, raw materials and labour was almost completely recovered through pricing of c.£95 million and transformation savings of c.£45 million. As we sharpened our commercial focus and took action to increase efficiency, the recovery rate improved through the year as expected.

Growth markets accelerating

The past year has seen an acceleration and expansion of our growth markets, creating significant opportunities for our decarbonisation solutions. In the US, the Inflation Reduction Act enacted in August is the largest climate incentive programme in history changing the landscape for clean energy. The Act includes c.US$370 billion of incentives that will reduce the cost of clean energy projects, increasing investment and demand. Europe has introduced the Green Industrial Deal, a key pillar of which is the Net-Zero Industry Act which aims to scale up the manufacturing of clean technologies in the EU and support the fast transition to net zero. In the UK, the government has recently published its Hydrogen Champion Report with recommendations to accelerate the growth of the hydrogen sector. We expect these programmes will drive market growth and accelerate demand for our leading solutions.

Strategic milestones overview

In May 2022, we outlined 10 strategic milestones and have made good progress to date:

Customers:

- 2 strategic partnerships in Hydrogen Technologies – Plug Power and Hystar
- Won targeted Euro 7 business, on track to deliver £4 billion+ cash[2] for Clean Air
- Won 5 additional large scale projects in Catalyst Technologies (targeting >10 across Catalyst Technologies and Hydrogen Technologies by end of 2023/24)

Notes:

1. Gross PGM price impact was c.£55 million, which was partly offset by foreign exchange benefits. Foreign exchange benefit reflects the pricing of PGMs in US dollars.
2. At least £4 billion of cash under our range of scenarios from 1st April 2021 to 31st March 2031. Cash target pre-tax and post restructuring costs.

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Investments:
- PGM Services refining capability expansion in China complete and ramping up
- Construction of Hydrogen Technologies CCM plant in the UK to expand total capacity from 2GW to 5GW is on track
- Targeted capacity expansion (fuel cells catalyst, formaldehyde catalyst) on track
- Continuing to divest non-core assets – Piezo Products within Medical Device Components and Diagnostic Services (Value Businesses)

People: Employee engagement did not improve as the degree and pace of transformation has impacted workload – this is the only target not on track

Sustainability:
- Reduced Scope 1+2 CO_2e (carbon dioxide equivalent) emissions by 13% in 2022/23, ahead of targeted c.10% reduction by 2023/24 (from a 2019/20 baseline)
- Helped customers reduce CO_2e emissions by 850,000 tonnes p.a. through use of our products (target >1mt p.a. by 2023/24)

1. Customers: winning new business to drive growth

Catalyst Technologies – Our Catalyst Technologies business is further strengthening its focus on the syngas value chain, growing the existing business alongside new opportunities in low carbon hydrogen (or carbon capture and storage – CCS–enabled hydrogen), sustainable fuels and low carbon solutions (retrofitting existing chemicals plants to decarbonise them). These growth opportunities will transform the scale and profitability of our business.

In the period to May 2023, we secured five low carbon hydrogen and sustainable fuels licences. The total sales value of these licences is c.£120 million over five years, subject to project completion. These projects include three sustainable fuels projects (including Strategic Biofuels' renewable diesel plant), and two low carbon hydrogen projects (H2H Saltend in the UK and a large scale low carbon hydrogen project in North America). These project wins are an important validation of our technologies in these new growth markets. We also gained a licence in low carbon solutions enabling the decarbonisation of existing assets. Across these areas, we now have a pipeline of more than 100 projects compared to over 70 projects a year ago.

In the near-term, we are committed to improving performance in Catalyst Technologies and strengthening our platform for growth. We have recently initiated a value creation programme with three main components: pricing, manufacturing efficiency and procurement.

With the combination of growth and efficiency programmes, we are confident Catalyst Technologies will deliver high single digit growth over the medium term, with margins returning to mid-teens within the next two years (by end of 2024/25).

Hydrogen Technologies – In Hydrogen Technologies, our ambition is to be the market leader in CCMs (catalyst coated membranes). We are scaling the business in pursuit of our ambition and set a milestone to have signed at least two large scale strategic partnerships by the end of 2022/23. This is only the beginning and we expect further strategic partnerships in future.

In January, we agreed a long-term strategic partnership with Plug Power in the US, one of the leading players in the hydrogen economy. This includes a supply and joint development agreement to at least 2030 as well as co-investment in new manufacturing capacity in the US. We have secured a second strategic partnership, this time in Europe, with Hystar a high-tech spin-out from SINTEF which is one of Europe's largest independent research institutions.

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We will be supplying MEA (membrane electrode assembly) components for electrolysers to Hystar for the next three years. We will collaborate to enable further scale up and automation for Hystar's planned multi-GW production line, expected to be operational by 2025. Hystar is currently undertaking its HyPilot project with partners including Yara and Equinor, with end market demand driven by the trends in food production and energy security. We also entered a strategic partnership with Enapter (a leader in anion exchange membrane electrolysis), and extended our partnership with SFC Energy. These partnerships underpin our targeted sales of more than £200 million from Hydrogen Technologies by the end of 2024/25, with significant growth in sales and profitability thereafter. We anticipate this business to be breakeven in 2025/26.

PGM Services – In our refining business we won new contracts with a large miner and increased our market share with some key recyclers. We also won new contracts across our products business, most notably with our pharmaceutical and agrochemical customers.

Clean Air – In Clean Air we are focused on our target of generating at least £4 billion of cash to 2030/31 which is underpinned by tightening emission control legislation, business wins, manufacturing footprint consolidation and other fixed cost reductions. In 2022/23 we generated £600 million of cash, taking our cumulative cash generation over two years to £1.4 billion at actual precious metal prices.

Clean Air continues to benefit from tightening emissions control legislation globally, including the Euro 7 proposal submitted to the European Parliament in November 2022. This tightening will result in more complex emission control systems and increase our value per vehicle.

We have continued to build our commercial muscle, improving our inflation recovery rate with the majority of the recovery in the second half of the year, whilst also winning our targeted business linked to Euro 7 and equivalent legislation globally. During the year we won all of Mercedes Benz's light duty diesel business in Europe, a large truck OEM's Euro 7 business in heavy duty diesel as well as the global contracts covering light duty gasoline and diesel with a leading automotive OEM. As further evidence of our stronger commercial muscle, these wins were achieved whilst negotiating inflationary cost increases and improving our customer satisfaction score. Consequently, we are outperforming the rate of business wins required to achieve our cash generation target of at least £4 billion by 2030/31.

As we continue to drive efficiency in Clean Air, we are reducing fixed costs and streamlining SG&A expenses and production overheads. We have also announced our intention to close or exit 4 of our 16 sites including completion of the closure of our UK manufacturing facility. We will be repurposing this building for our new Hydrogen Technologies gigafactory.

2. Investments: scaling to capture future growth

We are making disciplined investments to drive growth and deliver attractive returns. Over the three year period to 2024/25 we now expect cumulative capital expenditure of c.£1.1 billion (previously c.£1 billion) mainly reflecting an acceleration in Hydrogen Technologies to capture our US opportunity with Plug and modest inflation effects.

PGM Services is our foundational business and a key enabler of growth for the group. It is therefore critical that we invest to retain our position as the world's leading recycler of PGMs. We are investing in the capacity, resilience, efficiency and long-term sustainability of our refinery assets. In China, the expansion of our refining facility was completed. With this capability, we can now offer full refining services in China. Alongside these investments, we

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are expanding our fuel cells catalyst capacity within PGM Services to support our Hydrogen Technologies business as it scales up.

In Hydrogen Technologies, we are scaling our business and manufacturing capacity to meet growing customer demand. In the UK, construction of our planned 3GW capacity expansion is on track to be completed by the end of 2023/24. Following the announcement of the strategic partnership with Plug Power, we are co-investing into a new manufacturing plant in the US. This plant – expected to start production in 2025 – will initially have 5GW capacity scaling to 10GW over time. Overall, these expansion plans will take our capacity from 2GW today, scaling up to 15GW over time.

To further simplify our portfolio, we are continuing to divest non-core assets and we are on track to complete the divestiture of Value Businesses by the end of 2023/24. We sold Piezo Products (part of Medical Device Components) and recently announced the sale of Diagnostic Services, both within Value Businesses. In addition, we exited battery materials recycling.

3. People

Our people and culture change will be key to the success of our strategy. In the past year, we have been driving change to create a stronger performance culture:

1. **People growth** – sharper and simpler performance management, an increased focus on people development, and greater recognition of performance and success
2. **Customer focus** – building our commercial muscle, increasing our execution capability in capital projects and improving our manufacturing efficiency
3. **Simplification** – enhanced cost discipline, streamlining processes to improve speed and user experience, assigning clear accountabilities

Change takes time and is challenging for any organisation but I am pleased with the positive attitude of our employees and their commitment to making JM a success. We remain focused on significantly improving engagement over time. From a 2022/23 baseline of 6.9, we are now targeting a 3 decimal point increase in employee engagement to 7.2 by 2024/25, with a target of 8.0 and above in the longer term.

We have made progress with our transformation programme, delivering c.£45 million of cost savings in 2022/23, ahead of our target of c.£35 million, and are on track to deliver at least £150 million savings by the end of 2024/25. Examples of the actions taken to deliver these benefits include delayering the organisation with 170 management roles removed; procurement, IT and HR savings; and creating a finance shared service centre in Malaysia. Going forward our focus will be on further consolidating our Clean Air manufacturing footprint, additional procurement savings, enhanced capability in capital project delivery, and further rationalising real estate. Associated costs to deliver the programme are around £100 million, all of which are cash.

4. Sustainability

Sustainability is at the heart of everything we do at Johnson Matthey. We are committed to achieving net zero by 2040 and this year we have decided to increase our ambition with new GHG (greenhouse gas) reduction targets to 2030. We are now targeting a 42% reduction in both Scope 1 and Scope 2, and Scope 3 GHG emissions (purchased goods and services category)[1] which is fully aligned with a 1.5 degree scenario pathway to net zero. We have submitted these targets to SBTi (Science Based Targets initiative) for validation according to their Net Zero Standard.

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To support our new strategy and provide focus and simplification, we have also reduced the number of sustainability targets for 2030 and organised them under two new themes – Planet and People. These changes will better articulate the most material benefits that we can bring to society.

We are on track to deliver the sustainability milestones we committed to during our strategy update in May 2022. We have already achieved our targeted c.10% reduction in our Scope 1 and 2 CO_2e emissions. In addition, we are also helping customers reduce their own GHG emissions by more than 1 million tonnes per annum through the use of our products by the end of 2023/24. As at 31st March 2023, our customers have avoided 850,000 tonnes p.a. of GHG emissions using our products and solutions.

1. Previous target was a reduction in Scope 1 and Scope 2 GHG emissions of at least 33% by 2030, and reduction of Scope 3 GHG emissions (purchased goods and services category) of at least 20% by 2030. Baseline measure is 2019/20.

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Summary of underlying operating results from continuing operations

Unless otherwise stated, commentary refers to performance at constant rates[1]. Percentage changes in the tables are calculated on rounded numbers.

Sales (£ million)	**2023**	**Year ended 31st March 2022[2]**	**% change**	**% change, constant FX rates**
Clean Air	2,644	2,457	+8	+2
PGM Services	570	587	-3	-8
Catalyst Technologies	560	454	+23	+17
Hydrogen Technologies	55	25	+120	+112
Value Businesses[3,4]	470	354	+33	+28
Eliminations	(98)	(99)		
Sales (continuing)	**4,201**	**3,778**	**+11**	**+6**

Underlying operating profit (£ million)	**2023**	**Year ended 31st March 2022[2]**	**% change**	**% change, constant FX rates**
Clean Air	230	302	-24	-28
PGM Services	257	308	-17	-21
Catalyst Technologies	51	50	+2	-2
Hydrogen Technologies	(45)	(33)	n/a	n/a
Value Businesses[3,5]	40	12	n/a	n/a
Corporate	(68)	(86)		
Underlying operating profit (continuing)	**465**	**553**	**-16**	**-21**

Reconciliation of underlying operating profit to operating profit (£ million)	**2023**	**Year ended 31st March 2022[2]**
Underlying operating profit (continuing)	465	553
Profit on disposal of businesses[6]	12	106
Major impairment and restructuring charges[6]	(41)	(440)
Amortisation of acquired intangibles	(5)	(6)
Gains and losses on significant legal proceedings[6]	(25)	42
Operating profit (continuing)	**406**	**255**

Notes:
1. Growth at constant rates excludes the translation impact of foreign exchange movements, with 2021/22 results converted at 2022/23 average rates. In 2022/23, the translational impact of exchange rates on group sales and underlying operating profit was a benefit of £193 million and £38 million respectively.
2. 2021/22 is restated to reflect the group's new reporting structure.
3. Includes Battery Systems, Medical Device Components, Diagnostic Services, Battery Materials and Advanced Glass Technologies.
4. Sales relating to divestments: Advanced Glass Technologies (2021/22: £62 million, 2022/23: nil) and Battery Materials (2021/22: £12 million, 2022/23: £21 million).
5. Operating profit or loss related to divestments: Advanced Glass Technologies (2021/22: £16 million, 2022/23: -£1 million) and Battery Materials (2021/22: -£22 million, 2022/23: £3 million).
6. For further detail on these items please see page 20.

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Second half performance – continuing operations

Sales (£ million)	H2 2022/23	H2 2021/22[1]	% change	% change, constant FX rates
Clean Air	1,366	1,261	+8	+3
PGM Services	288	287	-	-5
Catalyst Technologies	285	231	+23	+17
Hydrogen Technologies	32	15	+113	+100
Value Businesses	235	173	+36	+29
Eliminations	(50)	(45)		
Sales (continuing)	**2,156**	**1,922**	**+12**	**+7**

Continuing sales were up 7% in the second half, with good growth across most of our businesses. Clean Air grew supported by higher pricing as we benefited from increased inflation recovery. In Catalyst Technologies, performance was strong driven by growth in licensing following recent project wins and also first fills as new plants came online. Performance was also supported by better pricing. Sales in Hydrogen Technologies more than doubled, with higher commercial volumes enabled by improved operational performance. Within Value Businesses, Battery Systems saw strong performance. Sales were partly offset by PGM Services which was impacted by lower average PGM prices and reduced refinery volumes.

Underlying operating profit (£ million)	H2 2022/23	H2 2021/22[1]	% change	% change, constant FX rates
Clean Air	122	152	-20	-24
PGM Services	132	141	-6	-12
Catalyst Technologies	30	20	+50	+43
Hydrogen Technologies	(21)	(21)	n/a	n/a
Value Businesses	19	11	+73	+46%
Corporate	(39)	(47)		
Underlying operating profit (continuing)	**243**	**256**	**-5**	**-12**

Continuing underlying operating profit declined 12% in the second half, with the largest decline in Clean Air. Clean Air was impacted by lower volumes and mix, although we did experience benefits from our transformation programme. PGM Services saw weaker performance largely reflecting lower average PGM prices and reduced refinery volumes. Across our other businesses, Catalyst Technologies and Value Businesses grew year-on-year whilst Corporate costs were lower.

Notes:
1. 2021/22 is restated to reflect the group's new reporting structure.

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Full year operating results by sector

Clean Air

Improved sequential performance supported by increased inflation recovery

- Sales up 2% supported by pricing as we partially recovered higher input costs
- Underlying operating profit decreased 28% impacted by cost inflation, product mix and lower volumes
- Margins saw an improvement during the second half resulting from increased inflation recovery and benefits from our transformation programme
- On track to deliver at least £4 billion of cash in the decade to 2030/31, having delivered £1.4 billion since 2020/21 at actual precious metal prices

	2023 £ million	Year ended 31st March 2022 £ million	% change	% change, constant FX rates
Sales				
Light duty diesel	1,075	1,005	+7	+4
Light duty gasoline	599	574	+4	-1
Heavy duty diesel	970	878	+10	+3
Total sales	**2,644**	**2,457**	**+8**	**+2**
Underlying operating profit	**230**	**302**	**-24**	**-28**
Underlying margin	**8.7%**	**12.3%**		
Reported operating profit	**191**	**273**		

Clean Air provides catalysts for emission control after-treatment systems used in light and heavy duty vehicles powered by internal combustion engines.

Sales during the period were up 2%. Vehicle production was impacted by a challenging supply chain environment as well as COVID-related lockdowns in China. Although semiconductor shortages have gradually eased, other supply chain disruptions such as labour availability and logistic bottlenecks have continued to affect vehicle production. As the year progressed, pent-up demand and the easing of supply chain issues led to an improvement in production activity.

Light duty catalysts – diesel and gasoline

Light duty diesel

Light duty diesel sales were up 4%, outperforming a declining market. We saw strong performance in the Americas and good performance in Europe, partly offset by a decline in Asia. In Europe, which represents around 60% of our total light duty diesel sales, our growth was driven by strong platform performance despite some automotive OEMs continuing to prioritise commercial vehicles over the passenger car platforms that we serve. In the Americas we significantly outperformed a growing market, driven by the ramp up of a new platform and strong platform performance.

In Asia, our performance was in line with a declining market, which was impacted by a weak commercial vehicle market in China and an increase in electric vehicle penetration. Our sales decline in the region was also the result of lower revenue per unit as a result of product mix.

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Light duty gasoline

Light duty gasoline sales were down 1%, underperforming the overall global market. In Europe and Asia, previous platform losses led to a decline in sales in both regions. In the Americas, sales grew slightly ahead of a strong underlying market as we benefited from the ramp up of new platforms. We continue to invest in light duty gasoline to support our future growth with early signs of success. For example, two OEMs in the high performance sports car segment have chosen JM to be sole supplier which validates the strength of our technology and gives confidence in winning future light duty gasoline platforms.

Heavy duty diesel catalysts

In heavy duty diesel sales were up 3%, significantly outperforming a declining market. We saw strong performance in Europe and the Americas, partly offset by a decline in Asia. In Europe our sales significantly outperformed a growing market due to higher revenue per vehicle and we also benefited from good performance in our off road platforms. In the Americas, the high value Class 8 truck cycle peaked during the last quarter of our fiscal year. As expected, our heavy duty sales benefited from this cycle and were also supported by improved product mix. Sales in Asia declined as COVID lockdowns in China significantly impacted vehicle production and led to customers building stock in the prior year in anticipation of these lockdowns. Looking ahead, our leading position in heavy duty means we are well placed to benefit from future developments including hydrogen powered internal combustion engines.

Underlying operating profit

Underlying operating profit declined 28% to £230 million and margins decreased to 8.7%. This largely reflected cost inflation, product mix, lower volumes, and the transactional impact of exchange rates. We saw a sequential improvement in margins during the year, benefiting from an acceleration in the recovery of cost inflation and benefits from our transformation programme.

On track to deliver at least £4 billion of cash in the decade to 2030/31[1]

We delivered another year of strong cash flow as we continue to focus on driving efficiencies, optimising capital expenditure and working capital. We generated around £600 million[2] of cash and a cumulative £1.4 billion[2] since 2021/22, the first year of this guidance.

Notes:

1. At least £4 billion of cash under our range of scenarios from 1st April 2021 to 31st March 2031. Cash target pre-tax and post restructuring costs.
2. Delivered around £600 million of cash in 2022/23 at actual precious metal prices, which equates to just over £400 million at constant prices (March 2022). Delivered around £1.4 billion cumulatively since 2021/22 at actual metal prices.

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PGM Services

Performance reflects lower average PGM prices and reduced refinery volumes

- Sales performance primarily reflects lower average PGM prices and reduced refinery volumes due to lower auto scrap levels as a result of the continued buoyant used car market
- Underlying operating profit was down mainly due to lower average PGM prices and reduced refinery volumes
- Cost inflation was more than offset by efficiencies as well as higher pricing across both our refining and products businesses

	Year ended 31st March 2023 £ million	2022 £ million	% change	% change, constant FX rates
Sales				
PGM Services	570	587	-3	-8
Underlying operating profit	**257**	**308**	**-17**	**-21**
Underlying margin	**45.1%**	**52.5%**		
Reported operating profit	**257**	**307**		

PGM Services is the world's largest recycler of platinum group metals (PGMs). This business has an important role in enabling the energy transition through providing circular solutions as demand for scarce critical materials increases. PGM Services provides a strategic service to the group, supporting Clean Air, Catalyst Technologies and Hydrogen Technologies with security of metal supply in a volatile market, recycling capabilities and manufactures value added PGM products for both internal and external customers.

In PGM Services, sales declined 8% against a strong prior year. This was primarily driven by lower average PGM prices, where average prices for platinum, palladium and rhodium declined around 10%, 20% and 30% compared to the prior year. Recent PGM price weakness has been driven by lower auto demand and also liquidation of some excess rhodium positions in an illiquid market.

In our refineries, intake volumes were down as expected due to lower auto scrap resulting from a buoyant used car market. Sales were partly offset by benefits from operational efficiency and higher pricing. In a volatile market, our metal trading business had another good year, with sales only moderately down against a strong prior period.

Across our PGM products businesses, sales were moderately down. This was primarily driven by lower sales of catalysts for the pharmaceutical and agricultural chemicals markets due to the phasing of customers' orders.

Underlying operating profit

Underlying operating profit declined 21% mainly impacted by lower average PGM prices (c.£55 million impact[1]) and reduced refinery volumes. Cost inflation was more than offset by efficiency benefits, as well as higher pricing across both our refining and products businesses.

Notes:
1. Gross PGM price impact was c.£55 million, which was partly offset by foreign exchange benefits. Foreign exchange benefit reflects the pricing of PGMs in US dollars.

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Catalyst Technologies

Strong sales growth and improved performance in the second half

- Sales up 17% largely reflecting growth in licensing and catalyst refills, as well as improved pricing
- Strong performance in licensing with five licence wins within low carbon hydrogen and sustainable fuels (includes one win in May 2023)
- Underlying operating profit was in line with the prior year. Improved pricing, licensing and transformation benefits offset significant cost inflation and the loss of Russian business

	2023 £ million	Year ended 31st March 2022 £ million	% change	% change, constant FX rates
Sales				
Catalyst Technologies	560	454	+23	+17
Underlying operating profit	**51**	**50**	**+2**	**-2**
Underlying margin	**9.1%**	**11.0%**		
Reported operating profit	**43**	**78**		

Catalyst Technologies is focused on enabling the decarbonisation of chemical and fuels value chains and we have leading positions in syngas: methanol, ammonia, hydrogen and formaldehyde. Catalyst Technologies has three key segments: industrial and consumer, traditional fuels and sustainable solutions that help catalyse the transition to net zero. Our revenue streams include licensing and engineering income, first fill and refill catalysts.

Sales during the period were up 17%, with strong growth in licensing and growth in first fills and refills reflecting higher pricing and positive mix.

Industrial and consumer
Industrial and consumer includes our traditional syngas (methanol, ammonia and formaldehyde) catalyst offerings as well as the majority of our current licensing business. We saw double digit sales growth reflecting strong growth in licensing and first fills as new plants came on stream following licence wins in recent years. In the year, we signed six new licences (2021/22: three licences). Refills also grew well supported by growth in ammonia and formaldehyde.

Traditional fuels
Traditional fuels includes our refining additives, hydrogen and natural gas purification offerings. Growth in the segment was mainly driven by refills. High global demand for liquified natural gas has led to strong sales of our natural gas purification catalysts.

Sustainable solutions
Sustainable solutions includes our new growth markets with our technology in low carbon hydrogen, sustainable fuels and low carbon solutions. In the period to May 2023, we won five large scale projects across low carbon hydrogen and sustainable fuels:

- H2H Saltend, expected to be one of the UK's largest low carbon hydrogen projects
- A large scale low carbon hydrogen licence in North America
- A sustainable fuels project with Strategic Biofuels, also in North America
- A commercial scale sustainable fuels project in North America
- A commercial scale sustainable fuels project in Europe

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In addition, we won a low carbon solutions licence in the year which will enable the decarbonisation of one of our customer's existing assets.

Underlying operating profit

Underlying operating profit of £51 million was in line with the prior year and margins declined to 9.1%. However, we saw good improvement in operating margin from the first to the second half of the year (1H: 7.6% and 2H: 10.5%). Higher pricing, licensing and the benefits of our transformation programme offset significant cost inflation and the loss of catalyst sales and higher margin licensing income in Russia (c.£10 million loss of profit).

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Hydrogen Technologies

Sales more than doubled and continued investment to scale the business

- Agreed strategic partnerships with Plug Power and Hystar
- Sales more than doubled driven by higher volumes for new and existing customers in fuel cells, growth in electrolysers and increased manufacturing output as we focused on improving operational performance
- Underlying operating loss reflects continued investment to scale the business to meet demand partly offset by higher volumes

	2023 £ million	Year ended 31st March 2022 £ million	% change	% change, constant FX rates
Sales				
Hydrogen Technologies	55	25	+120	+112
Underlying operating loss	**(45)**	**(33)**	**n/a**	**n/a**
Underlying margin	**n/a**	**n/a**		
Reported operating loss	**(46)**	**(33)**		

In Hydrogen Technologies, we provide catalyst coated membranes that are critical performance defining components of fuel cells and electrolysers.

In Hydrogen Technologies, sales in the year more than doubled to £55 million. This was primarily driven by growth in fuel cells where we delivered higher commercial volumes for new and existing customers, enabled by improved operational performance. We continue to focus our fuel cells business towards strategic customers to develop deeper and longer relationships. This trend will continue given the recent strategic partnership announcements, for example with Plug Power which entails a long-term supply agreement, joint development agreement and co-investment into new manufacturing capacity. In electrolysers, we saw higher sales from the supply of samples, prototypes and components as we develop strategic partners.

In the year, we saw higher manufacturing output as we focused on operational performance to improve our processes and drive efficiency. Sales also benefited as constraints eased following the greater use of capacity in the prior period to qualify new customer products.

Underlying operating loss

Underlying operating loss of £45 million primarily reflects increased investment into product development and building capability as we scale the business to meet customer demand, partly offset by higher volumes.

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Value Businesses

Comparable performance materially improved

- Market recovery and structural improvements driving improved performance
- Completed the sale of Piezo Products, part of Medical Device Components, and agreed the sale of Diagnostic Services with completion expected in the third quarter of calendar 2023

	2023 £ million	Year ended 31st March 2022 £ million	% change	% change, constant FX rates
Sales				
Value Businesses[1]	470	354	+33	+28
Underlying operating profit[2]	**40**	**12**	**n/a**	**n/a**
Underlying margin	**8.5%**	**3.4%**		
Reported operating profit / (loss)	**38**	**(276)**		

Value Businesses is managed to drive shareholder value from activities considered to be non-core to JM, and now principally comprises Battery Systems, Medical Device Components and Diagnostic Services. In the year, we completed the sale of Piezo Products, part of Medical Device Components, and we have also agreed the sale of Diagnostic Services and Battery Materials. In 2021/22, we completed the sale of Advanced Glass Technologies.

Overall, sales in Value Businesses were up 28% in the year. On a like for like basis (i.e. excluding Advanced Glass Technologies and Battery Materials), sales were up 55%.

In Battery Systems, sales almost doubled. We ramped up production of higher value next generation e-bike products and satisfied a backlog of orders as supply chain constraints eased. Medical Device Components also saw strong sales growth as we gained market share following recent project wins, and benefited from higher effective production capacity following investments to upgrade assets and drive efficiency. Diagnostic Services also grew strongly reflecting a continued recovery in demand as COVID-related travel disruption eased and a stronger commercial focus, supported by a higher oil price which drove increased customer activity.

Underlying operating profit

Underlying operating profit of £40 million, an improvement of £28 million on the prior year, reflecting both a supportive market environment and the execution of comprehensive value creation plans that each business is driving forward.

Excluding the results of Advanced Glass Technologies and Battery Materials, underlying operating profit was £38 million[2], an improvement of £20 million.

Corporate

Corporate costs were £68 million, a decrease of £18 million from the prior period, largely reflecting transformation benefits as well as a one-off benefit from lower pension charges.

Notes:
1. Sales relating to divestments: Advanced Glass Technologies (2021/22: £62 million, 2022/23: £nil) and Battery Materials (2021/22: £12 million, 2022/23: £21 million).
2. Operating profit or loss related to divestments: Advanced Glass Technologies (2021/22: £16 million, 2022/23: -£1 million) and Battery Materials (2021/22: -£22 million, 2022/23: £3 million).

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Financial review – continuing operations

Research and development (R&D)

R&D spend was £213 million in the year. This was up from £201 million in the prior year and represents c.5% of sales excluding precious metals. We are investing in our growth areas, including Catalyst Technologies and also Hydrogen Technologies as we continue to commercialise our fuel cell and electrolyser offerings. In addition, we are also investing in our Clean Air business to support future platform wins ahead of new emission regulations.

Foreign exchange

The calculation of growth at constant rates excludes the impact of foreign exchange movements arising from the translation of overseas subsidiaries' profit into sterling. The group does not hedge the impact of translation effects on the income statement. The principal overseas currencies, which represented 79% of the non-sterling denominated underlying operating profit in the year ended 31st March 2023, were:

	Share of 2022/23 non-sterling denominated underlying operating profit	Average exchange rate Year ended 31st March 2023	2022	% change
US dollar	34%	1.20	1.36	-12%
Euro	37%	1.16	1.18	-2%
Chinese renminbi	8%	8.26	8.75	-6%

For the year, the impact of exchange rates increased sales by £193 million and underlying operating profit by £38 million.

If current exchange rates (£:US$ 1.25, £:€ 1.14, £:RMB 8.70) are maintained throughout the year ending 31st March 2024, foreign currency translation will have an adverse impact of c.£10 million on underlying operating profit. A one cent change in the average US dollar and euro exchange rates have an impact of approximately £2 million on operating profit whilst a ten fen change in the average rate of the Chinese renminbi approximately has a £1 million impact on full year underlying operating profit.

Efficiency savings

We have commenced our new group transformation programme as part of which we expect to deliver efficiencies of at least £150 million by 2024/25. Associated costs to deliver the programme are around £100 million, all of which are cash. In 2022/23, we delivered c.£45 million of savings, ahead of our target of c.£35 million.

£ million	Efficiency savings delivered in 2022/23	Associated costs incurred in 2022/23
Transformation programme	**45**	**20**

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Items outside underlying operating profit

Non-underlying (charge) / income (£ million)	**As at 31st March 2023**	**As at 31st March 2022**
Profit on disposal of businesses	12	106
Major impairment and restructuring charges	(41)	(440)
Amortisation of acquired intangibles	(5)	(6)
Gains and losses on significant legal proceedings	(25)	42
Total	**(59)**	**(298)**

A gain of £12 million was recognised relating to the sale of our Battery Materials Canada and Piezo Products businesses.

There was a £41 million charge relating to major impairment and restructuring charges comprised of a net impairment charge of £10 million and restructuring charges of £31 million. The impairment charge includes impact from further consolidation of our Clean Air manufacturing footprint to create a simplified and agile structure, as well as an impairment of goodwill in Diagnostic Services and further impairment charges in relation to parts of the Battery Materials business. Restructuring charges were also recognised in relation to our Clean Air manufacturing footprint as well as the transformation initiatives announced in May 2022 which largely comprise redundancy and implementation costs.

The group paid £25 million in respect of a settlement with a customer on mutually acceptable terms with no admission of fault relating to failures in certain engine systems for which the group supplied a particular coated substrate as a component for that customer's emissions after-treatment systems.

Finance charges

Net finance charges in the period amounted to £61 million, broadly in line with the prior year charge of £60 million.

Taxation

The tax charge on underlying profit before tax for the year ended 31st March 2023 was £78 million, an effective underlying tax rate of 19.3%, up from 17.4% in 2021/22. This largely reflects the settlement of provisions for uncertain tax positions in the prior year.

The effective tax rate on reported profit for the year ended 31st March 2023 was 23.2%. This represents a tax charge of £73 million, compared with £57 million in the prior period.

We currently expect the effective tax rate on underlying profit for the year ending 31st March 2024 to be around 20% reflecting the increase to the UK corporate tax rate.

Post-employment benefits

IFRS – accounting basis

At 31st March 2023, the group's net post-employment benefit position, was a surplus of £165 million.

The cost of providing post-employment benefits in the year was £40 million, down from £62 million last year.

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Capital expenditure

Capital expenditure was £303 million in the year, 1.6 times depreciation and amortisation (excluding amortisation of acquired intangibles). In the period, key projects included:

- Hydrogen Technologies – investing to increase manufacturing capacity in the UK
- PGM Services – investing in the resilience, efficiency and long-term sustainability of our refinery assets, and also our fuel cells capacity expansion

Strong balance sheet

Net debt as at 31st March 2023 was £1,023 million, an increase from £856 million at 31st March 2022 and £963 million at 30th September 2022. Net debt is £19 million higher at £1,042 million when post tax pension deficits are included. The group's net debt (including post tax pension deficits) to EBITDA was 1.6 times (31st March 2022: 1.2 times, 30th September 2022: 1.5 times), which was at the lower end of our target range of 1.5 to 2.0 times.

We use short-term metal leases as part of our mix of funding for working capital, which are outside the scope of IFRS 16 as they qualify as short-term leases. Precious metal leases amounted to £138 million as at 31st March 2023 (31st March 2022: £140 million, 30th September 2022: £129 million).

Free cash flow and working capital

Free cash flow was £74 million in the year, compared to £221 million in the prior period, largely reflecting lower underlying operating profit and working capital movements.

Excluding precious metal, average working capital days to 31st March 2023 increased to 42 days compared to 36 days to 31st March 2022.

Going concern

The directors have reviewed a range of scenario forecasts for the group and have reasonable expectation that there are no material uncertainties that cast doubt about the group's ability to continue operating for at least twelve months from the date of approving these annual accounts.

As at 31st March 2023, the group maintains a strong balance sheet with around £1.6 billion of available cash and undrawn committed facilities. Free cash flow was positive in the year at £74 million. Net debt at 31st March 2023 was £1,023 million at 1.6 times net debt (including post tax pension deficits) to EBITDA which was at the lower end of our target range.

Although impacted by the significant headwinds faced in the current macroeconomic environment such as high inflation, the impacts of Russia's war with Ukraine and uncertainty in outlook for major economies, the group's performance during the period was resilient, both in terms of underlying operating profit and cash flow. For the purposes of assessing going concern, we have revisited our financial projections using the latest forecasts for our base case scenario. The base case scenario was stress tested to a severe-but-plausible downside case which reflects severe recession scenarios.

The severe-but-plausible case for Clean Air modelled scenarios assuming a smaller LD vehicle market from reduced vehicle production and/or market consumer demand disruption or greater share of zero emission vehicles in market, assumed to result in a 10% drop in sales.

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For PGM Services and Catalyst Technologies, it also assumed a reduction in sales and associated operating profit based on adverse scenarios using external and internal market insights.

Additionally, as part of viability testing, the group considered scenarios including the impact from metal price volatility, higher inflation, delays in capital projects and delivery of cost transformation savings, and slow down of operations in China. Whilst the combined impact would reduce profitability and EBITDA against our latest forecast, our balance sheet remains strong with ample working capital and net debt/EBITDA ratios.

The group has a robust funding position comprising a range of long-term debt and a £1 billion five year committed revolving credit facility maturing in March 2027 which was entirely undrawn at 31st March 2023. There was £521 million of cash held in money market funds and £129 million of other cash and bank deposits. Of the existing loans, £151 million of term debt and £4 million of other bank loans mature in the period to June 2024. We assume no refinancing of this debt in our going concern modelling. As a long time, highly rated issuer in the US private placement market and having recently extended its UK Export Financing facility, the group expects to be able to access additional funding in its existing markets if required but the going concern conclusion is not dependant on such access as the company has sufficient financing and liquidity to fund its obligations in the base and severe-but-plausible scenarios. The group also has a number of additional sources of funding available including uncommitted metal lease facilities that support precious metal funding. Whilst we would fully expect to be able to utilise the metal lease facilities, they are excluded from our going concern modelling.

Under all scenarios above, the group has sufficient headroom against committed facilities and key financial covenants are not in breach during the going concern period. To give further assurance on liquidity, we have also undertaken a reverse stress test to identify what additional or alternative scenarios and circumstances would threaten our current financing arrangements. This shows that we have headroom against a further decline in profitability beyond the severe-but-plausible scenario or a significant increase in borrowings. Furthermore, the group has a range of levers which it could utilise to protect headroom including reducing capital expenditure, renegotiating payment terms and reducing future dividend distributions.

The directors are therefore of the opinion that the group has adequate resources to fund its operations for the period of at least twelve months following the date of these financial statements and there are no material uncertainties relating to going concern so determine that it is appropriate to prepare the accounts on a going concern basis.

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Consolidated Income Statement

for the year ended 31st March 2023

	Notes	2023 £m	2022 £m
Revenue	2,3	**14,933**	16,025
Cost of sales		**(13,939)**	(14,971)
Gross profit		**994**	1,054
Distribution costs		**(117)**	(101)
Administrative expenses		**(412)**	(400)
Profit on disposal of businesses	13	**12**	106
Amortisation of acquired intangibles	4	**(5)**	(6)
Gains and losses on significant legal proceedings	4	**(25)**	42
Major impairment and restructuring charges	5	**(41)**	(440)
Operating profit		**406**	255
Finance costs		**(110)**	(101)
Investment income		**49**	41
Share of losses of associates		**(1)**	-
Profit before tax from continuing operations		**344**	195
Tax expense		**(80)**	(79)
Profit for the year from continuing operations		**264**	116
Profit / (loss) after tax from discontinued operations		**12**	(217)
Profit / (loss) for the year		**276**	(101)

	Notes	pence	pence
Earnings / (loss) per ordinary share			
Basic	6	**150.9**	(52.6)
Diluted	6	**150.2**	(52.6)
Earnings per ordinary share from continuing operations			
Basic	6	**144.2**	60.9
Diluted	6	**143.6**	60.8

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Consolidated Statement of Total Comprehensive Income

for the year ended 31st March 2023

	Notes	2023 £m	2022 £m
Profit / (loss) for the year		**276**	(101)
Other comprehensive (expense) / income			
Items that will not be reclassified to the income statement in subsequent years			
Remeasurements of post-employment benefit assets and liabilities	14	**(149)**	177
Fair value losses on equity investments at fair value through other comprehensive income		**(12)**	(5)
Tax on items that will not be reclassified to the income statement		**37**	(35)
Total items that will not be reclassified to the income statement		**(124)**	137
Items that may be reclassified to the income statement			
Exchange differences on translation of foreign operations		**33**	75
Exchange differences on translation of discontinued foreign operations	12	**(32)**	5
Amounts credited / (charged) to hedging reserve		**114**	(36)
Fair value losses on net investment hedges		**(10)**	(2)
Tax on above items taken directly to or transferred from equity		**(28)**	10
Total items that may be reclassified to the income statement (in subsequent years)		**77**	52
Other comprehensive (expense) / income for the year		**(47)**	189
Total comprehensive income for the year		**229**	88

	Notes	2023 £m	2022 £m
Total comprehensive income for the year arises from:			
Continuing operations		**249**	300
Discontinued operations	12	**(20)**	(212)
		229	88

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Consolidated Statement of Financial Position

as at 31st March 2023

	Notes	**2023 £m**	2022 £m
Assets			
Non-current assets			
Property, plant and equipment	8	**1,332**	1,238
Right-of-use assets		**49**	61
Goodwill		**364**	366
Other intangible assets	9	**287**	267
Investments in joint ventures and associates		**75**	2
Investments at fair value through other comprehensive income		**49**	45
Other receivables	10	**113**	42
Interest rate swaps		**20**	12
Other financial assets		**48**	-
Deferred tax assets		**121**	98
Post-employment benefit net assets	14	**203**	352
Total non-current assets		**2,661**	2,483
Current assets			
Inventories		**1,702**	1,549
Taxation recoverable		**12**	18
Trade and other receivables	10	**1,882**	1,796
Cash and cash equivalents		**650**	391
Other financial assets		**47**	27
Assets classified as held for sale	12	**75**	402
Total current assets		**4,368**	4,183
Total assets		**7,029**	6,666
Liabilities			
Current liabilities			
Trade and other payables	11	**(2,497)**	(2,563)
Lease liabilities		**(9)**	(10)
Taxation liabilities		**(105)**	(97)
Cash and cash equivalents – bank overdrafts		**(13)**	(37)
Borrowings and related swaps		**(155)**	(265)
Other financial liabilities		**(27)**	(44)
Provisions		**(63)**	(56)
Liabilities classified as held for sale	12	**(25)**	(80)
Total current liabilities		**(2,894)**	(3,152)
Non-current liabilities			
Borrowings and related swaps		**(1,460)**	(899)
Lease liabilities		**(31)**	(40)
Deferred tax liabilities		**(19)**	(18)
Interest rate swaps		**(15)**	(2)
Employee benefit obligations	14	**(41)**	(72)
Other financial liabilities		**-**	(12)
Provisions		**(28)**	(28)
Trade and other payables	11	**(2)**	(2)
Total non-current liabilities		**(1,596)**	(1,073)
Total liabilities		**(4,490)**	(4,225)
Net assets		**2,539**	2,441
Equity			
Share capital		**215**	218
Share premium		**148**	148
Treasury shares		**(19)**	(24)
Other reserves		**118**	50
Retained earnings		**2,077**	2,049
Total equity		**2,539**	2,441

The accounts were approved by the Board of Directors on 25th May 2023 and signed on its behalf by:

L Condon
S Oxley Directors

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Consolidated Statement of Cash Flows

for the year ended 31st March 2023

	Notes	2023 £m*	2022 £m*
Cash flows from operating activities			
Profit before tax from continuing operations		**344**	195
Profit / (loss) before tax from discontinued operations		**5**	(239)
Adjustments for:			
Share of losses of associates		**1**	-
Profit on disposal of businesses		**(23)**	(106)
Depreciation		**151**	151
Amortisation		**36**	39
Impairment losses		**27**	632
(Profit) / loss on sale of non-current assets		**(6)**	2
Share-based payments		**7**	8
(Increase) / decrease in inventories		**(139)**	123
(Increase) / decrease in receivables		**(102)**	588
Decrease in payables		**(4)**	(783)
Increase in provisions		**7**	25
Contributions in excess of employee benefit obligations charge		**(21)**	(2)
Changes in fair value of financial instruments		**22**	19
Net finance costs		**61**	60
Income tax paid		**(75)**	(107)
Net cash inflow from operating activities		**291**	605
Cash flows from investing activities			
Interest received		**28**	32
Purchases of property, plant and equipment		**(253)**	(358)
Purchases of intangible assets		**(63)**	(95)
Purchases of investments held at fair value through other comprehensive income		**(17)**	-
Government grant income received		**7**	-
Proceeds from sale of non-current assets		**8**	1
Proceeds from sale of investments in joint ventures		**2**	-
Net proceeds from sale of businesses		**187**	160
Net cash outflow from investing activities		**(101)**	(260)
Cash flows from financing activities			
Purchase of treasury shares		**(45)**	(155)
Proceeds from borrowings		**672**	9
Repayment of borrowings		**(281)**	(140)
Dividends paid to equity shareholders	7	**(141)**	(139)
Interest paid		**(94)**	(111)
Principal element of lease payments		**(14)**	(14)
Net cash inflow / (outflow) from financing activities		**97**	(550)
Change in cash and cash equivalents		**287**	(205)
Exchange differences on cash and cash equivalents		**4**	6
Cash and cash equivalents at beginning of year		**346**	545
Cash and cash equivalents at end of year		**637**	346
Cash and deposits		**129**	254
Money market funds		**521**	137
Bank overdrafts		**(13)**	(37)
Bank overdrafts transferred to liabilities classified as held for sale		**-**	(8)
Cash and cash equivalents		**637**	346

* For cash flows of discontinued operations see note 12.

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Consolidated Statement of Changes in Equity

for the year ended 31st March 2023

	Share capital £m	Share premium account £m	Treasury shares £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1st April 2021	221	148	(29)	-	2,345	2,685
Total comprehensive income	-	-	-	47	41	88
Dividends paid (note 7)	-	-	-	-	(139)	(139)
Purchase of treasury shares	(3)	-	-	3	(200)	(200)
Share-based payments	-	-	-	-	15	15
Cost of shares transferred to employees	-	-	5	-	(13)	(8)
At 31st March 2022	218	148	(24)	50	2,049	2,441
Total comprehensive income	-	-	-	65	164	229
Dividends paid (note 7)	-	-	-	-	(141)	(141)
Purchase of treasury shares	(3)	-	-	3	(1)	(1)
Share-based payments	-	-	-	-	18	18
Cost of shares transferred to employees	-	-	5	-	(14)	(9)
Tax on share-based payments	-	-	-	-	2	2
At 31st March 2023	**215**	**148**	**(19)**	**118**	**2,077**	**2,539**

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1 Preparation

Basis of preparation and statement of compliance

The financial statements of the group have been prepared on a going concern basis in accordance with International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006. The financial statements are also prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), adopted pursuant to Regulation (EC) No 1606/2002 as it applies to the European Union, including the interpretations issued by the IFRS Interpretations Committee. Except for the changes noted below, the accounting policies applied are set out in the Annual Report and Accounts for the year ended 31st March 2022.

As at 31st March 2023, the group maintains a strong balance sheet with around £1.6 billion of available cash and undrawn committed facilities. Free cash flow was positive in the year at £74 million. However, net debt increased since 31st March 2022 to £1,023 million with the payment of dividends and the share buyback. Net debt (including post tax pension deficits) to underlying EBITDA at 1.6 times was at the lower end of our target range.

The directors have reviewed the base case scenario forecasts for the group and are of the opinion that the group has adequate resources to fund its operations for the period of at least twelve months from the date of signing these financial statements. In forming this view, the base case scenario was stress tested to represent a severe-but-plausible downside case scenario which modelled a material reduction in trading.

In both scenarios outlined above, we have sufficient headroom against committed facilities and key financial covenants are not in breach during the going concern period. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Statutory accounts for 2022 have been delivered to the Registrar of Companies and those for 2023 will be delivered following the company's Annual General Meeting. The auditor, PwC, has reported on both sets of accounts. Their reports were unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain any statement under sections 498(2) or 498(3) of the Companies Act 2006. The accounts for the year ended 31st March 2023 were approved by the Board of Directors on 25th May 2023.

These accounts do not include all the information required for full annual statements and should be read in conjunction with the 2023 Annual Report. They are not statutory accounts per section 435 of the Companies Act 2006.

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1 Preparation (continued)

Changes in accounting policies

Amendments to accounting standards
The IASB has issued the following amendments, which have been endorsed by the UK Endorsement Board, for annual periods beginning on or after 1st January 2022:
- Annual improvements to IFRS Standards 2018-2020;
- Amendments to IAS 16, *Property, Plant and Equipment: Proceeds before intended use*;
- Amendments to IAS 37, *Onerous Contracts = Cost of Fulfilling a Contract*; and
- Amendments to IFRS 3, *Reference to the Conceptual Framework*

These changes have not had a material impact on the group. The group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

New significant accounting policies adopted by the group

Investments in joint ventures and associates
A joint venture is a joint arrangement whereby investees are able to exercise joint control of the arrangement.

Associates are entities over which the group exercises significant influence when it has the power to participate in the financial and operating policy decisions of the entity but it does not have the power to control or jointly control the entity.

Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. Thereafter the investments are adjusted to recognise the group's share of the post-acquisition profits or losses after tax of the investee in the income statement, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. The carrying value of the investments are reviewed for impairment triggers on a regular basis.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses unless it has incurred obligations to do so.

Unrealised gains and losses on transactions between the group and its associates are eliminated to the extent of the group's interest in these joint ventures and associates.

Non-GAAP measures
The group uses various measures to manage its business which are not defined by generally accepted accounting principles (GAAP). The group's management believes these measures provide valuable additional information to users of the accounts in understanding the group's performance. The group's non-GAAP measures are defined and reconciled to GAAP measures in note 19.

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2 Segmental information

Revenue, sales, underlying operating profit and net assets by sector

Year ended 31st March 2023

	Clean Air £m	PGM Services £m	Catalyst Technologies £m	Hydrogen Technologies £m	Value Businesses £m	Corporate £m	Eliminations £m	Total £m
Revenue from external customers	6,273	7,360	673	62	565	-	-	14,933
Inter-segment revenue	-	3,227	14	-	-	-	(3,241)	-
Revenue	**6,273**	**10,587**	**687**	**62**	**565**	**-**	**(3,241)**	**14,933**
External sales	2,644	485	547	55	470	-	-	4,201
Inter-segment sales	-	85	13	-	-	-	(98)	-
Sales[1]	**2,644**	**570**	**560**	**55**	**470**	**-**	**(98)**	**4,201**
Underlying operating profit / (loss)[1]	**230**	**257**	**51**	**(45)**	**40**	**(68)**	**-**	**465**
Segmental net assets	**1,784**	**(2)**	**680**	**114**	**175**	**515**	**-**	**3,266**
Net debt (note 19)								(1,023)
Post-employment benefits net assets and liabilities (note 14)								162
Deferred tax net asset								102
Provisions and non-current other payables								(93)
Investments in joint ventures and associates								75
Net assets held for sale (note 12)								50
Net assets								**2,539**

Year ended 31st March 2022*

	Clean Air £m	PGM Services (restated) £m	Catalyst Technologies (restated) £m	Hydrogen Technologies (restated) £m	Value Businesses (restated) £m	Corporate £m	Eliminations (restated) £m	Total £m
Revenue from external customers	7,085	7,880	581	30	449	-	-	16,025
Inter-segment revenue	4	4,549	6	-	1	-	(4,560)	-
Revenue	7,089	12,429	587	30	450	-	(4,560)	16,025
External sales	2,455	497	448	25	353	-	-	3,778
Inter-segment sales	2	90	6	-	1	-	(99)	-
Sales[1]	2,457	587	454	25	354	-	(99)	3,778
Underlying operating profit / (loss)[1]	302	308	50	(33)	12	(86)	-	553
Segmental net assets	2,108	(702)	743	51	169	330	-	2,699
Net debt								(856)
Post-employment benefit net assets and liabilities (note 14)								280
Deferred tax net asset								80
Provisions and non-current other payables								(86)
Investments in joint ventures and associates								2
Net assets held for sale								322
Net assets								2,441

[1] Sales and underlying operating profit are non-GAAP measures (see note 19). Sales excludes the sale of precious metals. Underlying operating profit excludes profit or loss on disposal of businesses, gain or loss on significant legal proceedings, together with associated legal costs, amortisation of acquired intangibles and major impairment and restructuring charges.

* The comparative period is restated to reflect the group's updated reporting segments. The overall group total is as previously reported.

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3 Revenue

Products and services

The group's principal products and services by operating sector and sub-sector are disclosed in the table below, together with information regarding performance obligations and revenue recognition. Revenue is recognised by the group as contractual performance obligations to customers are completed.

Sub-sector	Primary industry	Principal products and services	Performance obligations	Revenue recognition
Clean Air				
Light Duty Catalysts	Automotive	Catalysts for cars and other light duty vehicles	Point in time	On despatch or delivery
Heavy Duty Catalysts	Automotive	Catalysts for trucks, buses and non-road equipment	Point in time	On despatch or delivery
PGM Services				
Platinum Group Metal Services	Various	Platinum Group Metal refining and recycling services	Over time	Based on output
		Platinum Group Metal trading	Point in time	On receipt of payment
		Other precious metal products	Point in time	On despatch or delivery
		Platinum Group Metal chemical, industrial products and catalysts	Point in time	On despatch or delivery
Catalyst Technologies				
Catalyst Technologies	Chemicals / oil and gas	Speciality catalysts and additives	Point in time	On despatch or delivery
		Process technology licences	Over time	Based on costs incurred or straight-line over the licence term[1]
		Engineering design services	Over time	Based on costs incurred
Hydrogen Technologies				
Fuel Cells technologies	Various	Fuel cell catalyst coated membrane	Point in time	On despatch or delivery
Electrolysis technology	Various	Electrolyser catalyst coated membrane	Point in time	On despatch or delivery
Value Businesses				
Other Markets (excluding Diagnostic Services)	Various	Precious metal pastes and enamels, battery systems and products found in devices used in medical procedures	Point in time	On despatch or delivery
Diagnostic Services	Oil and gas	Detection, diagnostic and measurement solutions	Over time	Based on costs incurred

[1] Revenue recognition depends on whether the licence is distinct in the context of the contract.

Metal revenue: Metal revenue relates to the sales of precious metals to customers, either in pure form or contained within a product. Metal revenue arises in each of the reportable segments in the Group. Metal revenue is affected by fluctuations in the market prices of precious metals and, in many cases, the value of precious metals is passed directly on to customers. Given the high value of these metals this makes up a significant proportion of revenue.

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3 Revenue (continued)

Revenue from external customers by principal products and services

Year ended 31st March 2023

	Continuing operations					
	Clean Air £m	**PGM Services £m**	**Catalyst Technologies £m**	**Hydrogen Technologies £m**	**Value Businesses £m**	**Total £m**
Metal	3,629	6,875	126	7	95	10,732
Heavy Duty Catalysts	970	-	-	-	-	970
Light Duty Catalysts	1,674	-	-	-	-	1,674
Catalyst Technologies	-	-	547	-	-	547
Platinum Group Metal Services	-	485	-	-	-	485
Fuel Cells	-	-	-	55	-	55
Battery Systems	-	-	-	-	284	284
Diagnostic Services	-	-	-	-	71	71
Medical Device Components	-	-	-	-	93	93
Other	-	-	-	-	22	22
Revenue	**6,273**	**7,360**	**673**	**62**	**565**	**14,933**

Year ended 31st March 2022*

	Continuing operations					
	Clean Air £m	PGM Services (restated) £m	Catalyst Technologies (restated) £m	Hydrogen Technologies (restated) £m	Value Businesses (restated) £m	Total £m
Metal	4,630	7,383	133	5	96	12,247
Heavy Duty Catalysts	849	-	-	-	-	849
Light Duty Catalysts	1,578	-	-	-	-	1,578
Catalyst Technologies	-	-	448	-	-	448
Platinum Group Metal Services	-	497	-	-	-	497
Fuel Cells	-	-	-	25	-	25
Battery Materials	-	-	-	-	12	12
Battery Systems	-	-	-	-	151	151
Advanced Glass Technologies	-	-	-	-	62	62
Diagnostic Services	-	-	-	-	54	54
Medical Device Components	-	-	-	-	74	74
Other	28	-	-	-	-	28
Revenue	7,085	7,880	581	30	449	16,025

* The comparative period is restated to reflect the group's updated reporting segments. The overall group total is as previously reported.

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4 Operating profit

Operating profit is arrived at after charging / (crediting):

	2023 £m	2022 £m
Total research and development expenditure	213	201
Less: Development expenditure capitalised	-	(22)
Research and development expenditure charged to the income statement	213	179
Less: External funding received from governments	(19)	(18)
Net research and development expenditure charged to the income	**194**	161
Inventories recognised as an expense	12,962	14,121
Write-down of inventories recognised as an expense	39	26
Reversal of write-down of inventories from increases in net realisable value	(19)	(16)
Net gains on foreign exchange	(11)	(2)
Net losses on foreign currency forwards at fair value through profit or loss	19	6
Past service credit	(20)	(11)
Depreciation of:		
Property, plant and equipment	137	125
Right-of-use assets	14	13
Depreciation	**151**	138
Amortisation of:		
Internally generated intangible assets	1	1
Acquired intangibles	5	6
Other intangible assets	30	32
Amortisation	**36**	39
Gains and losses on significant legal proceedings	**25**	(42)
Profit on disposal of businesses (note 13)	**(12)**	(106)
Impairment losses included in administrative expenses	3	3
Impairment losses	**3**	3
Impairment losses and reversals included in major impairment and restructuring charges	10	401
Restructuring charges included in major impairment and restructuring	31	39
Major impairment and restructuring charges (note 5)	**41**	440
Fees payable to the company's auditor and its associates for:		
The audit of these accounts	2.2	2.1
The audit of the accounts of the company's subsidiaries	2.4	2.4
The audit of prior period accounts	0.2	0.2
Total audit fees	**4.8**	4.7
Audit-related assurance services	0.4	0.4
Total non audit fees	**0.4**	0.4
Total fees payable to the company's auditor and its associates	**5.2**	5.1

Gains and losses on significant legal proceedings

During the year, the group paid £25 million in respect of a settlement with a customer on mutually acceptable terms with no admission of fault relating to failures in certain engine systems for which the group supplied a particular coated substrate as a component for that customer’s emissions after-treatment systems.

During the prior year, the group recognised a gain of £44 million in relation to damages and interest from a company found to have unlawfully copied one of our technology designs. An additional gain of £6 million was recognised following conclusion of legal proceedings associated to investments in Battery Materials, this was partially offset by a £8 million charge for environmental and other costs. Gains and losses on significant legal proceedings are reported as non-underlying.

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5 Major impairment and restructuring charges

	2023 **£m**	2022 £m
Property, plant and equipment	17	238
Right-of-use assets	-	4
Goodwill	4	45
Other intangible assets	3	78
Inventories	(8)	17
Trade and other receivables	(6)	19
Impairment losses and reversals	**10**	401
Restructuring charges	**31**	39
Total major impairment and restructuring charges	**41**	440

Major impairment and restructuring charges are shown separately on the face of the income statement and excluded from underlying operating profit (see note 19).

Major impairments – The group's net impairment charge of £10 million includes further impairment charges to plants and related production assets in Clean Air as the sector continues to consolidate its existing capacity into new, more efficient plants in order to create a simplified and agile structure. Further impairment charges were also recognised in relation to parts of the Battery Materials business reflecting elements of the contract to sell the business to EV Metals Group.

On 3rd May 2023 the group announced the sale of its Diagnostic Services business to Sullivan Street Partners. The business is presented as held for sale (refer to note 12) at fair value less estimated costs to sell. This has resulted in an impairment to goodwill of £4 million.

The major impairments charge also includes impairment reversals for previously impaired Clean Air equipment that has been re-purposed, and Russia related inventories and receivables that have subsequently been recovered in cash. Although this cash is reported as restricted (see note 19), there are no impairment indicators.

Major restructuring - The group's transformation programme was launched in May 2022 and was designed to drive increased competitiveness, improved execution capability and create financial headroom to facilitate further investment in high growth areas. Restructuring charges of £17 million have been recognised of which the majority is redundancy and implementation costs. The remaining charge is related to Clean Air's ongoing plant consolidation initiatives.

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6 Earnings / (loss) per share

	2023 pence	2022 pence
Basic	**150.9**	(52.6)
Diluted	**150.2**	(52.6)
Basic from continuing operations	**144.2**	60.9
Diluted from continuing operations	**143.6**	60.8

Earnings per ordinary share have been calculated by dividing profit for the period by the weighted average number of shares in issue during the period.

Weighted average number of shares in issue	**2023**	2022
Basic	**183,012,301**	191,568,756
Dilution for long term incentive plans	**851,432**	585,024
Diluted	**183,863,733**	192,153,780

7 Dividends

A final dividend of 55.00 pence per ordinary share has been proposed by the board which will be paid on 1st August 2023 to shareholders on the register at the close of business on 10th June 2023, subject to shareholders' approval. The estimated amount to be paid is £101 million and has not been recognised in these accounts.

	2023 £m	2022 £m
2020/21 final ordinary dividend paid — 50.00 pence per share	**-**	96
2021/22 interim ordinary dividend paid — 22.00 pence per share	**-**	43
2021/22 final ordinary dividend paid — 55.00 pence per share	**100**	-
2022/23 interim ordinary dividend paid — 22.00 pence per share	**41**	-
Total dividends	**141**	139

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8 Property, plant and equipment

	Freehold land and buildings £m	Leasehold improvements £m	Plant and machinery £m	Assets in the course of construction £m	Total £m
Cost					
At 1st April 2022	570	27	2,055	304	2,956
Additions	1	-	24	217	242
Transferred to assets classified as held for sale (note 12)	-	(1)	(41)	-	(42)
Transfers from assets in the course of construction	22	2	128	(152)	-
Disposals	(1)	(1)	(33)	(13)	(48)
Disposal of businesses (note 13)	-	-	(10)	-	(10)
Exchange adjustments	7	1	28	4	40
At 31st March 2023	**599**	**28**	**2,151**	**360**	**3,138**
Accumulated depreciation and impairment					
At 1st April 2022	265	14	1,424	15	1,718
Charge for the year	17	1	119	-	137
Impairment losses	-	-	8	4	12
Transferred to assets classified as held for sale (note 12)	-	(1)	(31)	-	(32)
Disposals	(1)	-	(33)	(11)	(45)
Disposal of businesses (note 13)	-	-	(8)	-	(8)
Exchange adjustments	3	1	20	-	24
At 31st March 2023	**284**	**15**	**1,499**	**8**	**1,806**
Carrying amount at 31st March 2023	**315**	**13**	**652**	**352**	**1,332**
Carrying amount at 1st April 2022	305	13	631	289	1,238

During the year, the group recognised impairments of £12 million. The impairment charge is comprised of £3 million included in administrative expenses, see note 4, and a net £9 million charge included in non-underlying expenses.

During the prior year, the group recognised impairments of £295 million. The impairment charge is comprised of £2 million included in administrative expenses, and £238 million included in non-underlying expenses. A further £55 million of impairment charges were incurred in relation to the Health segment.

9 Other intangible assets

	Customer contracts and relationships £m	Computer software £m	Patents, trademarks and licences £m	Acquired research and technology £m	Development expenditure £m	Total £m
Cost						
At 1st April 2022	132	419	47	37	135	770
Additions	-	59	2	-	-	61
Transferred to assets classified as held for sale (note 12)	(1)	(1)	-	(1)	-	(3)
Disposals	(2)	(2)	(7)	-	-	(11)
Disposal of businesses (note 13)	(13)	-	-	-	-	(13)
Exchange adjustments	-	-	1	1	-	2
At 31st March 2023	**116**	**475**	**43**	**37**	**135**	**806**
Accumulated amortisation and impairment						
At 1st April 2022	112	178	44	36	133	503
Charge for the year	4	31	-	1	-	36
Impairment losses	-	3	-	-	-	3
Transferred to assets classified as held for sale (note 12)	(1)	(1)	-	(1)	-	(3)
Disposals	(2)	(2)	(6)	-	-	(10)
Disposal of businesses (note 13)	(13)	-	-	-	-	(13)
Exchange adjustments	1	-	1	1	-	3
At 31st March 2023	**101**	**209**	**39**	**37**	**133**	**519**
Carrying amount at 31st March 2023	**15**	**266**	**4**	**-**	**2**	**287**
Carrying amount at 1st April 2022	20	241	3	1	2	267

During the year, the group recognised impairments of £3 million, see note 5.

During the prior year, the group recognised impairments of £102 million. The impairment charge is comprised of £1 million included in administrative expenses and £78 million included in non-underlying expenses. A further £23 million of impairment charges were incurred in relation to the Health segment.

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10 Trade and other receivables

	2023 £m	2022 £m
Current		
Trade receivables	**1,304**	1,393
Contract receivables	**70**	88
Prepayments	**83**	75
Value added tax and other sales tax receivable	**142**	89
Advance payments to customers	**10**	10
Amounts receivable under precious metal sale and repurchase agreements[1]	**222**	114
Other receivables	**51**	27
Trade and other receivables	**1,882**	1,796
Non-current		
Value added tax and other sales tax receivable	**3**	3
Advance payments to customers	**53**	39
Other receivables	**57**	-
Other receivables	**113**	42

[1] The fair value of the precious metal contracted to be sold by the group under sale and repurchase agreements is £215 million (31st March 2022: £108 million).

11 Trade and other payables

	2023 £m	2022 £m
Current		
Trade payables	**831**	753
Contract liabilities	**181**	273
Accruals	**338**	439
Amounts payable under precious metal sale and repurchase agreements[1]	**838**	793
Other payables	**309**	305
Trade and other payables	**2,497**	2,563
Non-current		
Other payables	**2**	2
Trade and other payables	**2**	2

[1] The fair value of the precious metal contracted to be repurchased by the group under sale and repurchase agreements is £802 million (31st March 2022: £782 million).

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12 Discontinued operations and assets and liabilities classified as held for sale

The group strategically drives for efficiency and disciplined capital allocation to enhance returns, as such we continue to actively manage our portfolio. In line with this strategy and to focus on our core businesses, during the period we completed the sale of our Health, Battery Materials UK, Battery Materials Canada and Piezo Products businesses.

The Health segment is classified as a discontinued operation and presented separately in the consolidated income statement. The Health segment was classified as held for sale and a discontinued operation for the year to 31st March 2022.

Financial information relating to the Health discontinued operations for the period to disposal date (1st June 2022) is set out below. The 30% equity interest in the business is equity accounted as an investment in associate.

	2023 £m	**2022 £m**
Revenue	35	164
Expenses	(41)	(161)
Underlying operating (loss) / profit from discontinued operations	**(6)**	**3**
Major impairment and restructuring costs from discontinued operations	-	(242)
Loss before tax from discontinued operations	**(6)**	**(239)**
Tax credit	2	22
Profit on disposal of discontinued operations after tax (see note 13)*	16	-
Profit / (loss) from discontinued operations	**12**	**(217)**
Exchange differences on translation of discontinued operations	(32)	5
Other comprehensive (expense) / income from discontinued operations	**(32)**	**5**
Total comprehensive expense from discontinued operations	**(20)**	**(212)**
Net cash inflow from operating activities	13	33
Net cash outflow from investing activities	(5)	(30)
Net cash outflow from financing activities	-	(6)
Net increase / (decrease) in cash generated by the discontinued operations	**8**	**(3)**

	pence	pence
Earnings / (loss) per ordinary share from discontinued operations		
Basic earnings / (loss) per ordinary share from discontinued operations	6.7	(113.5)
Diluted earnings / (loss) per ordinary share from discontinued operations	6.6	(113.5)

* The profit on disposal of discontinued operations after tax includes a tax credit of £5 million.

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12 Discontinued operations and assets and liabilities classified as held for sale (continued)

The group decided to sell its Battery Materials Germany and Poland business. As at 31st March 2023, the fair value of the proceeds less costs to sell for the Battery Materials business was estimated to be £15 million. The business is classified as a disposal group held for sale.

Additionally, in May 2023 the group agreed to sell its Diagnostic Services business. As at 31st March 2023, the proceeds less costs to sell for the Diagnostic Services business was estimated to be £37 million and so an impairment of £4 million against goodwill has been recognised, see note 5. The business is classified as a disposal group held for sale.

The major classes of assets and liabilities comprising the businesses classified as held for sale as at 31st March are:

	2023			
	Diagnostic Services	**Battery Materials**	**Total**	**2022**
	£ million	**£m**	**£m**	**£m**
Non-current assets				
Property, plant and equipment	10	17	**27**	146
Right-of-use-assets	9	-	**9**	2
Other intangible assets	-	1	**1**	52
Deferred tax assets	3	-	**3**	-
Current assets				
Inventories	5	-	**5**	138
Taxation recoverable	-	-	**-**	1
Trade and other receivables	30	-	**30**	63
Assets classified as held for sale	**57**	**18**	**75**	**402**
Current liabilities				
Trade and other payables	(11)	(3)	**(14)**	(60)
Lease liabilities	(1)	-	**(1)**	(2)
Taxation liabilities	(1)	-	**(1)**	-
Cash and cash equivalents - bank overdrafts	-	-	**-**	(8)
Provisions	-	-	**-**	(2)
Non-current liabilities				
Lease liabilities	(9)	-	**(9)**	(7)
Provisions	-	-	**-**	(1)
Liabilities classified as held for sale	**(22)**	**(3)**	**(25)**	**(80)**
Net assets of disposal group	**35**	**15**	**50**	**322**

The prior year held for sale balances relate to Health and Battery Materials.

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13 Disposals

Health (discontinued operation)

On 1st June 2022, the group completed the sale of its Health business for a gross consideration of £325 million. This gross consideration is comprised of £150 million cash, a £50 million vendor loan note (which we have recorded as an other receivable), £75 million in the form of shares which constitutes a 30% equity interest in the business (which we have equity accounted for as an investment in associate) and £50 million in contingent consideration (which we have recognised at a fair value of £nil). After adjusting for working capital and an additional £3 million cash receipt due to cash in business upon disposal, the net consideration was £272 million. The business was disclosed as a disposal group held for sale as at 31st March 2022.

Battery Materials

On 26th May 2022, the group completed the sale of part of its Battery Materials UK business for a cash consideration of £20 million. The business was disclosed as a disposal group held for sale as at 31st March 2022.

On 1st November 2022, the group completed the sale of its Battery Materials Canada business for a cash consideration of £12 million. The business was disclosed as a disposal group held for sale as at 30th September 2022.

Piezo Products

On 31st January 2023, the group completed the sale of its Piezo Products business for a cash consideration of £18 million. The business was disclosed as a disposal group held for sale as at 30th September 2022.

		Continuing operations			
	Health (discontinued) £m	**Battery Materials UK £m**	**Battery Materials Canada £m**	**Piezo Products £m**	**Total £m**
Proceeds					
Cash consideration	153	20	12	18	50
Cash and cash equivalents disposed	(5)	-	-	(2)	(2)
Net cash consideration	**148**	**20**	**12**	**16**	**48**
Disposal costs paid	(1)	(1)	(1)	(1)	(3)
Net cash inflow	**147**	**19**	**11**	**15**	**45**
Assets and liabilities disposed					
Non-current assets					
Property, plant and equipment	105	14	1	2	17
Right-of-use-assets	1	-	-	-	-
Goodwill	-	-	-	4	4
Other intangible assets	42	10	-	-	10
Deferred tax assets	13	-	-	-	-
Current assets					
Inventories	142	-	1	5	6
Trade and other receivables	60	-	7	1	8
Cash and cash equivalents	5	-	-	2	2
Current liabilities					
Trade and other payables	(71)	-	(1)	(1)	(2)
Lease liabilities	(1)	(5)	-	-	(5)
Provisions	(1)	-	-	-	-
Non-current liabilities					
Lease liabilities	(2)	-	-	-	-
Pension liabilities	-	-	-	(4)	(4)
Provisions	(1)	-	-	-	-
Net assets disposed	**292**	**19**	**8**	**9**	**36**

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13 Disposals (continued)

		Continuing operations			
	Health (discontinued) £m	**Battery Materials UK £m**	**Battery Materials Canada £m**	**Piezo Products £m**	**Total £m**
Cash consideration	153	20	12	18	50
Non-cash consideration	119	-	-	-	-
Less: carrying amount of net assets sold	(292)	(19)	(8)	(9)	(36)
Less: disposal costs	(1)	(1)	(1)	(1)	(3)
Cumulative currency translation gain / (loss) recycled from other comprehensive income	32	-	(2)	3	1
Profit recognised in the income statement	**11**	**-**	**1**	**11**	**12**

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14 Post-employment benefits

Background

The group operates a number of post-employment benefit plans around the world, the forms and benefits of which vary with conditions and practices in the countries concerned. The major defined benefit plans are pension plans and post-retirement medical plans in the UK and the US.

Financial assumptions

	2023 UK plan %	**2023 US plans %**	**2023 Other plans %**	2022 UK plan %	2022 US plans %	2022 Other plans %
First year's rate of increase in salaries	**4.40**	**4.50**	**3.97**	3.85	3.00	2.20
Ultimate rate of increase in salaries	**3.40**	**4.50**	**2.20**	3.85	3.00	2.20
Rate of increase in pensions in payment	**2.90**	**-**	**2.80**	3.20	-	2.11
Discount rate	**4.80**	**4.90**	**4.40**	2.80	3.70	2.13
Inflation	**-**	**2.50**	**3.90**	-	2.20	2.15
– UK Retail Prices Index (RPI)	**3.10**	**-**	**-**	3.60	-	-
– UK Consumer Prices Index (CPI)	**2.65**	**-**	**-**	3.10	-	-

Financial information

Movements in the net post-employment benefit assets and liabilities, including reimbursement rights, were:

	UK pension - legacy section £m	UK pension - cash balance section £m	UK post-retirement medical benefits £m	US pensions £m	US post-retirement medical benefits £m	Other £m	Total £m
At 1st April 2022	351	(18)	(9)	(2)	(13)	(26)	283
Current service cost - in operating profit	(4)	(21)	-	(5)	-	(1)	(31)
Past service credit - in operating profit	(2)	-	-	22	-	-	20
Administrative expenses - in operating profit	(4)	-	-	(1)	-	-	(5)
Interest	9	1	-	-	(1)	(1)	8
Remeasurements	(189)	44	1	(14)	3	6	(149)
Company contributions	8	21	1	7	1	2	40
Disposal of business	-	-	-	-	-	3	3
Exchange	-	-	-	(1)	-	(3)	(4)
At 31st March 2023	**169**	**27**	**(7)**	**6**	**(10)**	**(20)**	**165**

The post-employment benefit assets and liabilities are included in the balance sheet as follows:

	2023 Post-employment benefit net assets £m	**2023 Employee benefit net obligations £m**	**2023 Total £m**	2022 Post-employment benefit net assets £m	2022 Employee benefit net obligations £m	2022 Total £m
UK pension - legacy section	**169**	**-**	**169**	351	-	351
UK pension - cash balance section	**27**	**-**	**27**	-	(18)	(18)
UK post-retirement medical benefits	**-**	**(7)**	**(7)**	-	(9)	(9)
US pensions	**6**	**-**	**6**	-	(2)	(2)
US post-retirement medical benefits	**-**	**(10)**	**(10)**	-	(13)	(13)
Other	**1**	**(21)**	**(20)**	1	(27)	(26)
Total post-employment plans	**203**	**(38)**	**165**	352	(69)	283
Other long-term employee benefits		**(3)**			(3)	
Total long-term employee benefit obligations		**(41)**			(72)	

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15 Fair values

Fair value hierarchy

Fair values are measured using a hierarchy where the inputs are:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – not level 1 but are observable for that asset or liability either directly or indirectly.
- Level 3 – not based on observable market data (unobservable).

Fair value of financial instruments

Certain of the group's financial instruments are held at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

The fair value of forward foreign exchange contracts, interest rate swaps, forward precious metal price contracts and currency swaps is estimated by discounting the future contractual cash flows using forward exchange rates, interest rates and prices at the balance sheet date.

The fair value of trade and other receivables measured at fair value is the face value of the receivable less the estimated costs of converting the receivable into cash.

The fair value of money market funds is calculated by multiplying the net asset value per share by the investment held at the balance sheet date.

There were no transfers of any financial instrument between the levels of the fair value hierarchy during the current or prior years.

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15 Fair values (continued)

	2023 £m	2022 £m	Fair value hierarchy Level
Financial instruments measured at fair value			
Non-current			
Investments at fair value through other comprehensive income[1]	**49**	45	1
Interest rate swaps - assets	**20**	12	2
Other financial assets[2]	**48**	-	2
Interest rate swaps - liabilities	**(15)**	(2)	2
Borrowings and related swaps	**(5)**	(2)	2
Other financial liabilities[2]	**-**	(12)	2
Current			
Trade receivables[3]	**329**	492	2
Other receivables[4]	**21**	44	2
Cash and cash equivalents - money market funds	**521**	137	2
Other financial assets[2]	**47**	27	2
Other financial liabilities[2]	**(27)**	(44)	2
Financial instruments not measured at fair value			
Non-current			
Borrowings and related swaps	**(1,455)**	(897)	-
Lease liabilities	**(31)**	(40)	-
Trade and other receivables	**57**	-	-
Other payables	**(2)**	(2)	-
Current			
Amounts receivable under precious metal sale and repurchase agreements	**222**	114	-
Amounts payable under precious metal sale and repurchase agreements	**(838)**	(793)	-
Cash and cash equivalents - cash and deposits	**129**	254	-
Cash and cash equivalents - bank overdrafts	**(13)**	(37)	-
Borrowings and related swaps	**(155)**	(265)	-
Lease liabilities	**(9)**	(10)	-
Trade and other receivables	**1,075**	972	-
Trade and other payables	**(1,478)**	(1,497)	-

[1] Investments at fair value through other comprehensive income are quoted bonds purchased to fund pension deficits (£36 million) and an investment held at fair value through other comprehensive income (£13 million).

[2] Includes forward foreign exchange contracts, forward precious metal price contracts and currency swaps.

[3] Trade receivables held in a part of the group with a business model to hold trade receivables for collection or sale. The remainder of the group operates a hold to collect business model and receives the face value, plus relevant interest, of its trade receivables from the counterparty without otherwise exchanging or disposing of such instruments.

[4] Other receivables with cash flows that do not represent solely the payment of principal and interest.

The fair values are calculated using level 2 inputs by discounting future cash flows to net present values using appropriate market interest rates prevailing at the year end.

The fair value of financial instruments, excluding accrued interest, is approximately equal to book value except for:

	2023		2022	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
US Dollar Bonds 2023, 2025, 2027, 2028, 2029 and 2030	**(648)**	**(618)**	(688)	(662)
Euro Bonds 2023, 2025, 2028, 2030 and 2032	**(368)**	**(340)**	(176)	(179)
Sterling Bonds 2024, 2025 and 2029	**(145)**	**(137)**	(110)	(107)
KfW US Dollar Loan 2024	**(40)**	**(39)**	(38)	(36)

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16 Precious metal leases

The group leases precious metals to fund temporary peaks in metal requirements provided market conditions allow. These leases are from banks for specified periods (less than 12 months) and the group pays a fee which is expensed on a straight-line basis over the lease term in finance costs. The group holds sufficient precious metal inventories to meet all the obligations under these lease arrangements as they fall due. At 31st March 2023, precious metal leases were £138 million at closing prices (31st March 2022: £140 million).

17 Contingent liabilities

The group is involved in various disputes and claims which arise from time to time in the course of its business including, for example, in relation to commercial matters, product quality or liability, employee matters and tax audits[1]. The group is also involved from time to time in the course of its business in legal proceedings and actions, engagement with regulatory authorities and in dispute resolution processes. These are reviewed on a regular basis and, where possible, an estimate is made of the potential financial impact on the group. In appropriate cases a provision is recognised based on advice, best estimates and management judgement. Where it is too early to determine the likely outcome of these matters, no provision is made. Whilst the group cannot predict the outcome of any current or future such matters with any certainty, it currently believes the likelihood of any material liabilities to be low, and that such liabilities, if any, will not have a material adverse effect on its consolidated income, financial position or cash flows.

Following the sale of its Health business in May 2022, the group has been engaged in correspondence with the purchaser of the Health business, Veranova Bidco LP regarding certain warranties in the sale and purchase agreement (the "SPA") dated 16th December 2021. The purchaser has issued a claim against the group entities in connection with: i) certain alleged representations said to have been made during the course of the negotiation of the SPA; and, ii) certain warranties given in the SPA at the time of signing. Having reviewed the claim with its advisers, the group is of the opinion that it has a defensible position in respect of these allegations and if required, it will vigorously defend its position. The outcome of any legal proceedings relating to this matter is not certain, nor is the group able to make a reliable estimate of the possible financial impact at this stage, if any.

[1] A previously disclosed contingent liability relating to failures in certain engine systems for which the group supplied a particular coated substrate as a component for that customer's emissions after-treatment systems was settled on mutually acceptable terms with no admission of fault, see note 4.

18 Transactions with related parties

There have been no material changes in total compensation for key management personnel during the year.

During the year the group recharged transition related costs of £8 million (2022: £nil) to related parties. The amounts owed by related parties were £3 million at 31st March 2023 (31st March 2022: £nil).

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19 Non-GAAP measures

The group uses various measures to manage its business which are not defined by generally accepted accounting principles (GAAP). The group's management believes these measures provide valuable additional information to users of the accounts in understanding the group's performance. Certain of these measures are financial Key Performance Indicators which measure progress against our strategy.

All non-GAAP measures are on a continuing operations basis.

Definitions

Measure	**Definition**	**Purpose**
Sales[1]	Revenue excluding sales of precious metals to customers and the precious metal content of products sold to customers.	Provides a better measure of the growth of the group as revenue can be heavily distorted by year on year fluctuations in the market prices of precious metals and, in many cases, the value of precious metals is passed directly on to customers.
Underlying operating profit[2]	Operating profit excluding non-underlying items.	Provides a measure of operating profitability that is comparable over time.
Underlying operating profit margin[1, 2]	Underlying operating profit divided by sales.	Provides a measure of how we convert our sales into underlying operating profit and the efficiency of our business.
Underlying profit before tax[2]	Profit before tax excluding non-underlying items.	Provides a measure of profitability that is comparable over time.
Underlying profit for the year[2]	Profit for the year excluding non-underlying items and related tax effects.	Provides a measure of profitability that is comparable over time.
Underlying earnings per share[1, 2]	Underlying profit for the year divided by the weighted average number of shares in issue.	Our principal measure used to assess the overall profitability of the group.
Return on invested capital (ROIC)[1]	Annualised underlying operating profit divided by the 12 month average capital employed (net debt plus equity), excluding average post tax pension net assets.	Provides a measure of the group's efficiency in allocating the capital under its control to profitable investments. The group has a long-term target of a return on invested capital of 20% to ensure focus on efficient use of the group's capital.
Average working capital days (excluding precious metals)[1]	Monthly average of non-precious metal related inventories, trade and other receivables and trade and other payables (including any classified as held for sale) divided by sales for the last three months multiplied by 90 days.	Provides a measure of efficiency in the business with lower days driving higher returns and a healthier liquidity position for the group.
Free cash flow	Net cash flow from operating activities after net interest paid, net purchases of non-current assets and investments, proceeds from disposal of businesses, dividends received from joint ventures and associates and the principal element of lease payments.	Provides a measure of the cash the group generates through its operations, less capital expenditure.
Net debt (including post tax pension deficits) to underlying EBITDA	Net debt, including post tax pension deficits and quoted bonds purchased to fund the UK pension (excluded when the UK pension plan is in surplus) divided by underlying EBITDA for the same period.	Provides a measure of the group's ability to repay its debt. The group has a long-term target of net debt (including post tax pension deficits) to underlying EBITDA of between 1.5 and 2.0 times, although in any given year it may fall outside this range depending on future plans.

[1] Key Performance Indicator
[2] Underlying profit measures are before profit or loss on disposal of businesses, gains or loss on significant legal proceedings, together with associated legal costs, amortisation of acquired intangibles, major impairment and restructuring charges, share of profits or losses from non-strategic equity investments and, where relevant, related tax effects. These items have been excluded by management as they are not deemed to be relevant to an understanding of the underlying performance of the business.

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19 Non-GAAP measures (continued)

Reconciliations to GAAP measures

Sales

	2023 £m	2022 £m
Revenue (note 3)	14,933	16,025
Less: sales of precious metals to customers (note 3)	(10,732)	(12,247)
Sales	**4,201**	3,778

Underlying profit measures

Year ended 31st March 2023

	Operating profit £m	**Profit before tax £m**	**Tax expense £m**	**Profit for the year £m**
Underlying	465	404	(78)	326
Profit on disposal of businesses	12	12	(1)	11
Amortisation of acquired intangibles	(5)	(5)	1	(4)
Gains and losses on significant legal proceedings	(25)	(25)	5	(20)
Major impairment and restructuring charges	(41)	(41)	(7)	(48)
Share of losses of associates	-	(1)	-	(1)
Reported	**406**	**344**	**(80)**	**264**

Year ended 31st March 2022

	Operating profit £m	Profit before tax £m	Tax expense £m	Profit for the year £m
Underlying	553	493	(86)	407
Profit on disposal of businesses	106	106	(4)	102
Amortisation of acquired intangibles	(6)	(6)	1	(5)
Gains and losses on significant legal proceedings	42	42	(6)	36
Major impairment and restructuring charges	(440)	(440)	16	(424)
Reported	255	195	(79)	116

Underlying earnings per share

	2023	2022
Underlying profit for the year (£ million)	**326**	407
Weighted average number of shares in issue (millions)	**183.0**	191.6
Underlying earnings per share (pence)	**178.6**	213.2

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19 Non-GAAP measures (continued)

Return on invested capital (ROIC)

	2023 £m	2022 £m
Underlying operating profit	**465**	553
Average net debt	**1,267**	877
Average equity	**2,524**	2,467
Average capital employed	**3,791**	3,344
Less: Average pension net assets	**(312)**	(221)
Less: Average related deferred taxation	**84**	48
Average capital employed (excluding post tax pension net assets)	**3,563**	3,171
ROIC (excluding post tax pension net assets)	**13.1%**	17.4%
ROIC	**12.3%**	16.5%

Average working capital days (excluding precious metals)

	2023 £m	2022 £m
Inventories	**1,702**	1,549
Trade and other receivables	**1,882**	1,796
Trade and other payables	**(2,497)**	(2,563)
	1,087	782
Working capital balances classified as held for sale	**22**	-
Total working capital	**1,109**	782
Less: Precious metal working capital	**(622)**	(562)
Working capital (excluding precious metals)	**487**	220
Average working capital days (excluding precious metals)	**42**	36

Free cash flow from continuing operations

	2023 £m	2022 £m
Net cash inflow from operating activities	**291**	605
Interest received	**28**	32
Interest paid	**(94)**	(111)
Purchases of property, plant and equipment	**(253)**	(358)
Purchases of intangible assets	**(63)**	(95)
Purchases of investments held at fair value through other comprehensive income	**(17)**	-
Government grant income	**7**	-
Net proceeds from sale of businesses	**187**	160
Proceeds from sale of non-current assets	**8**	1
Proceeds from sale of investment in joint ventures	**2**	-
Principal element of lease payments	**(14)**	(14)
Less: Free cash (inflow) / outflow from discontinued operations	**(8)**	1
Free cash flow	**74**	221

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19 Non-GAAP measures (continued)

Net debt (including post tax pension deficits) to underlying EBITDA

	2023 £m	2022 £m
Cash and deposits	**129**	254
Money market funds	**521**	137
Bank overdrafts	**(13)**	(37)
Bank overdrafts transferred to liabilities classified as held for sale	**-**	(8)
Cash and cash equivalents	**637**	346
Less: Cash and cash equivalents - bank overdrafts from discontinued operations	**-**	8
Cash and cash equivalents from continuing operations	**637**	354
Interest rate swaps - non-current assets	**20**	12
Interest rate swaps - non-current liabilities	**(15)**	(2)
Borrowings and related swaps - current	**(155)**	(265)
Borrowings and related swaps - non-current	**(1,460)**	(899)
Lease liabilities - current	**(9)**	(10)
Lease liabilities - non-current	**(31)**	(40)
Lease liabilities - current - transferred to liabilities classified as held for sale	**(1)**	(2)
Lease liabilities - non-current - transferred to liabilities classified as held for sale	**(9)**	(7)
Less: Lease liabilities relating to discontinued operations	**-**	3
Net debt	**(1,023)**	(856)
Increase / (decrease) in cash and cash equivalents	**287**	(205)
Less: (Increase) / decrease in cash and cash equivalents from discontinued operations	**(8)**	3
Less: (Increase) / decrease in borrowings	**(391)**	131
Less: Principal element of lease payments	**14**	14
Less: Principal element of lease payments from discontinued operations	**-**	(1)
Increase in net debt resulting from cash flows	**(98)**	(58)
New leases, remeasurements and modifications	**(13)**	(9)
Less: New leases, remeasurements and modifications from discontinued operations	**-**	3
Exchange differences on net debt	**(53)**	(24)
Other non-cash movements	**(3)**	2
Movement in net debt	**(167)**	(86)
Net debt at beginning of year	**(856)**	(770)
Net debt at end of year	**(1,023)**	(856)
Net debt	**(1,023)**	(856)
Add: Pension deficits	**(21)**	(29)
Add: Related deferred tax	**2**	4
Net debt (including post tax pension deficits)	**(1,042)**	(881)
Underlying operating profit	**465**	553
Add back: Depreciation and amortisation excluding amortisation of acquired intangibles	**182**	171
Underlying EBITDA	**647**	724
Net debt (including post tax pension deficits) to underlying EBITDA	**1.6**	1.2

At 31st March 2023 cash and cash equivalents includes £15 million (31st March 2022: £111 million) of restricted amounts relating to cash held in Russia. The prior year balance relates to restricted amounts in South Africa.

	2023 £m	2022 £m
Underlying EBITDA	**647**	724
Depreciation and amortisation	**(187)**	(177)
Gains and losses on significant legal proceedings	**(25)**	42
Major impairment and restructuring charges	**(41)**	(440)
Profit on disposal of businesses	**12**	106
Finance costs	**(110)**	(101)
Investment income	**49**	41
Share of losses of associates	**(1)**	-
Income tax expense	**(80)**	(79)
Profit for the year from continuing operations	**264**	116

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20 Events after the balance sheet date

On 3rd May 2023, the group agreed to sell its Diagnostic Services business to Sullivan Street Partners and Souter Investments.

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Financial Calendar

2023

8th June
Ex dividend date

9th June
Final dividend record date

20th July
Annual General Meeting (AGM)

1st August
Payment of final dividend subject to the approval of shareholders at the AGM

22nd November
Announcement of the results for the six months ending 30th September 2023

Cautionary Statement

This announcement contains forward-looking statements that are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries and sectors in which Johnson Matthey operates. It is believed that the expectations reflected in this announcement are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated.

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