Chief Financial Officer's statement

Stephen Oxley
Chief Financial Officer

"As we execute on our strategy we are focused on driving sustainable value creation, targeting high single digit growth in underlying operating profit over the medium-term and strong long term growth"

We have performed well this year, delivering 11% growth in underlying operating performance, when adjusted for metal prices and exchange rates. However, significantly lower platinum group metals (PGM) prices have again impacted our overall results, with revenue down 14% to £12.8 billion. Sales were down 4% at £3.9 billion at constant exchange rates. During the year we managed to partly mitigate this through better pricing and transformation benefits across the group.

As we execute on our strategy we are focused on driving sustainable value creation, targeting high single digit growth in underlying operating profit over the medium-term and strong long term growth.

Transformation on track

Our transformation is well underway to drive efficiency and build a stronger platform for growth. During 2023/24 we delivered cost savings of £75 million, bringing total cost savings to date to £120 million. As a result we have increased our targeted savings to £200 million by the end of 2024/25, up from our previous target of in excess of £150 million.

As we drive efficiencies across the group, this year we closed four out of 16 Clean Air manufacturing sites as we continue to rationalise our footprint into fewer, larger, more efficient locations. By the end of 2025/26 we plan to have closed at least 20 out of 27 of our leased office buildings.

Last year we announced we would be moving to a new global business services model to simplify how we provide internal services. We have made good progress with JM Global Solutions up and running delivering from our new service hubs in Lithuania and India. We are now transferring significant parts of our Finance, HR and Procurement services to this new model, which we are confident will provide a better experience for our colleagues as well as delivering significant efficiencies.

Inevitably, the pace and ambition of our transformation has incurred some one-off costs. This year we incurred £78 million of one-time restructuring charges linked to the transformation programme and site rationalisation.

During 2023/24 we agreed the divestments of our remaining non-core businesses, with the sale of Battery Systems completing in April 2024, and Medical Device Components expected to be finally divested by the autumn of 2024. We now have a more focused portfolio, and this has enabled us to drive further efficiencies and reduce costs.

Although the disposal of Battery Systems resulted in a £45 million non-cash impairment (recognised at 31st March 2024 to reduce the business to its disposal value), the divestment programme as a whole will have delivered net proceeds in excess of £500 million, significantly exceeding our target of more than £300 million. Once the divestment proceeds have been received, we intend to return £250 million to shareholders via a share buyback. The remainder will be used to pay down debt, and for other general corporate uses.

Individual business performance

Clean Air has been focused on winning new business, driving efficiency and delivering cash. The business has been working on improving margins through pricing, cost reduction and operating excellence, as well as the ongoing site rationalisation programme, setting a roadmap to achieve an operating margin target of mid-teens by 2025/26. The slowdown in battery electric vehicle penetration means we now expect Clean Air will be 'stronger for longer', and we now expect the business to deliver over £4.5 billion cash in the decade to 2030/31 (previously at least £4 billion) and significant further cash flow in the years following.

PGM Services is a key enabler for the group, but its results have been materially impacted by lower precious metal prices. In the short-term, we have mitigated some of the impact through continued focus on efficiencies across areas including operations and manufacturing. Over the long-term, the business is expected to see sustained demand for recycled PGMs due to growing demand for low carbon metals. The business is also looking at evolving its business model to reduce the impact of metal price on earnings and growing value-added products businesses.

Catalyst Technologies has undergone a change in management and reorganisation to drive improved performance and ensure it fulfils its growth potential. In the year, the business has seen continued improvement in short-term performance and is winning new projects in sustainable technologies. The business continues to focus on improving margins and saw further improvement in the second half. We have also been winning exciting new business across our sustainable solutions portfolio, with a rich pipeline of further opportunities. Catalyst Technologies has set growth targets of high single-digit increases in sales in the short term, accelerating to mid-teens sales growth over the medium to long term. We expect mid-teens operating margin by the end of 2024/25, high teens by the end of 2027/28, and continued accretion beyond as the business benefits from increases in technology licensing.

In Hydrogen Technologies we have scaled back our investment in line with the slower pace of hydrogen and fuel cell market development. The global hydrogen value chain is in an early stage of development and continues to evolve with customers reducing near-term demand expectations. As a result, whilst construction of our new plant in Royston is substantially complete, we are delaying the start of production in line with market development. We continue to de-risk our Hydrogen Technologies investment through reducing operational expenditure, seeking appropriate Government incentives and co-investment opportunities. Hydrogen Technologies sales increased by 31% this year and, although we expect slower growth in sales in the coming years, we are expecting the business to break even by the end of 2025/26.

A platform for future growth

PGM prices have reduced very significantly in recent years. We expect prices overall to be more stable in the future, thereby having a smaller impact on our results and cash flow. With further benefits of transformation, we expect at least mid single digit growth in operating performance at constant precious metal prices and constant currency this year.

Our balance sheet remains strong, with net debt slightly down year-on-year. Our aim is to maintain a strong balance sheet and closed the year at the lower end of our target level of net debt to EBITDA of 1.5-2.0 times. We remain highly disciplined in our capital allocation: we will invest for growth and attractive returns, with a focus on core activities where we believe we can win. Beyond this our priority is to ensure a reliable dividend, targeting a 40% pay-out ratio over the medium term. We may consider acquisitions but will be highly selective, with a focus on bolt-on deals to acquire technology or accelerate growth in our core growth businesses. And finally, we would look to return excess capital to shareholders, as we plan to with the disposal proceeds.

Stephen Oxley
Chief Financial Officer

Financial performance review

		Reported results (continuing) Year ended 31st March			Underlying results (continuing)[1,2] Year ended 31st March			
		2024	2023	% change	**2024**	2023	% change	% change, constant FX rates
Revenue	£m	**12,843**	14,933	-14				
Sales excl. precious metals[3]	£m				**3,904**	4,201	-7	-4
Operating profit	£m	**249**	406	-39	**410**	465	-12	-8
Profit before tax	£m	**164**	344	-52	**328**	404	-19	
Profit after tax	£m	**108**	264	-59	**260**	326	-20	
Basic EPS	pence	**58.6**	144.2	-59	**141.3**	178.6	-21	
Ordinary dividend per share	pence	**77.0**	77.0	–				
Free cash flow	£m				**189**	74		
Cash from operating activities	£m	**592**	291					
Net debt	£m	**951**	1,023					

Notes:
1. 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 2022/23 results converted at 2023/24 average rates. In 2023/24, the translational impact of exchange rates on group sales and underlying operating profit was an adverse impact of £120 million and £21 million respectively.
2. 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 197 to 199.
3. Revenue excluding sales of precious metals to customers and the precious metal content of products sold to customers.

Summary of underlying operating results from continuing operations

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

Sales (£ million)	Year ended 31st March 2024	2023	% change	% change, constant FX rates
Clean Air	2,581	2,644	-2	+2
PGM Services	462	570	-19	-17
Catalyst Technologies	578	560	+3	+6
Hydrogen Technologies	71	55	+29	+31
Value Businesses[2]	326	470	-31	-32
Eliminations	(114)	(98)		
Sales (continuing)	**3,904**	4,201	-7	-4

Underlying operating profit (£ million)	Year ended 31st March 2024	2023	% change	% change, constant FX rates
Clean Air	274	230	+19	+26
PGM Services	164	257	-36	-35
Catalyst Technologies	75	51	+47	+56
Hydrogen Technologies	(50)	(45)	n/a	n/a
Value Businesses[2]	29	40	-28	-28
Corporate	(82)	(68)		
Underlying operating profit (continuing)	**410**	465	-12	-8

Reconciliation of underlying operating profit to operating profit (£ million)	Year ended 31st March 2024	2023
Underlying operating profit (continuing)	410	465
Major impairment and restructuring charges[3]	(148)	(41)
(Loss) / profit on disposal of businesses[3]	(9)	12
Amortisation of acquired intangibles	(4)	(5)
Gains and losses on significant legal proceedings[3]	–	(25)
Operating profit (continuing)	**249**	406

Notes:
1. Growth at constant rates excludes the translation impact of foreign exchange movements, with 2022/23 results converted at 2023/24 average rates. In 2023/24, the translational impact of exchange rates on group sales and underlying operating profit was an adverse impact of £120 million and £21 million respectively.
2. Includes Battery Materials, Battery Systems, Diagnostic Services and Medical Device Components.
3. For further detail on these items please see pages 163 to 164.

Full year operating results by business

Clean Air

Improved profitability driven by efficiency benefits

- Sales up 2% reflecting higher volumes partly offset by lower pricing
- Underlying operating profit increased 26% and margin expanded 190 basis points to 10.6%, with a significant improvement half on half (1H: 9.6% and 2H: 11.6%). This mainly reflected efficiency benefits and higher volumes, partly offset by lower pricing
- Delivered £2.0 billion[1] of cash from Clean Air in the three years since 2020/21, of which around one quarter relates to precious metal prices. Upgraded cash target and now expecting to deliver at least £4.5 billion of cash in the decade to 2030/31[2] (previously at least £4 billion)

	Year ended 31st March 2024 £ million	2023 £ million	% change	% change, constant FX rates
Sales				
Light duty diesel	1,094	1,075	+2	+5
Light duty gasoline	533	599	-11	-6
Heavy duty diesel	954	970	-2	+2
Total sales	**2,581**	2,644	-2	+2
Underlying operating profit	**274**	230	+19	+26
Underlying operating profit margin	**10.6%**	8.7%		
EBITDA margin	**13.5%**	11.6%		
Reported operating profit	**237**	191		

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

Overall, sales in Clean Air were up 2% with growth in our light duty and heavy duty diesel businesses partly offset by light duty gasoline. We benefited from higher volumes – particularly in light duty diesel driven by market share gains in China and North America. Despite benefits from commercial excellence initiatives including inflation recovery and further claims for non-inflation related activity, pricing was lower overall.

Sales

Light duty diesel

In light duty diesel, sales grew 5% outperforming the market which saw a modest decline overall. This largely reflected our strong performance in Asia – particularly China – and also in the Americas against a backdrop of weaker market production. In Europe, our performance was slightly behind the market.

Financial performance review continued

In Asia, we significantly outperformed the market which saw mixed performance across the region. We saw good performance in China driven by market share gains following recent wins and the ramp up of platforms. In India, we also saw good performance reflecting the ramp up of new platforms.

In the Americas, we outperformed the market which was impacted by economic uncertainty. Our performance was driven by market share gains and platform ramp ups.

Light duty gasoline

Light duty gasoline sales were down 6%, underperforming the global market which grew well.

Our performance was mainly driven by Asia where we were impacted by the loss of platforms in previous years as well as mix effects. In Europe, whilst we benefited from a robust market and saw modest share gains, this was partly offset by lower pricing. In the Americas we underperformed the market reflecting the loss of platforms from previous years. We expect this to be the last year where we experience the effect of these historic platform losses.

Heavy duty diesel

In heavy duty diesel, sales were up 2% although behind the market. By region, we saw strong growth in Asia which was partly offset by lower sales in Europe and the Americas.

In Asia, growth was led by China and India. In China, we benefited from a market recovery following a weaker prior year with demand impacted by COVID lockdowns. In India, we saw good performance partly reflecting higher sales for off-road applications. In the Americas, our sales were broadly in line with a slightly weaker market. This year, Class 8 truck production was higher than anticipated reflecting a robust economy and strong order backlogs but the macroeconomic outlook in South America impacted production in the region. In Europe, we underperformed a growing market due to lower demand from our customers. Looking forward, our strong presence in heavy duty positions us well for upcoming advancements, such as internal combustion engines powered by hydrogen.

Underlying operating profit

Underlying operating profit increased 26% and margin expanded 190 basis points to 10.6%, with a significant improvement half on half (1H: 9.6% and 2H: 11.6%). This mainly reflected efficiency benefits and higher volumes. Despite benefits from commercial excellence initiatives, we were impacted by lower pricing partly related to historical contract commitments.

Cash generation

We delivered another year of strong cash, generating around £600 million[1]. In the three years since 2021/22, we have delivered a cumulative £2.0 billion[1] cash, of which around one quarter relates to precious metal prices.

PGM Services

Performance reflects lower average PGM prices

- Sales declined 17% primarily due to lower average PGM prices
- Refinery volumes were lower due to continued softness in auto scrap recycling. This was partially mitigated by higher industrial and mining intakes
- Underlying operating profit declined 35% driven by lower average PGM prices and reduced volumes, partly offset by a continued focus on efficiencies and metal recoveries from asset renewals

	Year ended 31st March			
	2024 £ million	2023 £ million	% change	% change, constant FX rates
Sales				
PGM Services	**462**	570	-19	-17
Underlying operating profit	**164**	257	-36	-35
Underlying operating profit margin	**35.5%**	45.1%		
EBITDA margin	**42.0%**	49.6%		
Reported operating profit	**149**	257		

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, and the manufacture of value-add PGM products.

Sales

In the year, sales declined 17%. This was primarily driven by lower average PGM prices, particularly palladium and rhodium which declined 38% and 64% respectively compared to 2022/23. As the year progressed, average PGM prices stabilised with second half pricing below the levels of the first half.

In our refineries, intake volumes were lower as previously guided due to less auto scrap. However this was partially mitigated by increased industrial and mining intakes where we applied our PGM refining expertise to handle highly complex feeds. Sales were lower in our metal trading business due to reduced PGM prices and volatility. Across our PGM products business, sales were broadly flat with higher demand for pharma products driven by business wins which offset cyclical declines in agrochemicals.

Underlying operating profit

Underlying operating profit declined 35% mainly impacted by lower average PGM prices (£85 million impact) as well as reduced volumes. This was partly mitigated by a continued focus on efficiencies, as well as metal recoveries from asset renewals.

1. At actual precious metal prices.
2. 1st April 2021 to 31st March 2031, pre-tax and post restructuring cost.

Financial performance review continued

Catalyst Technologies

Material margin improvement and strong growth in licensing

- Sales up 6% driven by good growth in catalysts, where higher pricing and better mix offset lower volumes, and strong growth in licensing
- Won ten large scale projects from April 2022 to March 2024 in our sustainable technologies portfolio, delivering on our strategic milestone. Won an additional three projects since 1st April 2024 which contribute to our new strategic milestone
- Underlying operating profit up 56% and margin up 390 basis points, driven by higher pricing reflecting our stronger commercial focus, better mix and efficiency benefits

	Year ended 31st March			
	2024 £ million	2023 £ million	% change	% change, constant FX rates
Sales				
Catalysts	**518**	509	+2	+4
Licensing	**60**	51	+18	+20
Total sales	**578**	560	+3	+6
Underlying operating profit	**75**	51	+47	+56
Underlying operating profit margin	**13.0%**	9.1%		
EBITDA margin	**17.3%**	13.9%		
Reported operating profit	**70**	43		

Catalyst Technologies is a key pillar of our strategy as we target high growth, high return opportunities in the decarbonisation of fuels and chemical value chains. We have leading positions in syngas – methanol, ammonia, hydrogen and formaldehyde – and a strong sustainable technologies portfolio. Our revenue streams are licensing process technology and supplying catalysts.

Sales

Sales were up 6%. We saw good growth in Catalysts – which represents the majority of sales – and strong growth in Licensing, up 20%. In Catalysts we benefited from higher pricing as we strengthened our commercial focus. Alongside better mix this more than offset lower volumes.

Catalysts: higher pricing and better mix offsetting lower volumes

Catalysts sales were up 4%. Growth was largely driven by formaldehyde following increased demand for biodegradable plastics in China. We also saw higher pricing across the portfolio, particularly in ammonia and hydrogen, and a better mix in additives. These benefits more than offset lower volumes, which were mainly driven by short-term cyclical weakness – primarily in methanol – and an unplanned shutdown at one of our plants. We expect the plant to be back in operation in summer 2024.

Licensing: early sales from our sustainable solutions portfolio

Licensing sales were up 20%. We saw strong growth in areas including oxoalcohols and methanol, following recent project wins in China. In our existing core portfolio, we signed eight licences in the period, worth around £110 million in sales over five years (2022/23: six licences). In our sustainable technologies portfolio, we recognised early sales from low carbon hydrogen and sustainable fuels. These sales doubled in the period albeit off a low base.

Underlying operating profit

Underlying operating profit was up 56% to £75 million and the margin grew 390 basis points to 13.0%. This was largely driven by higher pricing reflecting our strong commercial focus, better mix and efficiency benefits.

Hydrogen Technologies

Strong sales growth and disciplined investment to scale the business

- Sales up 31% driven by higher volumes for strategic customers in fuel cells
- Underlying operating loss reflects investment to scale the business
- Reducing investment and managing cost base with the pace of market development

	Year ended 31st March			
	2024 £ million	2023 £ million	% change	% change, constant FX rates
Sales				
Hydrogen Technologies	**71**	55	+29	+31
Underlying operating loss	**(50)**	(45)	n/a	n/a
Underlying operating loss margin	**n/a**	n/a		
Reported operating loss	**(60)**	(46)		

In Hydrogen Technologies, we provide components across the value chain for fuel cells and electrolysers including catalyst coated membranes (CCMs) and membrane electrode assemblies (MEAs). Our ambition is to be the market leader in CCMs, which are the critical performance defining components at the centre of fuel cells, focusing on PEM (proton exchange membrane) and AEM (anion exchange membrane) electrolysers.

Sales

In the year, sales in Hydrogen Technologies were up 31% to £71 million driven by demand from our strategic customers. However, sales growth in the second half slowed as the market began to soften and our customers started to reduce inventories. This largely reflects a lack of clarity around regulation and incentives, slowing the development of supply chains and infrastructure.

Our continued focus on operational improvement and manufacturing efficiency drove significantly higher output from our UK plant in Swindon, enabling the vast majority of customer demand to be satisfied from this facility. As the market develops, our ability to continue making operational improvements will be vital in ensuring we have the agility to scale in line with market demand.

Underlying operating loss

Underlying operating loss of £50 million reflects investment into building capability and product development. Towards the end of the year, we took actions to reduce our cost base as we adapted to the softening market.

Financial performance review continued

Corporate

Corporate costs were £82 million, an increase of £14 million from the prior year, largely reflecting higher costs in relation to the implementation of new IT systems.

Research and development (R&D)

R&D spend was £204 million in the year. This was down from £213 million in the prior year and represents c.5% of sales excluding precious metals. We are prioritising spend in our growth areas and are pursuing a very focused innovation strategy for Catalyst Technologies and Hydrogen Technologies. We are also investing in our digital capabilities to accelerate innovation and provide greater insights to our customers.

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 78% of the non-sterling denominated underlying operating profit in the year ended 31st March 2024, were:

	Share of 2023/24 non-sterling denominated underlying operating profit	Average exchange rate Year ended 31st March 2024	2023	% change
US dollar	25%	**1.26**	1.20	+5
Euro	41%	**1.16**	1.16	–
Chinese renminbi	12%	**9.01**	8.26	+9

For the year, the impact of exchange rates decreased sales by £120 million and underlying operating profit by £21 million.

If average exchange rates for May month to date (£:US$ 1.26, £:€ 1.17, £:RMB 9.10) are maintained throughout the year ending 31st March 2025, foreign currency translation will have an adverse impact of £4 million on underlying operating profit. A one cent change in the average US dollar and a ten fen change in the average rate of the Chinese renminbi have an impact of approximately £1 million on operating profit whilst a one cent change in the average rate of the Euro has approximately a £2 million impact on full year underlying operating profit.

Efficiency savings

In the year, we delivered c.£75 million of savings through our group transformation programme and incurred cash costs of c.£55 million. Cumulative benefits from the programme to date are c.£120 million. Reflecting our good progress, we have upgraded our cost savings target to £200 million by the end of 2024/25 (previously in excess of £150 million). 2024/25 will be the final year of the programme, after which we will focus on continuous improvement. Total associated costs to deliver the programme are around £130 million (previously around £100 million), all of which are cash.

£ million	Savings delivered to 31st March 2024	Associated costs incurred to 31st March 2024
Transformation programme	120	75

Items outside underlying operating profit

Non-underlying (charge) / income (£ million)	**As at 31st March 2024**	As at 31st March 2023
Major impairment and restructuring charges	**(148)**	(41)
(Loss) / profit on disposal of businesses	**(9)**	12
Amortisation of acquired intangibles	**(4)**	(5)
Gains and losses on significant legal proceedings	**–**	(25)
Total	**(161)**	(59)

There was a net charge of £148 million relating to major impairment and restructuring charges, comprising £78 million of restructuring costs and a net impairment charge of £70 million. The restructuring costs were recognised in relation to both our transformation programme and the consolidation of our Clean Air manufacturing footprint. The net impairment charge includes an impairment of our Battery Systems business to its fair value ahead of its disposal, as well as impairment charges relating to the recent slowdown in growth within the hydrogen and fuel cell market which required us to adapt to the changing demand profiles of our customers as they navigate this short-term uncertainty.

The £9 million loss on disposal of businesses largely comprises transactional costs in the year relating to the disposal of our Value Businesses.

Finance charges

Net finance charges in the period amounted to £82 million, up from the prior year charge of £61 million largely reflecting higher average borrowings and a higher interest rate environment.

Taxation

The tax charge on underlying profit before tax for the year ended 31st March 2024 was £68 million, an effective underlying tax rate of 20.8%, up from 19.3% in 2022/23. This largely reflects the mix of profit across geographies.

The effective tax rate on reported profit for the year ended 31st March 2024 was 34.4%. This represents a tax charge of £56 million, compared with £80 million in the prior period.

We expect modest upward pressure to the effective tax rate on underlying profit for the year ending 31st March 2025 as territories in which we operate increase their domestic Corporate Tax rate in response to the OECD Pillar 2 rules.

Financial performance review continued

Post-employment benefits

IFRS – accounting basis

At 31st March 2024, the group's net post-employment benefit position, was a surplus of £117 million.

The cost of providing post-employment benefits in the year was £53 million, up from £40 million last year.

Capital expenditure

Capital expenditure was £390 million in the year, 2.0 times depreciation and amortisation (excluding amortisation of acquired intangibles). In the period, key projects included:

- **PGM Services** – investing in the resilience, efficiency and safety of our refinery assets
- **Hydrogen Technologies** – investing in our manufacturing facility in Royston, UK, although delaying the start of production to align with market development.

Strong balance sheet

Net debt as at 31st March 2024 was £951 million, a decrease from £1,023 million at 31st March 2023 and £1,044 million at 30th September 2023. Net debt is £19 million higher 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 2023: 1.6 times, 30th September 2023: 1.7 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 £197 million as at 31st March 2024 (31st March 2023: £138 million, 30th September 2023: £186 million).

Free cash flow and working capital

Free cash flow was £189 million in the year, compared to £74 million in the prior year, largely reflecting lower precious metal working capital partly offset by lower net proceeds from disposals.

Excluding precious metal, average working capital days to 31st March 2024 increased to 60 days compared to 42 days to 31st March 2023. This largely reflected lower average sales through the period as well as lower VAT payables and higher working capital to support our growth businesses.

Outlook for the year ending 31st March 2025

For 2024/25, on a continuing basis excluding Value Businesses, we expect at least mid single digit growth in underlying operating performance at constant precious metal prices and constant currency.

In Clean Air we expect modest growth in operating performance, with continued margin expansion driven by efficiency benefits. Beyond this, with the impact of historical platform losses behind us, we expect further growth in operating performance and margin expansion. PGM Services' operating performance is expected to be broadly stable, with limited impact from precious metal prices. In Catalyst Technologies we expect further strong growth in operating performance, with mid-teens margins. In Hydrogen Technologies we now expect modest sales growth, with a significantly lower operating loss as we manage our investment with the pace of market development[1].

If precious metal prices and foreign exchange rates remain at their current levels[2] for the remainder of 2024/25, we expect an adverse impact of c.£5 million to full year operating performance compared with the prior year.[3, 4]

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 18th July 2024. 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 6th August 2024, with an ex-dividend date of 6th June 2024.

1. Outlook commentary for Clean Air, PGM Services, Catalyst Technologies and Hydrogen Technologies refers to underlying operating performance, and assumes constant precious metal prices and constant currency.
2. Average precious metal prices and average foreign exchange rates in May 2024 (month to date).
3. If precious metal prices remain at their current level for the remainder of 2024/25 there would be a benefit of £1 million on full year operating performance compared with the prior year. A US$100 per troy ounce change in the average annual platinum, palladium and rhodium metal prices each have an impact of approximately £0.5 million, £1 million and £0.5 million respectively on full year 2024/25 underlying operating profit in PGM Services. This assumes no foreign exchange movement.
4. At average foreign exchange rates for May 2024 month to date (£:US$ 1.26, £:€ 1.17, £:RMB 9.10) translational foreign exchange movements for the year ending 31st March 2025 are expected to adversely impact underlying operating profit by £4 million.