

Chief Financial Officer's statement

Alastair Judge
Chief Financial Officer



Consistency and continuity in a time of change

2025/26 was characterised by consistent and disciplined delivery as we met our financial and commercial objectives while accelerating our transformation – notably the separation of Catalyst Technologies (CT), which we are now running as a standalone business in advance of its sale.

True to our course

We started to rebase the business in preparation for the sale of CT in June 2025. This process accelerated in January when we reshaped our leadership team with the establishment of a new Chief Operating Officer (COO) function, which provides greater continuity and strengthens our ability to meet our long-term value and cash commitments.

As Chief Financial Officer (CFO), my focus is on ensuring we remain true to our course; delivering the strategy we have laid out over the last 12 months and completing the reshaping of our business, including the functions directly under my remit, to execute against our objectives.

Driving value and efficiency through the sale of Catalyst Technologies

The operational separation of CT is already allowing us to create a leaner, more efficient organisation as we sharpen our focus on reducing overhead costs and working capital.

JM and Honeywell expect to complete the sale transaction by the end of August 2026 for the agreed price of £1,325 million. Once this is completed, we will return £1 billion to shareholders via special dividends of £800 million and the balance of £200 million through share buybacks. We will use the surplus proceeds to lower our net debt. However, with the cost of the compelling CORMETECH Inc. acquisition, we now only expect net debt/underlying EBITDA to fall to the level of 1.0 to 1.5 by 31st March 2029.

In accordance with standard accounting practice, we have classified the CT business as 'held for sale' and CT is also considered a discontinued operation. Its sale will ensure we deliver substantial value back to our shareholders, in line with our promises and priorities.

Solid performance, progressive improvement

From a financial performance perspective, in 2025/26 JM met market expectations, delivering year-on-year improvement. Revenue was £12,573 million, an increase from the prior year driven by higher metal prices.

Underlying operating profit – excluding the impact of platinum group metal (PGM) prices – grew 6%. Performance was largely driven by cost efficiencies across the Group. Average PGM prices increased during the year, with a benefit to underlying operating profit of £24 million. Including the impact of PGM prices, underlying operating profit grew 14%.

Clean Air operating profit grew 12% and the margin expanded 270 basis points to 14.5%. This was driven by efficiencies, including reduced R&D and SG&A spend as well as benefits from operational excellence and footprint consolidation. We continue to target an operating margin of 16 to 18% for 2027/28.

PGM Services benefited from higher average PGM prices, strong performance in our Precious Metals Management (PMM) business and efficiency measures implemented across the business, which more than mitigated the lower volumes and one-off metal recoveries we expected. However, we also recognised a £48 million operational metal loss following completion of our biennial US refinery stocktake in the second half of 2025/26, of which around half was driven by the impact of the elevated price of metals on those losses. This led to underlying operating profit declining 20%. We expect these losses to reduce as we make ongoing investments and take the learnings from our UK refinery where we have a dedicated team improving operations and refinery outputs. Beyond that, we remain on track for 30%+ operating margins as this business moves out of its current transition phase in 2027/28.

Chief Financial Officer's statement continued

In Hydrogen Technologies (HT) we achieved underlying operating profit run-rate breakeven in the fourth quarter, with a major restructuring of our cost base. In doing so, we are ensuring the business will be cash flow positive¹ in 2026/27, while maintaining future growth optionality.

On a reported basis, operating profit decreased to £161 million (2024/25: £454 million). The decline reflects the absence of a £482 million profit on disposal recognised in the prior year, principally related to Medical Device Components. In the year, we incurred £192 million of major impairment and restructuring charges, compared to £327 million in the prior year.

The £192 million of major impairment and restructuring charges comprised an impairment charge of £135 million and restructuring charges of £57 million. The impairment charge included a £121 million impairment to investments in our HT assets across our HT and PGM Services businesses, reflecting further slowdown in the development of the hydrogen fuel cell and electrolyser markets.

Net debt (continuing) increased to £880 million as at 31st March 2026, compared to £810 million as at 31st March 2025. Net debt to EBITDA was 1.8 times (31st March 2025: 1.8 times). Our continued focus on working capital has delivered an improvement of £135 million in the year, primarily due to lower inventory and receivables in Clean Air. Our free cash flow was a £168 million inflow, a material step-up from a £64 million inflow in 2024/25. This improvement was largely driven by underlying operating profit growth, reduced capital expenditure and lower restructuring costs.

Agility and delivery in a challenging global context

Overall, JM performed well and delivered solid results against a challenging macroeconomic backdrop in 2025/26. We continue to track external risks, including the volatile and uncertain geopolitical situation. We are also increasing our focus on supply chain flexibility, cost control and cash generation to ensure we are well placed to perform in the current environment.

We remain confident in the strategy we have laid out and our ability to execute against it. We will respond as needed, using the playbook we developed to manage global economic uncertainties through repeated challenges from 2022 to 2025.

Looking ahead

Through our hard work and disciplined execution in 2025/26, JM has established firm foundations going into the new financial year.

The one area where we will not align with our forward guidance is capex, which will be higher than anticipated in 2026/27 due to unforeseen overruns in the construction of our new UK refinery following industrial action last year which caused lower productivity. Ensuring the refinery remains on schedule has led to significant incremental costs. We now expect capex to come down to £120 million in 2027/28, rather than in 2026/27. However, our short and long-term cash delivery commitments are unchanged. Despite the higher capex forecast for 2026/27, we remain fully focused on delivering a sequential improvement in free cash flow through 2026/27 to achieve our target of £250 million in 2027/28.

This means we are still well placed to return £200 million to shareholders off the back of 2026/27 cash generation.

This is an exciting time to assume the role of CFO at JM. We have a clear view of how we want to run the business going forward and a generational opportunity, following the divestment of CT, to set JM for the future and simplify the way we work.

The progress and improvements made in 2025/26 are stepping stones to delivery on our targets for 2026/27, 2027/28 and beyond. The results in Clean Air margins, cost and working capital management, and the consequent improvement in free cash flow, are particular highlights and demonstrate our progress, while the completion of our new refinery in the UK will allow us to mirror this in PGM Services. I look forward to working with my team, my senior leadership colleagues and the wider JM workforce to continue executing against our commitments, maintaining consistency and continuity on the journey ahead.

Alastair Judge

Chief Financial Officer

1. Cash flow defined as underlying operating profit plus depreciation and amortisation (EBITDA), less capital expenditure and net working capital movements

Financial performance review

		Underlying results (continuing) ^{3,4}				Reported results (continuing)		
		Year ended 31 st March				Year ended 31 st March		
		2026	2025 ⁵	% change	% change, pro forma ² , constant FX rates	2026	2025 ⁵	% change
Revenue	£m							
Sales excl. precious metals ⁶	£m	2,555	2,831	-10	-7	12,573	11,022	+14
Operating profit	£m	340	299	+14	+14	161	454	-65
Profit before tax	£m	271	245	+11		91	403	-77
Profit after tax ⁷	£m	216	195	+11		(91)	310	-129
Basic earnings per share ⁸	pence	128.5	110.7	+16		(54.1)	176.0	-131
Ordinary dividend per share	pence					77.0	77.0	-
Free cash flow ¹	£m					168	64	
Cash from operating activities	£m					495	330	
Net debt	£m					880	810	

Notes:

- Free cash flow defined as net cash flow from operating activities (excluding disposal related costs) after net interest paid, net purchases of non-current assets and investments and the principal elements of lease payments, adjusted to reflect the classification of Catalyst Technologies as a discontinued operation. 2024/25: £64 million inflow.
- Pro forma financials exclude Catalyst Technologies (discontinued) and Value Businesses (divested) as shown on page 21.
- 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 2025/26 results converted at 2024/25 average rates. In 2025/26, the translational impact of exchange rates on group sales and underlying operating profit (continuing) was an adverse impact of £37 million, and nil respectively.
- Underlying is before gain on significant legal proceedings, profit on disposal of businesses, share of profits or losses from non-strategic equity investments, major impairment and restructuring charges, one-off tax transactions and, where relevant, related tax effects. For definitions and reconciliations of other non-GAAP measures, see pages 195 to 197.
- 2024/25 is restated to reflect the classification of Catalyst Technologies as a discontinued operation following the agreed sale, and the group's updated reporting segments where a small business outside of the sale perimeter has moved from Catalyst Technologies to PGM Services.
- Revenue excluding cost of precious metals to customers and the precious metal content of products sold to customers.
- Underlying profit after tax is adjusted by £45 million for the effect of deferred tax asset not recognised following the agreed sale of Catalyst Technologies.
- Based on weighted average number of shares in issue of 168.2 million in 2025/26 (2024/25: 176.0 million). Reduction due to share buyback programme from 3rd July 2024 to 12th December 2024.