

Building a stronger, more resilient JM



Richard Pike
Chief Financial Officer

Since joining JM in February 2025, I have been struck by the passion and capability of our people together with the strong sense of purpose and the technical backbone to the business. As I joined, it was also clear that we were facing into a very pivotal point in time for the company. The organisation has clearly been working hard over the last three years, to deliver on the strategic milestones set out by Liam in 2022. But we are now entering a new phase for the company, aimed at enabling a step change in cash generation and shareholder value creation. I am excited by the opportunity to build on what has been achieved over the last 208 years (and particularly the last three) and to help the organisation step change in the next phase of its journey.

The divestment of our Catalyst Technologies (CT) business at a highly attractive valuation of £1.8 billion, is a pivotal milestone for JM. It is a testament to the transformation programme's success in increasing CT's value as an asset, providing the platform for separation as well as clearly showing our disciplined approach to portfolio management.

From a financial perspective, this transaction has an EV/EBITDA multiple of 15.5x based on 2024/25 EBITDA, with a transaction multiple of 13.3x EBITDA based on an agreed adjusted 2024/25 EBITDA of £136 million for the standalone CT business. Following completion, the transaction will enable around £1.4 billion to be returned to shareholders following regulatory clearance. This is in addition to the Medical Device Components business disposal that completed earlier in the year, which generated a profit on disposal of £491 million and underpinned the share buyback of £250 million, completed in December 2024.

Over the next couple of years, our primary focus will be to build on the transformation activity to date and materially reduce costs, capital expenditure and working capital levels. Together with increasing our targeted profitability in Clean Air and delivering a world-class refinery in Royston, UK during 2026/27, this will underpin our ability to deliver a share buyback programme that we will commence during 2026/27, in addition to maintaining our annual dividend.

Executing in a challenging environment

Looking back on the year, our performance was in line with guidance, despite a challenging market backdrop. Revenue was £11,674 million, a decrease from prior year driven by lower precious metal prices and the divestment of Value Businesses. Underlying operating profit, excluding divestments, was up 6% at constant PGM prices and constant currency. Our results were primarily driven by self-help actions, including approximately £80 million of cost savings from our group transformation programme. These actions were critical in offsetting macroeconomic headwinds and delivering sustainable improvements.

Clean Air underlying operating profit grew 3%, with margins expanding 120 basis points to 11.8%, and importantly in the context of our ongoing margin targets, rose to 13.2% in the second half of the financial year. Clean Air has generated £367 million of cash during the year, with a cumulative £2.4 billion in the four years since 2022, and remains on track to deliver at least £2.1 billion of further cash by 2031. This was supported by the ongoing excellence and transformation programme activity which more than offset the impact of lower volumes in the global automotive market.

PGM Services delivered a significantly stronger second half with underlying operating profit improving from £51 million in the first half to £98 million in the second half. This half-on-half improvement was driven by higher sales, increased metal recoveries and further operational efficiencies.

Catalyst Technologies achieved strong performance, with underlying operating profit growth of 24% and a margin of 13.8%. This strong result was underpinned by growth in licensing and higher first-fill catalyst volumes.

Hydrogen Technologies delivered a significantly lower underlying operating loss of £39 million in the year, despite lower sales. This improvement reflects our commitment to rigorous cost control and enhanced commercial performance.

On a reported basis, operating profit increased from £249 million in the prior year to £538 million reflecting a £482 million profit on disposal, principally Medical Device Components which completed in the first half. This was partly offset by £329 million of major impairment and restructuring charges, comprising an impairment charge of £217 million following a review of assets in the year, and restructuring charges of £112 million. The impairment charge of £217 million included a £134 million impairment to Hydrogen Technologies reflecting the further slowdown in the transition to hydrogen fuel cell and electrolyser technologies. There was also a £27 million impairment in PGM Services following a strategic review of the China refining plant. We also recognised a £27 million impairment primarily of Clean Air assets as the business continues to

Chief Financial Officer's statement continued

consolidate its existing capacity, and £29 million impairment to IT assets following a review of our IT strategy. The restructuring charges of £112 million mainly related to group wide transformation programme and divisional restructuring.

We remain financially robust as we shift to the next stage of our journey. Net debt stood at £799 million as of 31st March 2025, compared to £951 million a year earlier. It is important to note that in February 2025, we experienced unscheduled downtime in PGM Royston, our ageing UK PGM refinery. This resulted in a temporary increase in precious metal working capital. So it's testament to the actions within the PGM Services and wider businesses that we were able to offset this in large part. This has enabled us to deliver year-end Net debt/underlying EBITDA of 1.4¹, which is slightly below the lower end of our targeted leverage range of 1.5-2.0x. On completion of the divestment of our CT business announced on 22nd May 2025, we will target a leverage ratio of 1.0-1.5x Net debt / underlying EBITDA.

Free cash flow was £521 million, compared to £189 million in the prior year, largely reflecting net proceeds from the disposal of Medical Device Components. Excluding divestments, free cash flow was £36 million², with a cash conversion rate of 9%. This remains a key area of focus as we move forward.

A clear path forward

This year's results underline the importance of aligning financial discipline with our broader strategic goals. Through the hard work of our teams, we have laid the groundwork for a JM that not only meets the challenges of today but is poised to deliver long-term value for all stakeholders. I look forward to helping the business build on this momentum and move confidently into the future.

Richard Pike

Chief Financial Officer

Notes:

1. Including post tax pension benefits
2. Free cash flow for the year less proceeds from disposal of businesses and then add back disposal costs paid tax paid on those disposals and pension contributions in respect of the disposal.

Financial performance review

	Reported results			Underlying results ^{1,2}			
	Year ended 31 st March			Year ended 31 st March			% change, ex-divestments ³ , constant FX rates
	2025	2024	% change	2025	2024	% change	
Revenue	£m	11,674	12,843	-9			
Sales excl. precious metals ⁴	£m				3,470	3,904	-11
Operating profit	£m	538	249	+116	389	410	-5
Profit before tax	£m	486	164	+196	334	328	+2
Profit after tax	£m	373	108	+245	263	260	+1
Basic earnings per share	pence	211.8	58.6	+261	149.2	141.3	+6
Ordinary dividend per share	pence	77.0	77.0	-			
Free cash flow	£m	521	189				
Cash from operating activities	£m	381	592				
Net debt	£m	799	951				

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 2024/25 results converted at 2023/24 average rates. In 2024/25, the translational impact of exchange rates on group sales and underlying operating profit was an adverse impact of £58 million and £11 million respectively.
2. Underlying is before profit or loss on disposal of businesses, amortisation of acquired intangibles, share of profits or losses, major impairment and restructuring charges from non-strategic equity investments, and where relevant, related tax effects. For definitions and reconciliations of other non-GAAP measures, see pages 177 to 179.
3. Divestment of Value Businesses which is now complete.
4. Revenue excluding costs of precious metals to customers and the precious metal content of products sold to customers.

Financial performance review continued

Summary of underlying operating results

Unless otherwise stated, commentary refers to performance at constant FX rates¹. Percentage changes in the tables are calculated on rounded numbers.

Sales (£ million)	Year ended 31 st March		% change	% change, constant FX rates
	2025	2024		
Clean Air	2,319	2,581	-10	-8
PGM Services	464	462	-	+1
Catalyst Technologies	669	578	+16	+17
Hydrogen Technologies	60	71	-15	-15
Eliminations	(79)	(114)	n/a	n/a
Sales excluding Value Businesses	3,433	3,578	-4	-2
Value Businesses ²	37	326	n/a	n/a
Total sales	3,470	3,904	-11	-10

Underlying operating profit (£ million)	Year ended 31 st March		% change	% change, constant FX rates
	2025	2024		
Clean Air	273	274	-	+3
PGM Services	149	164	-9	-8
Catalyst Technologies	92	75	+23	+24
Hydrogen Technologies	(39)	(50)	n/a	n/a
Corporate	(87)	(82)	n/a	n/a
Underlying operating profit excluding Value Businesses	388	381	+2	+5
Value Businesses ²	1	29	n/a	n/a
Total underlying operating profit	389	410	-5	-2

Reconciliation of underlying operating profit to operating profit (£ million)	Year ended 31 st March	
	2025	2024
Underlying operating profit	389	410
Profit / (loss) on disposal of businesses ³	482	(9)
Major impairment and restructuring charges ³	(329)	(148)
Amortisation of acquired intangibles	(4)	(4)
Operating profit	538	249

Notes:

1. Growth at constant rates excludes the translation impact of foreign exchange movements, with 2024/25 results converted at 2023/24 average rates. In 2024/25, the translational impact of exchange rates on group sales and underlying operating profit was an adverse impact of £58 million and £11 million respectively.

2. Includes Battery Materials, Battery Systems and Medical Device Components which are all now disposed.

3. For further detail on these items please see page 23.

Business reviews

Clean Air

Resilient performance and materially improved margin despite a challenging market

- Sales down 8% mainly reflecting the decline in global vehicle production across both light and heavy duty
- Underlying operating profit increased 3% and margin expanded 120 basis points to 11.8% with a significant improvement half on half (1H: 10.4% and 2H: 13.2%). This mainly reflected ongoing operational excellence and transformation benefits
- Delivered £367 million of cash from Clean Air in 2024/25, with a cumulative £2.4 billion¹ in the four years since 2021/22. On track to deliver at least £2.1 billion of further cash by 2030/31²

	Year ended 31 st March		% change	% change, constant FX rates
	2025 £ million	2024 £ million		
Sales				
Light duty diesel	1,049	1,094	-4	-2
Light duty gasoline	480	533	-10	-8
Heavy duty diesel	790	954	-17	-16
Total sales	2,319	2,581	-10	-8
Underlying operating profit	273	274	-	+3
Underlying operating profit margin	11.8%	10.6%		
EBITDA margin	14.8%	13.5%		
Reported operating profit	234	237		

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

Performance commentary

Sales were down 8%. This mainly reflected the challenging market backdrop which saw global vehicle production decline across both light and heavy duty, particularly in Europe.

Sales

Light duty diesel

In light duty diesel, sales declined 2%, significantly outperforming the global market which saw a material decline due to continued shifts in consumer behaviour towards gasoline, including hybrids. By region, we saw good sales growth in Asia, but this was more than offset by a decline in Europe whilst the Americas was broadly flat.

We saw good growth in Asia as our largest customers in Japan and India outperformed their respective markets. In Europe, we outperformed the strongly declining market due to the ramp-up of a customer platform, as well as better platform mix. In the Americas, our performance was slightly ahead of the market, largely driven by outperformance of one of our customers.

Financial performance review continued

Light duty gasoline

In light duty gasoline, sales declined 8%, underperforming the global market which saw a modest decline. This largely reflects our performance in Europe, where sales were impacted by underperformance of a customer platform, and a weaker platform mix in China. In North America, historical platform losses were partly offset by the ramp up of other customer platforms.

Heavy duty diesel

Heavy duty diesel sales were down 16%, with declines across all key regions against a backdrop of a challenging market. In Europe, we underperformed the market which declined materially, largely reflecting customer underperformance. In Asia, our performance was mainly driven by China where the market is increasingly competitive. We experienced market share losses and the underperformance of some of our customers, as well as lower pricing. In the Americas, we underperformed the market, largely reflecting our regional mix. Our sales are heavily weighted towards the North American Class 8 truck market which declined, versus the South American market which grew strongly. We underperformed the Class 8 market, driven by underperformance of one of our customers.

In stationary emissions control (our Clean Air Solutions business), we saw sales growth driven by growing demand in marine and backup diesel and natural gas engine applications.

Underlying operating profit

Clean Air delivered a resilient performance. Despite challenging market conditions and lower sales, underlying operating profit grew 3% and operating margin expanded 120 basis points to 11.8%. This reflected benefits from our continued focus on footprint rationalisation, reduction of overheads and operational excellence.

Cash generation

In the year, we delivered £367 million of cash¹. In the four years since 2021/22, we have delivered a cumulative £2.4 billion¹ of cash, of which around one fifth relates to precious metal prices.

Notes:

1. At actual metal prices.

2. Cash target of at least £4.5 billion from 1st April 2021 to 31st March 2031, pre-tax and post restructuring costs. PGM Services

PGM Services

A significantly stronger second half as expected

- Sales grew 1% in the year, with a significant sequential improvement in the second half mainly reflecting higher sales in our refining business and increased metal recoveries
- Underlying operating profit down 8%, with a significant sequential improvement in the second half as expected, driven by higher sales and cost efficiencies (1H: £51 million and 2H: £98 million)

	Year ended 31 st March		% change	% change, constant FX rates
	2025 £ million	2024 £ million		
Sales				
PGM Services	464	462	–	+1
Underlying operating profit	149	164	-9	-8
Underlying operating profit margin	32.1%	35.5%		
EBITDA margin	38.1%	42.0%		
Reported operating profit	67	149		

PGM Services is the world's largest recycler of platinum group metals (PGMs). This business is enabling the energy transition through developing new PGM applications and providing circular solutions. PGM Services provides a strategic service to the group, supporting our other businesses with security of metal supply and the manufacture of value-add PGM products.

Performance commentary

Sales

Sales grew 1% in the year, with a significantly improved second half performance mainly reflecting higher sales in our refining businesses. In refining, we benefited from higher volumes from industrial customers as well as metal recoveries linked to our asset renewal programme. This was partly offset by softness in the auto scrap recycling market.

In our products business, sales were slightly down overall year-on-year. Whilst we saw higher volumes from some of our industrial, pharmaceutical and agrochemical customers, this was offset by lower demand from the auto sector.

In our trading business we had lower sales year-on-year, as PGM markets experienced lower volumes and reduced price volatility. Average PGM prices have normalised over the past 18-24 months and remained broadly stable in the period.

Underlying operating profit

Underlying operating profit was down 8%. Following a weak first half performance, we delivered a significant sequential improvement in underlying operating profit in the second half as expected (1H: £51 million and 2H: £98 million.) This reflected higher sales (increased refining volumes and higher metal recoveries) as well as efficiencies as we optimised our cost base.

Financial performance review continued

Catalyst Technologies

Strong sales and profit growth, and further progress in sustainable technologies

- Sales up 17% with good growth in Catalysts driven by higher first fill volumes, and strong growth in Licensing
- Won nine large-scale projects in our sustainable technologies portfolio since 1st April 2024, on track against our strategic milestone to win 20 additional projects by 2025/26
- Underlying operating profit grew 24% and margin expanded 80 basis points to 13.8% driven by a strong contribution from Licensing and higher Catalyst volumes

	Year ended 31 st March		% change	% change, constant FX rates
	2025 £ million	2024 £ million		
Sales				
Catalysts	563	518	+9	+10
Licensing	106	60	+77	+77
Total sales	669	578	+16	+17
Underlying operating profit	92	75	+23	+24
Underlying operating profit margin	13.8%	13.0%		
EBITDA margin	17.8%	17.3%		
Reported operating profit	86	70		

Catalyst Technologies targets high growth, high return opportunities in 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.

Performance commentary

Sales

Sales were up 17% with good growth in Catalysts – which represents the majority of sales – and strong growth in Licensing. In particular, we delivered a good performance in China, with significant new plant builds in recent years driving higher first fill volumes in Catalysts and strong growth in our existing Licensing portfolio. In our sustainable technologies portfolio, sales almost trebled.

Catalysts: good growth driven by first fills

In Catalysts, sales grew 10% driven by higher first fill volumes as new plants came onstream, primarily in China. We also saw increased refill volumes driven by the restart of production at one of our plants following an extended shutdown, as well as new business wins in methanol. These drivers more than offset normalised demand in formaldehyde following a strong prior year, and a weaker mix in additives.

Licensing: strong growth in our existing and sustainable technologies portfolios

Licensing sales – which can be lumpy in nature – were up 77% on the prior year. We delivered strong growth in our existing core technology portfolio in China. In sustainable technologies,

sales almost trebled as we recognised initial income from previously announced project wins in low carbon hydrogen and sustainable fuels.

In the year, we won nine new large-scale projects in our sustainable technologies portfolio, tracking well against our strategic milestone of 20 wins in the two years to the end of 2025/26:

- A large-scale low carbon hydrogen project in Europe
- A waste-to-methanol project in Europe
- HIF Global's Paysandú e-methanol plant in Uruguay
- ETFuels' e-methanol plant in Texas, US
- Reolum's La Robla Nueva Energia e-methanol project in Spain
- Willis Sustainable Fuels' sustainable aviation fuel project in Teesside, UK
- SunGas Renewables' Beaker Lake bio-methanol plant in Louisiana, US
- DG Fuels' second sustainable aviation fuel facility – located in Nebraska, US
- A sustainable methanol project in China

Taking into account previously announced wins, we have secured 19 sustainable technologies projects globally since 1st April 2022, highlighting the strength of our technology offering and market positioning. Of these, we are actively working on 17 projects which together are worth more than £500 million in sales over five years, subject to project completion.

We have a healthy pipeline of more than 150 sustainable technologies projects. To support our project wins and pipeline of opportunities, we increased our engineering capacity by 26% in the year, well on track against our target of 30% by the end of 2025/26 (31st March 2024 baseline).

Underlying operating profit

Underlying operating profit grew 24% to £92 million and margin expanded 80 basis points to 13.8%. This was largely driven by a strong contribution from higher margin Licensing and higher Catalyst volumes.

Sale of Catalyst Technologies

As announced on 22nd May 2025, we expect the agreed sale of Catalyst Technologies to Honeywell to complete by the first half of calendar year 2026.

Hydrogen Technologies

Significantly lower operating loss benefiting from rigorous cost control

- Sales declined 15% due to lower demand following a slowdown in the development of the green hydrogen market and customer de-stocking in the first half
- Significantly lower operating loss of £39 million reflected continued action to reduce costs and strengthened commercial excellence. Operating loss in the second half halved compared to the first half; on track to achieve breakeven by the end of 2025/26
- Reduced investment in line with the pace of market development; with sufficient manufacturing capacity in the UK, no further growth investment planned and only low maintenance capex from 2025/26

Financial performance review continued

	Year ended 31 st March		% change	% change, constant FX rates
	2025 £ million	2024 £ million		
Sales				
Hydrogen Technologies	60	71	-15	-15
Underlying operating loss	(39)	(50)	n/a	n/a
Underlying operating loss margin	n/a	n/a		
Reported operating loss	(184)	(60)		

In Hydrogen Technologies, we provide performance-defining components across the value chain for fuel cells and electrolysers, including catalyst coated membranes (CCMs). Our ambition is to be the market leader in CCMs, focusing on PEM (proton exchange membrane) technology.

Performance commentary

Sales

Sales were down 15% to £60 million, primarily driven by lower electrolyser sales. This reflected customer de-stocking in the first half and a slowdown in the pace of development of the green hydrogen market driven by decelerating momentum around regulatory incentives, lack of hydrogen infrastructure and high cost compared to incumbent technologies.

In fuel cells, the volume decline was mostly offset by strengthened commercial excellence as we recognised revenue from fulfilled contractual obligations.

We continue to make good progress diversifying our customer base through strategic partnerships. In the year, we signed three new partnerships with leading market players, including a long-term collaboration with Bosch to develop and produce catalyst coated membranes for fuel cell stacks.

Underlying operating loss

Underlying operating loss of £39 million was significantly lower than the prior year, driven by rigorous cost control and strengthened commercial excellence as we recognised revenue from fulfilled contractual obligations.

As we adapted our strategy to reflect the pace of market development, we took action to reduce costs, including reducing headcount by over 30%. We also continued to improve our manufacturing efficiency, increasing production yields from our plant in Swindon, UK. We continue to expect Hydrogen Technologies to reach operating profit breakeven by the end of 2025/26 and be cash flow positive in 2026/27¹.

Corporate

Corporate costs were £87 million, an increase of £5 million from the prior year, largely reflecting higher inflation and professional fees.

Notes:

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

Financial review

Research and development (R&D)

R&D spend was £193 million in the year, representing c.5% of sales excluding precious metals. This was down from £204 million in the prior year, largely driven by reduced R&D spend in Clean Air, and in Hydrogen Technologies reflecting the slowdown in the pace of development of the green hydrogen market.

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 84% of the non-sterling denominated underlying operating profit in the year ended 31st March 2025, were:

	Share of 2024/25 non-sterling denominated underlying operating profit	Average exchange rate Year ended 31 st March		% change
		2025	2024	
US dollar	22%	1.28	1.26	+2
Euro	44%	1.19	1.16	+3
Indian rupee	10%	108	104	+4
Chinese renminbi	8%	9.21	9.01	+2

For the year, the impact of exchange rates decreased sales by £58 million and underlying operating profit by £11 million.

If average exchange rates for May 2025 month to date (£:US\$ 1.33, £:€ 1.19, £:INR 114, £:RMB 9.59) are maintained throughout the remainder of the year ending 31st March 2026, foreign currency translation will have an adverse impact of c.£5 million on underlying operating profit.

A one cent change in the average US dollar rate, a one cent change in the average Euro rate, a one rupee change in the average Indian rupee rate, and a ten fen change in the average Chinese renminbi rate would each impact operating profit by approximately £0.9 million, £1.9 million, £0.2 million and £0.3 million, respectively.

Efficiency savings

In the year, we delivered c.£80 million of savings through our group transformation programme announced in May 2022 and incurred cash costs of c.£55 million. This marks the completion of the programme, with cumulative benefits in line with our £200 million target. Total associated cash costs to deliver the programme were c.£130 million (including £30 million of capex), in line with our guidance.

£ million	Savings delivered to 31 st March 2025	Associated cash costs incurred to 31 st March 2025
Transformation programme (announced in May 2022)	200	130

Financial performance review continued

Items outside underlying operating profit

Non-underlying income / (charge)	Year ended 31 st March	
	2025 £ million	2024 £ million
Profit / (loss) on disposal of businesses	482	(9)
Major impairment and restructuring charges	(329)	(148)
Amortisation of acquired intangibles	(4)	(4)
Total	149	(161)

The £482 million profit on disposal of businesses largely relates to the disposal of our Medical Device Components business which completed on 1st July 2024.

There was a charge of £329 million relating to major impairment and restructuring costs, comprising impairment charges of £217 million and £112 million of restructuring costs. The impairment charge of £217 million includes:

- £134 million impairment to Hydrogen Technologies reflecting the further slowdown in the transition to hydrogen fuel cell and electrolyser technologies, cessation of construction of a plant in the US due to lower demand forecasts, and exit from the fuel cell market in China
- £27 million in PGM Services following a strategic review of the China refining plant and also our exit from the fuel cell market in China
- £27 million impairment primarily of Clean Air assets as the business continues to consolidate its existing capacity
- £29 million impairment to IT assets following a strategic review of and subsequent changes to the IT operating model and the discontinuation of certain divisional IT projects. The restructuring costs of £112 million related to our group wide transformation programme and divisional restructuring.

The triggering events for these impairments all occurred during the year ended 31st March 2025.

Finance charges

Net finance charges in the year amounted to £55 million, down from £82 million in the prior year. The decline of £27 million largely reflects a £10 million benefit from hedging instruments, an £8 million movement relating to interest on tax provisions and an £8 million metal interest benefit.

Taxation

The tax charge on underlying profit before tax for the year ended 31st March 2025 was £71 million, an effective underlying tax rate of 21.3%, broadly in line with the prior year (2023/24: 20.8%).

The effective tax rate on reported profit for the year ended 31st March 2025 was 23.3%. This represents a tax charge of £113 million, compared with £56 million in the prior year.

We expect the effective tax rate on underlying profit for the year ending 31st March 2026 to be around 22%.

Post-employment benefits

IFRS – accounting basis

At 31st March 2025, the group's net post-employment benefit position, was a surplus of £203 million. The cost of providing post-employment benefits in the year was £39 million, down from £53 million in the prior year driven by a £14 million past service credit.

Capital expenditure

Capital expenditure was £376 million¹ in the year, 2.1 times depreciation and amortisation. A key project in the year was investment in our new world-class PGM refinery.

Strong balance sheet

Net debt as at 31st March 2025 was £799 million, a decrease from £951 million at 31st March 2024 and £783 million at 30th September 2024. Net debt is £17 million higher when post tax pension deficits are included. The group's net debt (including post tax pension deficits) to EBITDA was 1.4 times (31st March 2024: 1.6 times, 30th September 2024: 1.4 times), which was slightly below our target range.

We use short-term metal leases as part of our mix of funding for working capital, which are outside the scope of IFRS 16. Precious metal leases amounted to £202 million as at 31st March 2025 (31st March 2024: £197 million, 30th September 2024: £197 million).

Free cash flow and working capital

Free cash flow was £521 million in the year, compared to £189 million in 2023/24, primarily driven by net proceeds from the disposal of Medical Device Components. Excluding the impact of divestments, free cash flow² was £36 million, representing underlying cash conversion³ of 9%.

Excluding precious metal, average working capital days to 31st March 2025 increased to 62 days compared to 60 days to 31st March 2024.

Notes:

1. Capital expenditure of £373 million as reported in the Consolidated Statement of Cash Flows. Difference reflects movements for capital accruals.
2. Net cash flow from operating activities after net interest paid, net purchases of non-current assets and investments, dividends received from joint ventures and associates and the principal elements of lease payments, adjusted for the impact of the disposal of Value Businesses.
3. Cash conversion defined as free cash flow² as a percentage of underlying operating profit.

Financial performance review continued

Going concern

The directors have reviewed a range of scenario forecasts for the group and consider it appropriate to adopt the going concern basis of accounting in preparing these accounts.

As at 31st March 2025, the group maintains a strong balance sheet with around £1.9 billion of available cash and undrawn committed facilities. Free cash flow was strong in the year at £521 million and net debt reduced by £152 million. Net debt at 31st March 2025 was £799 million at 1.4 times net debt (including post tax pension deficits) to underlying EBITDA which was just below our target range.

While inflation has been decreasing and interest rates have started to fall, significant headwinds remain due to ongoing global auto sector weakness, persistent geopolitical tensions and political uncertainty in the US, particularly about tariffs. Despite these challenges, the group demonstrated resilience during the period, with underlying operating profit (at constant exchange rate and excluding the impact of divestments) growing mid-single digit. For the purposes of assessing going concern, we have revisited our financial projections using the latest budget for our base case scenario. The base case scenario was stress tested to a severe-but-plausible downside case which reflects lower demand across our markets to account for significant disruption from external factors and a deep recession.

The severe-but-plausible case for Clean Air modelled scenarios assuming a smaller light and heavy duty vehicle market from reduced vehicle production and/or market consumer demand disruption, which could be caused by tariffs or other general changes to the market environment, or greater share of zero emission vehicles in market. This was assumed to result in a 10% drop in sales. For PGMS and Catalyst Technologies, it also assumed a reduction in sales and associated operating profit based on adverse scenarios using external and internal market insights.

The group has a robust funding position comprising a range of long-term debt and a £1 billion five year committed revolving credit facility newly secured in April 2025 and maturing in April 2030. There was £874 million of cash held in money market funds or placed on deposit with highly rated banks. Of the existing loans, £260 million of term debt and £40 million of other bank loans maturing between August 2024 and June 2025 were re-financed in December 2024 when the group issued c.£300 million of loan notes in the USPP market. A further £109 million of USPP debt will mature in the next 15 months. 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, the group expects to be able to

access additional funding in its existing markets if required but the going concern conclusion is not dependent 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.

In the base case and severe but plausible scenarios, the group has sufficient headroom against committed facilities and key financial covenants are not in breach during the going concern period. Only in the unlikely event of all the additional risks identified above being overlaid on top of the severe but plausible trading scenario is there a very small breach of the financial covenants. This could be easily mitigated by reducing capital expenditure, renegotiating payment terms or reducing future dividend distributions. To give further assurance on liquidity, we have also undertaken a reverse stress test on our base case for full year to March 2026 and March 2027 to identify what additional or alternative scenarios and circumstances would threaten our current financing arrangements. This shows that we have headroom against either a further decline in profitability well beyond the severe-but-plausible scenario, or a significant increase in borrowings, or a significant increase in interest charges. Furthermore, as mentioned above, the group has other mitigating actions available which it could utilise to protect headroom. The directors have also considered forecasts which reflect the impact of the sale of the Catalyst Technologies business in the first half of calendar year 2026.

Having considered the scenarios outlined above, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

→ [Refer to page 54 for more information on Going concern and Viability.](#)

Financial performance review continued

Group outlook for the year ending 31st March 2026

For 2025/26 we expect mid single digit percentage growth in group underlying operating profit at constant precious metal prices and constant currency, supported by self-help measures.¹ This assumes a full year of contribution from Catalyst Technologies. Whilst we expect good growth in the first half, overall performance will continue to be weighted towards the second half.

In Clean Air we expect modest growth in operating profit, with a margin of 14-15%. This is based on external data which suggest a 4% decline in global light duty vehicle production for 2025/26, before any potential impact on customer demand due to tariffs. Despite a challenging market, operating profit growth and margin expansion will be driven by our ongoing operational excellence and transformation benefits. In PGM Services, we expect lower operating profit largely reflecting reduced metal recoveries. In Hydrogen Technologies, we continue to expect to achieve operating profit breakeven by the end of 2025/26. Assuming a full year of contribution from Catalyst Technologies, we expect this business to deliver good operating profit growth in 2025/26.²

If PGM (platinum group metal) prices remain at their current level³ for the remainder of 2025/26, we expect a limited effect on full year operating profit compared with the prior year.⁴

At current foreign exchange rates⁵, translational foreign exchange movements for the year ending 31st March 2026 are expected to adversely impact underlying operating profit by c.£5 million.

We are mindful of the current uncertain macroeconomic environment including the potential impact of the evolving tariff situation and its impact on our customers. We remain well positioned given our global manufacturing footprint enabling local supply and, strong long-standing and flexible customer and supplier relationships. We are undertaking a range of mitigating actions, including rebalancing production to leverage our global footprint, adjusting supply chains, customer negotiations and engagement with the relevant governments. On the basis of the current tariff proposals⁶, post our mitigating actions, we do not expect the direct impact of tariffs to be material. The indirect impact of the changing trade landscape on customer demand in our key markets remains uncertain at this time.

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 17th July 2025. 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 5th August 2025, with an ex-dividend date of 5th June 2025.

Notes:

1. Baseline is underlying operating profit excluding Value Businesses (£388 million in 2024/25).
2. 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.
3. Based on average precious metal prices in May 2025 (month to date).
4. 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 million and £0.5 million respectively on full year 2025/26 underlying operating profit in PGM Services. This assumes no foreign exchange movement.
5. Based on average foreign exchange rates for May 2025 month to date (£:US\$ 1.33, £:€ 1.19, £:RMB 9.59, £:INR 114).
6. As at 16th May 2025.